



Summary of Results¹

Ireland – Q3 2024

- Credit standards on loans to firms were unchanged.
- Demand for loans from firms was unchanged, but is expected to increase next quarter.
- Credit standards for mortgages were unchanged, but eased for consumer loans.
- Demand for mortgages increased.
- Demand for consumer loans was unchanged.
- Banks reported a negative impact on their profitability as a result of the ECB's interest rate decisions.

¹ The October (Q3 2024) Bank Lending Survey (BLS) was conducted between 4th September and 18th September.



Ireland - credit supply

Firms

There was no reported change in credit standards on **loans to firms**; the same is expected for Q4 2024.

Overall terms and conditions were virtually unchanged in 2024 Q3. Across all lenders, the share of rejected firms' loans applications remained constant.

Households

There was no change in credit standards for **mortgages**; the same is also expected in Q4 2024.

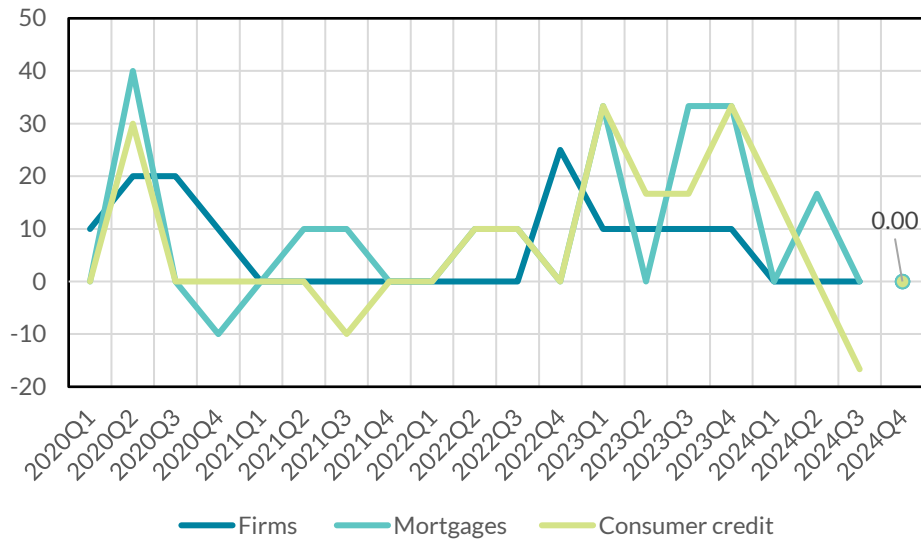
Banks eased credit standards for **consumer loans**. They linked this to cost of funds and balance sheet constraints, competition from both other banks and non-banks, perception of risk and its risk tolerance. They do not expect to make any change on credit standards on consumer loans in Q4 2024.

Banks reported no change in their overall terms and conditions for mortgages and consumer loans.

They reported interest rates and margins on mortgages tightened somewhat. Over the past three months, the share of rejected mortgage applications and consumer loans remained constant.



Figure 1. Bank credit standards for firm and household lending, (Diffusion index).



Lines refer to backward looking changes to credit standards, circles refer to expected change in credit standards next quarter. Firms, mortgages and consumer lending have the same forward looking value (0). Values above zero refer to a net tightening of credit standards. The diffusion index gives responses which relate to “tighten (ease) credit standards somewhat” a lower weight than those which refer to a “tighten (ease) credit standards considerably”.

Ireland - credit demand

Firms

Across all categories, there was no change in credit demand. An increase is expected next quarter.

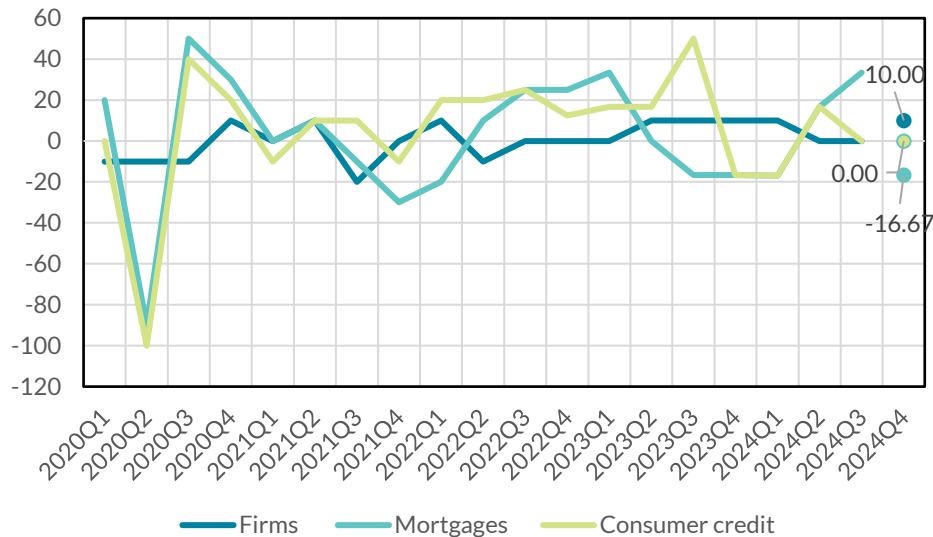
Households

There was some increased demand for **mortgages** due to the lower interest rates. Banks reported no change in demand for consumer loans.

Banks expect demand for mortgages to decrease in Q4 2024. Banks expect demand for **consumer credit** to be unchanged in Q4 2024.



Figure 2. Demand for firm and household lending, (Diffusion index).



Lines refer to backward looking changes to demand, circles refer to expected change in demand next quarter. Mortgage has a forward looking value of -16.67, while lending to consumer has a value of 10. Firm demand has a forward looking value of 10. Values above zero refer to an expansion in demand.

Ad-hoc questions

Access to retail and wholesale funding

On aggregate, Irish banks reported no change in their access to funding in the past three months; do not expect any impact over the next three months.

The impact of the ECB's monetary policy asset portfolio

There was no reported impact on Irish banks' assets, cost of funds, profitability, capital position, lending policy and volumes over the past six months. The respondents do not expect any impact in the next six months.

The impact of TLTRO III

The TLTRO III operations had no impact on Irish banks during the last six months. In the next six months, Irish banks expect no impact.

The impact of ECB key interest rate decisions over the last six months on bank profitability

Irish banks reported a negative impact on their profitability as a result of the ECB's interest rate decisions. They reported a negative effect on their overall profitability and in particular their net interest income (NII).



Over the next six months, Irish banks expect the impact of interest rate changes on profitability to be negative, driven by lower NII.