

### Money and Banking Statistics – April 2016

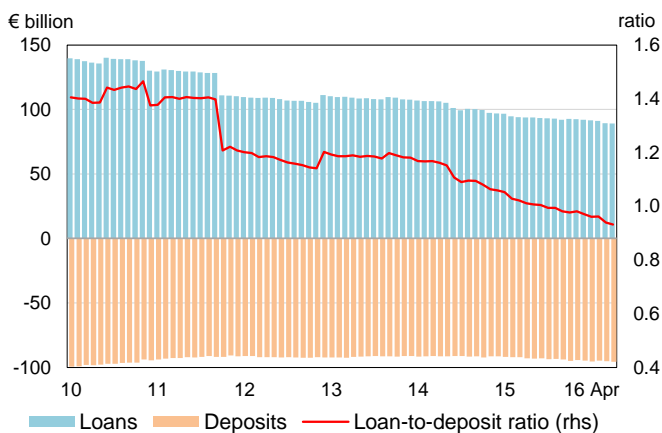
Household deposits held by Irish banks exceeded on-balance sheet loans issued to households in April for the tenth consecutive month. The loan to deposit ratio stood at 0.9 at end-April.

In the Non-Financial Corporate sector, the ratio of loans to deposits stood at 1.1 in April 2016 where, by contrast, this figure was 2.3 in April 2014.

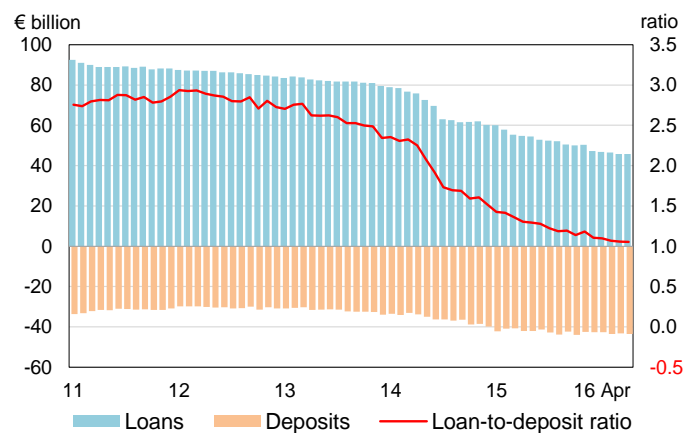
In both the household and NFC sectors, the reductions in loan-to-deposit ratios are being driven primarily by a reduction in the amount of loans outstanding as opposed to significant deposit accumulation. While asset sales and changes in the banking population in Ireland affect developments in this series over time, this continued decline in the loan-to-deposit ratio is a significant development which has not been seen since the late 1990s.

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

**Household loans and deposits; outstanding stock and LDR**



**NFC loans and deposits; outstanding stock and LDR**



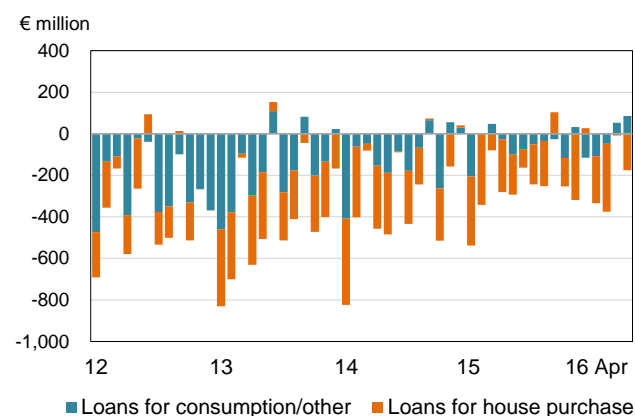
### Developments in Household credit and deposits

- **Loans to households adjusted for loans sales and securitisations**, declined by 3.5 per cent in April compared with the same period in 2015.<sup>1</sup>
- **Mortgage loans**, which account for 83 per cent of on-balance sheet household loans, declined by €176 million in April 2016 (Chart 1).
- **In year-on-year terms, mortgage loans declined at a rate of 2.3 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 €86 million in loans outstanding in April, entirely driven by developments in consumer loans. In annual terms however, non-housing loans declined by 3.1 per cent.
- **Deposit flows from households** increased by €577 million in April. In annual terms, household deposits increased by 2.9 per cent (Chart 2).
- As highlighted above, **Irish households continue to be net funders of the Irish banking system** for the tenth consecutive month. Banks now hold €6.5 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

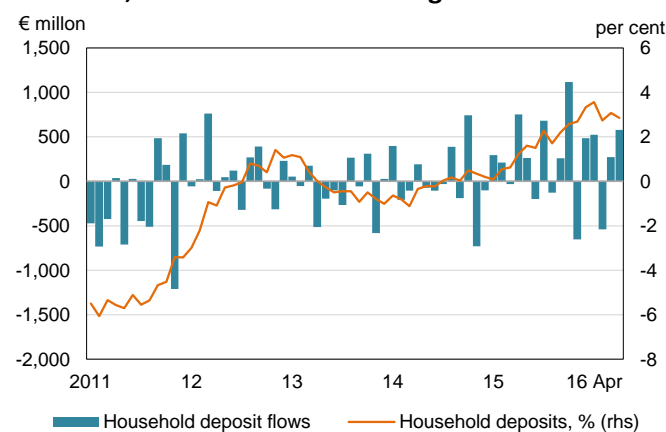
- By contrast to the household sector, banks held marginally more NFC loans than NFC deposits in April.

**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](#)

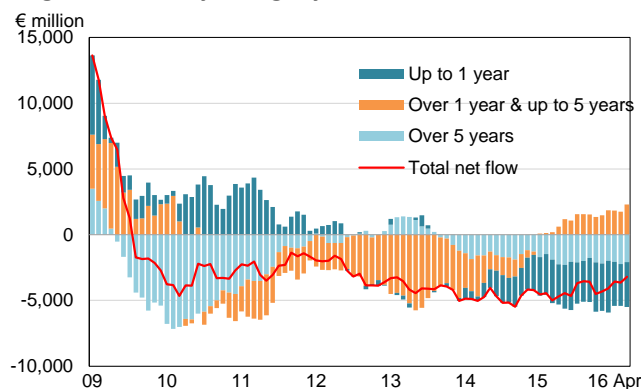
<sup>1</sup> See Note 2 on page 4.

- **Lending to NFCs** declined by 5.5 per cent in annual terms in April. However, this decline masks divergent trends between short and medium term maturities. Medium term net lending to NFCs grew by 18.2 per cent year-on-year in April, with drawdowns exceeding new lending by €2.2 billion.
- **NFC deposits** increased by €199 million (0.5 per cent) in April (Chart 4). In the twelve months to April, NFC deposit flows increased by 5.3 per cent reflecting strong corporate inflows into the Irish banking system.
- Flows out of overnight and short-term agreed maturity accounts have been contributing to a slowdown in deposit growth in recent months reflecting the low interest rate environment.

**Developments in other counterparty sectors**

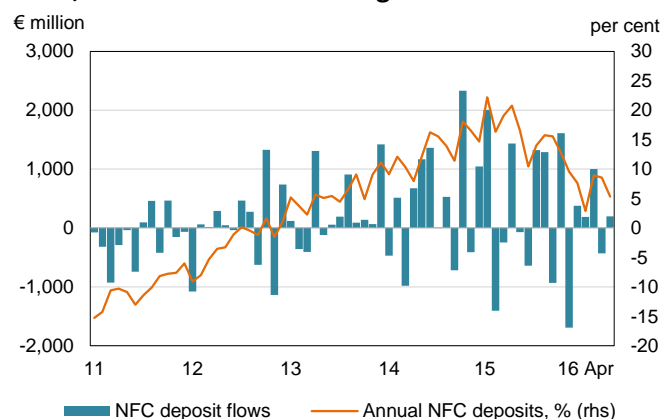
- **Lending to the Irish private sector has been the main driver of net lending to Irish residents since early 2014** and accounted for 74 per cent of banks’ loan books in April (Chart 5). In annual terms in April, loans to the Irish private sector declined by 5.4 per cent.
- Credit institutions’ holdings of **debt and equity securities** increased by €1.4 billion in April, driven in the main by an increase of €755 million in holdings with Monetary Financial Institutions and Financial Vehicle Corporations.
- **Irish banks’ borrowings from the Central Bank** as part of Eurosystem monetary policy operations decreased further in April, by €910 million. The outstanding stock of Central Bank borrowings was €8.9 billion, with the domestic market banks accounting for 97 per cent.

**Chart 3: Loans to NFCs; net flows (12-month sum) by original maturity category**



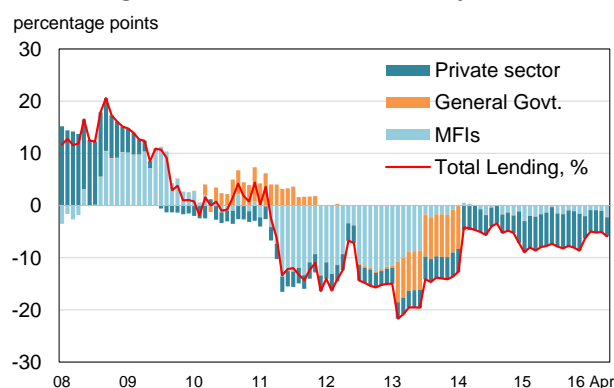
Source: Money and Banking [Table A.5](#)

**Chart 4: Deposits from NFCs; developments in net flows, and annual rate of change**



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

**Chart 5: 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.