IRISH BANKING FEDERATION

PRICEWATERHOUSECOOPERS

IBF/PwC Mortgage Market Profile
Quarterly Report – New Lending

	Number	Value
New Mortgage Lending Quarter 2, 2010:	**7,827**	**€1,305m**
Quarter 1, 2010	6,954	€1,220m
Quarter 4, 2009	9,946	€1,760m
Quarter 3, 2009	12,189	€2,145m
Quarter 2, 2009	12,686	€2,173m

% change, Q2 2010 vs. Q1 2010	+12.5%	+7.0%
% change, Q2 2010 vs. Q2 2009	-38.3%	-39.9%

» The total value of new mortgage lending in the second quarter of 2010 was €1,305 million.

» The full data series for the IBF/PwC Mortgage Market Profile is available on the IBF website at **www.ibf.ie**.

Market size:

- These figures relate to all new lending secured by residential property (for further details regarding the basis for this data, see page 4).
- The total of outstanding residential mortgage debt is published on a monthly basis by the Central Bank and Financial Services Authority of Ireland.

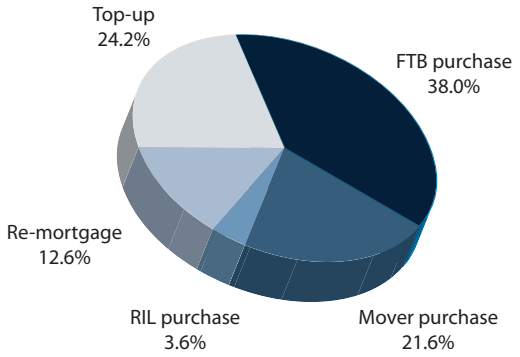
© IBF 2010

Loan Volumes

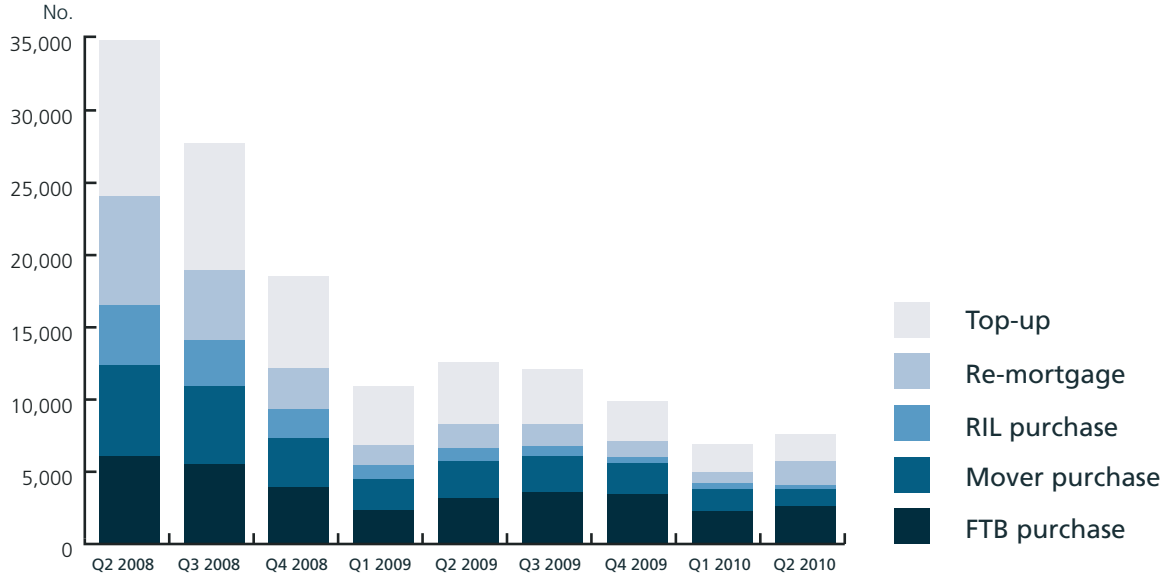
In the second quarter of 2010 a total of 7,827 mortgage loans were drawn down, 12.5% more than in the previous quarter and 38.3% fewer than in the same period in 2009.

- **The first-time buyers (FTBs), mover-purchasers and switchers (re-mortgage) segments recorded increases over the previous quarter in the number of loans issued. FTBs experienced the strongest growth with an increase of 27.8%.**
- **FTBs increased their market share to 38% - their highest share since the series began.**
- While the market share of mover-purchasers was comparatively static, combined with FTBs the two segments accounted for almost 60% of mortgages issued.

Quarter 2 2010: 7,827 Mortgage Loans issued



		FTB Purchase		Mover Purchase		RIL Purchase		Re-mortgage		Top-up		**Total Drawdowns**
		No.	%	No.	%	No.	%	No.	%	No.	%	No.
2010	**Q2**	**2,973**	**38.0%**	**1,690**	**21.6%**	**284**	**3.6%**	**984**	**12.6%**	**1,896**	**24.2%**	**7,827**
	Q1	2,327	33.5%	1,512	21.7%	385	5.5%	806	11.6%	1,924	27.7%	**6,954**
2009	Q4	3,511	35.3%	2,116	21.3%	480	4.8%	1,099	11.1%	2,740	27.5%	**9,946**
	Q3	3,633	29.8%	2,472	20.3%	699	5.7%	1,602	13.2%	3,783	31.0%	**12,189**
	Q2	3,184	25.1%	2,621	20.7%	873	6.9%	1,681	13.2%	4,327	34.1%	**12,686**
	Q1	2,356	21.4%	2,186	19.9%	966	8.8%	1,392	12.6%	4,097	37.3%	**10,997**
2008	Q4	3,958	21.2%	3,437	18.4%	2,020	10.8%	2,823	15.1%	6,468	34.5%	**18,706**
	Q3	5,553	19.9%	5,485	19.6%	3,170	11.4%	4,887	17.5%	8,842	31.6%	**27,937**
	Q2	6,106	17.4%	6,353	18.1%	4,235	12.0%	7,531	21.4%	10,929	31.1%	**35,154**
	Q1	4,329	15.2%	5,169	18.1%	3,801	13.3%	6,133	21.5%	9,076	31.9%	**28,508**

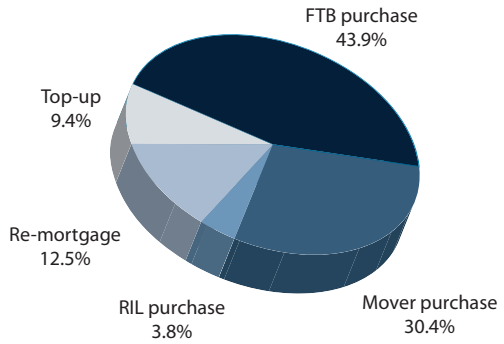


Loan Values

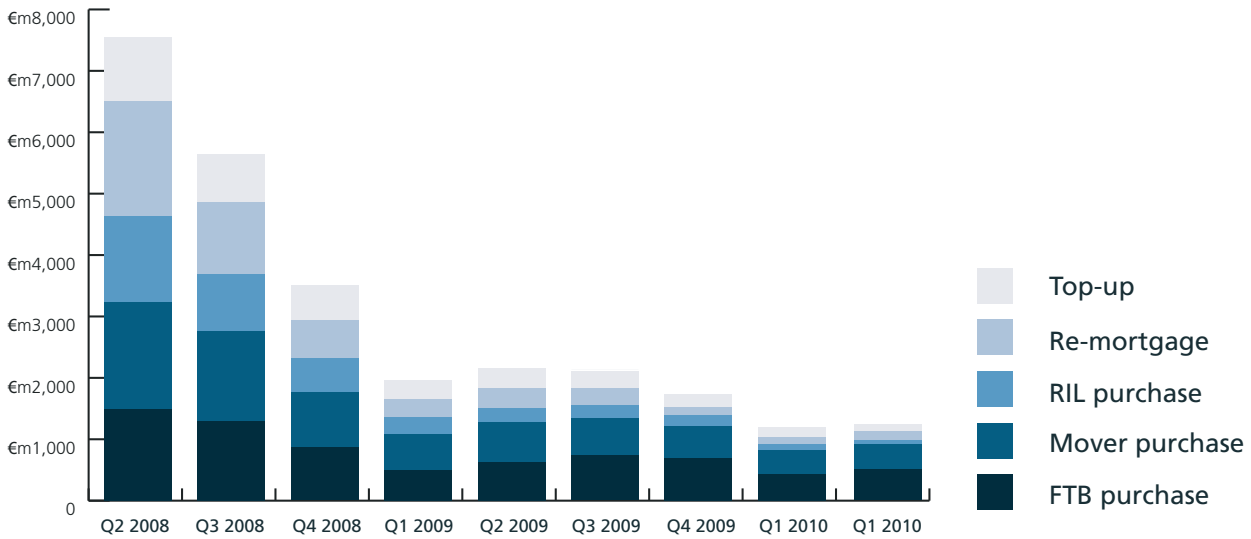
The value of mortgage loans issued in Q2 2010 was €1,305 million. This represents a quarter-on-quarter increase of 7% and a decline of 39.9% compared to Q2 2009.

- **FTBs, mover-purchasers and switchers (re-mortgage) all experienced a quarterly increase in the value of mortgage loans drawn down. The strongest growth was in the FTB segment at 22.2%.**
- FTBs grew their market share by 5.4 percentage points to reach 43.9%. This is the largest market share any segment has attained since the series began.
- The market share of mover-purchasers was similar to that of the previous quarter, and almost 75% of mortgage loans were drawn down by mover-purchasers or FTBs in value terms.

Quarter 2 2010: €1,305m issued in Mortgage Loans



		FTB Purchase		Mover Purchase		RIL Purchase		Re-mortgage		Top-up		**Total Drawdowns**
		€m	%	€m	%	€m	%	€m	%	€m	%	€m
2010	**Q2**	**573**	**43.9%**	**397**	**30.4%**	**49**	**3.8%**	**163**	**12.5%**	**123**	**9.4%**	**1,305**
	Q1	469	38.5%	375	30.7%	79	6.5%	143	11.7%	154	12.6%	**1,220**
2009	Q4	726	41.3%	514	29.2%	108	6.1%	205	11.6%	207	11.8%	**1,760**
	Q3	764	35.6%	611	28.5%	183	8.5%	304	14.2%	283	13.2%	**2,145**
	Q2	658	30.3%	646	29.7%	226	10.4%	330	15.2%	313	14.4%	**2,173**
	Q1	523	26.2%	584	29.2%	281	14.1%	290	14.5%	320	16.0%	**1,998**
2008	Q4	895	25.3%	910	25.7%	547	15.4%	615	17.4%	572	16.2%	**3,539**
	Q3	1,322	23.3%	1,464	25.8%	937	16.5%	1,158	20.4%	797	14.0%	**5,678**
	Q2	1,526	20.2%	1,741	23.0%	1,389	18.3%	1,882	24.9%	1,028	13.6%	**7,566**
	Q1	1,090	17.4%	1,457	23.2%	1,223	19.5%	1,640	26.2%	856	13.7%	**6,266**

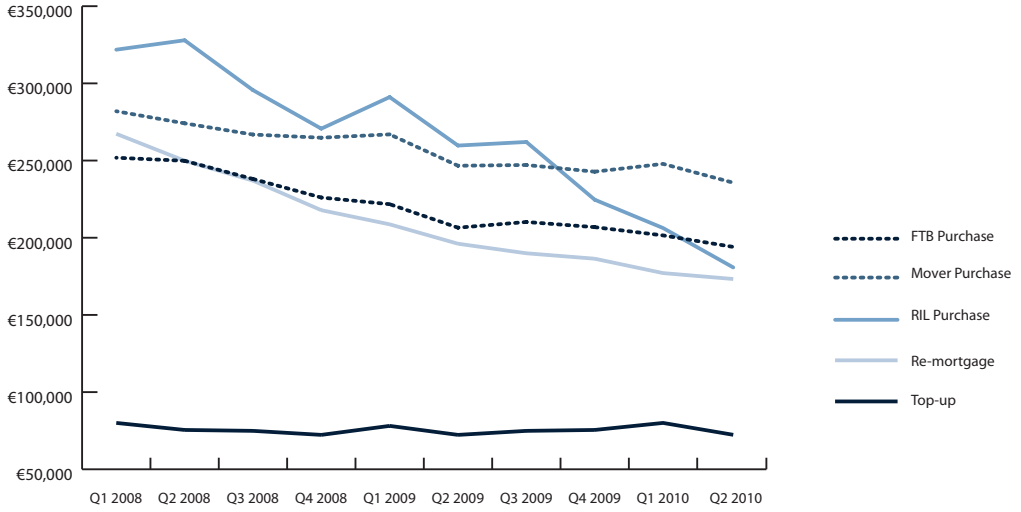


© IBF 2010

Average Loan

		FTB Purchase	Mover Purchase	RIL Purchase	Re-mortgage	Top-up
		€	€	€	€	€
2010	**Q2**	**192,848**	**234,735**	**174,418**	**165,119**	**65,009**
	Q1	201,516	247,844	206,294	177,101	80,036
2009	Q4	206,865	242,793	224,649	186,414	75,480
	Q3	210,210	247,127	262,037	189,936	74,895
	Q2	206,517	246,644	259,714	196,119	72,288
	Q1	221,734	266,958	291,110	208,687	78,118
2008	Q4	226,041	264,796	270,662	217,847	88,498
	Q3	238,064	266,840	295,621	237,010	90,173
	Q2	249,844	274,104	327,927	249,870	94,102
	Q1	251,831	281,944	321,822	267,327	94,317

- The average mortgage loan decreased by €8,645 (-4.9%) in the quarter to €166,770.
- The average FTB loan declined by €8,668 (-4.3%) in the second quarter of 2010.
- While all segments experienced a decrease in the average loan size, the Residential Investment Letting (RILs) and re-mortgage (switching) segments both fell to the lowest levels in the series.



The Irish Banking Federation (IBF) is the leading representative body for banking and financial services in Ireland. Irish Mortgage Council (IMC) is an affiliate of IBF and represents mortgage lending institutions.

Data

This data relates to loans granted by IBF/IMC member institutions listed which are secured by a mortgage on residential Irish property. We estimate that the data covers well in excess of 95% of the mortgage market and includes residential mortgage lending data from the following institutions:

AIB group
Bank of Ireland Mortgage Bank
Bank of Scotland (Ireland)/Halifax *
EBS Building Society
Haven Mortgages
ICS Building Society
KBC Homeloans
Irish Nationwide Building Society
Permanent TSB
Ulster Bank
*Not included in data series after Q1 2010.

Whilst every effort is made to ensure accurate classification of loans, some exceptions will always arise. The following are the market segment definitions in use in IMC data.

- First Time Buyer (FTB) Purchase - a loan issued for the purchase of residential property which is to be owner-occupied, where none of the borrowers have ever been an owner occupier (or part owner occupier) of a residential property in Ireland or elsewhere.
- Mover purchase - a loan issued for the purchase of residential property which is to be owner-occupied, where at least one of the borrowers has been an owner occupier (or part owner occupier) of a residential property in Ireland or elsewhere.
- Residential Investment Letting (RIL) purchase - a loan issued for the purchase of residential investment property or a holiday home
- Re-mortgage - a loan which is issued by one lender to refinance an existing mortgage with another lender. This may or may not include further equity release.
- Top-up - a further mortgage advance to an existing borrower which is issued to finance expenditure other than house purchase.

Disclaimer:

This report is based on statistical information supplied to IBF/IMC by the mortgage lending institutions listed herein. PricewaterhouseCoopers has reviewed the collation of this report by IBF/IMC. While every effort has been made to ensure the accuracy of information included in this report, IBF and PricewaterhouseCoopers can accept no responsibility for errors contained herein. This report is not to be reproduced in whole or in part without prior permission.

The full data series will be maintained on the IBF website (www.ibf.ie).

Next publication: November 2010

Contacts:

Eimer O'Rourke, Irish Banking Federation
eimer.orourke@ibf.ie, (01) 474 8818

Tom O'Connor, Irish Banking Federation
tom.oconnor@ibf.ie, (01) 474 8812