

Money and Banking Statistics – March 2016

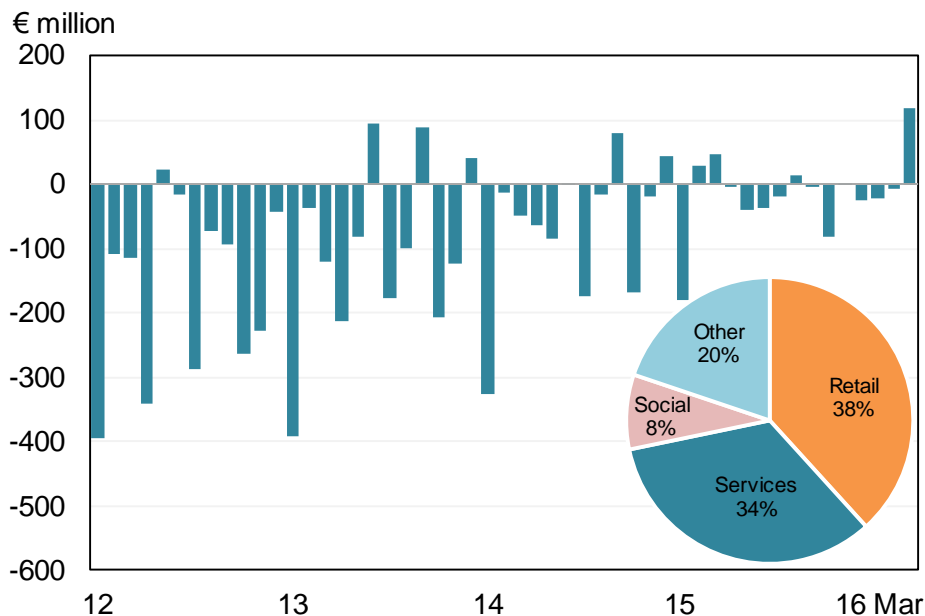
Consumer loans advanced by Irish banks exceeded repayments by €119 million in March 2016. This is the largest net increase in consumer lending since early-2011.

These types of loans typically include car loans, furniture, domestic appliance and holiday loans; with overdrafts and credit cards also included.

Credit card debt represented approximately 21 per cent of outstanding consumer bank credit in March. Using the Money and Banking Credit Card Statistics as a proxy,¹ the majority of new credit card spending is related to the retail sector.

For further detail, see the [Money and Banking](#) tables.

Net flow of loans to Irish residents for consumption purposes. Inset: new spending on personal credit cards; percentage by sector as at March 2016.



¹ See [Table A.13](#) for further detail on the collection of credit card statistics, which differ to lending statistics.

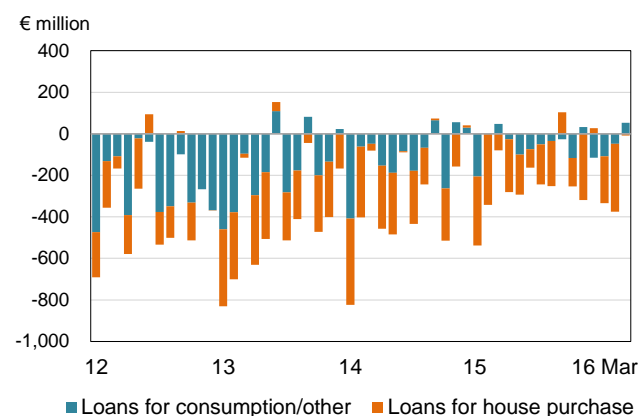
Developments in Household credit and deposits

- **Loans to households adjusted for loans sales and securitisations**, declined by 3.6 per cent in March compared with the same period in 2015.²
- **Loans for house purchase**, which account for 84 per cent of on-balance sheet household loans declined by €8 million in March 2016 (Chart 1).
- **In year-on-year terms, mortgage loans declined at a rate of 2.4 per cent**, with households repaying €1.8 billion more than was advanced in new loans.
- New loans to households for non-housing purposes exceeded repayments during the month. There was a net increase of €53 million in loans outstanding in March, driven by developments in consumer loans. In annual terms, non-housing loans declined by 3.8 per cent.
- **Deposit flows from households** increased by €273 million in March. In annual terms, household deposits increased by 3.1 per cent (Chart 2).
- **Irish households continue to be net funders of the Irish banking system** for the ninth consecutive month. (Chart 3). Banks now hold €3.8 billion more household deposits than loans. By contrast, in early-2009 household loans exceeded deposits by €53.5 billion.

Developments in NFC credit and deposits

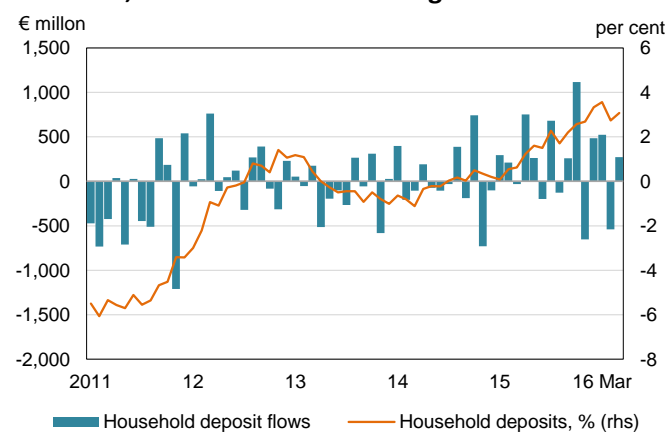
- In contrast to households, banks held more non-financial corporate (NFC) loans than NFC deposits in March.

Chart 1: Loans to Households; developments in net flows



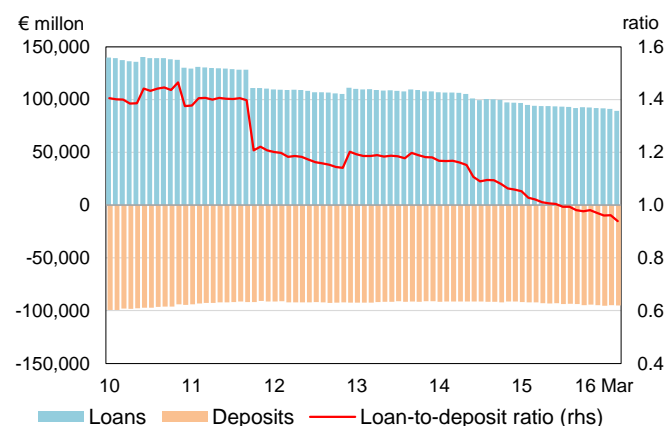
Source: Money and Banking [Table A.1](#)

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



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

Chart 3: Household loans and deposits; outstanding stock and LDR



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

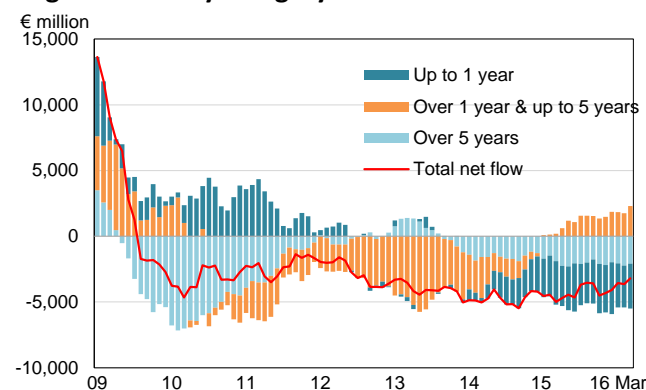
² See Note 2 on page 5.

- **Lending to NFCs** declined by 6.1 per cent in annual terms in March. However, this decline masks divergent trends between short and medium term maturities. Medium term net lending to NFCs grew by 20 per cent year-on-year in March, with drawdowns exceeding new lending by €2.3 billion.
- **NFC deposits** declined by €208 million (0.5 per cent) in March (Chart 5). In the twelve months to March, NFC deposit flows increased by 9.2 per cent reflecting strong corporate inflows into the Irish banking system.
- Flows out of overnight and short-term agreed maturity accounts, over the year, drove the slowdown in deposit growth. This is unsurprising given the low interest rate environment.

Developments in other counterparty sectors

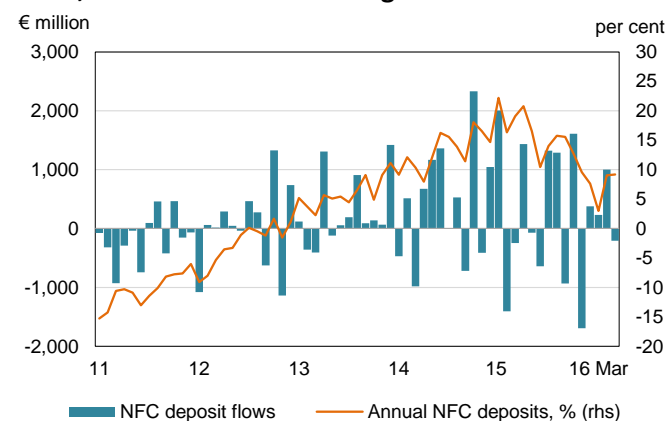
- Lending to the **Irish private sector** has been the main driver of net lending to Irish residents since early 2014 (Chart 6). In March, loans to the Irish private sector, which account for 74 per cent of banks’ loan books, declined in annual terms by 5.5 per cent.
- Credit institutions’ holdings of **debt and equity securities** decreased by €806 million in March, driven in large part by Financial Vehicle Corporations
- **Irish banks’ borrowings from the Central Bank** as part of Eurosystem monetary policy operations decreased further in March, by €45 million. The outstanding stock of Central Bank borrowings was €9.8 billion, with the domestic market banks accounting for 93 per cent.

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



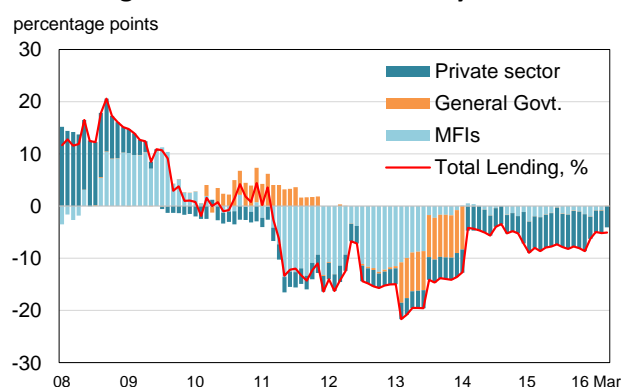
Source: Money and Banking [Table A.5](#)

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



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

Note 2:

This measure of lending includes repayments on serviced loans which no longer appear on the balance sheet due to derecognition and transfer. See [Table A.6](#).

Keywords:

Money and Banking Statistics, Irish Financial Statistics, Loans, Deposits, Household Debt, Mortgage, Repayments, Securitised, credit cards.