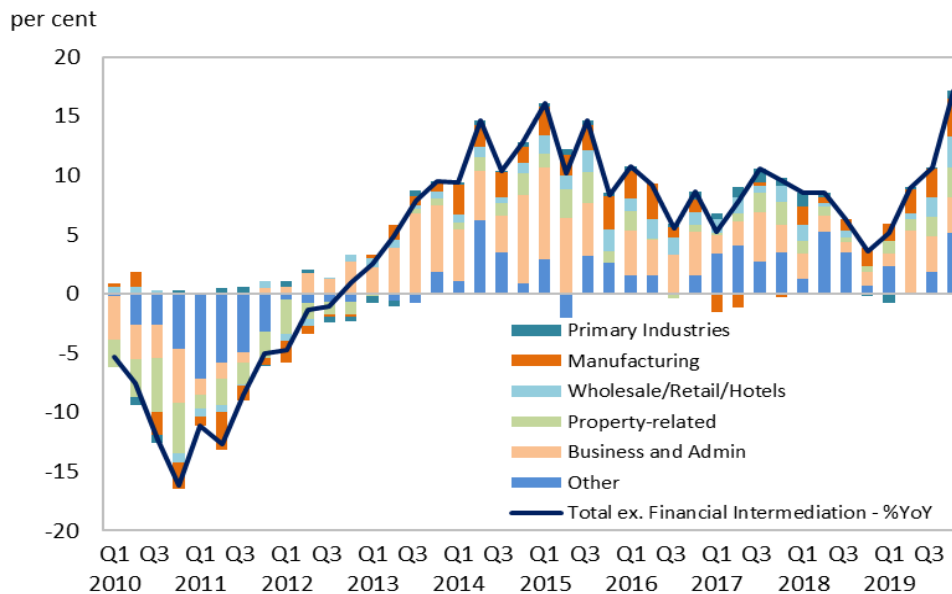




Please note these Q4 2019 data predate the arrival of the COVID-19 virus to Ireland in early 2020. Therefore, the potential impact on the SME and Large Enterprise Credit and Deposits series in Ireland will not yet be visible in the data. The Central Bank of Ireland Statistics Division will continue to collect and publish statistics for users to the greatest extent possible during this crisis.

Deposits from Irish private sector enterprises (ex. Financial Intermediation) continued to grow over the final quarter of 2019, growing by 5.9 per cent quarter on quarter, or 17.1 per cent year-on-year. This is the largest annual increase in deposits since the series began, driven primarily by the Manufacturing and Business & Admin sectors. The Q4 data also show that while overall credit to SMEs continued to contract, there was evidence of higher new lending to these firms.

Annual rate of change in deposits & contributions from Irish private-sector enterprises



Source: Business Credit and Deposits [Table A.16](#)

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

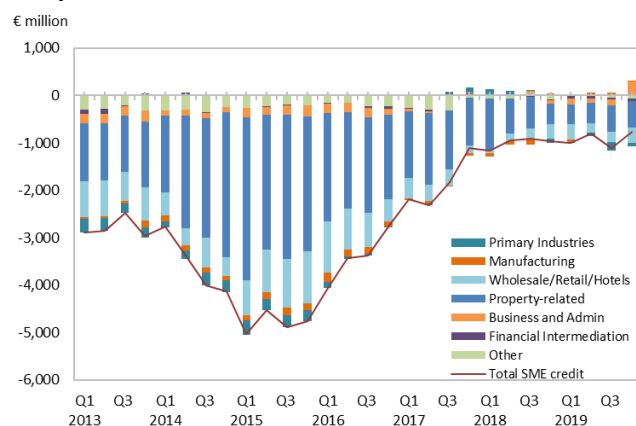
SME Credit developments

- The outstanding stock of SME credit on the balance sheets of Irish banks declined at a rate of 1 per cent quarter on quarter, and by end-Q4 2019 stood at €21.5 billion. Core SME credit¹ accounted for €14.3 billion of all SME lending and €7.1 billion was attributed to property-related sectors.
- Net lending to SMEs was €311 million in Q4 2019. This represents the largest quarterly increase in lending since the series began. Annually, repayments exceeded new lending by €759 million by the end of 2019 (Chart 1).
- Gross new lending to SMEs was €1.6 billion during the final quarter of 2019, 31 per cent comprising of property-related lending (Chart 2).² Gross new lending to SMEs was €5.4 billion in the year to end-December, a 1 per cent increase when compared to end 2018.
- Repayments by SMEs were subdued in the fourth quarter at €1.3 billion; this is the lowest volume of end-year repayments since the series began, down from a series high of €3.5 billion in Q4 2010.³ SMEs in property-related sectors accounted for 54 per cent of repayments in Q4 2019, with €705 million of debt repaid (Chart 3).

Core SME Credit developments

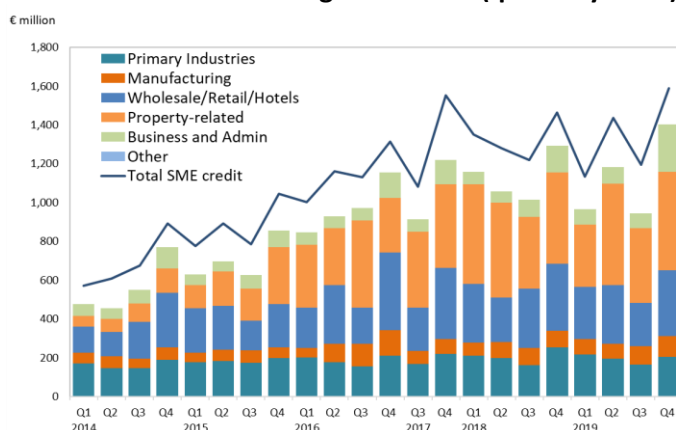
- Gross new lending to core SMEs was €1.1 billion over Q4 2019, representing a 9 per cent increase on Q4 2018. Overall, new drawdowns totalled €3.6 billion over the past twelve months, reflecting a 4 per cent year-on-year increase. Net lending to core SMEs was €509 million over the quarter.

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



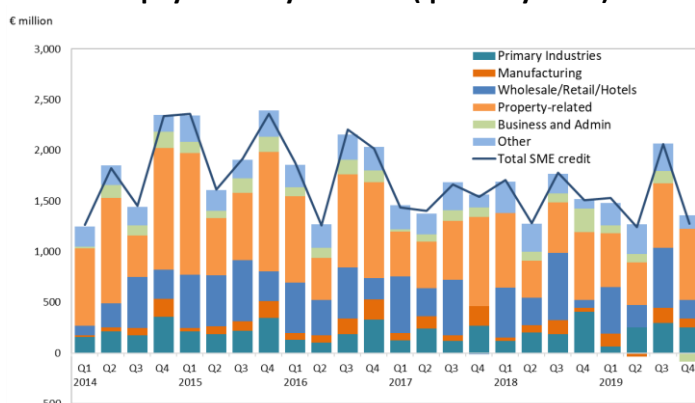
Source: Business Credit and Deposits [Table A.14.1](#)

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



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

Chart 3: Repayments by 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.

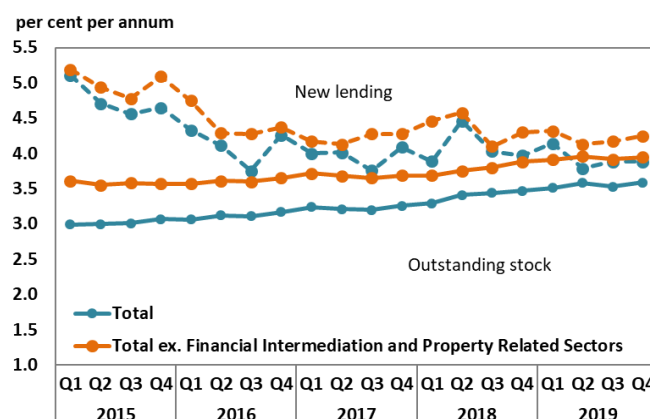
² See Note 2 for the definition of gross new lending.

³ Repayments are a derived proxy series.

Interest rates on loans to SMEs

- **The weighted average interest rates on outstanding SME loans** was 3.6 per cent in Q4 2019. This represents an increase of 13 basis points over the year (Chart 4).
- **The interest rate on new SME loan drawdowns** remained the same in Q4 2019, and stood 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).

Chart 4: Interest rates on new and outstanding SME loans

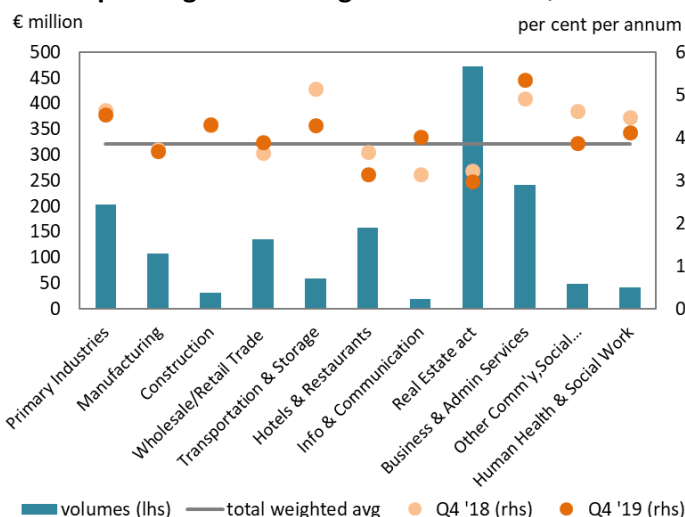


Source: Business Credit and Deposits [Table A.14.1](#)

Private-Sector Enterprise Credit developments

- **The total outstanding amount of credit to all Irish resident private-sector enterprises** stood at €74.2 billion. This was driven by a decrease in lending to large enterprise by €3.5 billion, which was slightly offset by an increase in SME lending of €311 million.
- **Credit advanced to core private-sector enterprises** increased by €427 million or 1.5 per cent over the year. Core credit to all enterprises amounted to €28.8 billion at end-Q4 2019.
- **Net Lending to large core enterprises** decreased by €570 million in Q4, while it increased by €580 million annually (Chart 6).

Chart 5: SME new lending interest rates and corresponding new lending drawdowns – Q4 2019



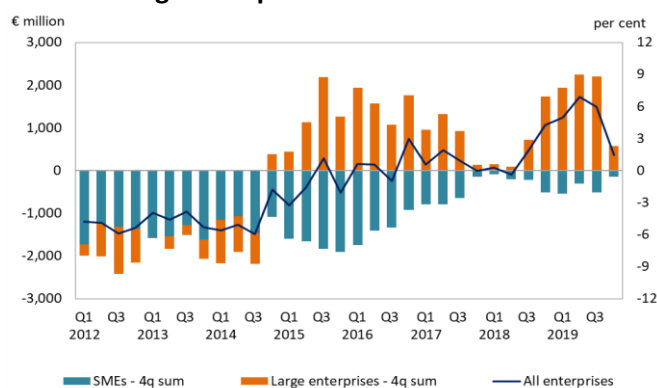
Source: Business Credit and Deposits [Table A.14.1](#)

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

Private-Sector Enterprise Deposit developments

- **Deposits from all Irish private-sector enterprises** increased by €9 billion over the quarter and €18.4 billion over the year, representing the largest annual increase since Q3 2006. Deposits from enterprises engaged in core sectors increased by €2.7 billion in the quarter, to stand at €57.9 billion.

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.