

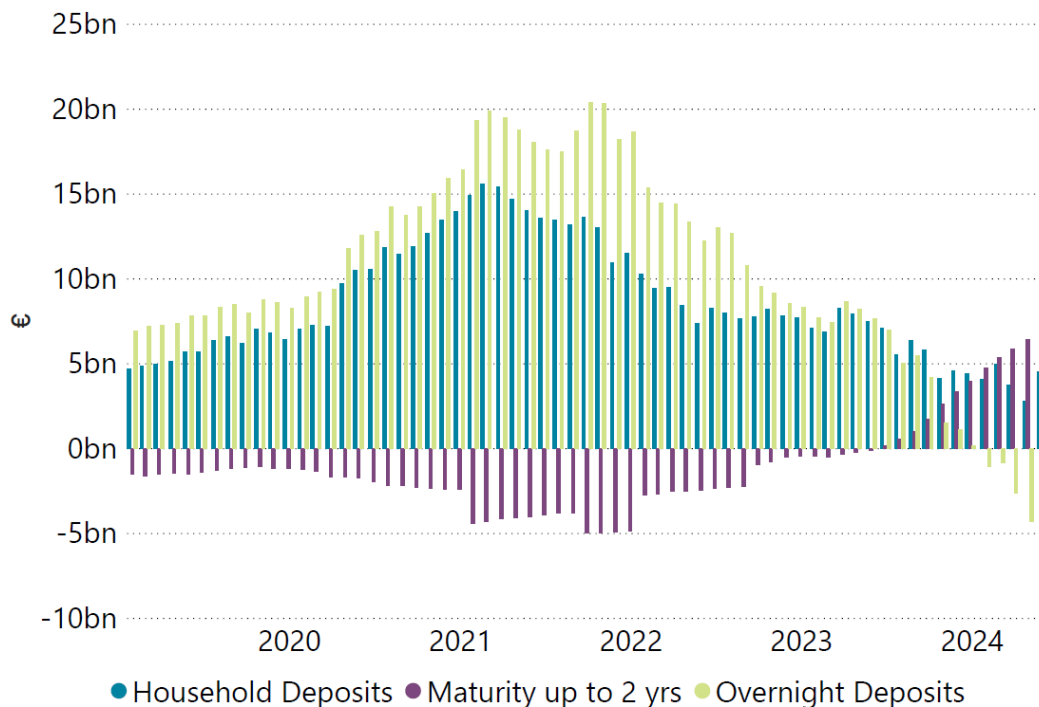


Money and Banking Statistics¹ – May 2024

Household deposits increased by €4.5 billion, or 3 per cent, in the year to end-May 2024. The rise was mostly driven by deposits with an agreed maturity of up to 2 years, increasing by just over €7 billion over the past 12 months. Conversely, overnight deposits dropped for the fifth consecutive month on an annual basis, decreasing by €3.3 billion in the year to end-May. 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 growth in household deposits slightly recovered following its April low (blue bar).

Overnight deposits annual growth remained negative for the fifth month in a row.



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

¹ See notes on page 4.

Developments in Household credit and deposits

- **Net lending to households** was positive in May 2024, at €95 million (Chart 1). This was driven by a positive movement in loans for house purchase, with net lending for this category at €76 million in the month. The annual growth rate of household loans remained positive at 2 per cent, falling to 1.9 per cent after accounting for the impact of repayments on securitised loans.
- **The annual change in loans for house purchase²**, including on-balance sheet and securitised loans, was 1.6 per cent in the 12 months to end-May 2024 (see [Table A.6](#)). As observed in previous months, growth remains at historically high rates.
- **Net consumer lending** was positive in May, amounting to €3 million (Chart 2). The annual growth rate stood at 8.2 per cent in May; this represents a slightly lower rate than previous months but continues the positive trend registered over the previous 12 months.
- **Loans for other purposes** was positive in May 2023, with net lending in the month at €16 million.
- **Household deposits** stood at €156 billion at end-May and increased by €1.1 billion in the month after a €134 million drop in April (Chart 3). On an annual basis, household deposits recorded a net increase of €4.5 billion. This is larger than the €2.7 billion inflow in the year to April. The annual growth rate rose to 3 per cent, from 1.8 per cent in April. The sum of annual overnight deposit flows declined for the fifth consecutive month; by €3.3 billion over the most recent 12-month period.
- **Deposits with agreed maturity up to 2 years** was the main driver of the rise in household deposits in May, increasing by €644 million and continuing the trend of positive monthly flows observed since March 2023.

Chart 1: Loans to Households (excluding securitised loans); developments in monthly net flows

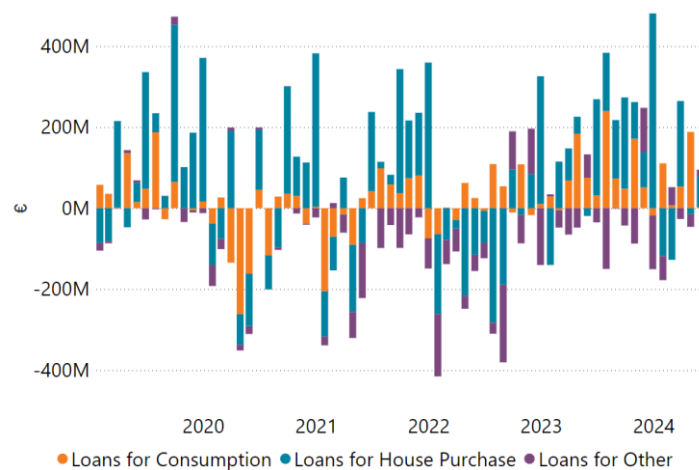


Chart 2: Loans to Households (excluding securitised loans); developments in annual net flows

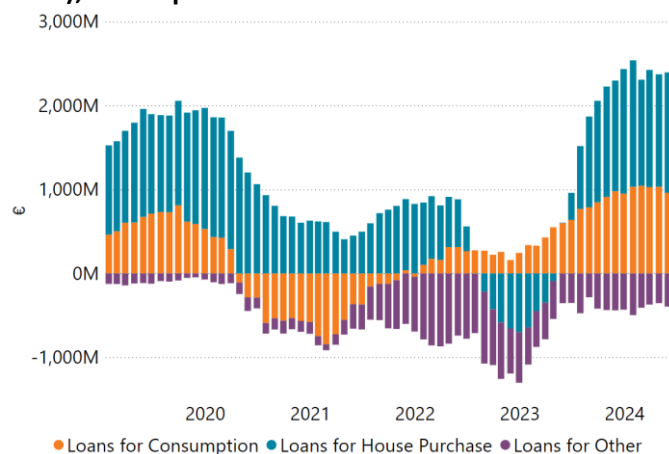
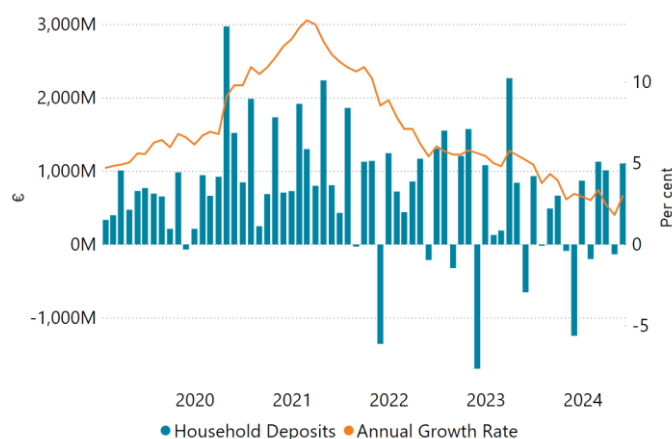


Chart 3: Deposits from Irish resident households; development in net flows, and annual rate of change



² See Note 4

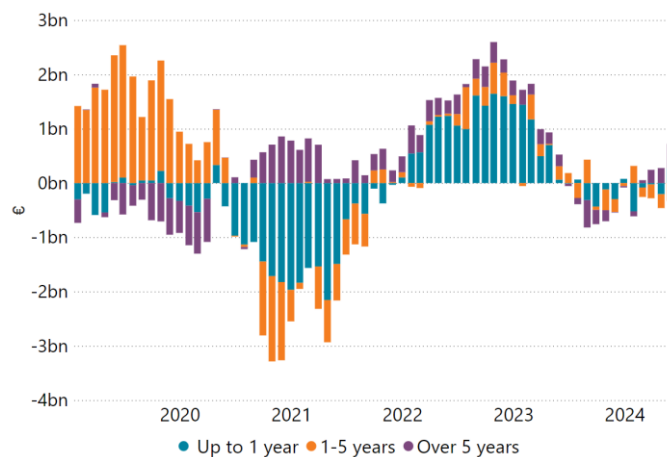
Developments in NFC credit and deposits

- **Net lending to non-financial corporations (NFCs)** remained positive in May 2024, increasing by €418 million during the month. On an annual basis, NFC lending flows turned positive for the first time since June 2023, increasing by €391 million or 1.4 per cent over the year to end-May. This was driven by short and longer-term loans, with positive annual flows of €267 and €453 million, respectively, only partially offset by a decrease in medium term loans (Chart 4).
- **Deposits from NFCs** increased by €501 million in May, compared to a significantly higher positive flow of €4.5 billion in April. Annual NFC deposit flows remained positive at €4.4 billion in the year to end-May, recording an annual growth rate of 5.6 per cent.

Developments in other counterparty sectors

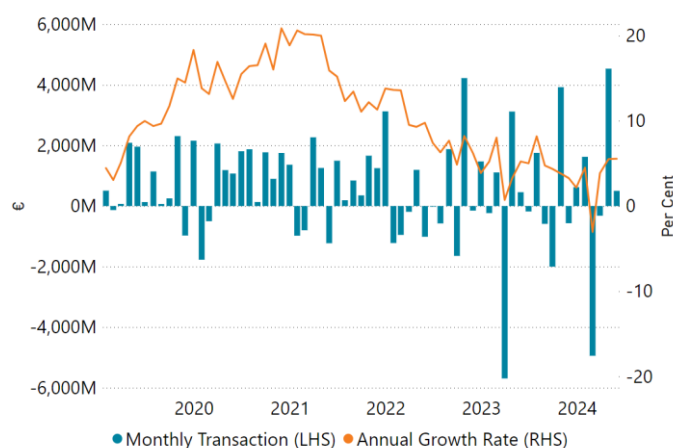
- **Total bank lending** to Irish resident sectors increased by 0.7 per cent in the year to end-May 2024 (Chart 6), driven by an increase of 0.6 per cent in lending to the private sector, which accounts for 75 per cent of banks' loan books.
- **Banks' holdings of deposits** from the Irish resident private sector increased by just over €1 billion in May 2024. In annual terms, Banks' holding of deposits from the Irish resident private sector increased by €9.5 billion, or 3.2 per cent.

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



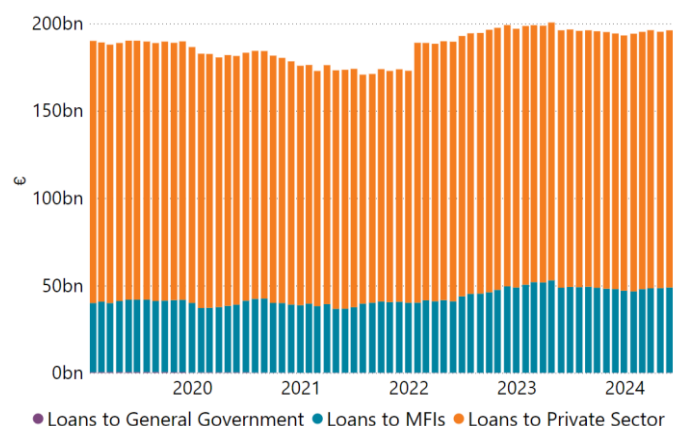
Source: Money and Banking [Table A.5](#)

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



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

Chart 6: Composition of Irish Bank Lending; Stocks



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.

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.