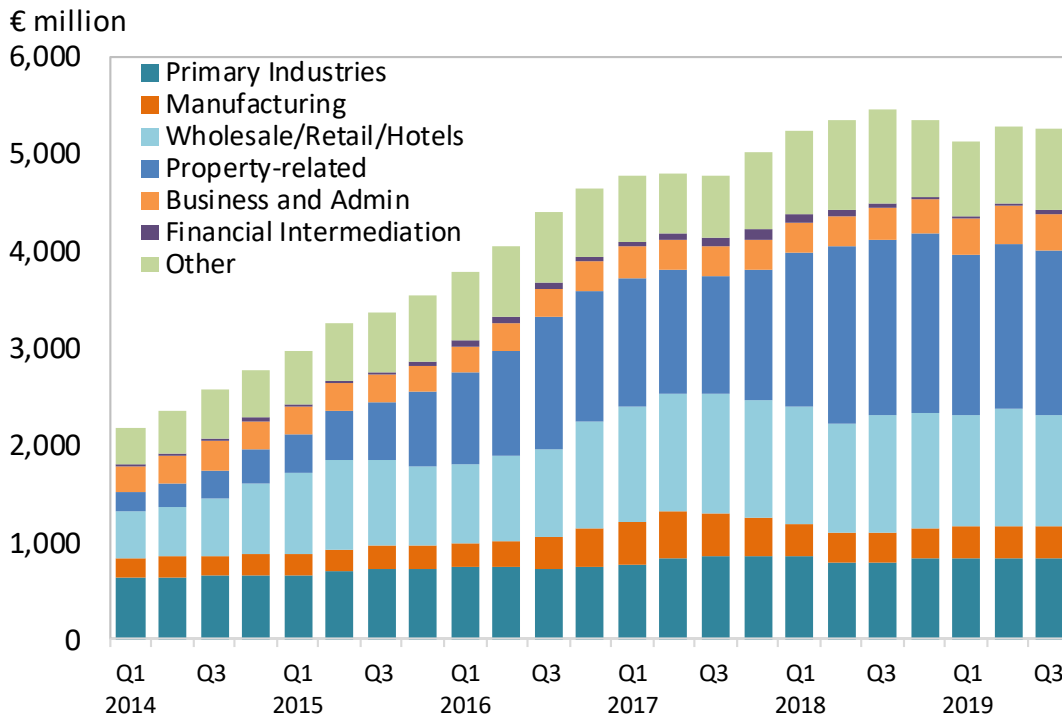




Gross new lending to all SMEs was €5.3 billion in the year to end-September, a decrease of 3.5 per cent when compared to the previous year. Property-related lending accounted for just over one-third of gross new lending at €1.7 billion.

Gross new lending to all SMEs (4-quarter moving sum)



Source: Business Credit and Deposits [Table A.14.1](#)

For further detail, see the [Business Credit and Deposits](#) tables

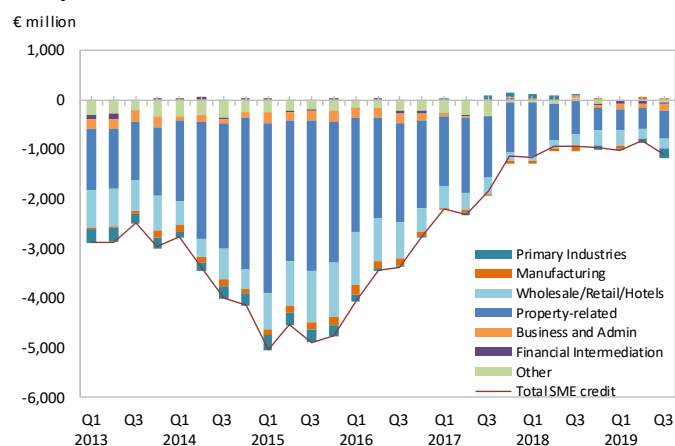
SME Credit developments

- **The outstanding stock of SME credit on the balance sheets of Irish banks** declined by 3.8 per cent over Q3 2019 to stand at €21.7 billion. This included €7.7 billion relating to property and €13.9 billion of core SME credit.¹
- **Net lending to SMEs** declined by €868 million in Q3 2019; marking the largest quarterly decline since late 2016. Annually, repayments exceeded new lending by €1.1 billion over the year to end-September (Chart 1).
- **Gross new lending to SMEs** was €1.2 billion during the third quarter of 2019. Over a third of this was comprised of property-related lending (Chart 2).² Gross new lending to SMEs was €5.3 billion in the year to end-September, a decrease of €186 million when compared to the previous year. This decline was the largest year-on-year decline within gross new lending to SMEs since H1 2014.
- **Repayments by SMEs** were high in the third quarter at €2 billion, surpassing the same periods in 2017 and 2018.³ Property-Related SMEs accounted for a third of repayments in Q3 2019, with €635 million repaid in property-related debt (Chart 3).

Core SME Credit developments

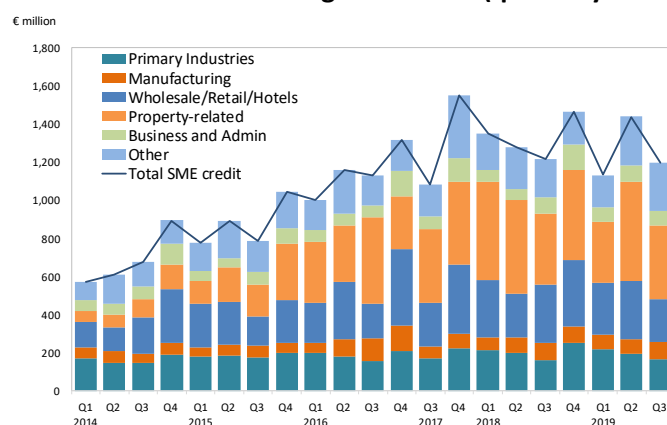
- **Gross new lending to core SMEs** was €807 million over Q3 2019, representing a slight decrease of 4.9 per cent on Q3 2018. Overall, new drawdowns totalled €3.5 billion over the past twelve months, reflecting a 1.9 per cent year-on-year decline.
- **Net lending to core SMEs** decreased by €627 million over the quarter, marking the largest quarterly decrease since

Chart 1: Annual net lending to SMEs (4-quarter moving sum)



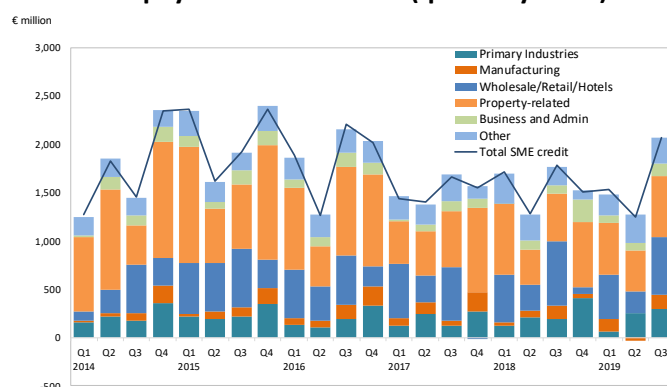
Source: Business Credit and Deposits [Table A.14.1](#)

Chart 2: Gross new lending to all SMEs (quarterly basis)



Source: Business Credit and Deposits [Table A.14.1](#)

Chart 3: Repayments to all SMEs (quarterly basis)



Source: Business Credit and Deposits [Table A.14.1](#)

¹ See Note 1 for the definition of SMEs and other groupings used in this release.

² See Note 2 for the definition of gross new lending.

³ Repayments are a derived proxy series.

H2 2013. The wholesale retail trade and repairs sector was the main driver of this decline, falling by €286 million.

Interest rates on loans to SMEs

- **The weighted average interest rates on outstanding SME loans** was 3.53 per cent in Q3 2019. This represents an increase of 9 basis points over the year. This continues a trend of increasing rates on outstanding lending, as new business rates remain higher than those on historical loans (Chart 4).
- **The interest rate on new SME loan drawdowns** increased by 9 basis points in Q3 2019, and now stands at 3.88 per cent. SME interest rates varied largely between sectors. Higher than average rates were charged in the primary industries and business/administration sectors (Chart 5).

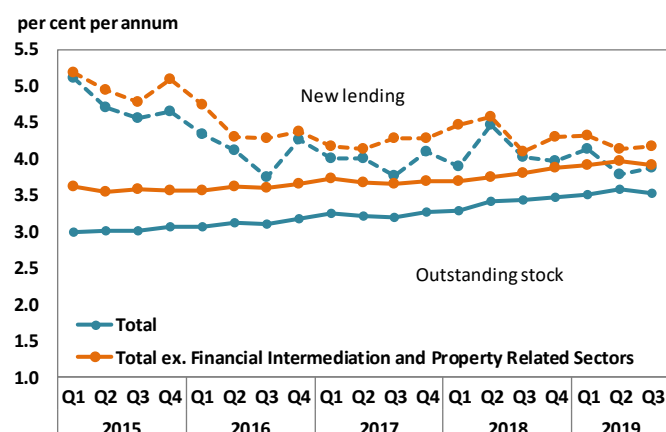
Private-Sector Enterprise Credit developments

- **The total outstanding amount of credit to all Irish resident private-sector enterprises**, comprising both SMEs and large enterprises, decreased by €2.5 billion in net terms over Q3 2019.
- **Credit advanced to core private-sector enterprises** increased by 6 per cent in annual terms, to stand at €29.1 billion at end-Q3 2019. New lending exceeded drawdowns by €1.7 billion over the year.
- **Net Lending to large core enterprises** increased by €532 million in Q3 and €2.2 billion annually (Chart 6).

Private-Sector Enterprise Deposit developments

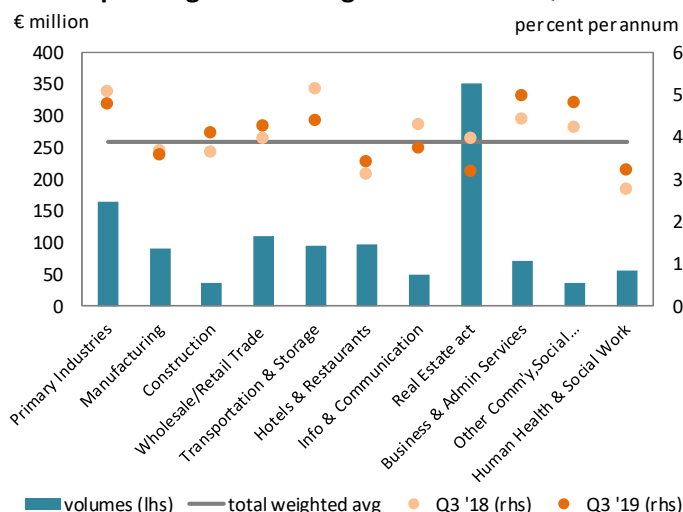
- **Deposits from all Irish private-sector enterprises** increased by €3.3 billion over the quarter and €8.4 billion over the year, representing the largest annual increase since late 2013. Deposits from enterprises engaged in core sectors increased by €1 billion in the quarter, to stand at €55.2 billion.

Chart 4: Interest rates on new and outstanding SME loans



Source: Business Credit and Deposits [Table A.14.1](#)

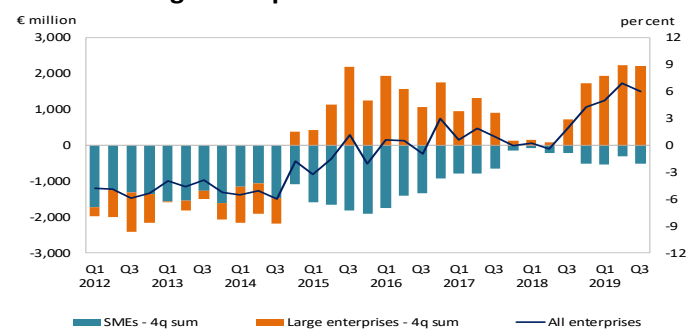
Chart 5: SME new lending interest rates and corresponding new lending drawdowns – Q3 2019



Source: Business Credit and Deposits [Table A.14.1](#)

Note: See Note 3 on drawdowns as reported with rates.

Chart 6: Annual rates of change in credit to core Irish private-sector enterprises and net flows broken down by SMEs and large enterprises



Source: Business Credit and Deposits [Table A.14](#) & [Table A.14.1](#)

Note 1:

SMEs are defined as enterprises with fewer than 250 employees and whose annual turnover does not exceed €50 million and/or whose annual balance sheet does not exceed €43 million. This is the standard EU definition of an SME.

In this release ‘core’ sectors are all non-financial, non-property related sectors.

‘Property’ is made up of the construction and real-estate sectors.

‘Private sector enterprise’ refers to enterprises of all sizes, and therefore encompasses both SMEs and large-sized firms.

Note 2:

Gross new lending excludes restructures or renegotiations which do not increase the size of outstanding loans. It does include new funds drawn down following a restructure or renegotiation of an existing facility that were not included in credit advanced at the end of the previous quarter.

Note 3:

The reporting population for interest rate statistics are those credit institutions with a significant level of lending or deposit business with households or non-financial corporations. All other SME statistics are collected from the full population of resident credit institutions. Although the interest rate data are collected from a sample of institutions and the coverage of the SME market is very high, gross new lending volumes underpinning the interest rates and volumes data will not match exactly. The reporting

population is monitored under Regulation ECB/2014/30.

For further detail please see the [Business Credit and Deposits](#) webpage for:

- An extensive set of [Business Credit and Deposits tables](#) and previous [releases](#);
- [Business Credit and Deposits Explanatory Notes](#).

Keywords: Business credit, Private-Sector Enterprises, Irish Financial Statistics, SME Credit, Loans to SMEs, Large enterprise, SME interest rates.