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Macroprudential Measures and Irish Mortgage Lending: Insights from H1 2018

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Central Bank of Ireland

Abstract

This note provides an overview of residential mortgage lending in Ireland in H1 2018. In total, 17,415 loans are covered with a value of €3.75 billion. The majority (97 per cent) of lending in-scope of the mortgage measures was for primary dwelling (PDH) loans. For first-time buyers (FTBs), the average loan-to-value (LTV) and loan-to-income (LTI) were 79.6 per cent and 3.1 times gross income, respectively. Regarding the LTV limit, 16 per cent of the total value of second and subsequent buyers (SSB) lending in H1 2018 exceeded the 80 per cent LTV limit. Regarding the LTI limit, 23 per cent of the aggregate value of FTB lending exceeded the LTI limit, with 9 per cent of the value of SSB lending originated with an LTI above 3.5. On average, borrowers with an LTI allowance had larger loan sizes and loan terms, were more likely to be based in Dublin and be a single applicant compared to those borrowers without an LTI allowance. SSBs with an LTV allowance had larger loan sizes and incomes and were younger than those without an LTV allowance. These trends were similar to those observed in H1 2017.

1 Introduction

The Central Bank of Ireland's macroprudential mortgage measures have now been in place for over three years, since their introduction in February 2015. The measures aim to increase both bank and borrower resilience and mitigate the risks of credit-house price spirals emerging, by limiting the LTV and LTI ratios applying to new residential mortgage lending. The measures therefore form an integral part of the Central Bank of Ireland's macroprudential policy framework. This note uses data collected by the Central Bank of Ireland to monitor compliance with the measures for the first six months of 2018. It focuses on a discussion of the key loan and borrower characteristics of lending originated during this

*Corresponding author: christina.kinghan@centralbank.ie. I would like to thank Paul Lyons, Jane Kelly and Fergal McCann for their comments. The views are those of the author and do not necessarily reflect the views of the Central Bank of Ireland or the European System of Central Banks. Any remaining errors are our own. Data underlying the charts can be obtained by emailing MFDanalytics@centralbank.ie.

time period, across different borrower groups (first-time buyers (FTBs), second and subsequent buyers (SSBs) and buy-to-lets (BTLs)). Following the 2017 review of the Regulations, an additional refinement to the measures was introduced effective from 1 January 2018.¹ This note provides an overview of lending under this new regulatory framework.

The note proceeds as follows: Section 2 provides an overview of the measures and data employed. Section 3 examines the characteristics of in-scope lending in H1 2018 across borrower groups. Section 4 focuses on loans with an allowance to exceed the LTV and LTI limits. Section 5 concludes.

2 Market Overview

2.1 The Measures

A summary of the measures effective from 1 January 2018 is provided in Table 1. The mortgage measures specify limits on the LTV and LTI ratios applying to new mortgage lending. For FTBs, a maximum LTV of 90 per cent applies. The corresponding LTV limit for SSBs is 80 per cent, with BTLs subject to a 70 per cent LTV limit. The LTI limit applies to borrowers purchasing their primary residence only (FTBs and SSBs) and is set at 3.5 times gross income for both borrower types.

Recognising that higher LTV and LTI mortgages can be appropriate in certain circumstances, the measures allow for a share of new lending above the LTV and LTI limits, referred to as allowances, and detailed in column 4 of Table 1. Financial institutions are permitted to lend up to 5 per cent of the value of new FTB lending in excess of the FTB LTV limit, up to 20 per cent of the value of new SSB lending in excess of the SSB LTV limit and up to 10 per cent of the value of new BTL lending in excess of the LTV limit for that group.

Following on from the 2017 review of the Regulations, allowances to exceed the LTI limits were amended. Previously, 20 per cent of the value of total lending for the purchase of a primary residence (both FTBs and SSBs combined) was permitted to exceed the LTI limit. From 1 January 2018 onwards, allowances to exceed the LTI limits will be assessed by borrower type, with 20 per cent of the value of new FTB lending allowed above the LTI limit and the corresponding figure for SSBs set at 10 per cent of the value of new SSB lending. It is important to note that allowances are a proportion of new lending rather than a pre-assigned euro value and compliance is assessed on a full year basis.

There are also a number of exemptions to the Regulations and these are shown in the bottom row of Table 1.

¹The "Review of Residential Mortgage Lending Requirements" is available at: [Report on 2017 Review, November 2017](#).

2.2 Data

This note analyses data on 17,415 loans originated in the first six months of 2018. Financial institutions that advance at least €50 million of new mortgage lending in a six month period (January - June or July - December) are required to submit loan-by-loan data to the Central Bank of Ireland to monitor compliance with the measures. Six lenders met this criteria between January and June 2018; Allied Irish Bank (AIB, including the Educational Building Society (EBS)), Bank of Ireland (BoI), Permanent TSB (PTSB), Ulster Bank Ireland DAC (UBI), KBC Bank Ireland (KBC) and Pepper Money Ireland. Figure 1 displays the evolution of new lending in H1 2018 on a monthly basis. June 2018 was the most active month for new loan drawdowns, both in terms of count and value.

2.3 Market Overview

Table 2 provides a summary of new mortgage lending in H1 2018 by the institutions reporting loan-by-loan data to the Central Bank of Ireland, along with a comparison to the percentage of value in each category for H1 2017.² The total value of all loans extended over the period was €3.75 billion, up from €3.09 billion in H1 2017, an increase of 22 per cent year-on-year. The corresponding increase in volume terms was 15 per cent. The majority of this lending (91 per cent) was in-scope of the Regulations. Lending for PDH purchases accounted for 97 per cent of in-scope lending in 2017, with the remaining 3 per cent for BTL purchases. Among PDH lending, 55 per cent was extended to FTBs while the remaining 45 per cent was extended to SSBs.

Regarding the allocation of allowances to exceed the LTV and LTI limits, less than 1 per cent of the aggregate value of new lending exceeded the FTB LTV limit of 90 per cent (5 per cent, per institution is permitted under the Regulations). In the case of SSBs, 16 per cent of the total value of new lending exceeded the LTV limit (20 per cent of new lending is allowed per institution). For LTI allowances, we observe that 23 per cent of the total value of FTB lending exceeded the 3.5 limit. For SSBs, 9 per cent of the total value of SSB lending exceeded the LTI cap.³

Lending that was exempt from some aspect of the Regulations accounted for 9 per cent of the value of lending in H1 2018. Switcher mortgages accounted for 92 per cent of exempt lending, with a total value of €323 million in comparison to 78 per cent in H1 2017. Negative equity loans accounted for 4 per cent of exempt lending with a value of €13 million and the 'other' category (primarily restructuring of distressed loans) accounted for the remaining 4 per cent (€15 million in value) of exempt loans.⁴

²It should be noted that this data may differ to that published in the Economic Letter 'Macroprudential Measures and Irish Mortgage Lending: Insights from H1 2017' due to changes in the sample composition.

³Respectively, 20 per cent of the value of new FTB lending and 10 per cent of the value of new SSB lending are permitted to exceed the 3.5 LTI limit per institution in any given year. The 23 per cent reflects the aggregate figure across all institution for a six month period only. Allowances are assessed per institution and over a 12 month period

⁴Negative equity loans are exempt from the LTV limits only. Borrowers who refinance their mortgage, but

3 In-Scope Lending in 2017

In this section, we examine key loan and borrower characteristics of in-scope lending in H1 2018 for each borrower type.⁵ Approximately 91 per cent of total lending in H1 2018 was in-scope of the mortgage measures, as shown in Table 2. We focus on **loans for house purchase and self-builds only** to provide an overview of new lending.⁶ A comparison to lending in H1 2017 is presented.

3.1 First Time Buyers

The average loan and borrower characteristics for FTBs in-scope in H1 2017 and H1 2018 are shown in Table 3, along with the differences between the two periods. In comparison to H1 2017, FTBs in H1 2018 had a higher average loan size, property value and income. The average loan drawn down by FTBs was €216,505 and the average property value was €287,081. The average LTV was 79.6 per cent and the average LTI was 3.1 times gross income. These figures are broadly similar to H1 2017 (79.5 per cent and 3.0 per cent respectively). The average interest rate for FTBs was 3.1 per cent, lower than that observed in H1 2017. Approximately 68 per cent of FTBs originated their loans on a fixed rate, compared to 57 per cent in H1 2017. We observe a corresponding decrease in the share of loans originated on a standard variable rate. We do not find any notable differences in the borrower characteristics of FTBs in each period, however a slightly higher share of borrowers submitted a joint application form and were salaried employees.⁷

Figure 2 presents the distribution of LTVs for FTB loans originated in H1 2018 by corresponding property valuation. The majority of FTBs purchased properties below the LTV limit of 90 per cent. Figure 3 displays the distribution of LTV and LTI ratios for FTBs in H1 2018 compared to H1 2017. A higher share of lending at an LTV of between 89-90 per cent is evident, with a decrease in the share of lending with an LTV of 79-80 per cent and 87-88 per cent compared to H1 2017. For LTI, we observe an increase in loans with an LTI between 3.25-3.5 and a small increase in the share of loans with an LTI greater than 4 in H1 2018.

Finally, Figure 4 presents the evolution of LTV and LTI ratios among FTBs between 2006 and H1 2018. There are no notable differences in the average values for LTV and LTI in recent data.

do not increase the size of their loan balance outstanding upon refinancing, are exempt from both the LTV and LTI limits.

⁵The borrower characteristics presented in this *Financial Stability Note* refer to those of the primary earner on the loan application.

⁶We therefore exclude borrowers who switched mortgage provider and increased their loan size and equity release / top-up loans.

⁷The remaining 10 per cent primarily refers to those borrowers who are self-employed.

3.2 Second and Subsequent Buyers

Table 4 undertakes the same comparison of loan and borrower characteristics in H1 2017 and H1 2018 for SSBs. The loan and borrower characteristics of SSBs in both time periods are broadly similar. SSBs had a larger average property value in H1 2018, at €412,124 compared to €401,136 in H1 2017. The average LTV was 66.9 per cent, slightly lower than that observed in H1 2017 (67.8 per cent). The average LTI for SSBs in H1 2018 was 2.6. Similar to FTBs, the average interest rate was lower in H1 2018 at 3.0 per cent and a higher share of borrowers originated their loans on a fixed interest rate (up 10 percentage points) in comparison to H1 2017. The average age of an SSB borrower increased by 1 year from 41 to 42 years.

The right hand-side panel of Figure 2 presents the distribution of LTVs for SSB loans originated in H1 2018 by corresponding property valuation. While the bulk of SSB lending took place at LTVs less than the SSB LTV limit of 80 per cent, a sizeable number of loans had LTVs greater than 80 per cent. Figure 3 also shows the distribution of LTV and LTI for SSBs in H1 2018 compared to H1 2017 (Panel C and D). We observe a decrease in the share of lending over the 80 per cent LTV limit and an increase in loans originated with an LTV between 79-80 per cent compared to H1 2017. For LTI, we observe an increase in the share of loans with an LTI between 3.25 - 3.5. Figure 4 presents the evolution of LTV and LTI ratios among SSBs over the period 2006 to 2017 as shown in Panel B and D. A slight upward trend in average LTV and LTI ratios is evident.

3.3 Buy-to-Let Borrowers

The average characteristics of BTLs are displayed in Table 5. Given the small number of observations, we focus only on loan characteristics. The average loan drawn down by BTL borrowers in H1 2018 was €132,327 and the average property value was €259,261. The average LTV was 56.6 per cent.

4 Allowances to Exceed the Regulatory LTV and LTI limits

In this section we compare the characteristics of loans with an allowance to exceed the LTV and LTI limits to those without an allowance. Specifically, we focus on three groups; 1) loans with an allowance to exceed the LTV limit; 2) loans with an allowance to exceed the LTI limit; and 3) loans with an allowance to exceed both the LTV and LTI limits.

4.1 LTV Allowances

We find that only a small number of FTBs (7 loans in total) had an LTV greater than 90 per cent (see Table 2). In contrast, 16 per cent of the aggregate value of SSB lending exceeded

the 80 per cent LTV limit. We therefore focus on the characteristics of SSBs with an allowance to exceed the LTV limit only, given the small number of observations associated with the FTB LTV allowance loans. Similarly, only 9 BTL loans received an allowance to exceed the LTV limit of 70 per cent in H1 2018. We therefore also exclude information on LTV allowances for BTLs.

Table 6 presents the loan and borrower characteristics for SSBs with and without an LTV allowance, along with the differences between the two groups. SSBs with an allowance to exceed the LTV limit had, on average, a larger loan size, income and LTI compared to those without an allowance. The average loan size was €308,867 compared to €233,281 for those without an allowance. The corresponding figures for average income were €126,494 and €103,269. The loan term for borrowers with an allowance was, on average, four years longer than those without an allowance. Regarding the borrower characteristics of SSBs with an LTV allowance, we observe that borrowers were younger by 3 years, were more likely to have submitted a joint application and were more likely to be located in Dublin than those without an allowance. These findings are largely consistent with those observed between 2015 and 2017.⁸

4.2 LTI Allowances

In this section, we provide a description of the loan and borrower characteristics for borrowers with and without an allowance to exceed the 3.5 LTI limit, by borrower type (FTBs and SSBs). This information is presented in Table 7.

Focusing first on FTBs, we find that the average loan size, property value and LTV were higher for FTBs with an LTI allowance. The average loan size of FTBs with an allowance was €288,891 and the average property value was €371,378. These figures compare to €201,433 and €269,094, respectively, for FTBs without an LTI allowance. FTBs with an LTI allowance also had a loan term that was 3 years longer than those without an allowance. Regarding borrower characteristics, FTBs with an LTI allowance were younger, with a larger share of single applicants and borrowers based in Dublin compared to those without an LTI allowance.

For SSBs, the average loan size, property value and LTV were higher among borrowers with an LTI allowance. The average income of SSB borrowers with an allowance was €98,598, approximately €8,000 lower than the average income of borrowers without an allowance (€106,831). Similar to FTBs, SSBs with an LTI allowance had a longer loan term, were younger, with a larger share of single applicants and borrowers based in Dublin than the 'without allowance' group.

⁸Please refer to the bibliography for a list of previous publications.

4.3 LTV and LTI Allowances

Figure 5 depicts the intersection of LTV and LTI by borrower type (FTB or SSB) and by allowance type (LTV only; LTI only; LTV and LTI or no allowance). While some FTB and SSB borrowers had allowances to exceed both the LTV and LTI limits set by the Regulations, these are small in number. The majority of new lending for both FTBs and SSBs was within the bounds of the LTV and LTI limits.

5 Conclusions

This note contains information on 17,415 new loans originated from 1 January to 30 June 2018, with a value of approximately €3.7 billion. A relatively small share (9 per cent) of new lending was exempt from the Regulations in H1 2018 (primarily switcher loans).

The average LTV of FTBs in H1 2018 was 79.6 per cent and the average LTI was 3.1, relatively unchanged from H1 2017. FTBs had a larger loan size, property value and income compared to FTBs in H1 2017. We find no notable difference in borrower characteristics for FTBs, with the exception of a marginally higher share of joint applicants and salaried employees. For SSBs, the average LTV was 66.9 per cent in H1 2018, a small decrease from H1 2017 (67.8 per cent). The average LTI for SSBs was 2.6 compared to an average LTI of 2.5 in H1 2017. We find that SSBs had a higher property value in H1 2018 and the average borrower age increased from 41 to 42 years old. Across both borrower types, a higher share of loans were originated on a fixed interest rate in H1 2018. The average interest rate was also lower in H1 2018 for both FTBs and SSBs.

Considering the LTV limits set by the Regulations, there was limited lending to both FTBs and BTLs in excess of the LTV cap applying to each group. In contrast, 16 per cent of the aggregate value of SSB lending exceeded the SSB LTV limit (20 per cent is allowed by the Regulations per institution). Regarding the LTI limit, 23 per cent of the value of FTB lending exceeded the LTI limit of 3.5, for SSBs this figure was 9 per cent of the value of SSB lending.³

We again observe differences in the characteristics of borrowers with and without an allowance to exceed the limits of the measures. SSBs with an LTV allowance had, on average, a higher loan size, income, loan term and LTI and were more likely to be younger, on a joint application and located in Dublin. Both FTBs and SSBs with an LTI allowance had a larger average loan size, property value, loan term and LTV. A higher share of these borrowers were also younger, single applicants and located in Dublin. For SSBs with an LTI allowance we also observe a lower average income. These characteristics are similar to those observed between 2015 and 2017 for borrowers with an allowance.

Bibliography

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Tables

Table 1 | Macprudential Regulations for Mortgage Lending

LTV limits	For primary dwelling homes:	FTBs: 90%	5% of new lending to FTBs allowed above 90% limit
		SSBs: 80%	20% of SSB new lending allowed above 80% limit
	For buy-to-let borrowers (BTLs):	70% LTV limit	10% of new lending allowed above 70% limit
LTI limits	For primary dwelling homes:	3.5 times income	For FTBs: 20% of new lending to FTBs allowed above 3.5 limit
			For SSBs: 10% of new lending to SSBs allowed above 3.5 limit
Exemptions	From LTV Limit: Borrowers in negative equity	From LTI Limit: BTL borrowers	From both limits: Switcher mortgages Restructuring of mortgages in arrears

2017 Review: [Report on 2017 Review, November 2017.](#)

Table 2 | Overview of New Mortgage Lending - January 1st to June 30th 2018

	Total Value (mn)	No. of Loans	% Value H1 2018	% Value H1 2017
Total Lending	3,753	17,415	100	100
In-Scope of Regulations	3,403	15,858	91	93
<i>of which:</i>				
PDH Lending	3,310	15,168	97	97
FTB Lending	1,827	8,386	55	52
<i>of which FTB Over LTV Limit</i>	2	7	0	0
<i>of which FTB Over LTI Limit</i>	426	1,455	23	24
SSB Lending	1,482	6,782	45	48
<i>of which SSB Over LTV Limit</i>	235	746	16	19
<i>of which SSB Over LTI Limit</i>	130	428	9	10
BTL Lending	93	690	3	3
BTL Over LTV Limit	2	14	2	4
Exempt from Regulations	350	1,557	9	7
<i>of which:</i>				
Switcher	323	1,352	92	78
Negative Equity	13	61	4	16
Other Exemption	15	144	4	7

In-Scope Lending excludes negative equity loans which are in-scope for LTI purposes only.

These loans are included in the calculation of SSB loans over the LTI Limit.

H1 2017 figures may differ from those previously published.

This is due to changes in the underlying data sample.

Table 3 | Mean Loan Characteristics for FTBs In-Scope H1 2017 vs H1 2018

	H1 2017	H1 2018	Difference
Loan Characteristics			
Loan Size (€)	199,680	216,505	16,825***
Property Value(€)	266,485	287,081	20,596***
Loan-to-Value(%)	79.5	79.6	0.1
Income(€)	70,374	73,272	2,899***
Loan-to-Income	3.0	3.1	0.1***
Loan Term (Years)	29	29	0**
Property Size(sq.ft)	1,311	1,338	26.8***
Interest Rate (%)	3.4	3.1	-0.3***
Interest Rate Type, of which:			
<i>Fixed</i> (%)	57.5	68.3	10.7***
<i>SVR</i> (%)	42.4	31.7	-10.7***
Borrower Characteristics			
Borrower Age (Years)	34	34	0
Joint Applicant (%)	68.6	70.5	2.0***
Salaried Employees	89.1	91.1	2.0***
Region, of which:			
<i>Dublin</i> (%)	34.4	34.8	0.5
<i>Leinster</i> (%)	26.6	27.6	0.9
<i>Munster</i> (%)	25.4	23.5	-1.8***
<i>Connaught</i> (%)	9.2	9.6	0.4
<i>Ulster</i> (%)	4.5	4.5	0
% of loans	58	60	

Note: *** indicates significance at 1% level, ** at 5% level

Note: Outliers have been removed from the data

Note: H1 2017 figures may differ from previous published data

This is due to changes in the underlying sample

Table 4 | Mean Loan Characteristics for SSBs In-Scope H1 2017 vs H1 2018

	H1 2017	H1 2018	Difference
Loan Characteristics			
Loan Size (€)	230,185	234,226	4,041
Property Value (€)	401,136	412,124	10,988**
Loan-to-Value(%)	67.8	66.9	-1.0***
Income(€)	105,851	106,285	434
Loan-to-Income	2.5	2.6	0.1
Loan Term (Years)	24	24	0
Property Size (sq.ft)	1676.5	1703.1	26.6
Interest Rate (%)	3.2	3.0	-0.2***
Interest Rate Type, of which:			
<i>Fixed (%)</i>	43.6	54.5	10.9***
<i>SVR (%)</i>	47.6	37.8	-9.8***
<i>Other (%)</i>	8.9	7.7	-1.2**
Borrower Characteristics			
Borrower Age (Years)	41	42	1***
Joint Application (%)	81.8	80.9	-0.9
Salaried Employees	88.2	89.3	1.1
Region, of which:			
<i>Dublin (%)</i>	40.4	39.9	-0.5
<i>Leinster (%)</i>	26.6	26.4	-0.2
<i>Munster (%)</i>	21.9	22.1	0.2
<i>Connaught (%)</i>	8.0	8.7	0.7
<i>Ulster (%)</i>	3.2	3.0	-0.2
% of loans	37	36	

Note: *** indicates significance at 1% level, ** at 5% level

Note: Outliers have been removed from the data

Note: H1 2017 figures may differ from previous published data

This is due to changes in the underlying sample

Table 5 | Mean Loan Characteristics for BTLs In-Scope H1 2017 vs H1 2018

	H1 2017	H1 2018	Difference
Loan Characteristics			
Loan Size (€)	125,166	132,327	7,161
Property Value (€)	246,350	259,261	12,911
Loan-to-Value (%)	57.3	56.6	-0.7
% of loans	5	5	

Note: *** indicates significance at 1% level, ** at 5% level

Note: Outliers have been removed from the data

Note: H1 2017 figures may differ from previous published data

This is due to changes in the underlying sample

Table 6 | Mean Loan Characteristics for SSBs With or Without an LTV Allowance H1 2018

	Without	With	Difference
Loan Characteristics			
Loan Size (€)	223,281	308,867	85,587***
Property Value (€)	412,148	411,963	-185
Loan-to-Value (%)	63.7	88.0	24.3***
Income (€)	103,269	126,494	23,225***
Loan-to-Income	2.5	2.8	0.3***
Loan Term (Years)	23	27	4***
Property Size (sq.ft)	1,718	1,610	-108***
Interest Rate (%)	3.0	3.1	0.1***
Interest Rate Type, of which:			
<i>Fixed (%)</i>	53.0	64.7	11.7***
<i>SVR (%)</i>	39.1	28.9	-10.2***
<i>Other (%)</i>	7.9	6.4	-1.5
Borrower Characteristics			
Borrower Age (Years)	42	39	-3***
Joint (%)	79.3	91.5	12.2***
Salaried Employees (%)	88.9	91.9	3.0**
Broker (%)	18.9	21.2	2.3
Region, of which:			
<i>Dublin (%)</i>	38.9	46.3	7.4***
<i>Leinster (%)</i>	26.3	27.1	0.8
<i>Munster (%)</i>	22.5	19.6	-2.8
<i>Connaught (%)</i>	9.3	5.0	-4.2***
<i>Ulster (%)</i>	3.1	2.0	-1.1

Note: *** indicates significance at 1% level, ** at 5% level

Note: Outliers have been removed from the data

Table 7 | Mean Loan Characteristics by Borrower Type With or Without an LTI Allowance H1 2018

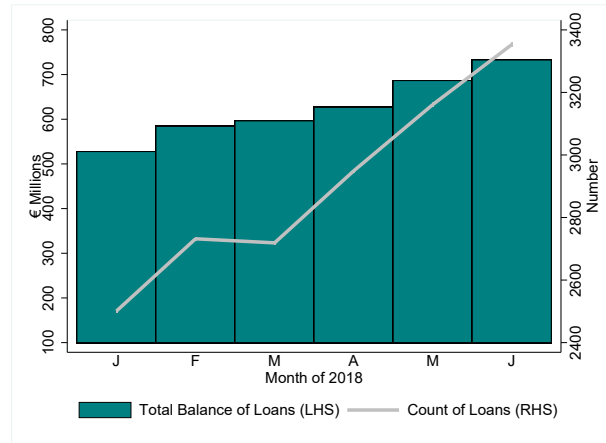
	Without	With	Difference
First Time Buyer			
Loan Characteristics			
Loan Size (€)	201,433	288,891	87,458***
Property Value (€)	269,094	371,378	102,285***
Loan-to-Value (%)	79.1	81.8	2.8***
Income (€)	72,991	74,590	1,599
Loan-to-Income	2.9	4.0	1.1***
Loan Term (Years)	29	32	3***
Interest Rate (%)	3.1	3.1	0
Borrower Characteristics			
Borrower Age (Years)	35	33	-2***
Joint Application (%)	72.2	62.6	-9.6***
Broker (%)	20.0	21.1	1.1
Salaried Employees (%)	91.0	91.7	0.7
Dublin (%)	28.2	66.6	38.4***
Second Subsequent Buyer			
Loan Characteristics			
Loan Size (€)	228,763	315,317	86,554***
Property Value (€)	403,242	540,371	137,129***
Loan-to-Value (%)	66.6	70.6	4.0***
Income(€)	106,831	98,598	-8,233***
Loan-to-Income	2.5	3.9	1.4***
Loan Term (Years)	24	28	4***
Interest Rate (%)	3.0	3.0	0
Borrower Characteristics			
Borrower Age (Years)	42	38	-4***
Joint (%)	81.6	70.0	-11.6***
Broker (%)	19.3	17.7	-1.5
Salaried Employees (%)	89.1	91.7	2.6
Dublin (%)	37.6	72.8	35.2***

Note: *** indicates significance at 1% level, ** at 5% level

Note: Outliers have been removed from the data

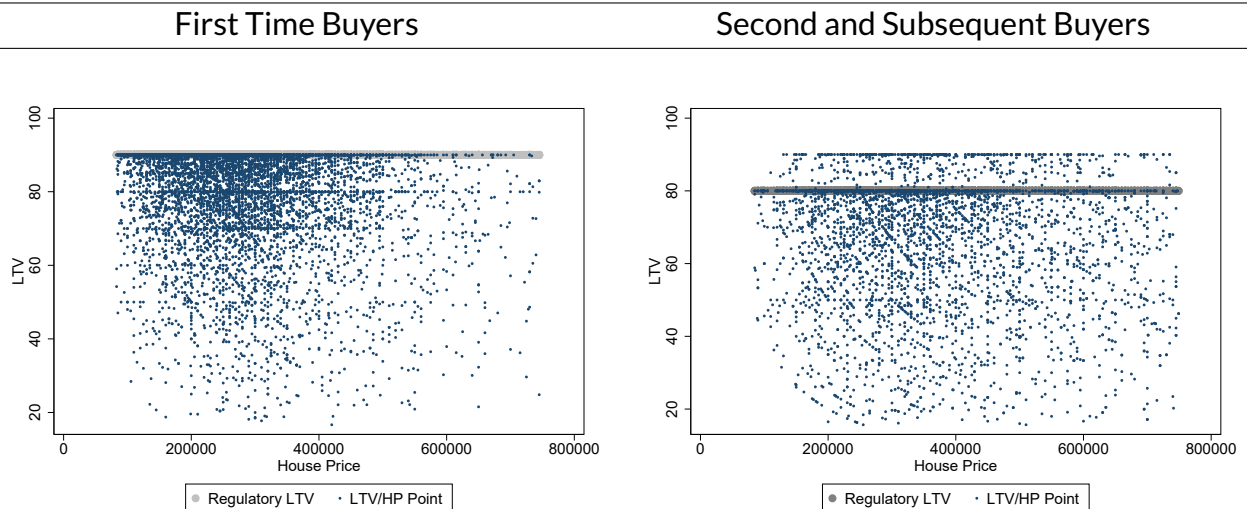
Figures

Figure 1 | Monthly Lending by Count and Balance in H1 2018

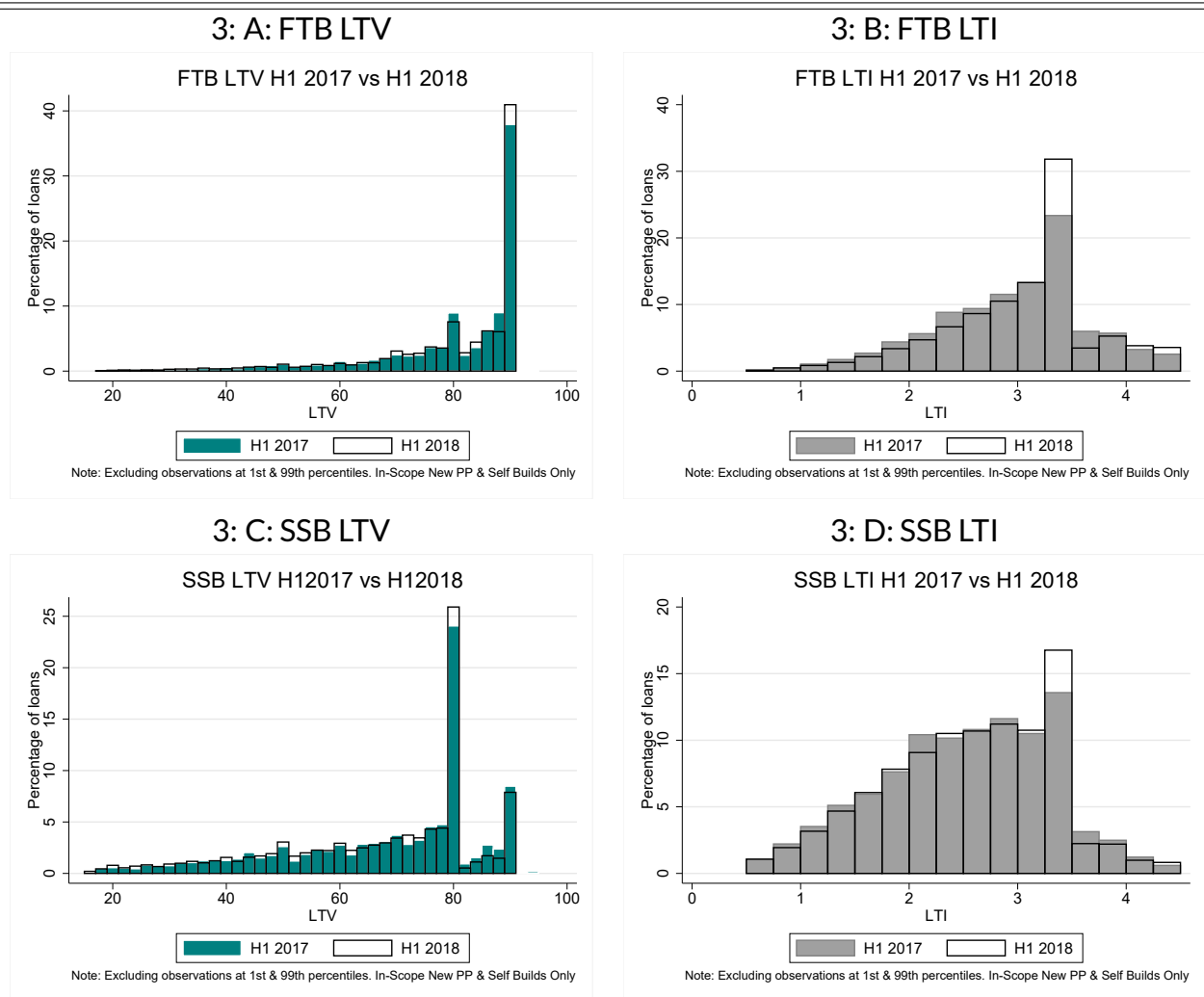


Source: Authors' calculations using Central Bank of Ireland data.

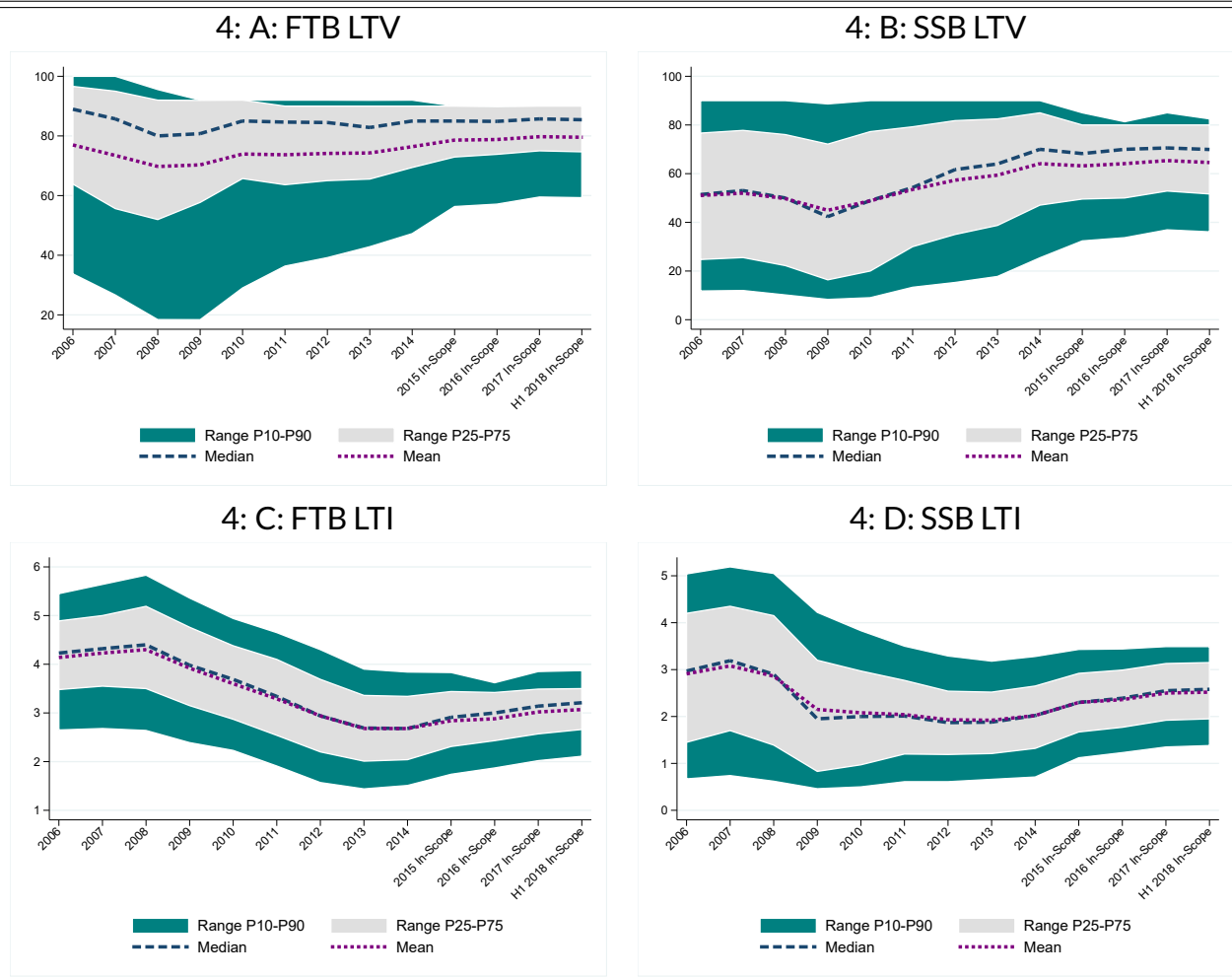
Figure 2 | LTV and House Prices by Borrower Type, H1 2018



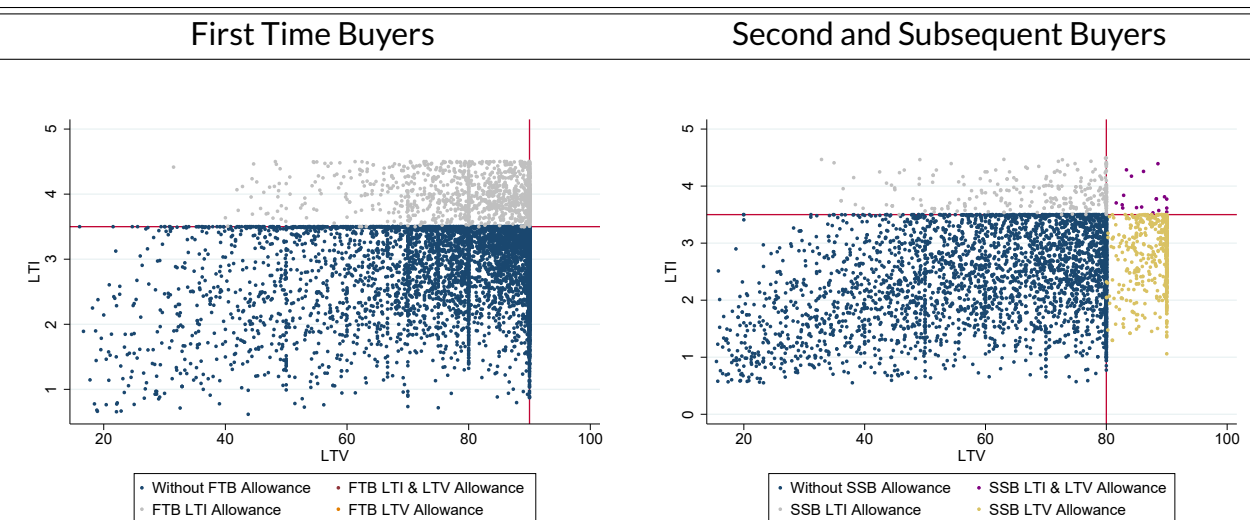
Source: Authors' calculations using Central Bank of Ireland data.

Figure 3 | Comparison of LTV and LTI in H1 2017 and H1 2018 for FTBs and SSBs

Source: Authors' calculations using Central Bank of Ireland data.

Figure 4 | Trend Over Time in LTV and LTI ratios for FTBs and SSBs

Source: Authors' calculations using Central Bank of Ireland data.
LTI distributions are based on a 4-bank view from 2006-2014

Figure 5 | Allocation of Allowances by Borrower Type, H1 2018

Source: Authors' calculations using Central Bank of Ireland data.

