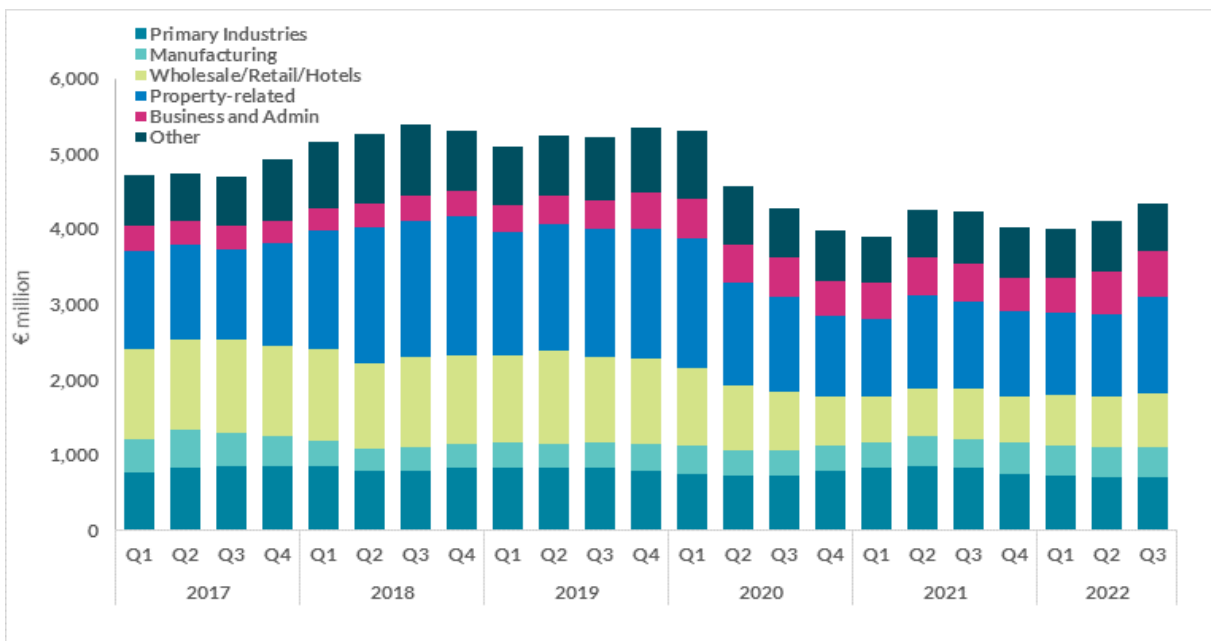




Over the year to end-September 2022, Irish banks advanced **€4.4 billion of gross new lending to SMEs**. This represented an increase of 2.4 per cent when compared to the four quarters to end-September 2021, and was the largest annual amount of gross new bank lending extended to SMEs in over two years.

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



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

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

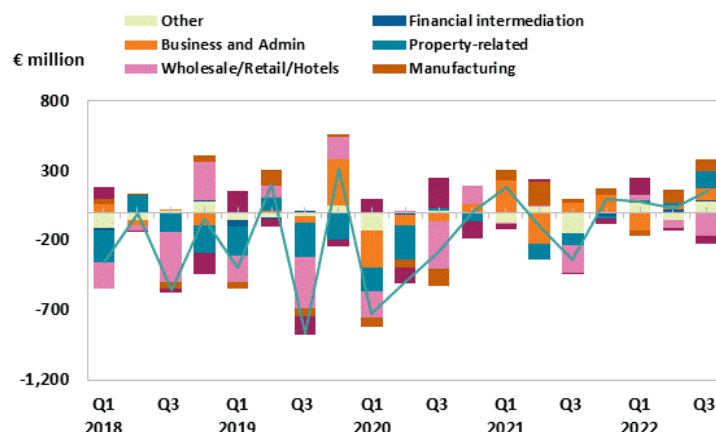
SME Credit developments

- **The outstanding stock of SME credit on the balance sheets of Irish banks** stood at €18.8 billion at end-September 2022. Of the total outstanding stock, €5.9 billion related to property and construction lending, while €12.8 billion related to core SME credit.¹
- **Net lending to SMEs** was €154 million in Q3 2022, making this the fourth consecutive quarter where new lending exceeded repayments (Chart 1). Annually, drawdowns exceeded repayments by €355 million, representing the first incidence of positive annual net lending to SMEs since the series began.
- **Gross new lending advanced to SMEs** was €1.1 billion during Q3 2022 (Chart 2).² This represents a marginal decrease of €27 million when compared to the previous quarter. Gross new lending to SMEs was €4.4 billion over the year to end-September; the largest annual amount of gross new lending to SMEs in over two years.
- **Estimated repayments by all SMEs** were €968 million over the quarter (Chart 3). Annually, repayments by SMEs continued to decline, showing the lowest level of annual repayments since the series began.

Core SME Credit developments

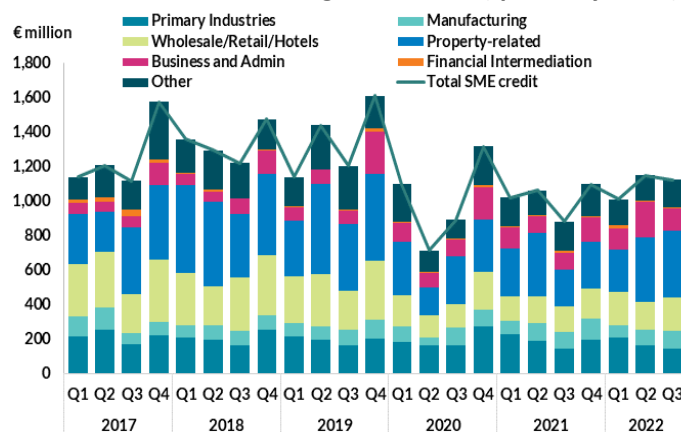
- **Gross new lending to core SMEs** totalled €3.1 billion over the year to end-September 2022. This reflected a marginal decrease of €10 million, or 0.3 per cent when compared to the four quarters to end-September 2021.
- **Net lending to core SMEs** was €15 million over the third quarter, and marks a reversal from a negative net flow recorded in the previous quarter.

Chart 1: Net lending to SMEs (quarterly basis)



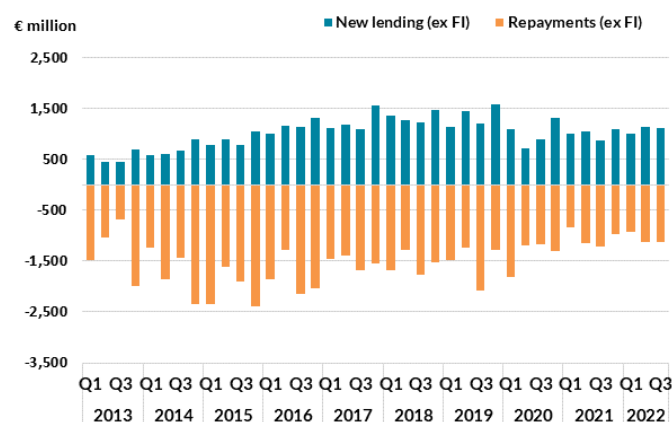
Source: Business Credit and Deposits [Table A.14.1](#)

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



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

Chart 3: Gross new lending and repayments by SMEs ex. Financial Intermediation (FI) (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.

Interest rates on loans to SMEs

- **The weighted average interest rates on outstanding SME loans** increased over the quarter and year, rising by 29 basis point and 26 basis points, respectively, to stand at 3.76 per cent at end-Q3 2022 (Chart 4).
- **The interest rate on new SME loan drawdowns** increased by 42 basis points over Q3 2022, to 4.11 per cent. SME interest rates on new loans increased across all sectors over the quarter, and the majority of sectors over the year (Chart 5).

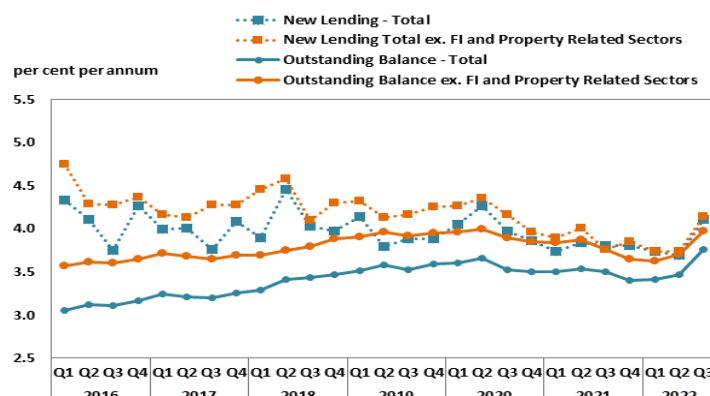
Private-Sector Enterprise Credit developments

- **The total outstanding amount of credit to all Irish resident private-sector enterprises** stood at €75.5 billion at end-September. This category includes lending to SMEs and large enterprises, and increased by €119 million in net terms over Q3 2022. This increase was significantly lower than the previous quarter, which was impacted by large movements in the financial intermediation sector.
- **Credit advanced to core private-sector enterprises** increased annually by 3.9 per cent, or €971 million, to stand at €25.8 billion at end-September 2022.
- **Net lending to large core enterprises** on a quarterly and annual basis, was €148 million and €765 million, respectively.

Private-Sector Enterprise Deposit developments

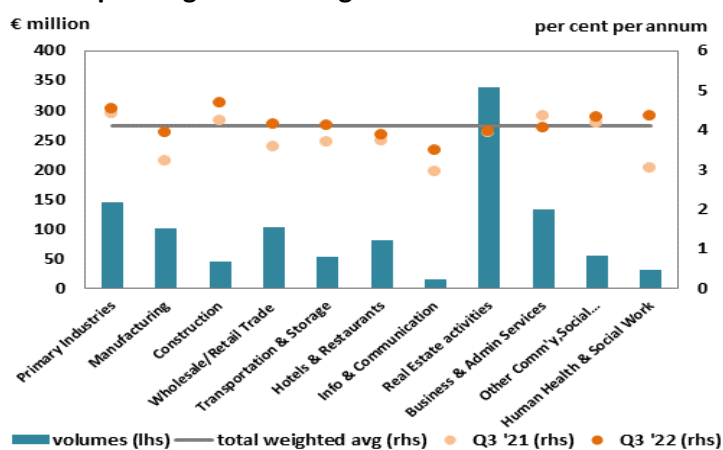
- **Deposits from all Irish private-sector enterprises** increased by €1.5 billion over the quarter and €13.3 billion over the year. The financial intermediation sector was responsible for the largest share in the annual increase, with €7.8 billion of deposit inflows (Chart 6). Deposits from enterprises engaged in core sectors increased by €895 million over the quarter, to stand at €79.4 billion at end-September 2022.

Chart 4: Interest rates on new and outstanding SME loans



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

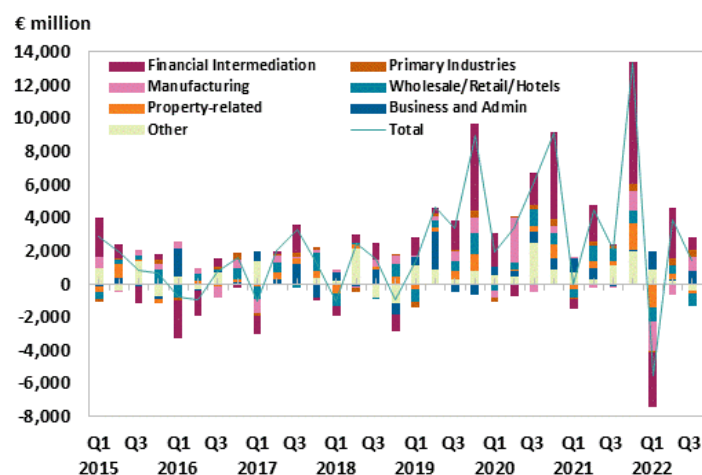
Chart 5: SME new lending interest rates and corresponding new lending drawdowns



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

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

Chart 6: Deposit flows by sector (quarterly basis)



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

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.