Banc Ceannais na hÉireann
Central Bank of Ireland
Eurosystem

Money and Banking Statistical Release

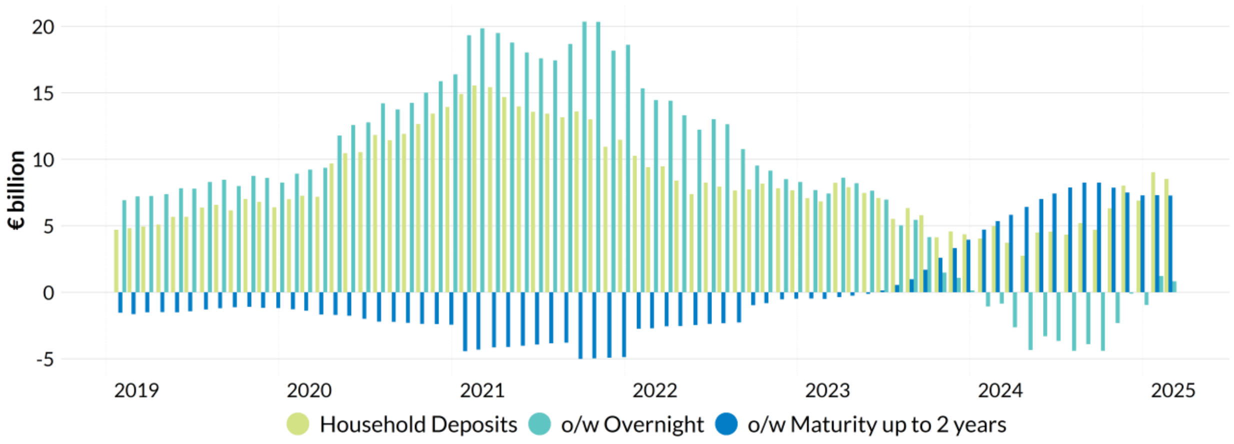
February 2025

31 March 2025

Money and Banking Statistics

Highlights in February 2025

Annual Flows of Household Deposits



Source: Money and Banking Table A.11.1

- **Household deposits** increased by €8.5 billion, or 5.6 per cent, in the year to end-February 2025.
- **Deposits with an agreed maturity of up to 2 years** were the main contributor, with a €7.3 billion increase in the period, followed by **overnight deposits**, with a €0.8 billion contribution in the year to end-February.
- **Annual household deposits** flows remained positive and showed very little variation compared to the previous month' developments. Most of the variation was driven by overnight deposits, while deposits with an agreed maturity up to 2 years remained stable with little to no movement in the last three months. This stabilisation follows an observed slowdown after it reached its maximum pace of €8.3 billion in the year to end-August 2024.

Section 1: Loans to Households by Lending Purpose (excluding securitised loans)

Chart 1a – monthly flows

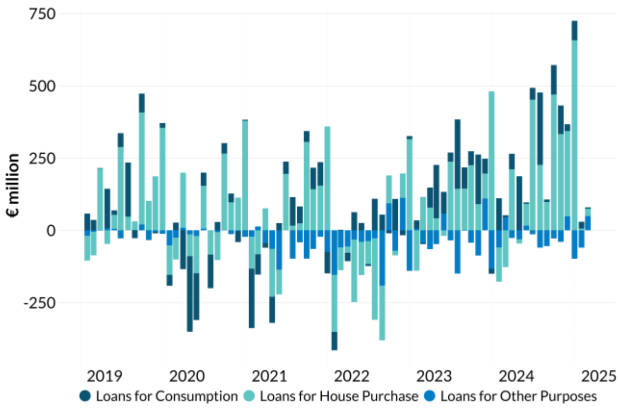
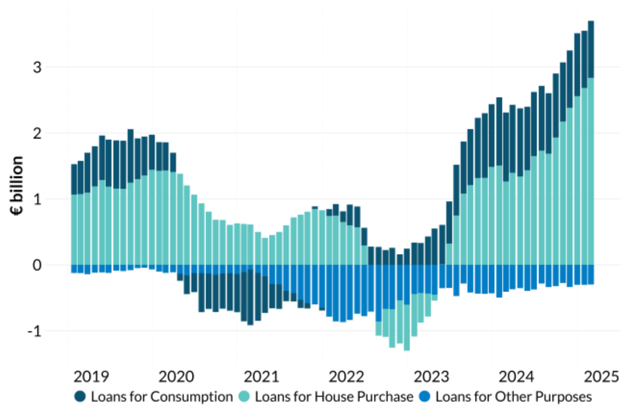


Chart 1b – annual flows



Source: Money and Banking Table A.1/Table A.5

Net lending to households turned positive in February 2025, amounting to €79 million in the month (*Chart 1a*). **Loans for house purchase** usually have large contributions to positive net lending. As such, the low overall flow in February, compared to previous months, is driven by a subdued volume of **loans for house purchase** in the month, amounting to €26 million. **Loans for other purposes** was the main contributor to the overall figure in February, with a flow of €49 million in the month.

In annual terms, **net lending to households** increased by €3.4 billion, or 3.4 per cent, in the year to end-February 2025 (*Chart 1b*), the highest since the €4.4 billion annual increase recorded in June 2009. This falls to 3.2 per cent after accounting for the impact of repayments on securitised loans. This movement was mostly driven by **loans for house purchase**, which recorded an annual flow of €2.8 billion in the period, and to a lower extent, by **loans for consumption**, with an annual flow of €865 million, while loans for other purposes recorded net outflows worth €301 million in the period.

The annual change in loans for house purchase[1]**,** including on-balance sheet and securitised loans, was 3.3 per cent in the year to end-February 2025 (see Table A.6).

[1] See Note 4

Section 2: Deposits from Irish Resident Households by Maturity

Chart 2a – monthly flows

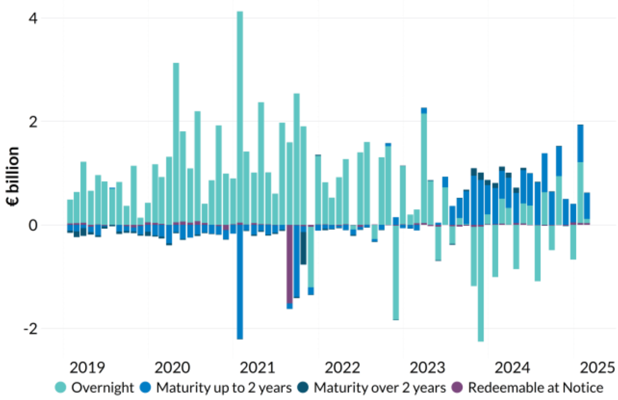
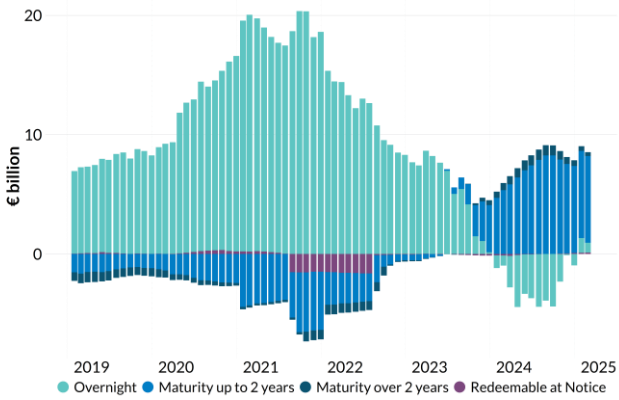


Chart 2b – annual flows



Source: Money and Banking Table A.11.1

Household deposits increased by €624 million in February 2025 (*Chart 2a*) and stood at €161.9 billion at the end of the month. This was almost entirely driven by positive flows of **term deposits** worth €508 million.

On an annual basis, **household deposits** increased by €8.5 billion, or 5.6 per cent, in the year to end-February 2025, driven by a €7.3 billion increase of **deposits with an agreed maturity up to 2 years** (*Chart 2b*). **Annual overnight deposits** flows remained positive at €826 million in the year to end-February 2025, following a return to positive territory in January after recording negative flows for the entire 2024.

Section 3: Loans to Non-Financial Corporations (NFC) by Original Maturity

Chart 3a – monthly flows

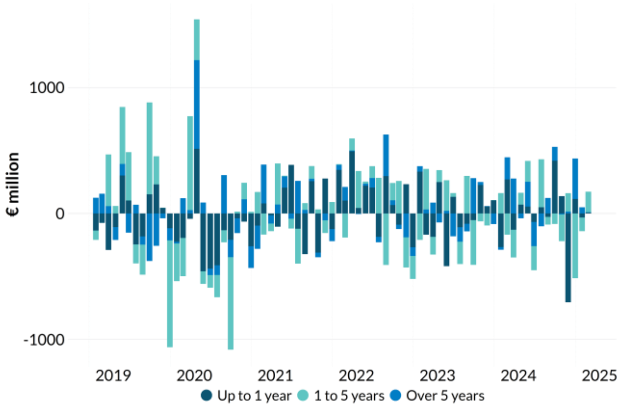
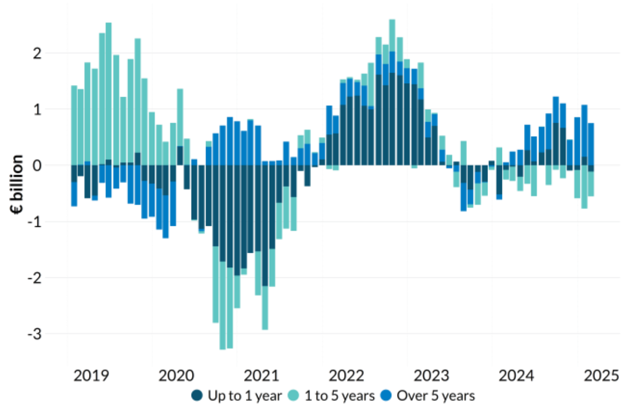


Chart 3b – annual flows



Source: Money and Banking Table A.5

Net lending to non-financial corporations (NFCs) recorded a positive flow of €173 million in February 2025 (*Chart 3a*). This was mostly driven by positive flows of **medium-term loans** (1 to 5 years) worth €164 million, with **short** (under 1 year) and **long-term loans** (over 5 years) contributing with a combined positive flow of €9 million in the month.

On an annual basis, **NFC lending** increased by €198 million, or 0.7 per cent, in the year to end-February 2025 (*Chart 3b*). **Long-term loans** were the main driver, with an annual flow of €751 million in the year to end-February 2025, partially offset by negative flows of **short** and **medium-term loans** worth €553 million in the period.

Section 4: Deposits from Non-Financial Corporations (NFC) by Maturity

Chart 4a – monthly flows

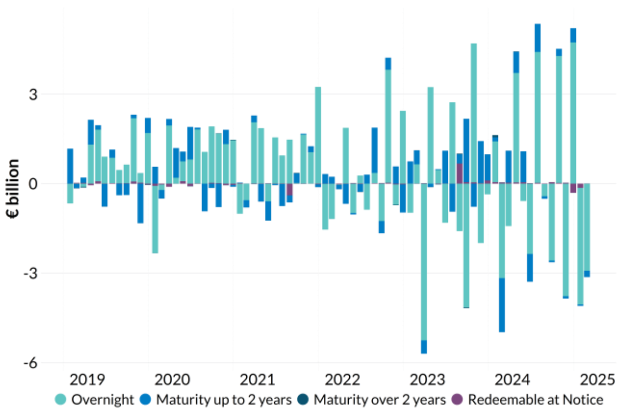
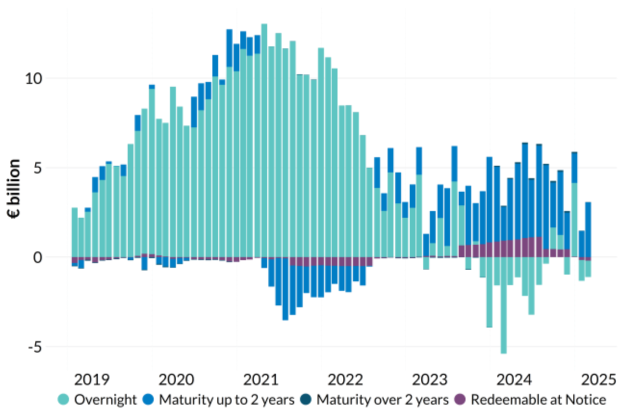


Chart 4b – annual flows



Source: Money and Banking Table A.11.1

NFC deposits flows remained negative in February 2025, recording outflows worth €3.1 billion in the month (*Chart 4a*). This movement was almost entirely driven by a €2.9 billion decrease of **overnight deposits** during the month.

In annual terms, **NFC deposits** increased by just under €2 billion in the year to end-February 2025 (*Chart 4b*). This was driven by a €3.1 billion contribution from **term deposits**, including **deposits with a maturity up to 2 years and over 2 years**, partially offset by a drop of **overnight deposits** and **deposits redeemable at notice** worth €913 million and €197 million, respectively.

Section 5: Bank Lending to the Irish Private Sector by Counterparty Sector

Chart 5a – monthly flows

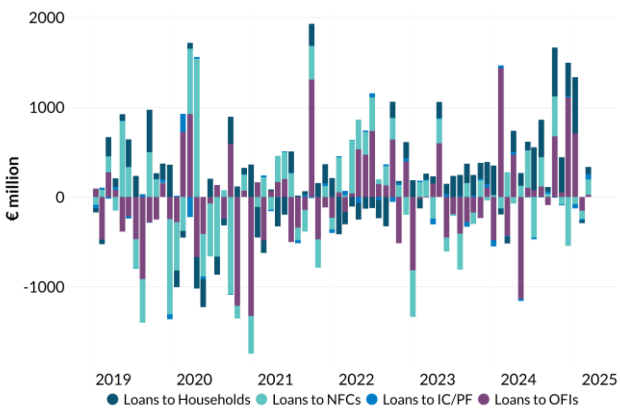
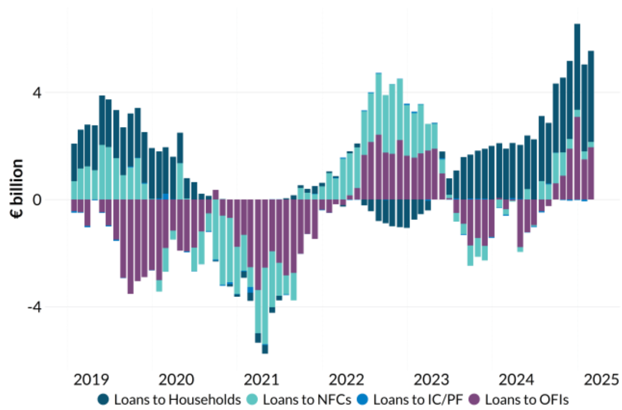


Chart 5b – annual flows



Source: Money and Banking Table A.5

Total bank lending to the Irish private sector increased by €335 million in February 2025 after recording a drop at the start of the year (*Chart 5a*), and the stock stood at €151.5 billion at the end of the month. All sectors had a positive contribution, with **loans to non-financial corporations (NFC)** accounting for more than 50% of the movement, recording a flow of €173 million in the month. **Loans to insurance companies and pension funds (IC/PF)** and to **other financial intermediaries (OFI)**[2] recorded positive flows worth €59 million and €24 million, respectively.

In annual terms, **total bank lending** to the Irish private sector increased by €5.6 billion, or 3.8 per cent, in the year to end-February 2025 (*Chart 5b*). Similar to the monthly developments, all sectors had a positive contribution, with **loans to households** and to **OFIs** driving this movement and recording annual flows in the period worth €3.4 billion and €2 billion, respectively.

As mentioned in the relevant section, annual flows of **loans to NFCs** remained positive at €198 million in the year to end-February 2025, while **lending to IC/PFs** was limited to €1 million in the period.

[2] A definition of OFI and other counterparty institutional sectors can be found in the *Money and Banking statistics Explanatory Note,* linked in Note 1

Further information

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.