

IBF/PwC Mortgage Market Profile Quarterly Report – New Lending

| | Number | Value |
|---|--------------|--------------|
| New Mortgage Lending Quarter 2, 2014 | 4,803 | €820m |
| Quarter 1, 2014 | 3,425 | €568m |
| Quarter 4, 2013 | 5,206 | €896m |
| Quarter 3, 2013 | 4,482 | €750m |
| Quarter 2, 2013 | 3,229 | €518m |
| % change, Q2 2014 vs. Q1 2014 | +40.2% | +44.3% |
| % change, Q2 2014 vs. Q2 2013 | +48.7% | +58.4% |

- The total value of new mortgage lending in the second quarter of 2014 was €820 million.
- The full data series for the IBF/PwC Mortgage Market Profile is available on the IBF website at www.ibf.ie.

Market size:

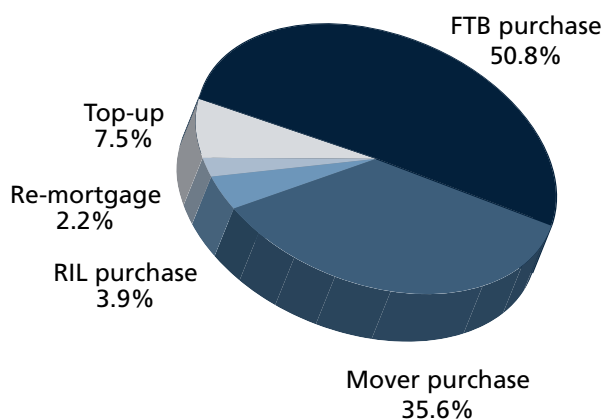
- These figures relate to all new lending secured by residential property (for further details regarding the basis for this data, see page 4).
- The total of outstanding residential mortgage debt is published on a monthly basis by the Central Bank of Ireland.

Loan Volumes

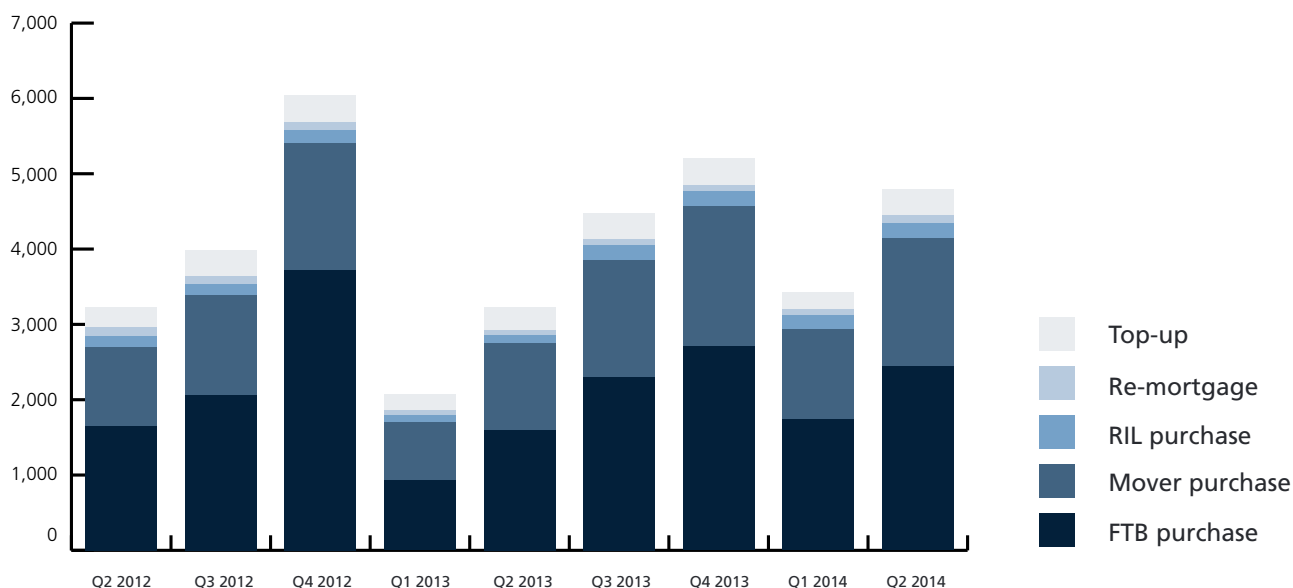
In Q2 2014, 4,803 mortgage loans were issued. This represents an increase in lending of 40.2% compared with Q1 2014 and 48.7% compared with Q2 2013.

- The number of mortgages drawn down rose to its highest Q2 level since 2010.
- All segments all grew on a year-on-year and a quarter-on-quarter basis. This is the first time since the series began that mortgage volumes in all segments have grown year-on-year for two consecutive quarters.
- The mover-purchase and residential investment letting (RIL) segments grew year-on-year for the fifth and fourth consecutive quarter, respectively.
- First-time buyers (FTBs) remained the largest segment, at 50.8% of new mortgage loans in Q2 2014. The FTB and mover-purchase segments combined accounted for 86.4% of mortgages issued.

Quarter 2 2014: 4,803 Mortgage Loans Issued



| | | First Time Buyer Purchaser | | Mover Purchaser | | Residential Investment Letting Purchase | | Re-mortgage | | Top-up | | Total Drawdowns |
|------|----|----------------------------|-------|-----------------|-------|---|------|-------------|------|--------|------|-----------------|
| | | No. | % | No. | % | No. | % | No. | % | No. | % | No. |
| 2014 | Q2 | 2,440 | 50.8% | 1,709 | 35.6% | 188 | 3.9% | 108 | 2.2% | 358 | 7.5% | 4,803 |
| | Q1 | 1,737 | 50.7% | 1,206 | 35.2% | 183 | 5.3% | 68 | 2.0% | 231 | 6.8% | 3,425 |
| 2013 | Q4 | 2,708 | 52.0% | 1,862 | 35.8% | 191 | 3.7% | 86 | 1.6% | 359 | 6.9% | 5,206 |
| | Q3 | 2,299 | 51.3% | 1,556 | 34.7% | 196 | 4.4% | 75 | 1.7% | 356 | 7.9% | 4,482 |
| | Q2 | 1,600 | 49.5% | 1,152 | 35.7% | 105 | 3.2% | 70 | 2.2% | 302 | 9.4% | 3,229 |
| 2012 | Q1 | 928 | 44.9% | 770 | 37.2% | 105 | 5.1% | 61 | 2.9% | 204 | 9.9% | 2,068 |
| | Q4 | 3,724 | 61.6% | 1,678 | 27.8% | 176 | 2.9% | 103 | 1.7% | 362 | 6.0% | 6,043 |
| | Q3 | 2,066 | 51.9% | 1,315 | 33.0% | 151 | 3.8% | 109 | 2.7% | 342 | 8.6% | 3,983 |
| | Q2 | 1,647 | 51.1% | 1,055 | 32.7% | 135 | 4.2% | 120 | 3.7% | 268 | 8.3% | 3,225 |

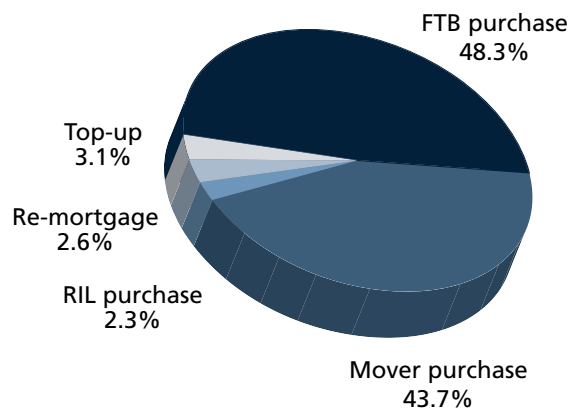


Loan Values

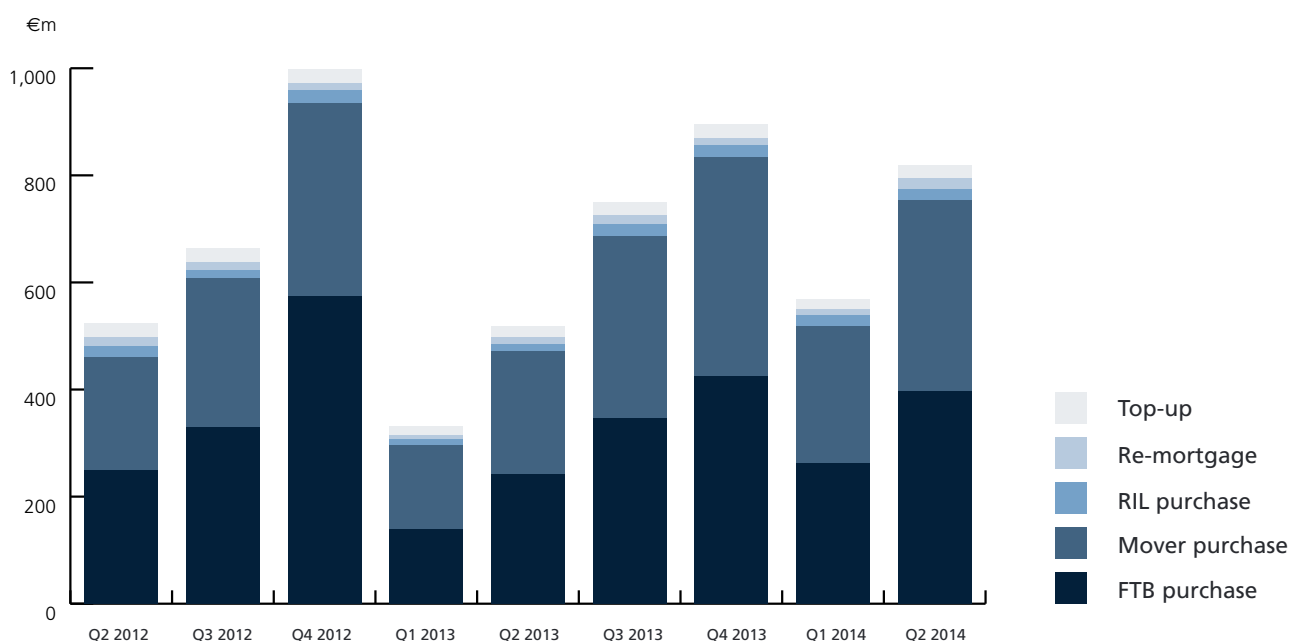
Some €820 million in mortgages was drawn down. This was 58.4% more than in Q2 2013 and 44.3% more than in Q1 2014.

- The value of mortgages drawn down increased to their highest Q2 level since 2010.
- All segments grew on a year-on-year basis for the second consecutive quarter in Q2 2014 - the first time this has happened since Q3 2006.
- The mover-purchase and RIL segments grew year-on-year for the fifth and fourth successive quarters, respectively. However, the RIL segment was the only one to see a quarter-on-quarter drop.
- FTB remains the largest segment with 48.3% of the market in value terms. FTBs and mover-purchasers together accounted for 92% of the market.

Quarter 2 2014: €820m Issued in Mortgage Loans



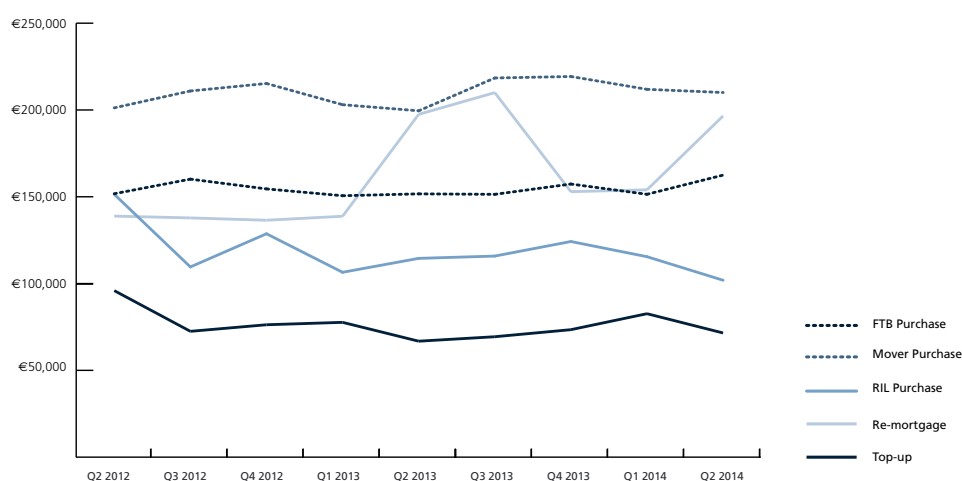
| | | FTB Purchase | | Mover Purchase | | RIL Purchase | | Re-mortgage | | Top-up | | Total Drawdowns |
|------|----|--------------|-------|----------------|-------|--------------|------|-------------|------|--------|------|-----------------|
| | | €m | % | €m | % | €m | % | €m | % | €m | % | |
| 2014 | Q2 | 396 | 48.3% | 358 | 43.7% | 19 | 2.3% | 21 | 2.6% | 26 | 3.1% | 820 |
| | Q1 | 263 | 46.3% | 255 | 44.9% | 21 | 3.7% | 10 | 1.8% | 19 | 3.3% | 568 |
| 2013 | Q4 | 425 | 47.5% | 408 | 45.5% | 24 | 2.6% | 13 | 1.5% | 26 | 2.9% | 896 |
| | Q3 | 347 | 46.3% | 339 | 45.3% | 23 | 3.0% | 16 | 2.1% | 25 | 3.3% | 750 |
| | Q2 | 242 | 46.7% | 230 | 44.4% | 12 | 2.3% | 14 | 2.7% | 20 | 3.9% | 518 |
| | Q1 | 140 | 42.3% | 156 | 47.2% | 11 | 3.3% | 8 | 2.4% | 16 | 4.8% | 331 |
| 2012 | Q4 | 574 | 57.5% | 361 | 36.1% | 23 | 2.3% | 14 | 1.4% | 27 | 2.7% | 999 |
| | Q3 | 330 | 49.8% | 277 | 41.8% | 16 | 2.4% | 15 | 2.2% | 25 | 3.8% | 663 |
| | Q2 | 249 | 47.5% | 212 | 40.5% | 20 | 3.8% | 17 | 3.2% | 26 | 5.0% | 524 |



Average Loan

| | | FTB Purchase | Mover Purchase | RIL Purchase | Re-mortgage | Top-up |
|------|----|--------------|----------------|--------------|-------------|--------|
| | | € | € | € | € | € |
| 2014 | Q2 | 162,171 | 209,756 | 101,606 | 196,235 | 71,229 |
| | Q1 | 151,123 | 211,602 | 115,172 | 153,688 | 82,338 |
| 2013 | Q4 | 157,035 | 218,982 | 123,918 | 152,648 | 73,127 |
| | Q3 | 151,097 | 218,124 | 115,530 | 209,677 | 69,065 |
| | Q2 | 151,370 | 199,219 | 114,210 | 197,188 | 66,493 |
| | Q1 | 150,292 | 202,737 | 106,186 | 138,465 | 77,351 |
| 2012 | Q4 | 154,227 | 214,954 | 128,383 | 136,174 | 75,967 |
| | Q3 | 159,848 | 210,647 | 109,272 | 137,504 | 72,178 |
| | Q2 | 151,451 | 200,920 | 151,109 | 138,551 | 95,626 |

- The average loan size increased to €170,720 in Q2 2014, up 6.5% on Q2 2013. The average mortgage drawn down for property purchase (FTB, mover-purchase or RIL) again increased on a year-on-year basis, up 5.3% to €178,297. The average property purchase mortgage rose on a year-on-year basis for the fourth consecutive quarter – the first time this has happened since Q2 2008.
- The average loan drawn down rose on a year-on-year basis in the FTB and re-mortgage segments, although the average re-mortgage value is quite volatile and is based on a relatively small number of transactions.
- The average RIL purchase mortgage fell to €101,606, the lowest level since the series began in 2005 and down 69% from the peak in Q2 2008.



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 Bank Ireland
 Irish Nationwide Building Society**
 Permanent TSB
 Ulster Bank

*Not included in data series after Q1 2010.

**Not included in data series after Q1 2011.

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. PwC 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 PwC 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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