



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

SME finance in the recovery

Patrick Honohan - Small Firms Association lunch

6 November 2015

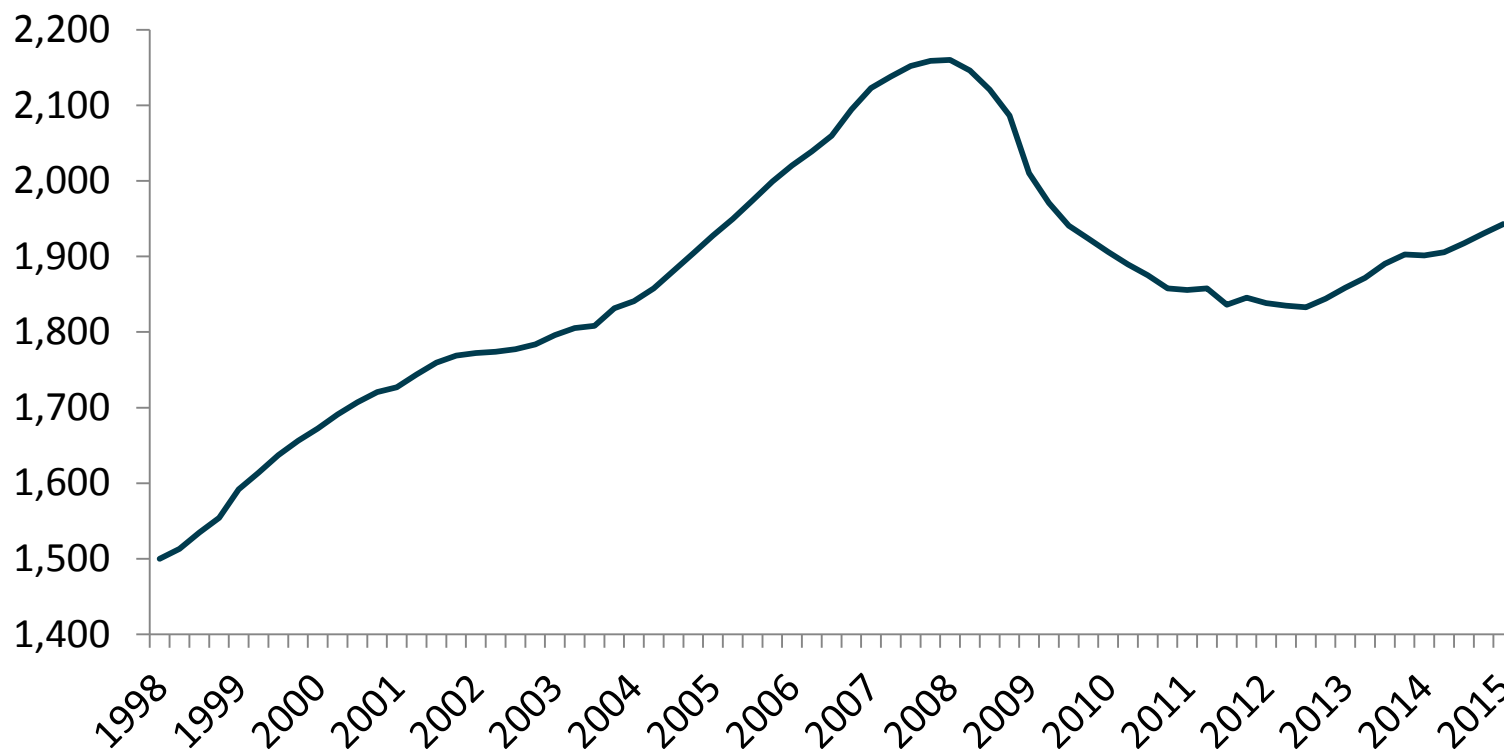


SME finance in the recovery

- Creditless but not jobless recovery
 - Fixing legacy NPL issues
 - New lending?
 - Interest rates
 - Back to the future?
-

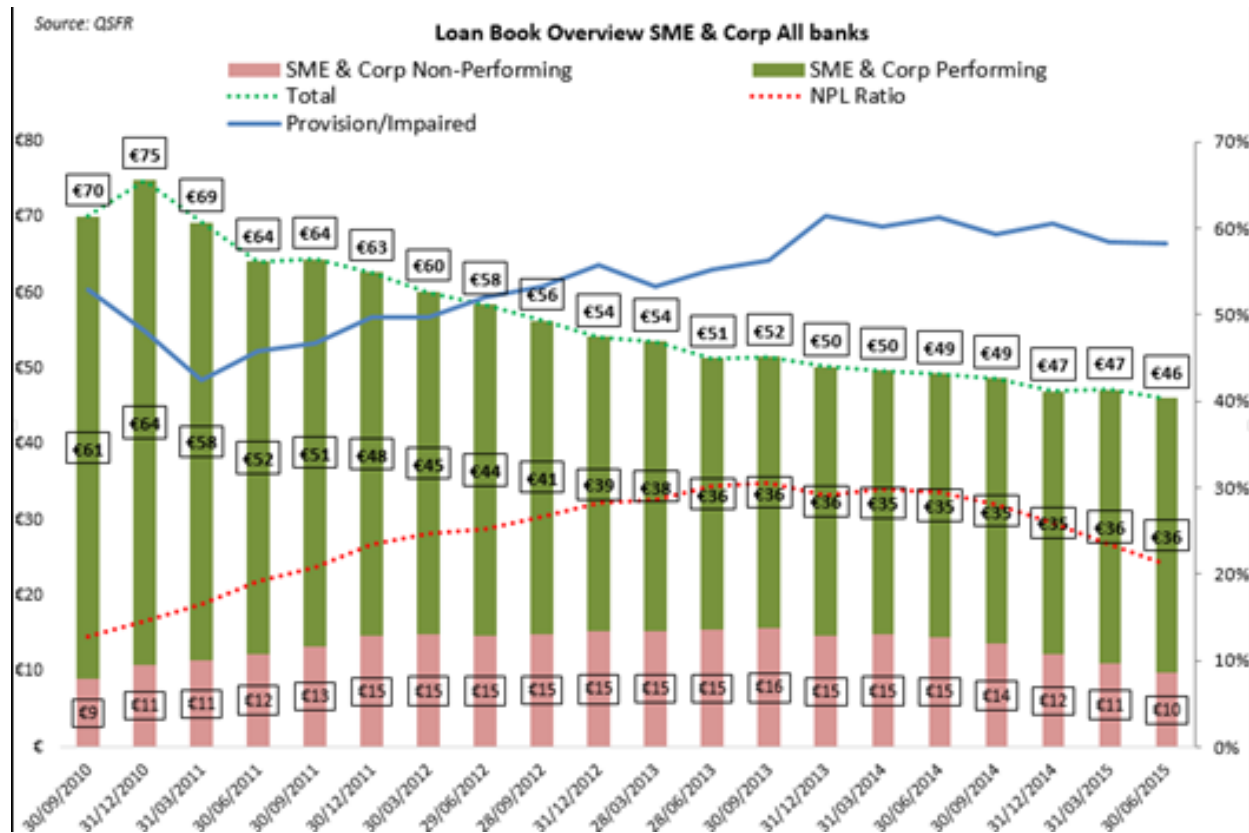


Ireland: Total employment (seasonally adjusted) 1998-2015



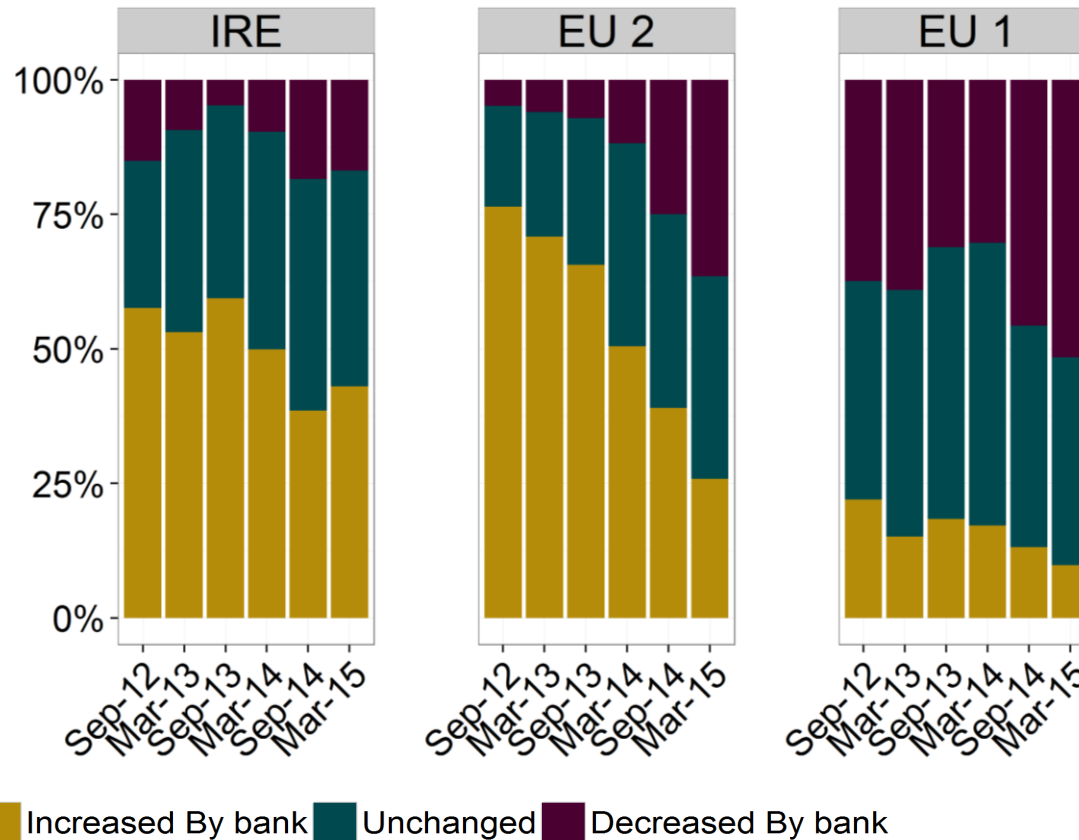


Loan Book Overview – SME and Corporate





Changes in interest rates as reported by SMEs

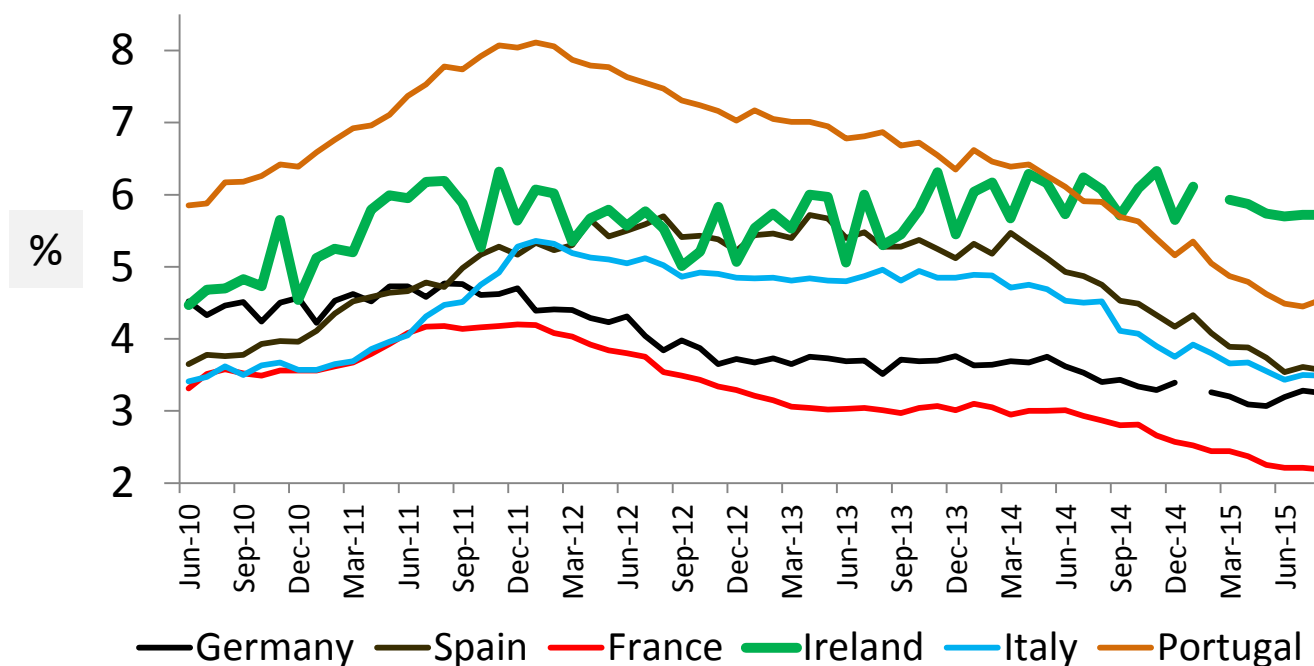


Source: ECB/EC SAFE Survey



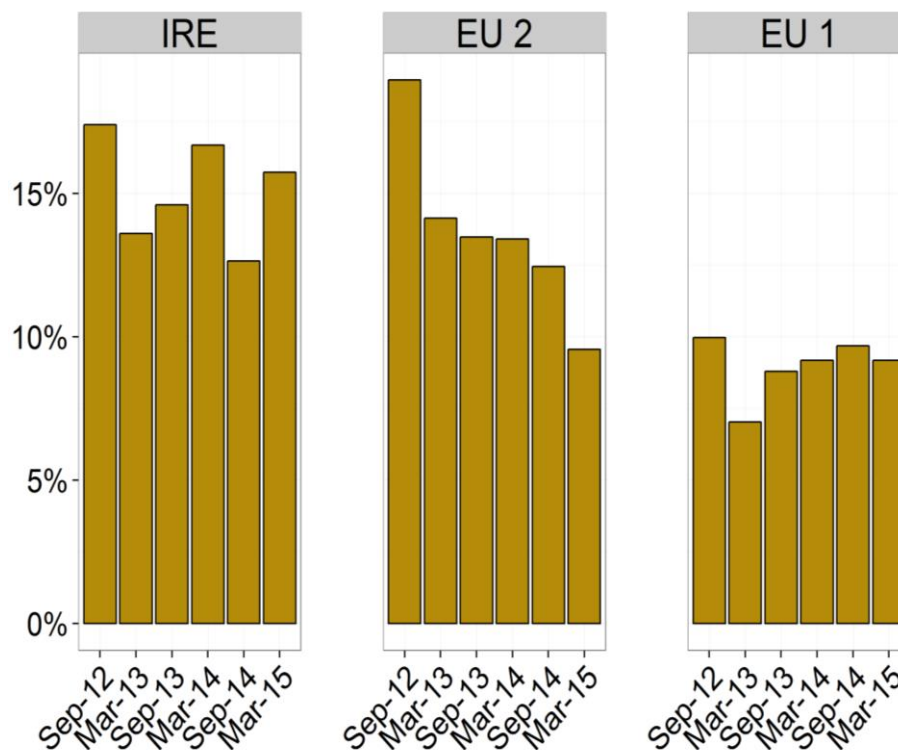
Selected countries: Interest rates on new bank loans

Loans of less than €250K to non-financial corporations





SME loan rejection rates (loans and overdrafts)

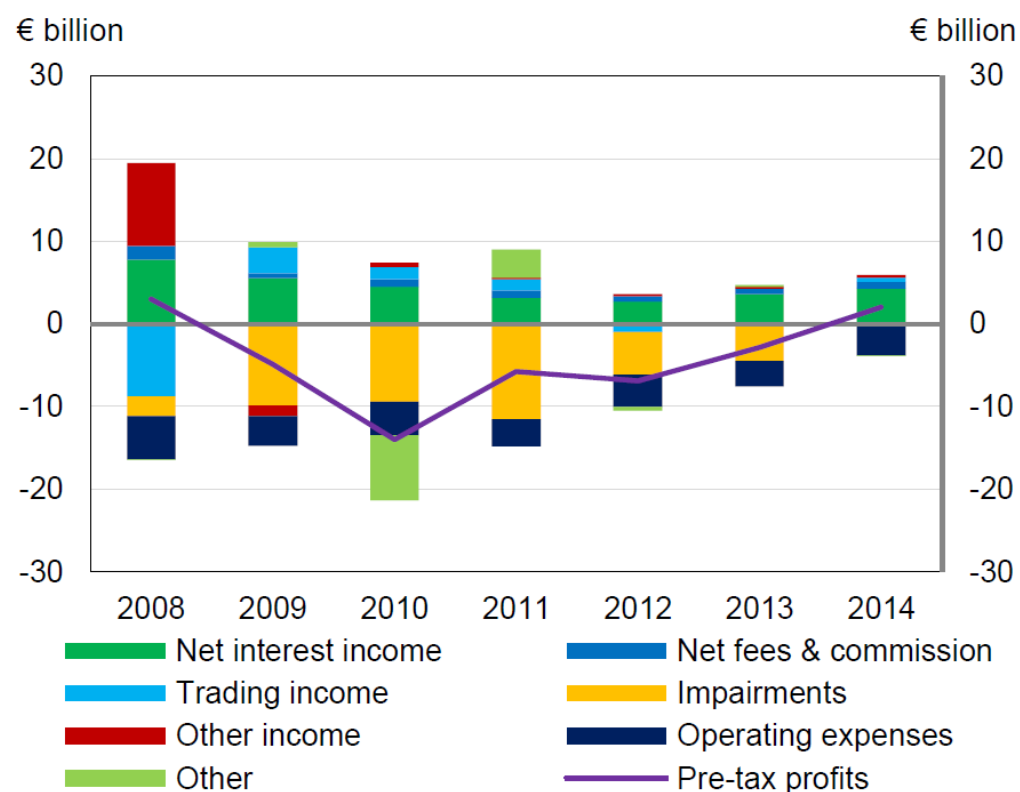


EU1: FR, DE, AT, NL, FI, BE,
EU2: PT, ES, GR, IT

Source: ECB/EC SAFE Survey (latest wave)



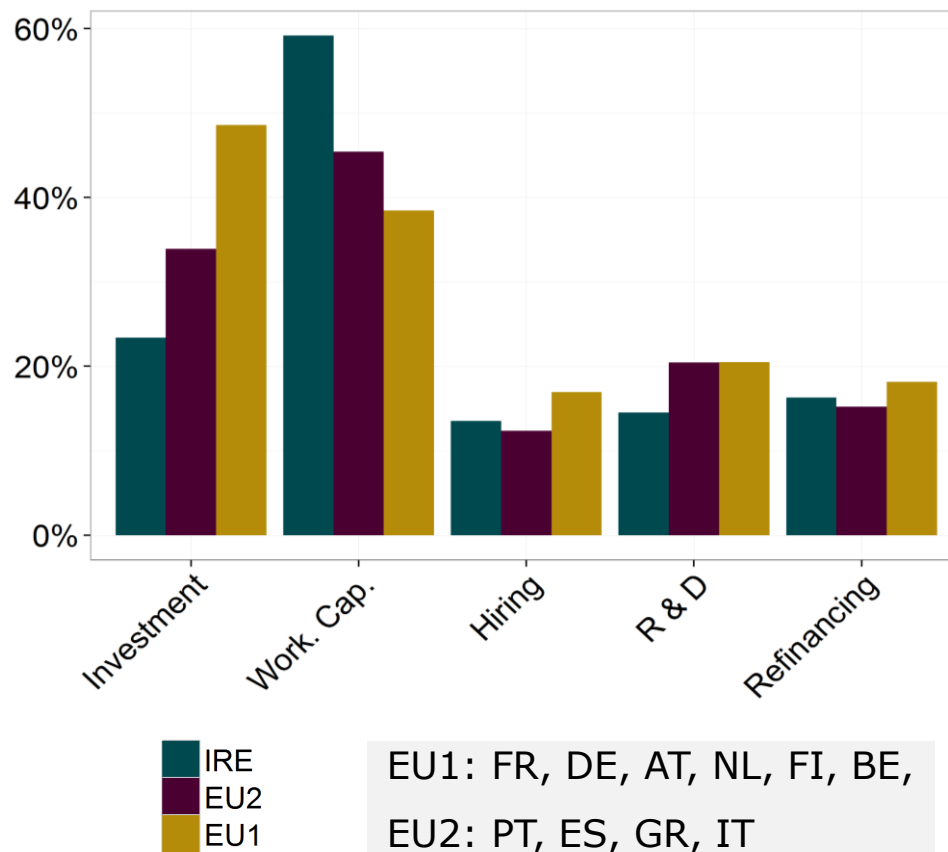
Bank profitability (Ireland domestic banks)



Source: Central Bank of Ireland Macro Financial Review (2015: I)



SMEs borrowing: for what purpose?

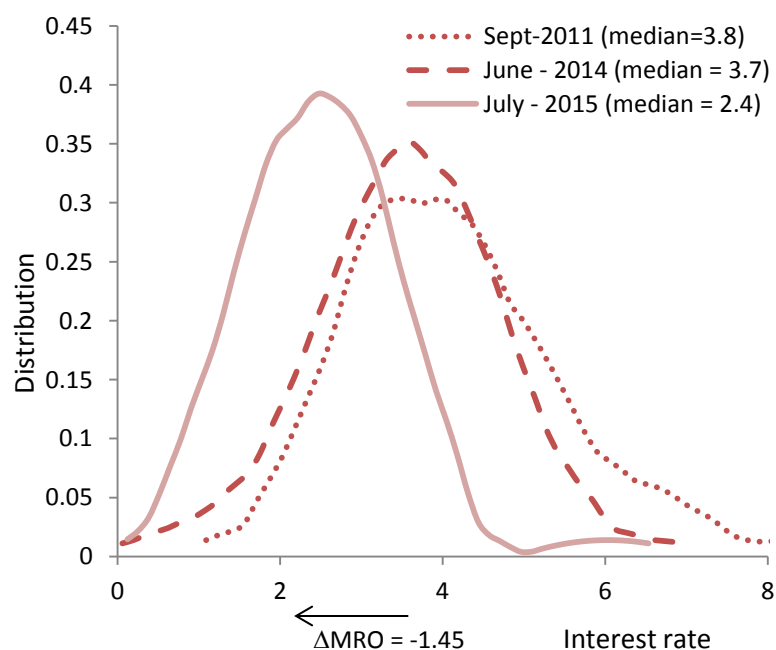


Source: ECB/EC SAFE Survey (latest wave)

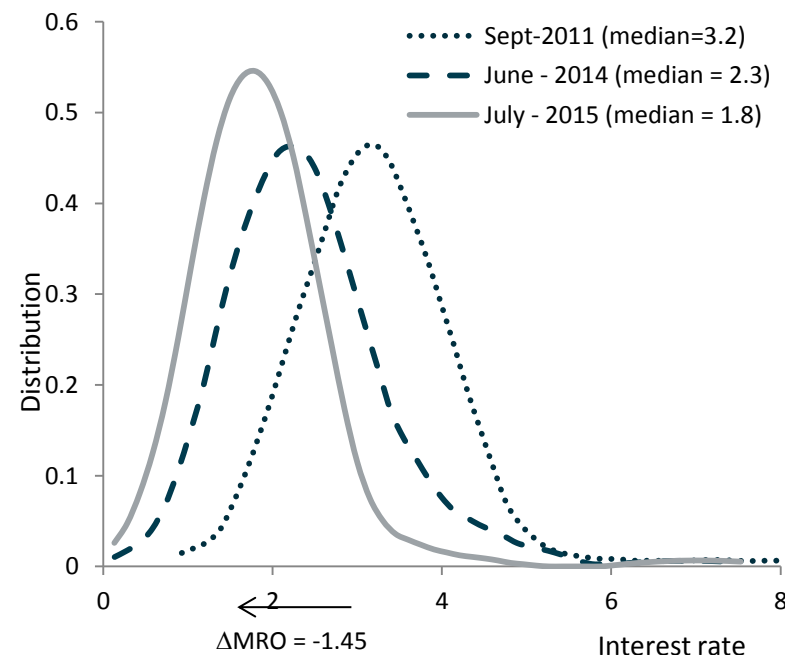


Lending rates did not decline with ECB rates as quickly in vulnerable countries

Composite lending rates for NFCs- Distributions of individual banks



Vulnerable countries



Less vulnerable countries