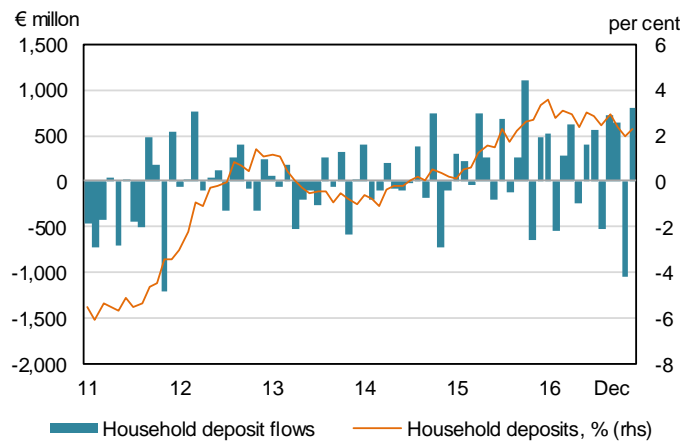


Money and Banking Statistics – December 2016

There was a net increase of €799 million in deposits from households in December, in contrast to a significant decline in November. This continues a general trend seen in previous years of households lodging more than they withdrew during the month of December.

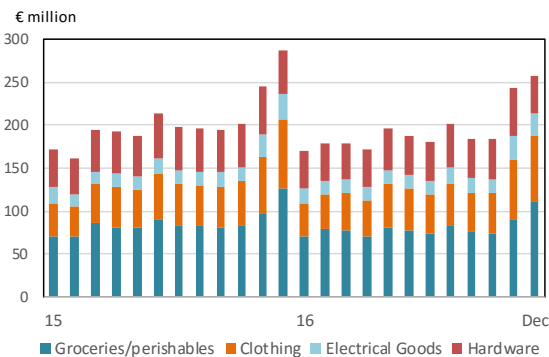
Loans for house purchase increased by €158 million in net terms in December – a decrease of 1.4 per cent annually. New spending on personal credit cards recorded its highest level of the year in December, with spending on groceries/perishables accounting for the largest share.

Household Deposits - Net flows



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

New Retail Credit Card Spending

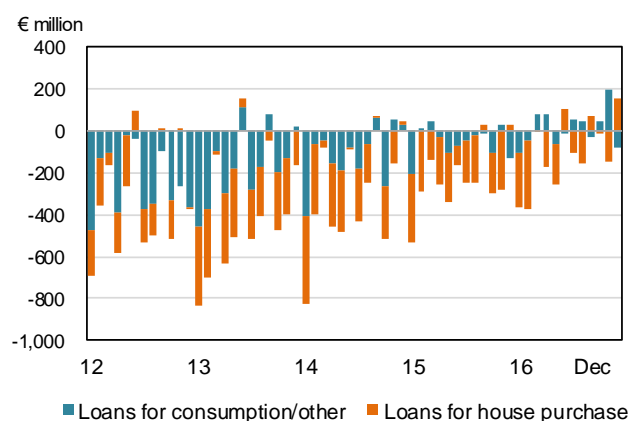


Source: Money and Banking [Table A.13](#)

Developments in Household credit and deposits

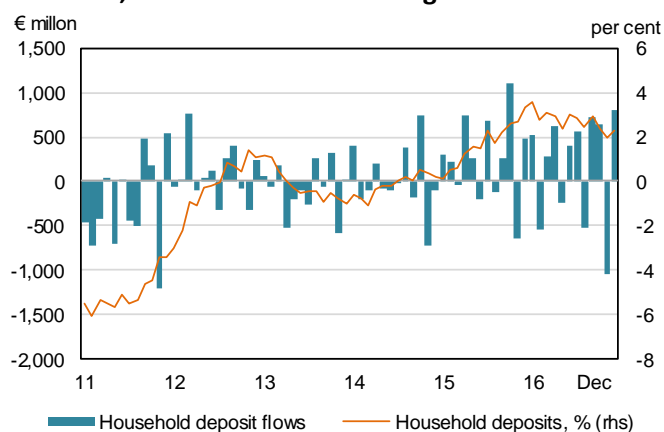
- **Loans to households adjusted for loans sales and securitisations** declined by 2.5 per cent in annual terms in December.¹
- **Mortgage loans**, which account for 83 per cent of on-balance sheet household loans, increased in net terms by €158 million in December 2016 (Chart 1); this reversed the decline of €150 million witnessed in the previous month. In year-on-year terms, however, mortgage loans declined by 1.4 per cent.
- **Non-housing loans**, despite net repayments of €79 million in December, increased by 1 per cent in year-on-year terms. Consumer credit drawdowns were higher than repayments over the year, while the opposite was true for loans for other purposes. New spending on credit cards, of €764 million in December, was the highest recorded in 2016. Retail spending dominated new credit card spending, with expenditure on groceries/perishables and clothing once again being the most significant.
- **Deposits from households** increased in net terms by €799 million in December. In annual terms, household deposit lodgements were €2.2 billion higher than withdrawals, growing by 2.3 per cent over the year (Chart 2). This increase in December reflects seasonal trends, somewhat offsetting the loss which occurred for November.
- **Developments in loans and deposits mean that Irish households continued to be net funders of the Irish banking system.** Banks held €9 billion more household deposits than loans at end-December (Chart 3). By contrast, in early 2009 household loans exceeded deposits by €53.5 billion.

Chart 1: Loans to Households; developments in net flows



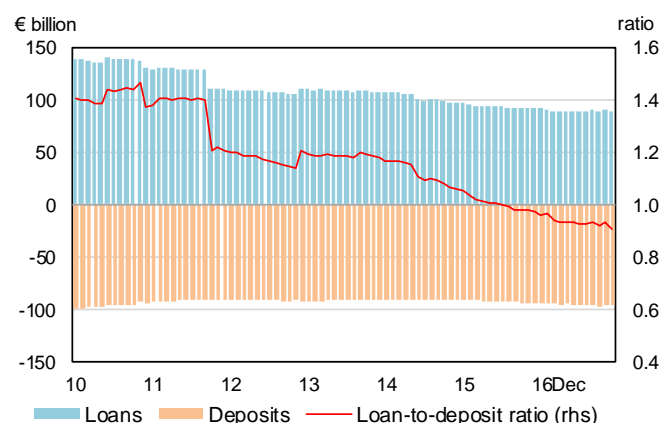
Source: Money and Banking [Table A.1](#)

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.

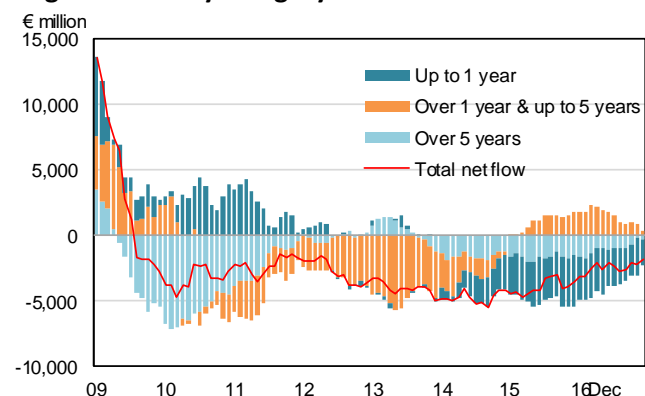
Developments in NFC credit and deposits

- **Net lending to NFCs** declined by €1.8 billion or 4 per cent in annual terms in December. This decline, however, masks divergent trends between short and medium-term maturities. As seen in Chart 4, medium-term maturities have remained positive since the beginning of 2015.
- In annual terms, medium-term net lending to NFCs grew by 3.2 per cent in December, with drawdowns exceeding repayments by €420 million. Short-term net lending declined by €1.9 billion over the past 12 months.
- **NFC deposits** increased by €1.2 billion in net terms in December (Chart 5). Overnight deposits were the largest contributor to this net increase, while deposits with agreed maturity of up to two years declined by €675 million in the month.
- NFC deposits grew by 9 per cent annually in December, continuing the strong trend of corporate inflows into the Irish banking system.

Developments in other counterparty sectors

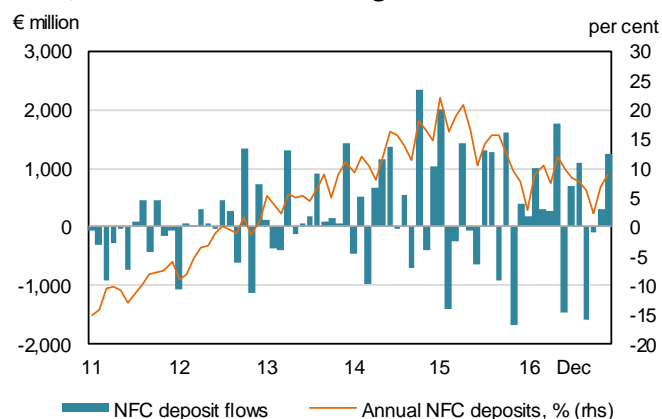
- **Lending to the private sector** has been the main driver of net lending to Irish residents since early 2014 and accounted for 75 per cent of banks' loan books in December (Chart 6). In annual terms, outstanding loans to the Irish private sector declined by 2.7 per cent in December.
- Credit institutions' holdings of Irish issued **debt and equity securities** declined by €820 million in December.
- **Irish banks' borrowings from the Central Bank as part of Eurosystem monetary policy operations decreased in December.** The outstanding stock of Central Bank borrowings was €7.4 billion, with the domestic market banks accounting for 95 per cent of this.

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



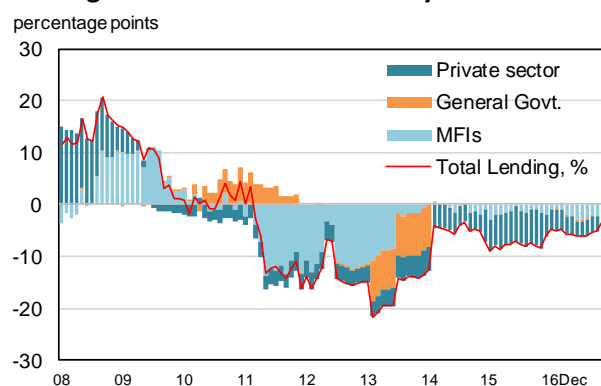
Source: Money and Banking [Table A.5](#)

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.