

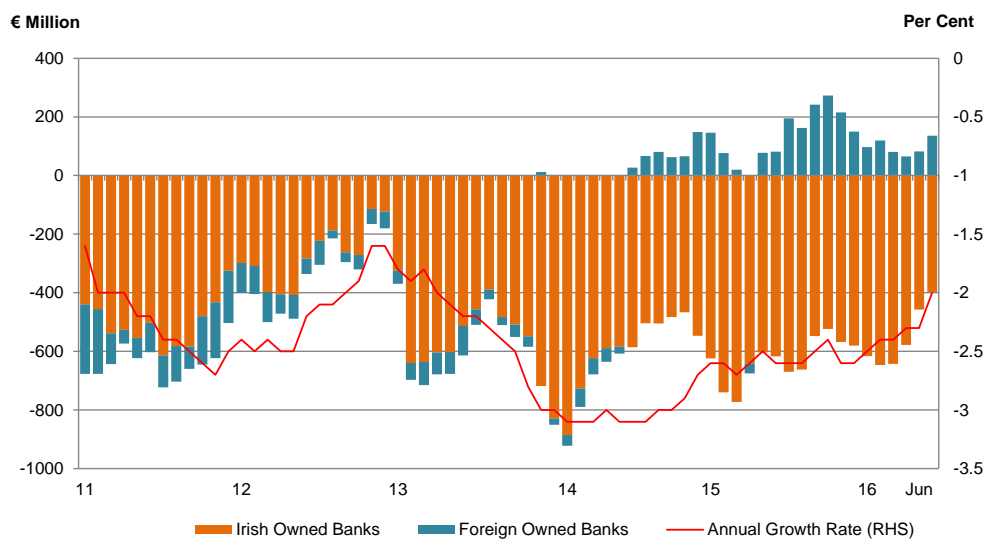
Money and Banking Statistics – June 2016

Net mortgage lending by Irish resident credit institutions increased by €105 million in June; the largest increase in net lending since February 2010. In annual terms however, lending for house purchase fell by 2 per cent.

In recent months, despite overall negative net lending, foreign owned Irish resident banks have had positive net lending to the Irish market.

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

Chart: Net flow of loans to households for house purchase (3-month sum)



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

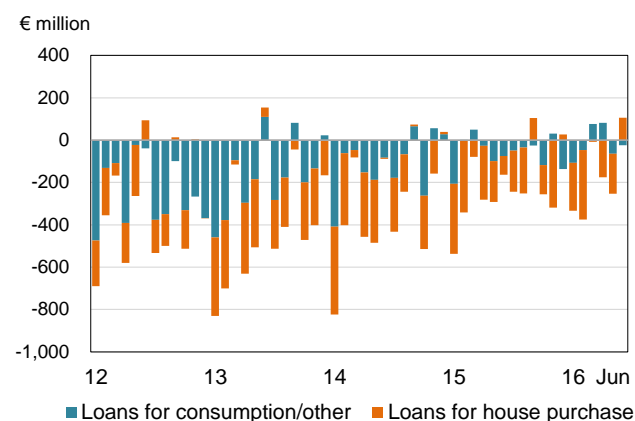
Developments in Household credit and deposits

- **Loans to households adjusted for loans sales and securitisations**, declined by 3.3 per cent in June compared with the same period in 2015.¹
- **Mortgage loans**, which account for 83 per cent of on-balance sheet household loans, increased by €105 million in June 2016 (Chart 1).
- In year-on-year terms, mortgage loans declined at a rate of 2 per cent, with households repaying €1.6 billion more than was advanced in new loans.
- In annual terms, non-housing loans for consumer purposes declined by 2.7 per cent.
- **Deposit flows from households** increased by €395 million in June. In annual terms, an increase of 3 per cent was recorded (Chart 2).
- Householders' preference for overnight and short-term deposits continued; reflecting low interest rates.
- **Irish households were net funders of the Irish banking system** for the twelfth consecutive month. Banks now hold €6.8 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

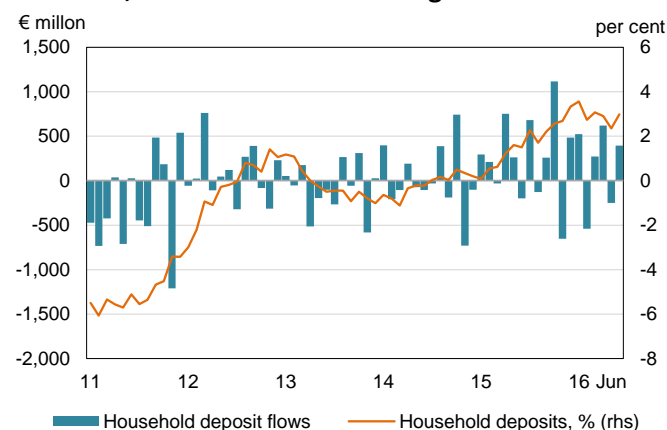
- By contrast to the household sector, banks held marginally more NFC loans than NFC deposits in June.
- Lending to NFCs declined by 5.7 per cent in annual terms in June. However, this decline masks divergent trends between short and medium term maturities.

Chart 1: Loans to Households; developments in net flows



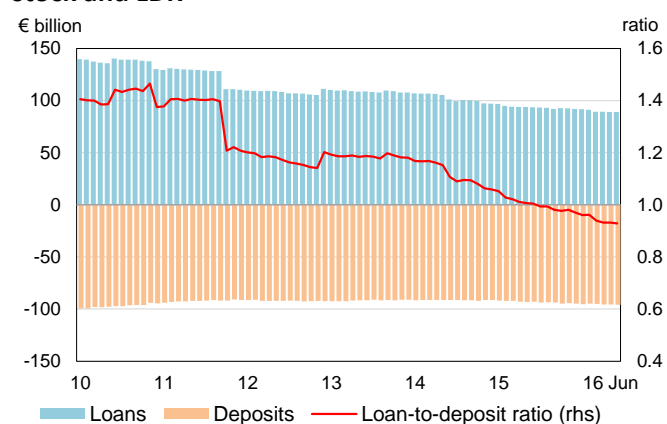
Source: Money and Banking Table A.1

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

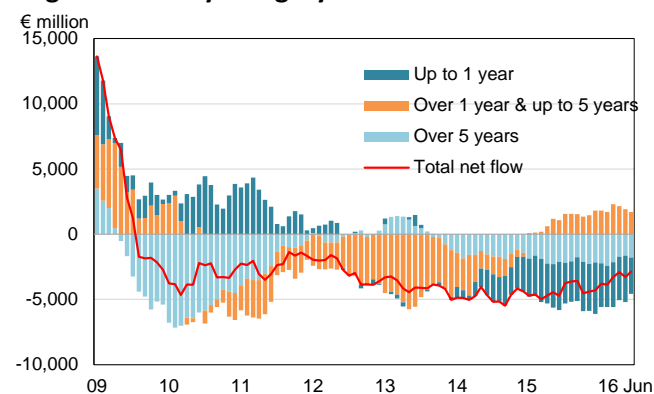
¹ See Note 2 on page 4.

- Medium term net lending to NFCs grew by 3.4 per cent year-on-year in June, with drawdowns exceeding new lending by €1.7 billion.
- **NFC deposits** declined by €1.5 billion in June (Chart 5). The monthly decrease was mainly due to NFC deposits in overnight accounts, largely with branches of foreign-owned banks’.
- In the twelve months to June, NFC deposit flows grew by 8.1 per cent reflecting strong corporate inflows into the Irish banking system.

Developments in other counterparty sectors

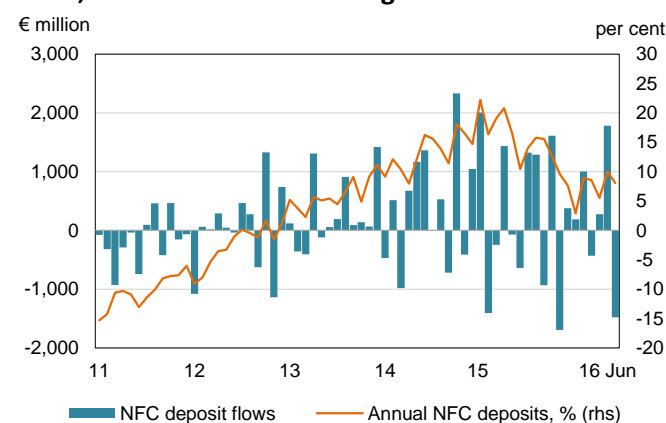
- **Lending to the Irish private sector** has been the main driver of net lending to Irish residents since early 2014 and accounted for 76.1 per cent of banks’ loan books in June (Chart 6). In annual terms, outstanding loans to the Irish private sector declined by 4.2 per cent.
- Credit institutions’ holdings of Irish issued **debt and equity securities** increased by €32 million in June.
- **Irish banks’ borrowings from the Central Bank** as part of Eurosystem monetary policy operations decreased further in June, by €428 million. The outstanding stock of Central Bank borrowings was €7.9 billion, with the domestic market banks accounting for 95 per cent.

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



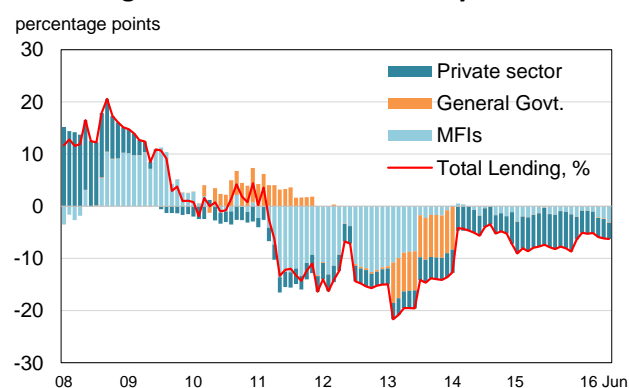
Source: Money and Banking [Table A.5](#)

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, Securitisations, PDH.