

## Deposit trends at Irish Covered Banks

July 2012 data set

August 2012



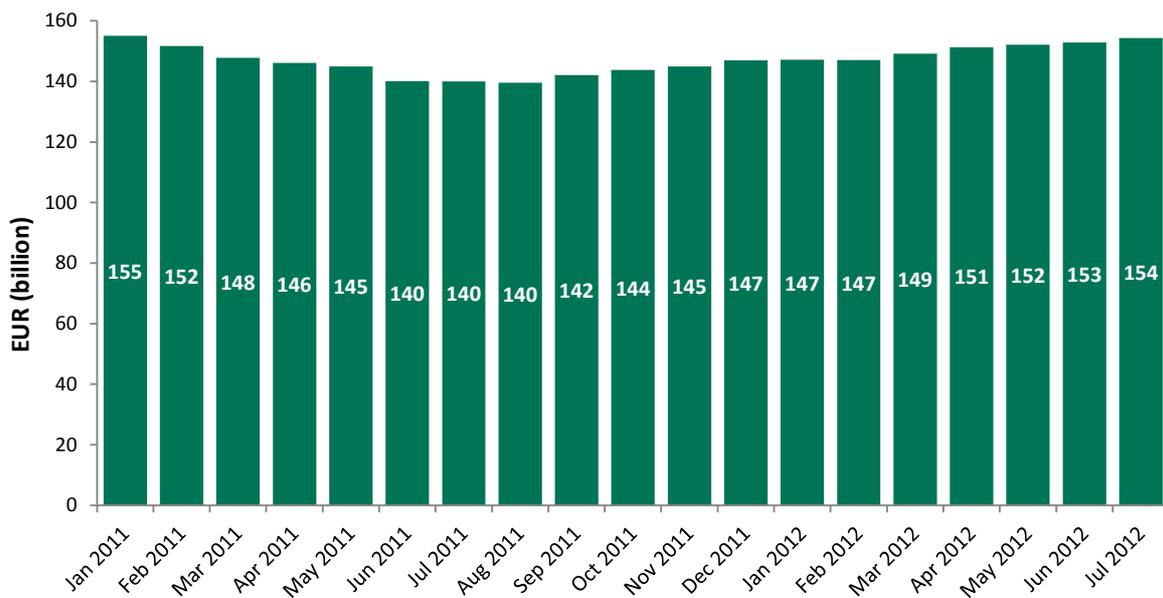
## Consolidated Deposits at Covered Banks

### July 2012 data

Deposits at covered banks continued to grow in July despite on-going turbulence in Eurozone debt markets. Deposits have increased by €14.3bn to €154.4bn since reaching a low-point of c.€140bn in July 2011. This demonstrates depositor confidence in the strength of the banking system following its successful recapitalisation last year.

The data set for July 2012 shows that deposits at the Covered Banks rose by €1.5bn (1.0%) month-on-month to €154.4bn. The cumulative growth since the start of the year is c.€7.3bn (4.9%). While the underlying volume growth to July is positive, FX movements, particularly the weakness of the EUR against STG since the start of the year, continues to account for growth in non-Euro based deposits.

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



Source: Central Bank of Ireland

\* Excludes NTMA deposits held prior to re-capitalisation, AIB's Polish operations. From January 2012 the figures also include the acquisition of Northern Rock deposits by permanent tsb.

### A look at the monthly trend

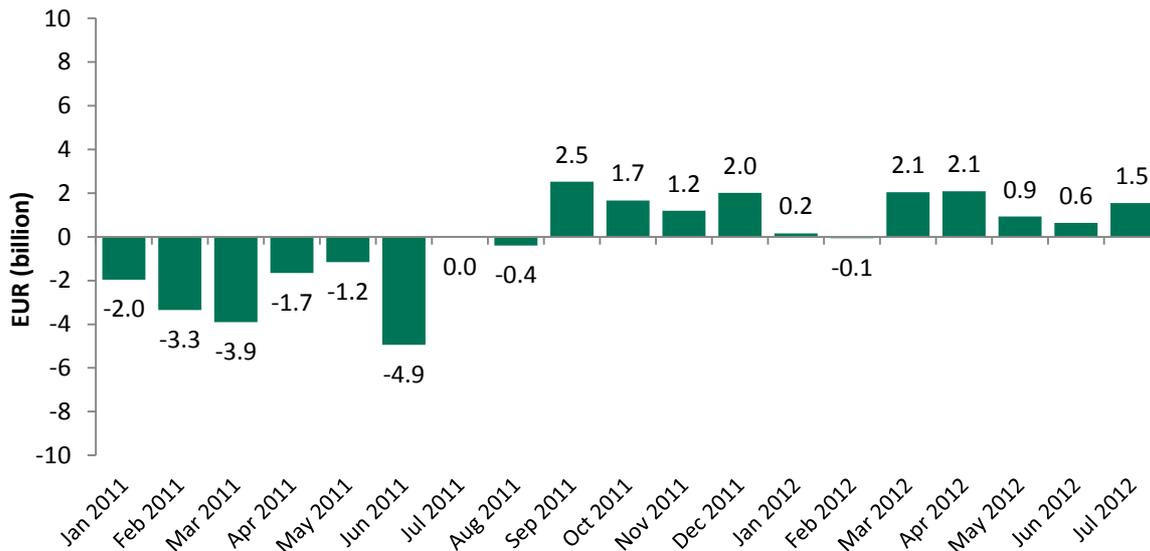
The increase during July of €1.5bn follows a rise of €0.6bn in June and brings the year to date increase to c.€7.3bn, an increase of 4.9%. As shown in Figure 2 below, there have been steady month on month increases recorded across the Covered Banks each month since last September (with the exception of the Christmas period where deposits are



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subject to seasonality). Further Euro weakness relative to Sterling during the month continued to account for growth in non-Euro based deposits.

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



Source: Central Bank of Ireland

**Central Bank statistics are very different from those shown in the data set presented above.**

Please note (as we covered in our first bulletin: [http://banking.finance.gov.ie/wp-content/uploads/Deposit\\_Note-Republished-25-April-2012.pdf](http://banking.finance.gov.ie/wp-content/uploads/Deposit_Note-Republished-25-April-2012.pdf)) that the statistics published by the Central Bank of Ireland are compiled using a different methodology than those produced by the Covered Banks themselves.

### Covered Banks usage of Eurosystem funding

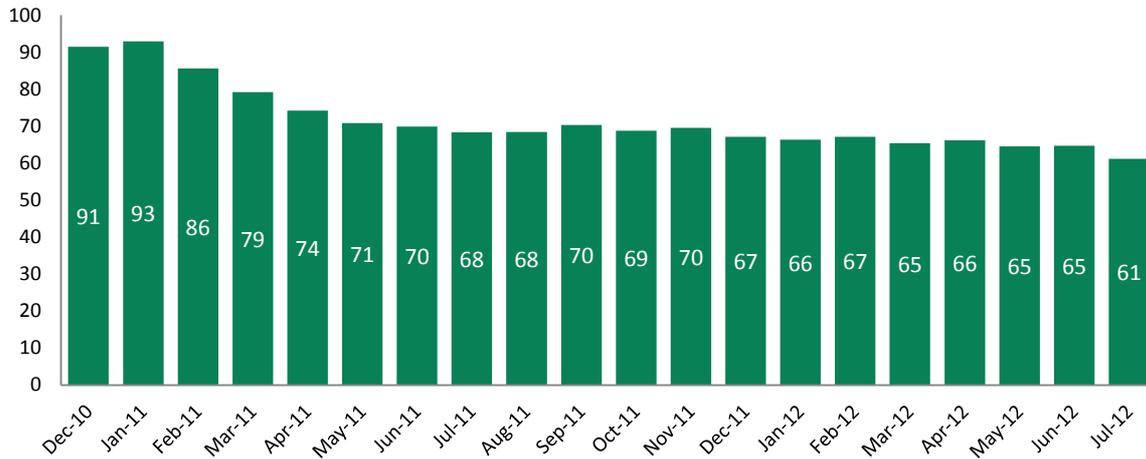
The usage of Eurosystem funding by AIB, BOI and ptsb reduced further in July 2012, reflecting the continued progress that is being achieved by the Banks in terms of deleveraging and deposit gathering. Eurosystem funding to Covered Banks peaked at c.€93bn in January 2011 and has since reduced by €32bn to €61bn. These figures demonstrate the progressive strengthening of the domestic banking system.



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Figure 3. Covered Banks usage of Eurosystem funding

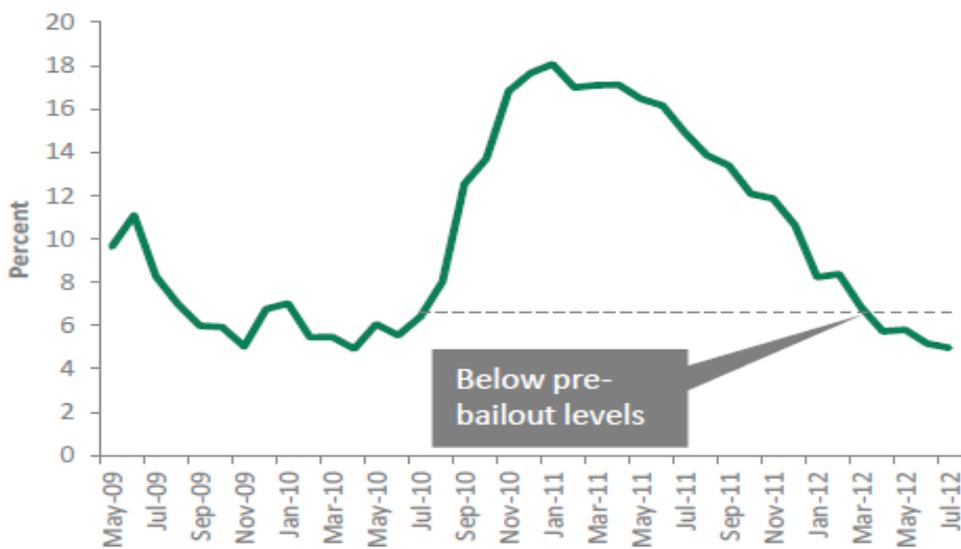
### Covered Banks ECB funding, €bn



### Ireland's share of total Eurosystem funding

Ireland's share of total Eurosystem funding has declined steadily from a peak in December 2010, immediately after the bailout. The Irish banking system now accounts for c.5.0% of total Eurosystem funding, down from a peak of c.18.1%.

Figure 4. Ireland's share of total Eurosystem funding



Source: CBI, ECB Statistical Warehouse



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### Next publication date

20/09/2012	August Deposit note
18/10/2012	September Deposit note
15/11/2012	October Deposit note
20/12/2012	November Deposit note

### Further information

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