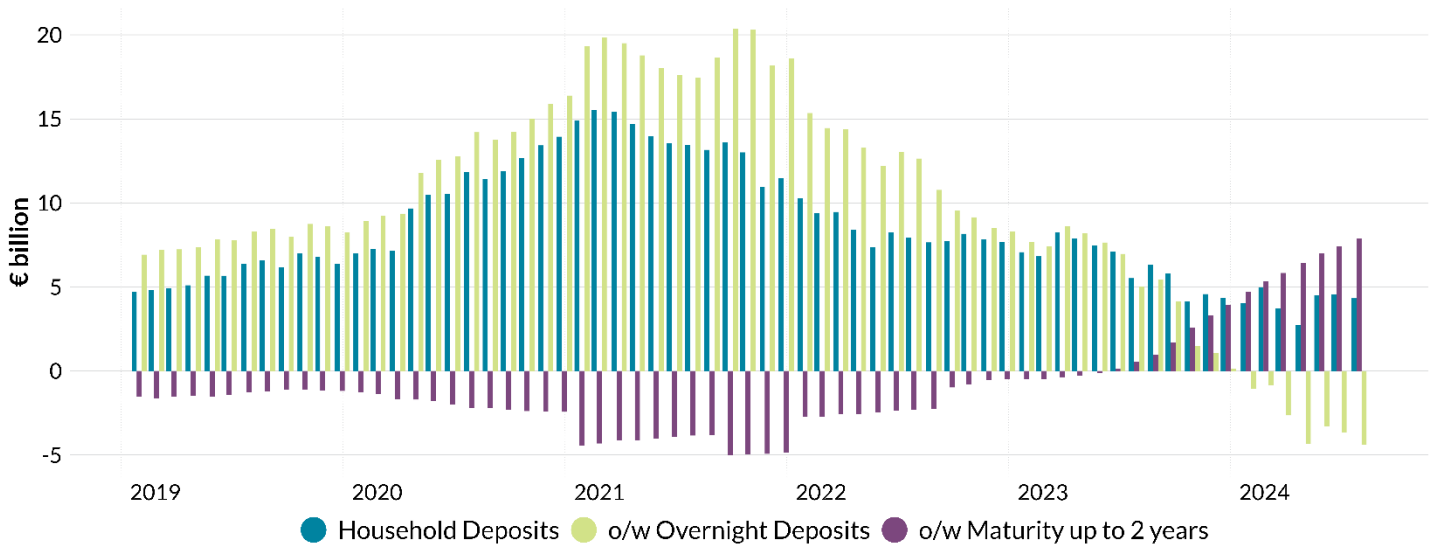




## Money and Banking Statistics<sup>1</sup> – July 2024

**Household deposits** increased by €4.3 billion, or 2.9 per cent, in the year to end-July 2024. While **overnight deposits** fell by 3.1 per cent in the year to end-July, a record low only matched in April 2024, this was offset by another significant increase in **deposits with an agreed maturity of up to 2 years**. In line with the upward trend observed in the last year for that category, flows in the year to end-July stood at €7.9 billion, marking a record-high since reporting the first positive annual flow in June 2023. This preference for term deposits is evident since the beginning of the year, and is related to higher interest rates on offer on these deposit types.

**Annual household deposits flows remain stable in July. Overnight deposits’ annual growth remained negative for the seventh month in a row while term deposit flows keep growing steadily.**



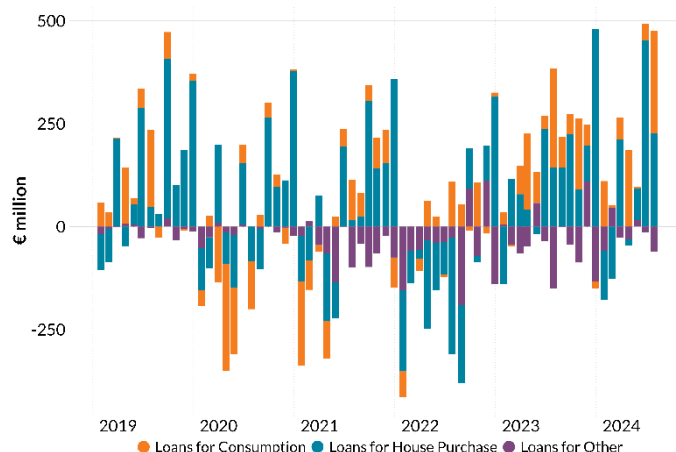
Source: Money and Banking [Table A.11.1](#)

<sup>1</sup> See notes on page 4.

### Developments in Household credit and deposits

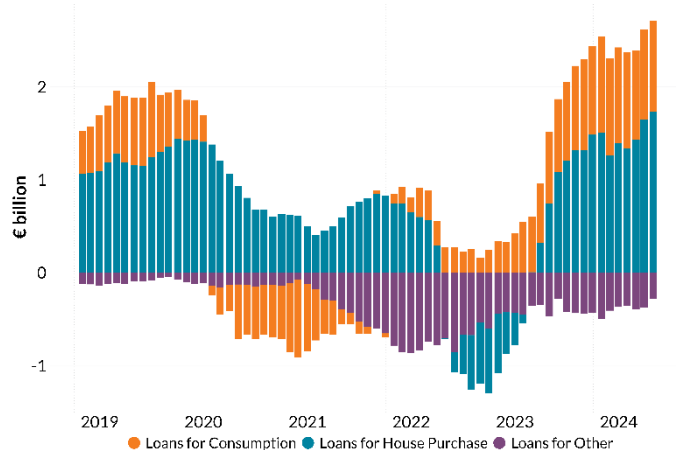
- **Net lending to households** was positive in July 2024, at €416 million (Chart 1). This was driven by positive movements in **consumer lending** and **loans for house purchase** worth of €250 million and €227 million, respectively. **Loans for other purposes**, on the other hand, dropped by €60 million in the month.
- **In annual terms, net lending to households** remained positive, with flows of €2.4 billion in the year to end-July, or an annual growth rate of 2.4 per cent (Chart 2). This falls to 2.3 per cent after accounting for the impact of repayments on securitised loans. Similarly to previous months, this was mostly driven by **loans for house purchase**, accounting for €1.7 billion in the last 12 months, and to a lower extent, to **consumer lending**, which accounted for almost €1 billion in the same period.
- **The annual change in loans for house purchase<sup>2</sup>**, including on-balance sheet and securitised loans, was 1.9 per cent in the year to end-July 2024 (see [Table A.6](#)). This is a record high, in line with historically high rates observed in previous months.
- **Household deposits** decreased by €256 million in July 2024 (Chart 3) and stood at €156 billion at the end of the month. This was mostly driven by a €1 billion reduction in **overnight deposits** during the month, partially offset by a €824 million increase in **term deposits** in the month.
- On an annual basis, **household deposits** recorded a net increase of €4.3 billion, or 2.9 per cent, in the year to end-July. This was driven by **deposits with an agreed maturity up to 2 years**, which increased by €7.9 billion, offsetting the seventh annual drop in a row in **overnight deposits**, which fell by €4.4 billion over the last 12 months.

**Chart 1: Loans to Households (excluding securitised loans); monthly net flows by lending purpose**



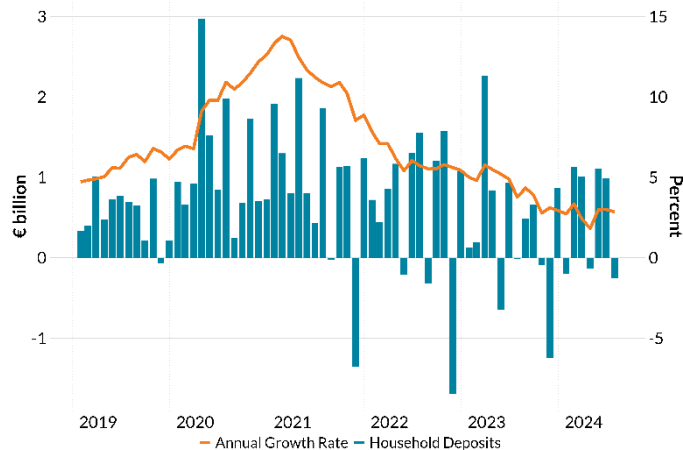
Source: Money and Banking [Table A.1](#)

**Chart 2: Loans to Households (excluding securitised loans); annual net flows by lending purpose**



Source: Money and Banking [Table A.1](#)

**Chart 3: Deposits from Irish resident households; monthly net flows and annual growth rate**



Source: Money and Banking [Table A.11.1](#)

<sup>2</sup> See Note 4

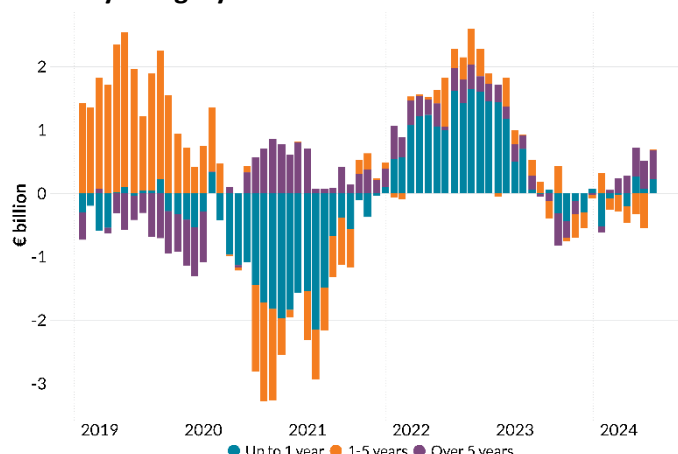
### Developments in NFC credit and deposits

- **Net lending to non-financial corporations (NFCs)** turned positive in July 2024, increasing by €331 million during the month, and was mostly driven by medium term lending. On an annual basis, NFC lending flows turned positive again, increasing by €695 million, or 2.4 per cent, in the year to end-July. Annual flows of NFC lending increased across all maturities. In contrast with monthly developments, positive annual flows were mostly driven by short and longer term loans, with a €226 million and a €456 million contribution in the year to end-July, respectively (Chart 4).
- **NFC deposits** increased by €5.4 billion in July 2024, compared to a negative flow of €3.3 billion in the previous month. In annual terms, NFC deposit flows remained positive at €4.8 billion, or 6 per cent, in the year to end-July. This is the highest annual growth since July 2023, when NFC deposits increased by €6.1 billion, or 8.2 per cent.

### Other developments in the period

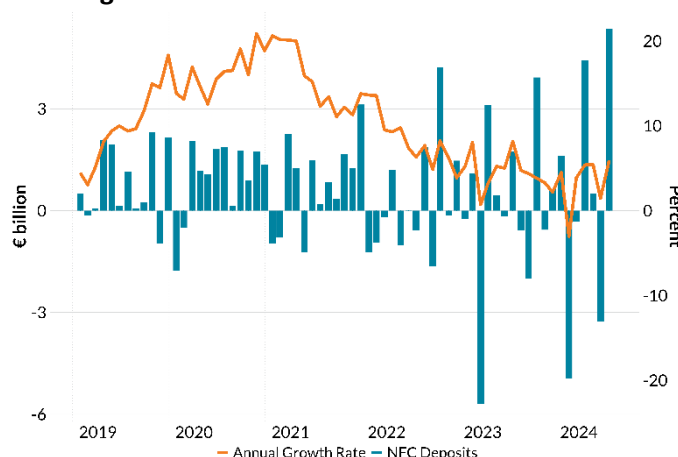
- **Total bank lending** to the Irish private sector increased by €2.6 billion, or 1.8 per cent, in the year to end-July (Chart 6), and the stock stood at €147.9 billion at the end of the month.
- In annual terms, total flows were driven by loans to **households** and to **NFCs**, which contributed with €3.1 billion in the year to end-July, as mentioned in the relevant sections.
- On the other hand, lending to **Insurance Corporations and Pension Funds (IC/PF)** and to **other financial intermediaries (OFIs)** had a negative contribution, each recording net outflows of €51 million and €430 million, respectively.

Chart 4: Loans to NFCs; annual net flows by original maturity category



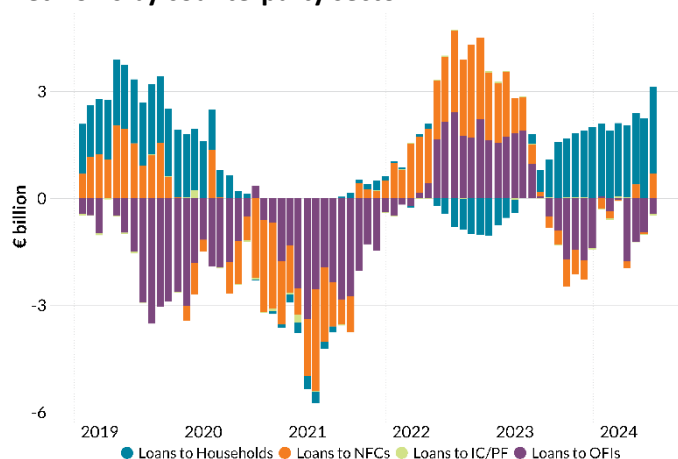
Source: Money and Banking Table A.5

Chart 5: Deposits from NFCs; monthly net flows and annual growth rate



Source: Money and Banking Table A.1

Chart 6: Bank lending to the Irish Private Sector; annual net flows by counterparty sector



Source: Money and Banking Table A.5

**Note 1:**

Money and Banking statistics cover all credit institutions resident in Ireland. This includes licensed banks, building societies and, since January 2009, credit unions. A resident office means an office or branch of the reporting institution which is located in the Republic of Ireland. Data are reported in respect of resident office business only. Recent data are often provisional and may be subject to revision. For further detail, please see the [Money and Banking](#) webpage for:

- An extensive set of [Money and Banking Tables](#);
- A list of [Irish Resident Credit Institutions](#);
- [Money and Banking statistics Explanatory Note](#).

Irish-headquartered banks refers to institutions whose ultimate parent entity is resident in Ireland.

**Note 2:**

A number of lenders have agreed payment breaks with their customers since the onset of the COVID-19 crisis. These breaks are likely to significantly affect the Money and Banking lending data in this period, predominantly by keeping outstanding loan balances higher than they would be, had repayments followed their initial schedule. As well as this, end-quarter months' data is affected by quarterly interest capitalisation, which increases balances in on-quarter months.

**Note 3:**

Convenience credit debt is defined as the credit granted at an interest rate of 0 per cent in the period between payment transaction(s) undertaken with the card during one billing cycle and the date at which debit balances from the specific billing cycle becomes due. Extended credit debt is defined as the credit granted after the due date(s) of the previous billing cycle(s) has/have passed, for which an interest rate is charged.

**Note 4:**

**Treatment of securitised loans**

As a result of an update to the ECB Regulation *'on the statistical reporting of balance sheet items of credit institutions and of the monetary financial institutions sector (recast) (ECB/2021/2)'*, there have been changes to how certain securitised loans are required to be classified for the purposes of statistical reporting. The below treatment, allowed under the previous

Regulation, is no longer permitted under the updated Regulation:

*'MFIs (...) may be allowed by their NCB to exclude from the stocks (...) any loans disposed of by means of a securitisation in accordance with national practice (...)'*

The removal of this clause means that banks are now required to report all previously excluded securitised balances within their on-balance sheet stocks of outstanding loans.

This has resulted in an increase in the on-balance sheet stock of house purchase loans in tables such as Table A.1 and Table A.4. These securitised loans were already captured in Table A.6, which combined on-balance sheet and securitised loans since the series began in January 2003. This change does not impact on published transactions and growth rates for January 2022. As a result of this change, we will be discontinuing publication of confidential series within table A.6 in the future.

**Note 5:**

In March 2023 the outstanding amounts and transactions of domestic household deposits increased following the entry of a credit institution into the Irish market. Without this addition the household deposit growth in the year would have been lower still.

**Statistical classification of sole proprietors**

In line with their treatment in ESA 2010, the Central Bank is harmonising the treatment of sole proprietors by reporting agents across various datasets. This has resulted in a reclassification of loans and deposits from the NFC to the Household sector. These amendments have been made with respect to January 2022 reference data, with revisions to historical data to follow. Specifically, these changes mean an increase in loan and deposit balances reported against the household sector, and a decline in balances reported against the NFC sector. This change does not impact on published transactions and growth rates for January 2022.