IRISH BANKING FEDERATION

PRICEWATERHOUSECOOPERS

IBF/PwC Mortgage Market Profile
New Lending – Quarterly Report

	Number	Value
New Mortgage Lending Quarter 4, 2009:	**9,946**	**€1,760m**
Total, 2009	**45,818**	**€8,076m**
Quarter 3, 2009	12,189	€2,145m
Quarter 2, 2009	12,686	€2,173m
Quarter 1, 2009	10,997	€1,998m
Quarter 4, 2008	18,706	€3,539m

% change, Q4 2009 vs. Q3 2009	-18.4%	-18.0%
% change, Q4 2009 vs. Q4 2008	-46.8%	-50.3%

» The total value of new mortgage lending in the fourth quarter of 2009 was €1,760 million.

» For 2009 as a whole, mortgage loans totalling €8,076 million were issued.

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.

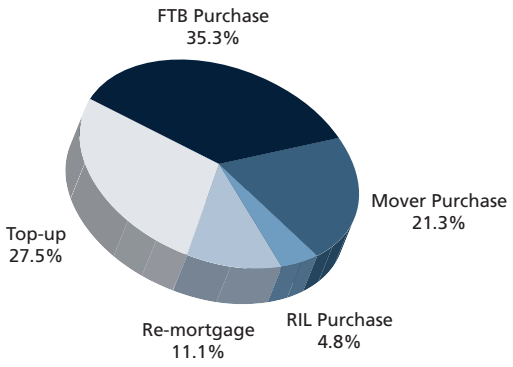
© IBF 2010

Loan Volumes

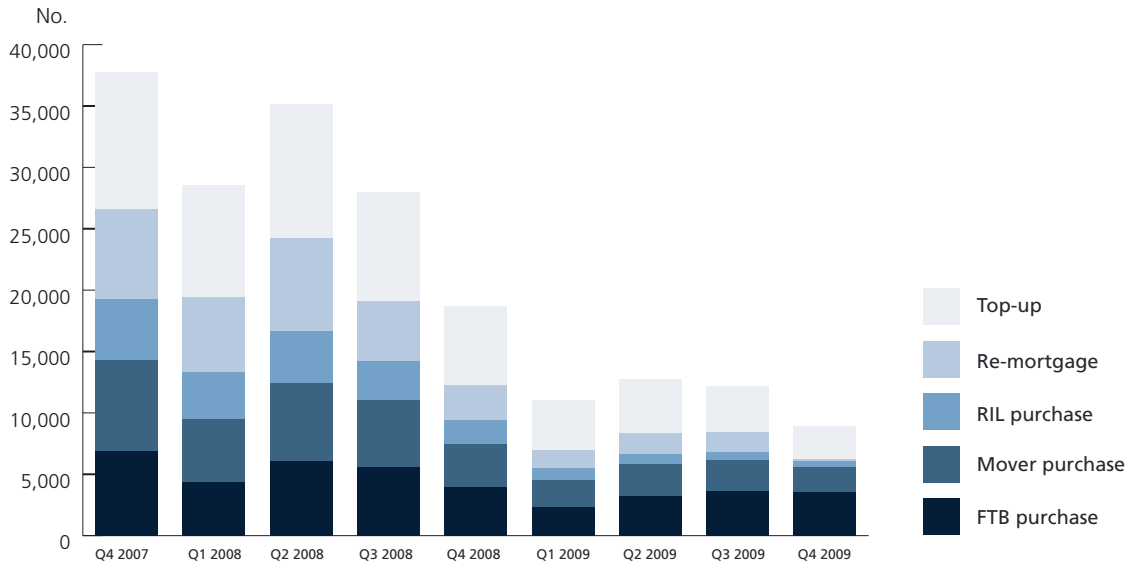
A total of 45,818 loans were drawn down in 2009, 58.5% fewer than in 2008. In the fourth quarter, 9,946 mortgage loans were issued, 18.4% less than in the previous quarter and 46.8% fewer loans than in Q4 2008.

- **Compared to the previous quarter, the number of loans issued decreased in all segments. However, First-Time Buyers (FTBs) experienced the lowest decline at -3.4%.**
- The market share of FTBs increased by over 5 percentage points to reach 35.3%. FTBs are now the largest segment of mortgage purchasers; top-ups fell to second-largest for the first time in the data series.
- Mover-purchasers increased their market share by 1 percentage point in Q4 to 21.3%.
- The Residential Investment Letting (RIL), re-mortgage (switching) and top-up segments continue to decrease in both volume and market share terms.

Quarter 4 2009: 9,946 Mortgage Loans



		FTB Purchase		Mover Purchase		RIL Purchase		Re-mortgage		Top-up		**Total Drawdowns**
		No.	%	No.	%	No.	%	No.	%	No.	%	No.
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**
2007	**Q4**	6,850	18.2%	7,489	19.9%	4,925	13.0%	7,330	19.4%	11,125	29.5%	**37,719**

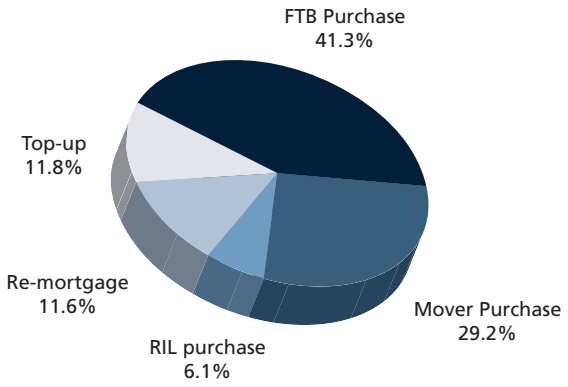


Loan Values

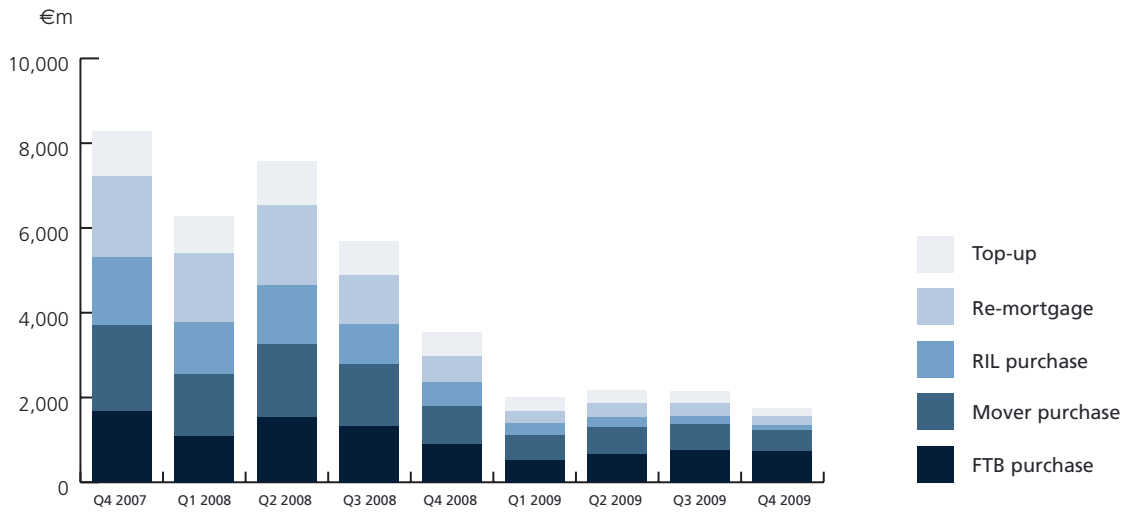
Mortgage loans totalling €8,076 million were issued in 2009, 65% less than in 2008. In Q4 2009, loans of €1,760 million were drawn down, 18% less than in Q3 and 50.3% lower than in the same period in 2008.

- **While all segments decreased in value terms compared with Q3, FTBs proved the most resilient, declining by the lowest proportion at -5%. FTBs, already the largest segment by value, also grew their market share by 5.7 percentage points in the quarter to reach a new high of 41.3%.**
- FTBs and mover-purchasers also continued the trend in 2009 of increased combined market share, with the two segments growing by 6.4 percentage points to a new peak for the series of 70.5%.
- RILs, re-mortgages (switching) and top-ups all decreased in Q4 and lost market share.

Quarter 4 2009: €1,760m



		FTB Purchase		Mover Purchase		RIL Purchase		Re-mortgage		Top-up		**Total Drawdowns**
		€m	%	€m	%	€m	%	€m	%	€m	%	€m
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**
2007	**Q4**	1,666	20.1%	2,035	24.6%	1,607	19.4%	1,904	23.0%	1,070	12.9%	**8,282**

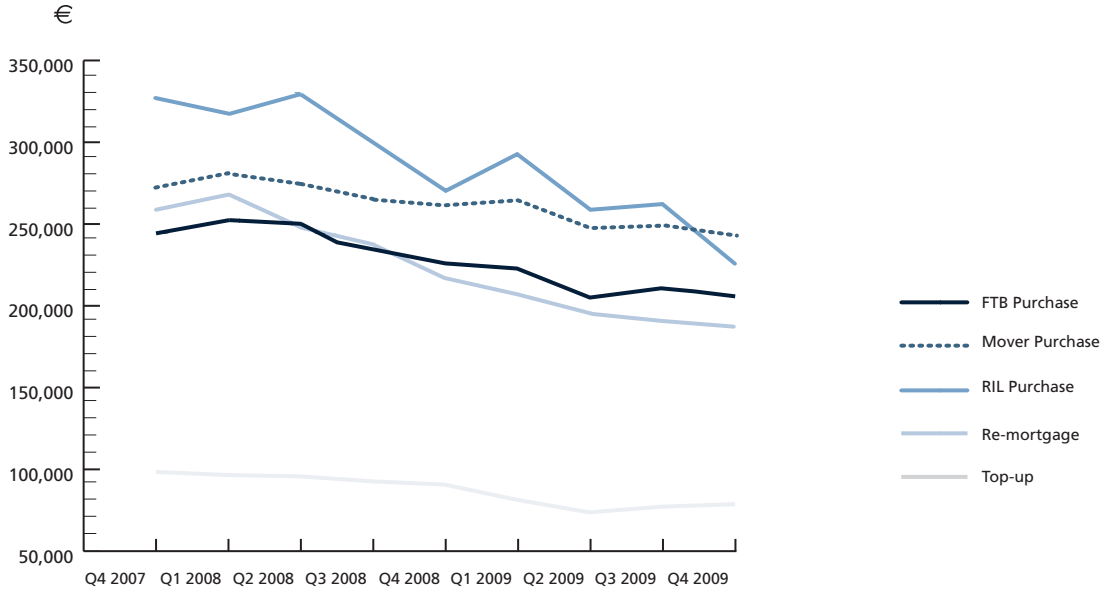


© IBF 2010

Average Loan

		FTB Purchase	Mover Purchase	RIL Purchase	Re-mortgage	Top-up
		€	€	€	€	€
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
2007	**Q4**	243,232	271,751	326,300	259,700	96,210

- The average loan size overall remained steady at €176,915, up 0.5% compared to the previous quarter.
- For FTBs, the average loan was €3,345 (1.6%) less than in Q3.
- For RILs, the average loan size decreased by €37,388 (14.3%) compared with the previous quarter.
- Average loan sizes also decreased in the quarter for mover-purchasers and re-mortgaging (switching) while top-ups showed little change.



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
First Active
Haven Mortgages
ICS Building Society
KBC Homeloans
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).

Next publication: May 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