IRISH BANKING FEDERATION

PRICEWATERHOUSECOOPERS

IBF/PwC Mortgage Market Profile
Quarterly Report – New Lending

	Number	Value
New Mortgage Lending Quarter 3, 2011	**3,607**	**€623m**
Quarter 2, 2011	3,551	€624m
Quarter 1, 2011	3,259	€577m
Quarter 4, 2010	5,624	€982m
Quarter 3, 2010	7,261	€1,239m

% change, Q3 2011 vs. Q2 2011	*+1.6%*	*-0.2%*
% change, Q3 2011 vs. Q3 2010	*-50.3%*	*-49.7%*

- The total value of new mortgage lending in the third quarter of 2011 was €623 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.

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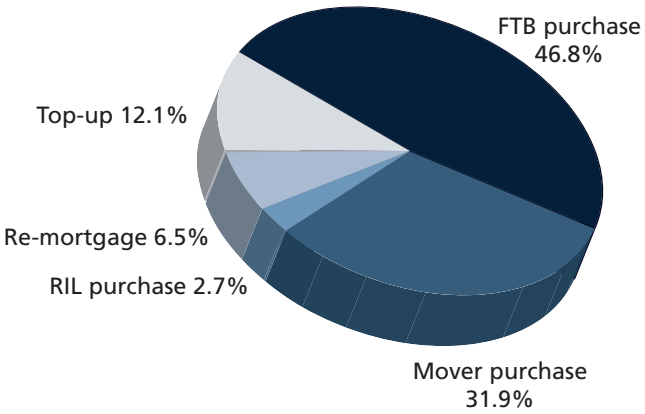
Loan Volumes

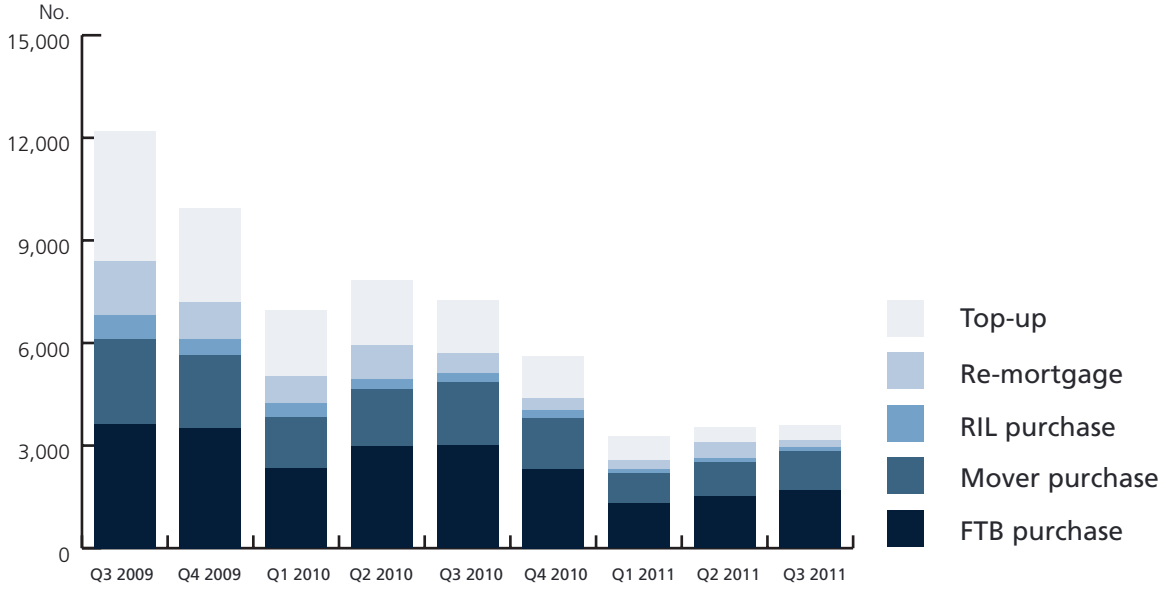
In Q3 2011, 3,607 mortgage loans were issued. This represents a decrease in lending of 50.3% compared with Q3 2010, and an increase of 1.6% compared to the previous quarter. This is the first time since Q3 2006 that the number of loans has increased in two consecutive quarters.

- **The number of mortgage loans issued in the first-time buyer (FTB) and mover-purchaser segments increased in Q3 compared with the previous quarter. All segments contracted on a year-on-year basis.**
- FTBs remained the largest segment, increasing their share to almost 47% of the market, the highest since the series began in 2005.
- Mover-purchasers increased their market share by almost four percentage points quarter-on-quarter. Combined with FTBs, they accounted for nearly four-fifths of the market by volume.

Quarter 3 2011: 3,607 Mortgage Loans Issued



		FTB Purchase		Mover Purchase		RIL Purchase		Re-mortgage		Top-up		**Total Drawdowns**
		No.	%	No.	%	No.	%	No.	%	No.	%	No.
2011	**Q3**	**1,690**	**46.8%**	**1,151**	**31.9%**	**98**	**2.7%**	**233**	**6.5%**	**435**	**12.1%**	**3,607**
	Q2	1,503	42.3%	999	28.1%	141	4.0%	441	12.4%	467	13.2%	3,551
	Q1	1,301	39.9%	885	27.2%	139	4.3%	259	7.9%	675	20.7%	3,259
2010	Q4	2,318	41.2%	1,468	26.1%	238	4.2%	351	6.3%	1,249	22.2%	5,624
	Q3	3,001	41.3%	1,863	25.7%	254	3.5%	581	8.0%	1,562	21.5%	7,261
	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



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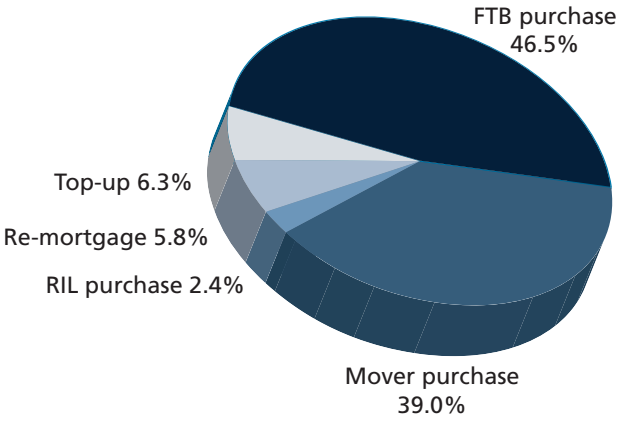
Loan Values

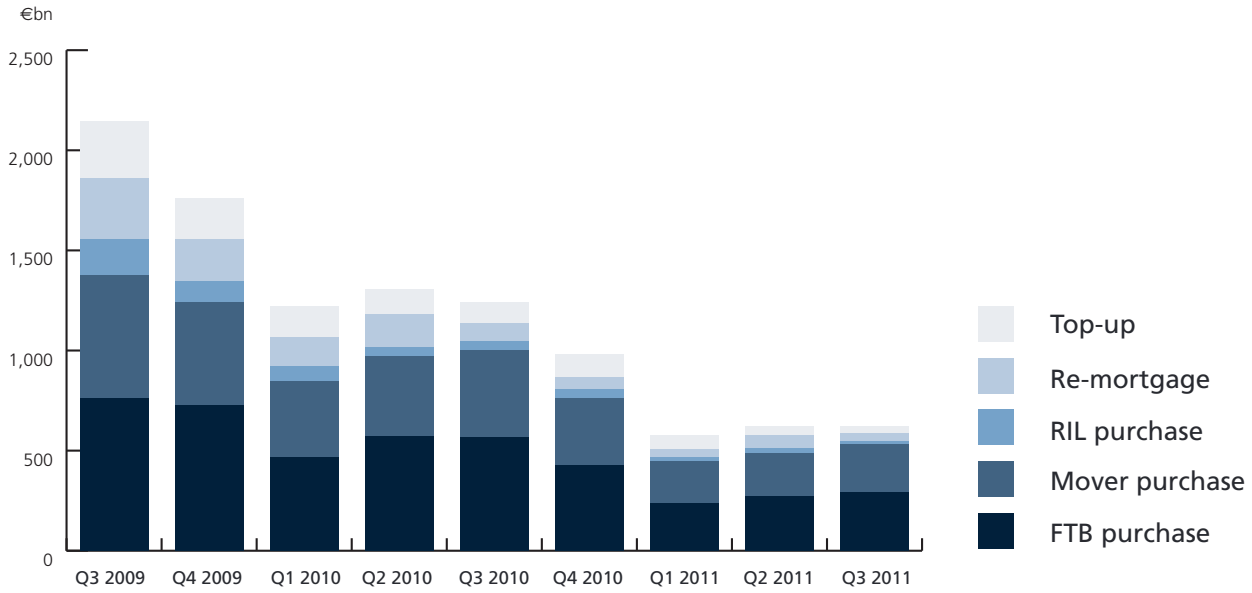
In the third quarter of 2011, a total of €623m in mortgages were drawn down. This was 49.7% less than in the same period in 2010 and 0.2% less than in Q2 2011.

- **The value of mortgage loans issued increased quarter-on-quarter in the FTB and mover-purchaser segments, while all other segments shrank. All segments contracted compared with Q3 2010.**
- FTBs and mover-purchasers remained the largest segments by value and increased their market shares to the highest levels since the series began.
- FTBs and mover-purchasers together made up over 85% of the market in value terms.
- Growth in the FTB and mover-purchaser segments was offset by declines in the other segments.

Quarter 3 2011: €623m Issued in Mortgage Loans



		FTB Purchase		Mover Purchase		RIL Purchase		Re-mortgage		Top-up		**Total Drawdowns**
		€m	%	€m	%	€m	%	€m	%	€m	%	€m
2011	**Q3**	**290**	**46.5%**	**243**	**39.0%**	**15**	**2.4%**	**36**	**5.8%**	**39**	**6.3%**	**623**
	Q2	270	43.3%	218	34.9%	21	3.3%	66	10.6%	49	7.9%	624
	Q1	239	41.4%	207	35.9%	20	3.5%	40	6.9%	71	12.3%	577
2010	Q4	429	43.7%	331	33.7%	45	4.6%	61	6.2%	116	11.8%	982
	Q3	566	45.7%	436	35.2%	43	3.4%	94	7.6%	100	8.1%	1,239
	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



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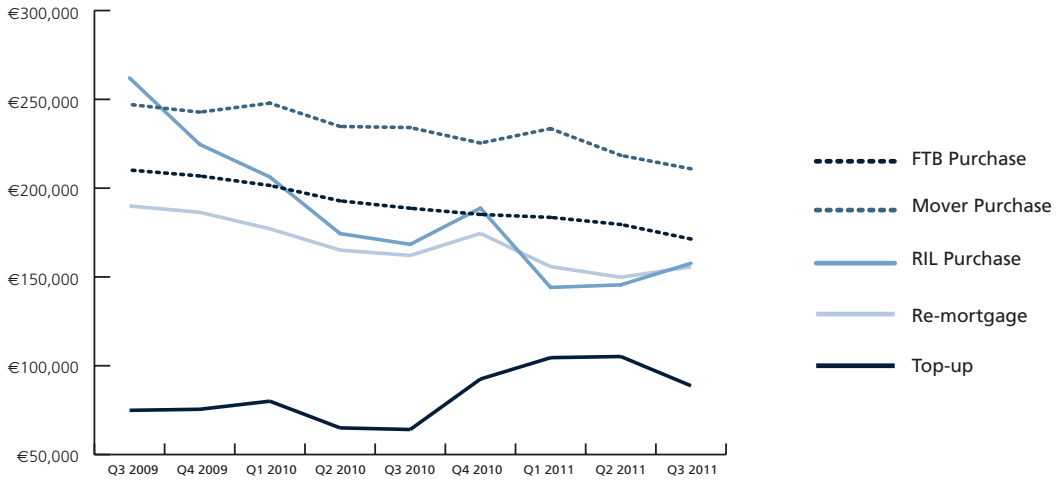
Average Loan

		FTB Purchase	Mover Purchase	RIL Purchase	Re-mortgage	Top-up
		€	€	€	€	€
2011	**Q3**	**171,357**	**210,876**	**157,695**	**155,693**	**88,711**
	Q2	179,552	218,447	145,555	149,823	105,193
	Q1	183,543	233,519	144,093	155,796	104,544
2010	Q4	185,193	225,384	188,743	174,510	92,498
	Q3	188,680	234,122	168,346	162,083	64,085
	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

- **The average loan size fell to €172,618 (down 1.7%) in Q2 2011.**
- The average size of loans drawn down by FTBs and mover-purchasers both declined in Q3, down 4.6% and 3.5% respectively.
- The average residential investment property (RIL) loan drawn down increased for the second successive quarter, rising by 8.3%, while the average re-mortgage grew by 3.9%.
- The average top-up decreased by 15.7% compared with the previous quarter, the first quarterly decline since Q3 2010.



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.*
***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. 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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