IRISH BANKING FEDERATION

PRICEWATERHOUSECOOPERS

IBF/PwC Mortgage Market Profile
New Lending – Quarterly Report

	Number	Value
New Mortgage Lending Quarter 3, 2008:	**27,937**	**€5,678m**
Quarter 2, 2008	35,154	€7,566m
Quarter 1, 2008	28,508	€6,266m
Quarter 4, 2007	37,719	€8,282m
Quarter 3, 2007	40,992	€8,984m

% change, Q3 2008 Vs. Q2 2008	-20.5%	-24.9%
% change, Q3 2008 Vs. Q3 2007	-31.8%	-36.8%

The total value of mortgage loans issued in the third quarter of 2008 was €5,678 million.

The value of new lending for the third quarter 2008 fell by 24.9% on the previous quarter and was 36.8% less than in the same period of 2007.

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

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.

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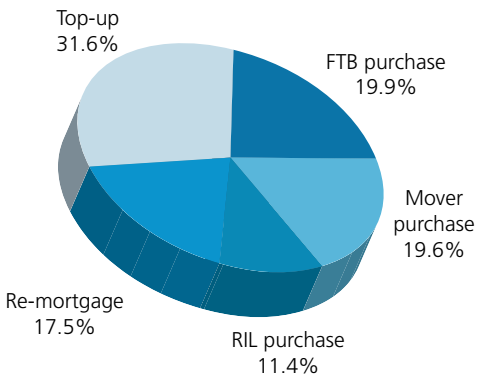
Loan Volumes

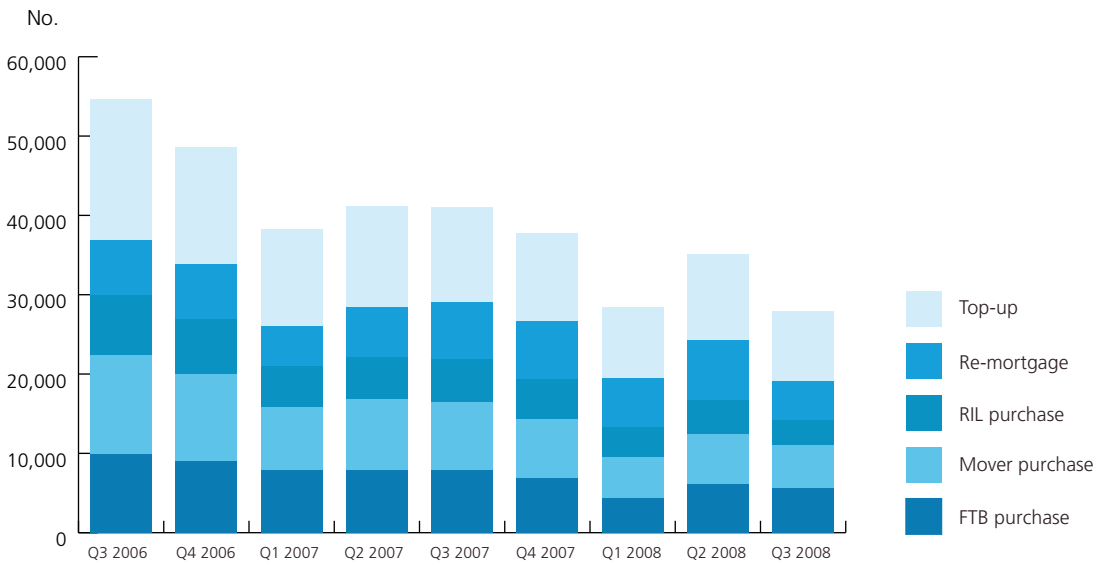
A total of 27,937 mortgages were issued in the third quarter of 2008. This represents a decrease of 20.5% in the number of mortgages drawn down compared with the previous quarter, and 31.8% less than in the same period in 2007.

- **In volume terms, first-time buyers increased their market share by 2.5 percentage points in the quarter to reach 19.9% of new mortgage loans drawn down.**
- Compared with the second quarter, mover-purchasers increased their market share by 1.5 percentage points, while investors (RIL) and the re-mortgage segment both experienced further drops in their share of the number of new mortgage loans.
- Top-ups retain the largest share of the market with 8,842 loans drawn down in the third quarter of 2008.

Quarter 3 2008: 27,937 Mortgage Loans



		FTB Purchase		Mover Purchase		RIL Purchase		Re-mortgage		Top-up		**Total Drawdowns**
		No.	%	No.	%	No.	%	No.	%	No.	%	No.
2008	**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**
2007	**Q4**	6,850	18.2%	7,489	19.9%	4,925	13.0%	7,330	19.4%	11,125	29.5%	**37,719**
	Q3	7,817	19.1%	8,609	21.0%	5,452	13.3%	7,152	17.4%	11,962	29.2%	**40,992**
	Q2	7,883	19.2%	8,947	21.7%	5,256	12.8%	6,369	15.5%	12,696	30.9%	**41,151**
	Q1	7,919	20.7%	7,819	20.4%	5,228	13.7%	5,086	13.3%	12,184	31.9%	**38,236**
2006	**Q4**	8,984	18.5%	11,065	22.7%	6,881	14.1%	6,883	14.2%	14,824	30.5%	**48,637**
	Q3	9,884	18.1%	12,470	22.8%	7,530	13.8%	6,981	12.8%	17,758	32.5%	**54,623**



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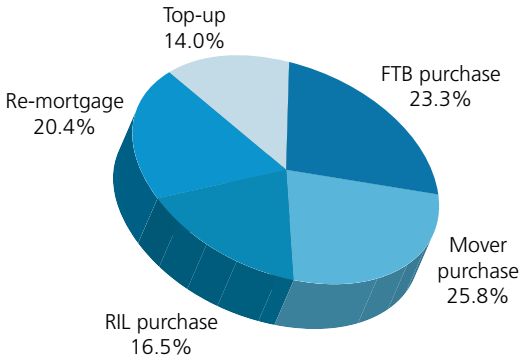
Loan Values

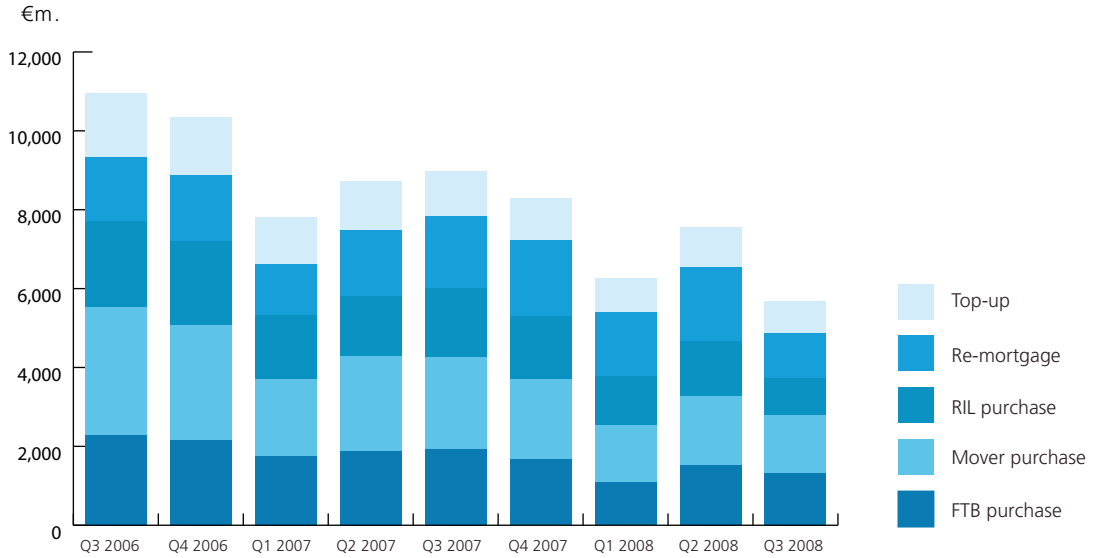
Some €5,678 million in mortgages was advanced in the third quarter of 2008. Lending decreased in value terms by 24.9% compared with the previous quarter and fell 36.8% in year-on-year terms.

- **First time buyers experienced growth in market share of around 3 percentage points for the second successive quarter, rising to 23.3% in terms of the value of new mortgages drawn down.**
- Mover-purchasers and top-ups grew their market share while the re-mortgage (switching) and investor segments both declined in value terms.
- The largest segment is now mover-purchasers with 25.8% of the market.

Quarter 3 2008: €5,678m



		FTB Purchase		Mover Purchase		RIL Purchase		Re-mortgage		Top-up		**Total Drawdowns**
		No.	%	No.	%	No.	%	No.	%	No.	%	No.
2008	**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**
2007	**Q4**	1,666	20.1%	2,035	24.6%	1,607	19.4%	1,904	23.0%	1,070	12.9%	**8,282**
	Q3	1,939	21.6%	2,327	25.9%	1,745	19.4%	1,822	20.3%	1,151	12.8%	**8,984**
	Q2	1,887	21.6%	2,396	27.4%	1,515	17.3%	1,681	19.3%	1,254	14.4%	**8,733**
	Q1	1,758	22.5%	1,929	24.7%	1,645	21.1%	1,268	16.2%	1,209	15.5%	**7,809**
2006	**Q4**	2,157	20.9%	2,924	28.3%	2,121	20.5%	1,679	16.2%	1,462	14.1%	**10,343**
	Q3	2,288	20.9%	3,233	29.5%	2,193	20.0%	1,613	14.7%	1,635	14.9%	**10,962**



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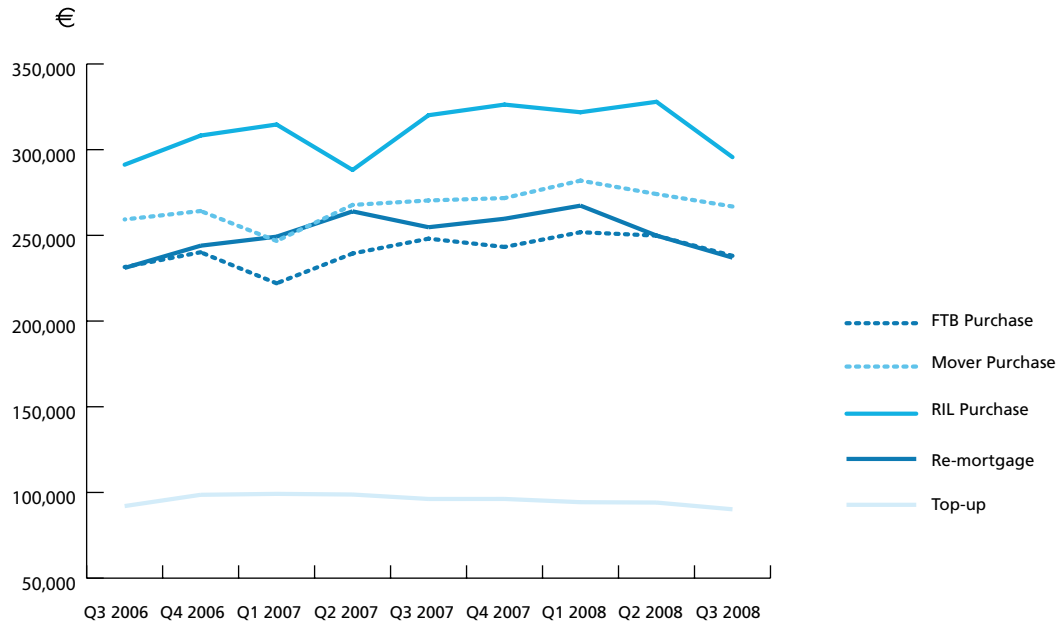
Average Loan

		FTB Purchase	Mover Purchase	RIL Purchase	Re-mortgage	Top-up
		€	€	€	€	€
2008	**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
2007	**Q4**	243,232	271,751	326,300	259,700	96,210
	Q3	248,068	270,355	320,092	254,735	96,194
	Q2	239,416	267,762	288,141	263,995	98,789
	Q1	222,023	246,730	314,675	249,228	99,177
2006	**Q4**	240,151	264,209	308,234	243,962	98,624
	Q3	231,514	259,286	291,230	230,991	92,050

- For the first time in the series, the average loan size fell across all segments compared to the previous quarter.
- Despite a notable decrease, the average investor (RIL) loan is still the largest of all market segments.



The Irish Banking Federation (IBF) is the leading representative body for banking and financial services in Ireland. The 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
First Active
Haven Mortgages Limited
ICS Building Society
IIB Homeloans Ltd
Irish Nationwide Building Society
Permanent TSB
Ulster Bank

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).

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