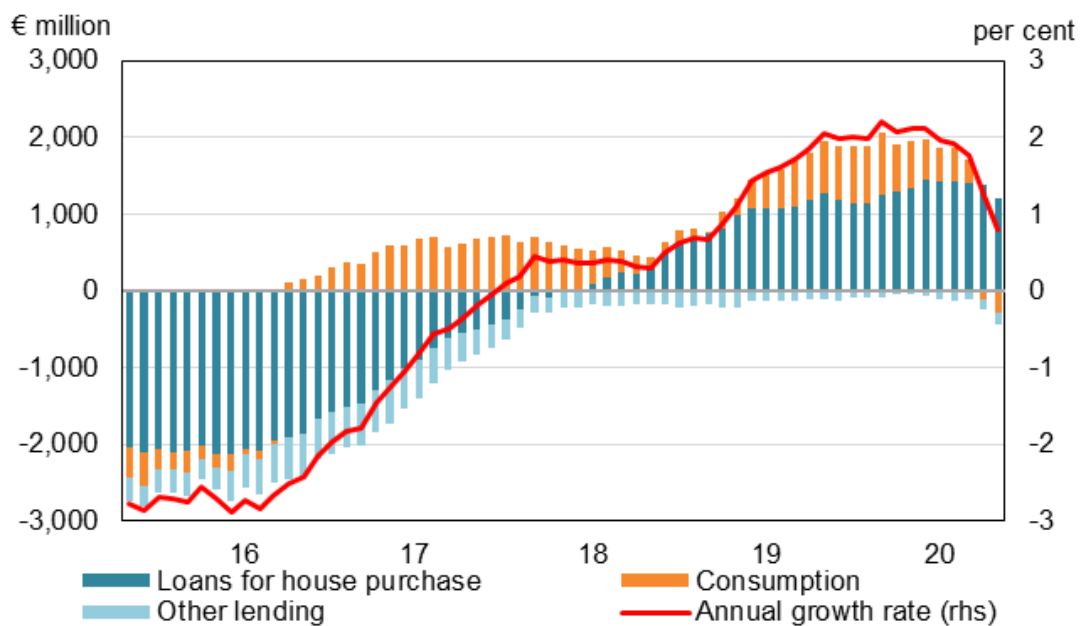




Money and Banking Statistics¹ – May 2020

Bank lending to households recorded a net decline of €310 million in May 2020, as the effects of COVID-19 and the subsequent lockdown continue to have a dampening impact on economic activity. In annual terms, the rate of growth has declined in recent months from 1.93 per cent in February to 0.8 per cent in May 2020. Consumer lending has now turned negative on a 12-month basis having been positive since March 2016.

Loans to household; 12 month rolling sum net flows, and annual rate of change, by category



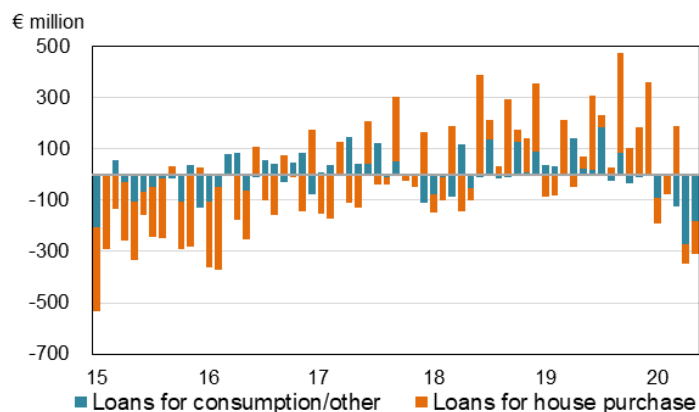
Source: Money and Banking [Table A.1](#)

¹ See note 1 on page 4.

Developments in Household credit and deposits

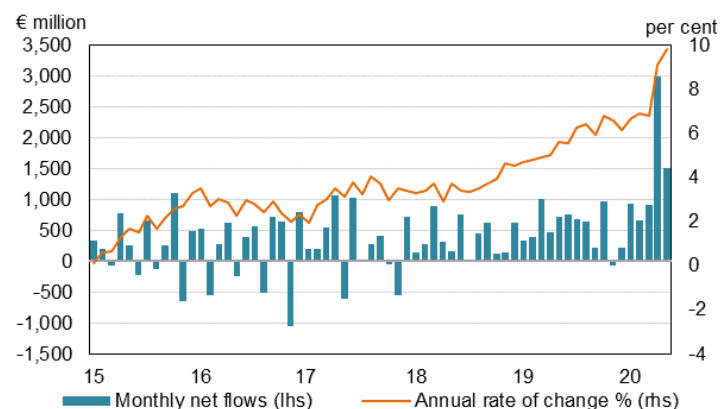
- **Bank lending to households** recorded a net decline of €310 million in May 2020. In annual terms, lending still grew by 0.8 per cent. This compares to an annual growth rate of 2.1 per cent in the 12 months to end May 2019.
- **Bank loans for house purchase** decreased in net terms by €129 million over the month (Chart 1). When also considering securitised loans for house purchase, a reduction of €246 million was recorded in May.
- **Consumer lending** has declined significantly since the beginning of the COVID crisis, experiencing a net decrease by €162 million in May 2020. This was the third consecutive month of net decreases in consumer credit.
- **Deposits from households** continued the trend of strong growth recorded in previous months. Household deposits recorded a net inflow of over €1.5 billion in the month. In annual terms, lodgements of household deposits were €10.5 billion higher than withdrawals. This represents the highest annual growth rate of household deposits since 2007, now standing at 9.8 per cent (Chart 2).
- **Overnight deposits**, which includes current accounts, continued to be the main driver of the increase in household deposits as savers continue to utilise shorter-term deposit accounts (Chart 3). In May 2020, overnight deposits comprised 84.4 per cent of all household deposits, representing a series high.

Chart 1: Loans to Households; developments in net flows



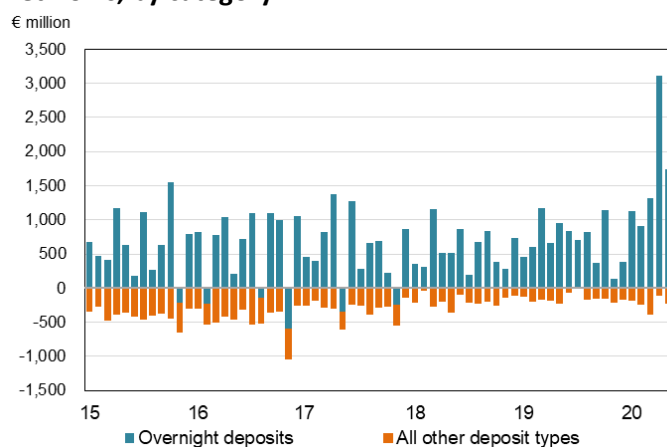
Source: Money and Banking [Table A.1](#)

Chart 2: Deposits from Irish resident households; developments in net flows, and annual rate of change



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

Chart 3: Household deposits; monthly developments in net flows, by category



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

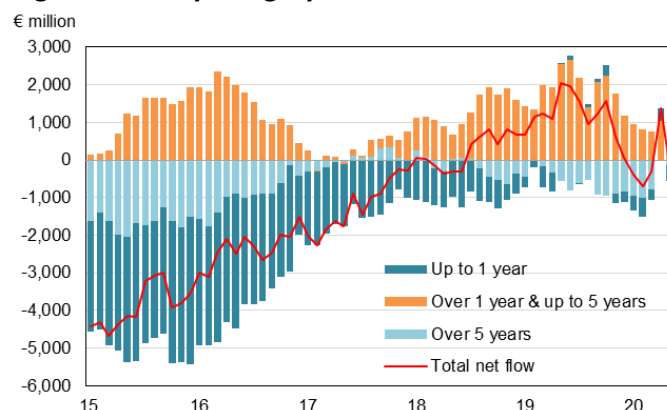
Developments in NFC credit and deposits

- **Net lending to non-financial corporations (NFCs)** decreased by €627 million in May 2020, contrasting with the €1.5 billion net increase recorded in April. Loans of up to one year maturity, which include revolving loans and overdrafts, decreased by €460 million. The annual growth rate in NFC lending was negative at -0.2 per cent, mainly driven by a decrease in loans with a maturity of up to one year (Chart 4).
- **NFC deposits** continued to record increases, growing by €1.1 billion in May in net terms. Annual NFC deposit growth has been constantly positive in recent years, and grew by 12.6 per cent in the 12 months to May (Chart 5).

Developments in other counterparty sectors

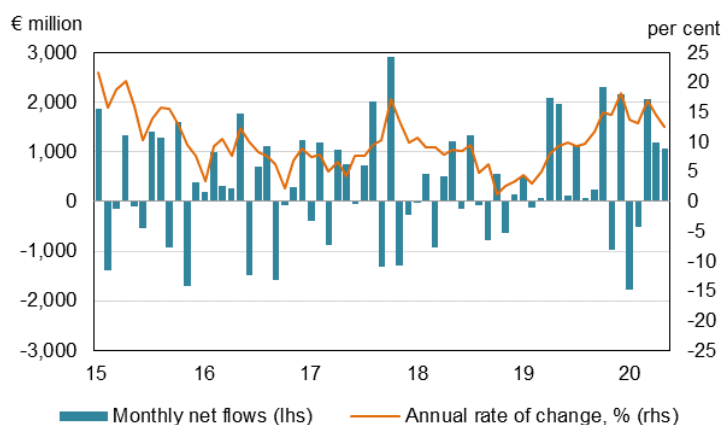
- **The annual growth rate in total bank lending** declined in the year to the end of May by 2 per cent (Chart 6), driven by a decline in lending to other banks. Lending to the private sector, which accounts for 78 per cent of banks' loan books, decreased by 0.9 per cent in the twelve months to May 2020. The decrease in total bank lending for May 2020 was €673 million.
- **Bank deposits** from Irish resident other financial institutions (including insurance corporations and pension funds) increased by €250 million during the month, driven by overnight deposits and repurchase agreements.
- **Credit institutions' holdings of Irish-issued debt and equity securities** recorded a net increase of €830 million in May 2020. This was driven by an increase of €1.4 billion in Government issued debt securities, the largest monthly increase recorded since April 2012.

Chart 4: Loans to NFCs; net flows (12-month sum) by original maturity category



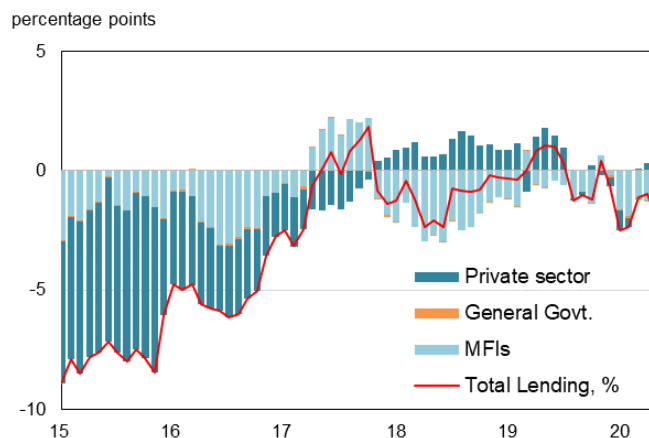
Source: Money and Banking [Table A.5](#)

Chart 5: Deposits from NFCs; developments in net flows, and annual rate of change



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

Chart 6: Contributions of Irish resident counterparts to annual growth in loans advanced by Irish banks



Source: Money and Banking [Table A.4](#)

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.

Keywords:

Money and Banking Statistics, Irish Financial Statistics, Loans, Deposits, Household Debt, Mortgage, Consumer, Repayments, Securitisations.