

Deposit trends at Irish Covered Banks

Information note

February 2012



Consolidated Deposits at Covered Banks

Why are we monitoring deposits at the Covered Banks?

The consolidated deposit figures shown in Figure 1 are a new monthly data set that the Department of Finance plans to publish in an effort to improve market transparency. We believe it will be of interest to the markets and the public.

Which banks are the Covered Banks?

The Covered Banks are AIB Group (including EBS Building Society), Bank of Ireland Group, permanent TSB and IBRC.

Where does the data come from?

The data is submitted by the Covered Banks to the Irish Authorities.

How frequently will the data set be published?

The intention is to publish the data set on a monthly basis.

What is not included in the public data?

To facilitate comparisons and analyse trends, there is a single exclusion from this data set:

1. Cash that was deposited with the Covered Banks by the NTMA in early 2011 prior to use for re-capitalisation. Cash deposits were invested as capital amounts into the Covered Banks in July 2011.

Consolidated figures for deposits give the most complete picture of developments at the Covered Banks as they include deposits held in their foreign subsidiaries

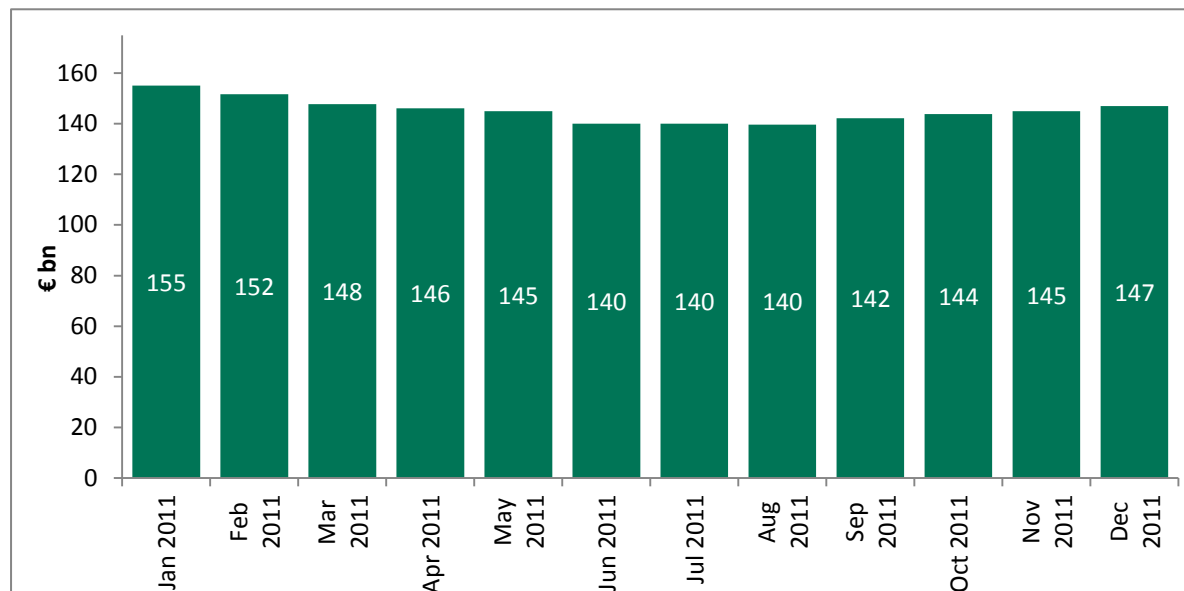
The figures outlined overleaf represent the aggregate deposits held by the Covered Banks and include deposits held at the foreign subsidiaries of the Covered Banks which are not normally included in the other statistics reported monthly and quarterly by the Central Bank of Ireland (the CBI) (*Money and Banking Statistics, Tables A1 – A13 at www.centralbank.ie*).

We believe that this data set represents the most accurate snapshot of the deposit picture at the Covered Banks.



Consolidated Deposits at Covered Banks

Figure 1. Customer deposits at Covered Banks (consolidated figures) *

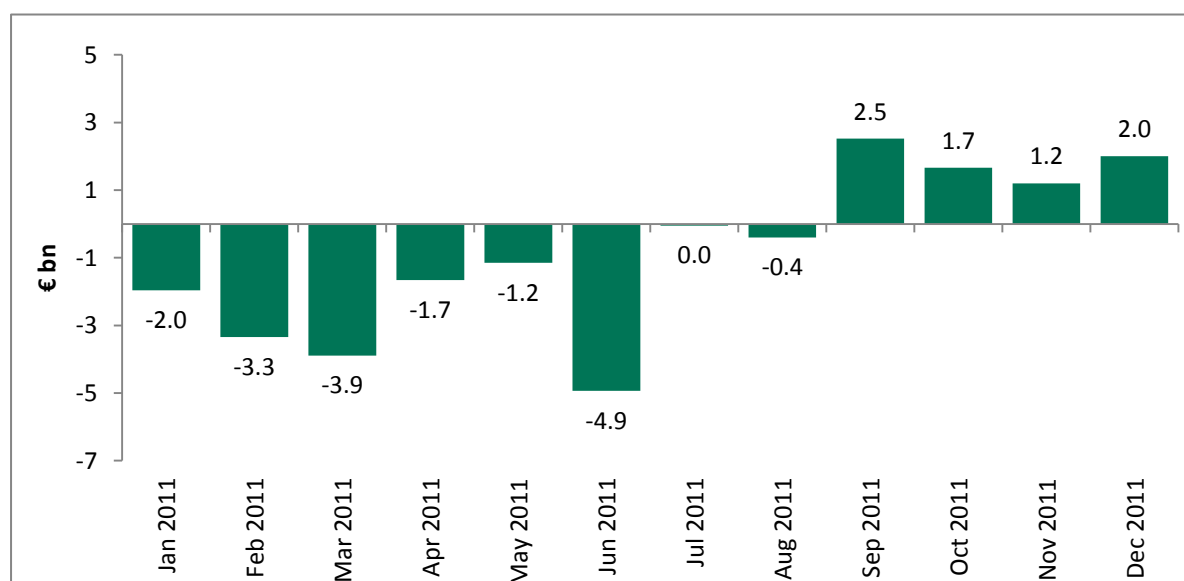


Source: Department of Finance. Excludes NTMA deposits held prior to re-capitalisation, AIB's Polish operations

What has the trend been?

Customer deposits in the Covered Banks measured on this basis have been stable for a number of months (see Figure 2) with net inflows since Q3 2011.

Figure 2. Covered Bank deposit net inflows/outflows 2011 (consolidated figures)



Source: Department of Finance



Consolidated Deposits at Covered Banks

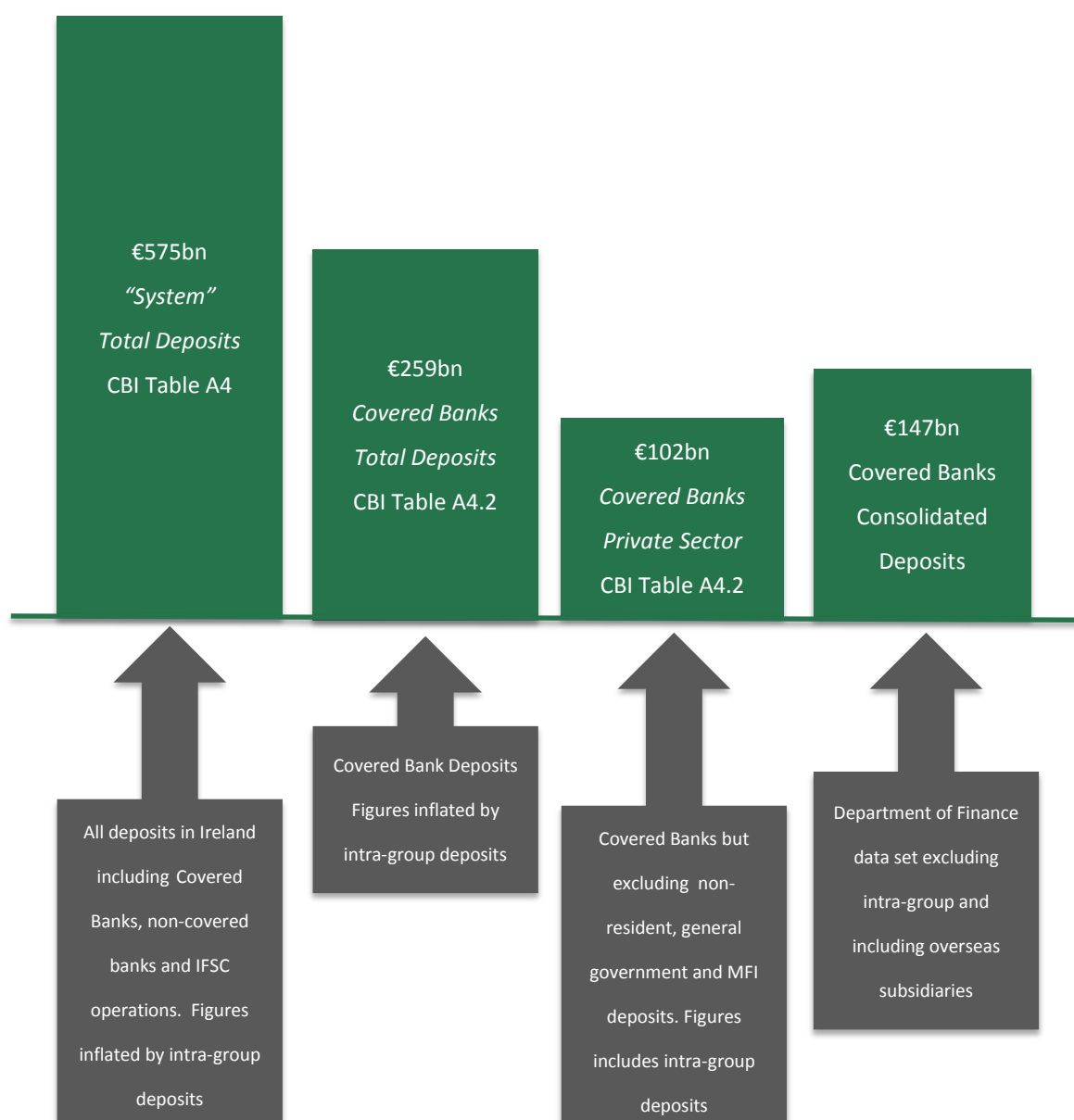
Central Bank statistics are very different from those shown in the data set

There are a number of different sources for information on customer deposit trends at the Irish banks including published accounts (semi-annual) and the CBI statistics (*Money and Banking Statistics, Tables A1 – A13 at www.centralbank.ie*).

Statistics published by the CBI focus on the **deposits of “within state offices of all credit institutions” operating in Ireland (the “System”)** and are compiled using a different methodology than those produced by the Covered Banks themselves.

The statistics are **unconsolidated**, are inflated by large balances of intra-group deposits and they also do **not include deposits held with overseas subsidiaries**.

Figure 5. A walk from CBI deposits to the consolidated Covered Banks figures (December 2011)





Notes

Disclaimer

This presentation is for informational purposes only.

No person should place reliance on the accuracy of the data and should not act solely on the basis of the presentation itself.

The Department of Finance does not guarantee the accuracy or completeness of information which is contained in this document and which is stated to have been obtained from or is based upon trade and statistical services or other third party sources. Any data on past performance contained herein is no indication as to future performance.

No representation is made as to the reasonableness of the assumptions made within or the accuracy or completeness of any modelling, scenario analysis or back-testing.

All opinions and estimates are given as of the date hereof and are subject to change.

The information in this document is not intended to predict actual results and no assurances are given with respect thereto.