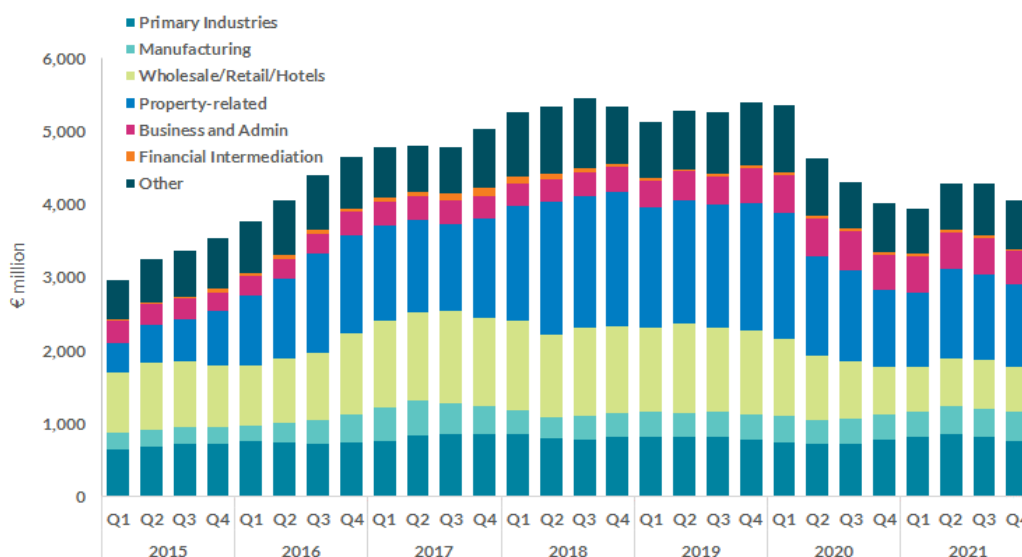




Gross new lending to SMEs in the final quarter of 2021 was €1.1 billion, greater than any other quarter in the year. Overall, gross new lending to SMEs was marginally higher over 2021 than for 2020 but still 25 per cent lower than 2019. Although net lending to SMEs remained negative in 2021, the decline of €179 million was significantly lower than the €1.5 billion seen in 2020.

### 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

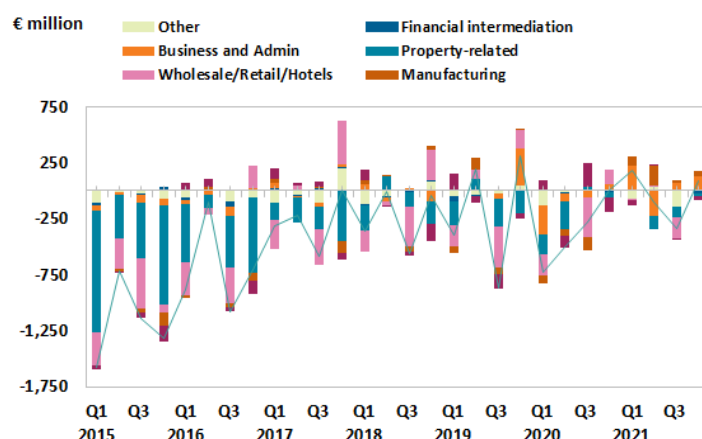
### SME Credit developments

- The outstanding stock of SME credit on the balance sheets of Irish banks increased by 0.5 per cent over Q4 2021 to stand at €18.3 billion. This included €5.6 billion relating to property and €12.7 billion of core SME credit.<sup>1</sup>
- Net lending to SMEs was €91 million in Q4 2021, reversing some of the quarterly decreases seen in the previous two quarters (Chart 1). Annually, repayments exceeded new lending by €179 million or 0.9 per cent over the year.
- Gross new lending advanced to SMEs was €1.1 billion during the last quarter of the year (Chart 2).<sup>2</sup> This marked the largest quarterly new lending amount since Q4 2020. Gross new lending to SMEs was €4.1 billion over the year to end-December, representing only a slight increase of €39 million when compared to 2020.
- Estimated Repayments by all SMEs were lower than previous quarters at €1 billion<sup>3</sup>. Annually, repayments by all SMEs were €4.2 billion, this was the lowest annual repayment level seen since the series began (Chart 3).

### Core SME Credit developments

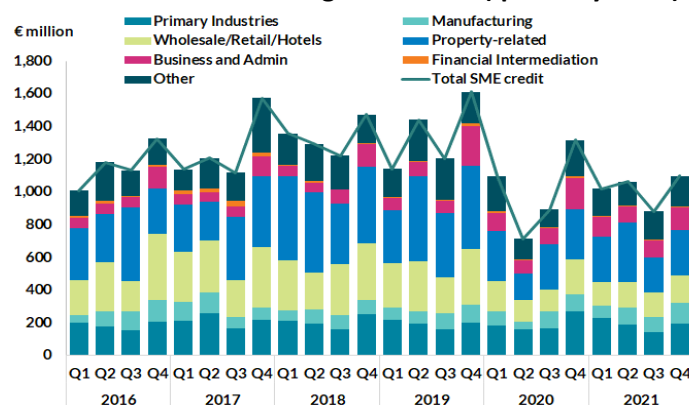
- Gross new lending to core SMEs was €819 million over the quarter; the largest quarterly increase within core SMEs since the end of 2020. Annually, new lending to core SMEs totalled €2.9 billion.
- Quarterly net lending to core SMEs was €139 million in Q4 2021. Over the year to Q4 2021, net lending to core SMEs totalled €81 million, representing the first annual net increase within core SMEs since the series began.

Chart 1: Net lending to SMEs (quarterly basis)



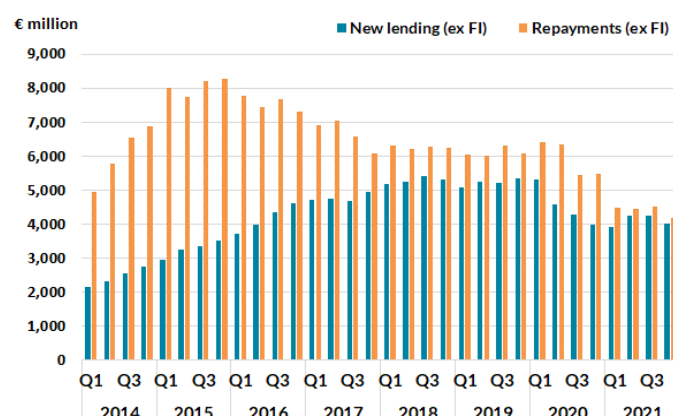
Source: Business Credit and Deposits [Table A.14.1](#)

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 (annual basis)



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

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

<sup>2</sup> See Note 2 for the definition of gross new lending.

<sup>3</sup> Repayments are a derived proxy series.

### Interest rates on loans to SMEs

- **The weighted average interest rates on outstanding SME loans** declined quarterly and annually by 10 basis points, standing at 3.4 per cent in Q4 2021 (Chart 4).
- **The interest rate on new SME loan drawdowns** remained consistent over Q4 2021, standing at 3.81 per cent. SME interest rates varied between sectors. Higher than average rates were charged to the Other Community, Social and Personal Services and Human Health and Social Work sectors (Chart 5).

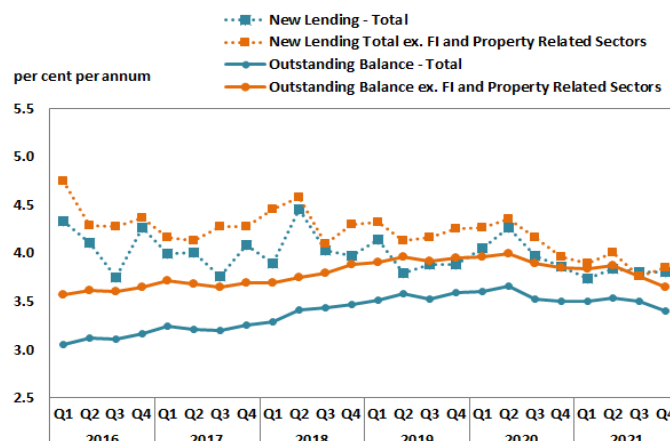
### Private-Sector Enterprise Credit developments

- **The total outstanding amount of credit to all Irish resident private-sector enterprises** stood at €70.3 billion. This includes lending to SMEs and large enterprises, which decreased by €1 billion in net terms over Q4 2021.
- **Credit advanced to core private-sector enterprises** decreased by €381 million over the quarter. In annual terms, core credit decreased by €399 million. Credit to all core enterprises amounted to €24.6 billion at end Q4 2021.

### Private-Sector Enterprise Deposit developments

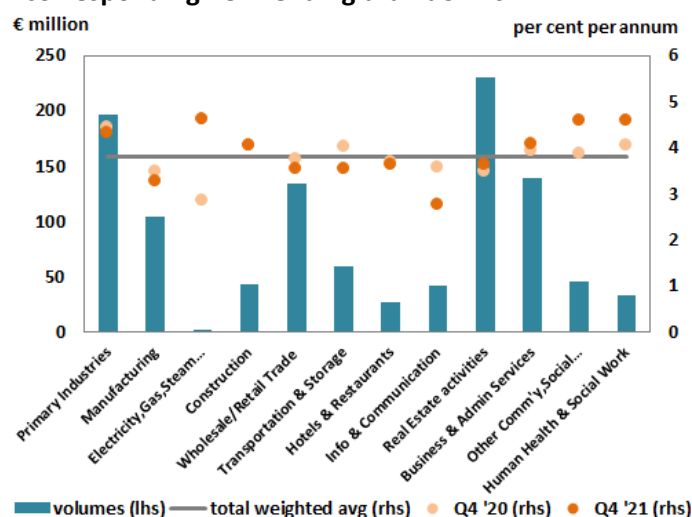
- **Deposits from all Irish private-sector enterprises** increased by €13.4 billion over Q4 2021, marking the largest quarterly increase within private-sector deposits since the series began. This was driven by the financial intermediation sector; with the largest single share in deposit flows of €7.3 billion (Chart 6). Deposits from enterprises engaged in core sectors increased by €4.4 billion over the quarter, to stand at €78.2 billion.

Chart 4: Interest rates on new and outstanding SME loans



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

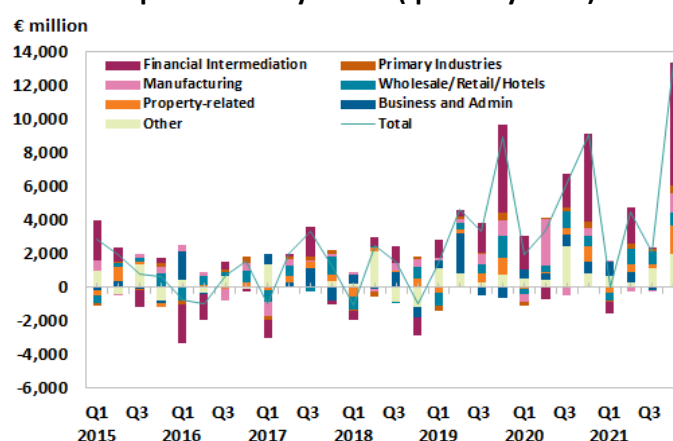
Chart 5: SME new lending interest rates and corresponding new lending drawdowns



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.

**Note 4:**

A number of lenders have agreed payment breaks with their customers since the onset of the COVID-19 crisis. These breaks are likely to significantly affect lending data in this period, predominantly by keeping outstanding loan balances higher than they would be, had repayments followed their initial schedule.

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.