

Deposit trends at Irish Covered Banks

November 2012 data set

December 2012



Consolidated Deposits at Covered Banks

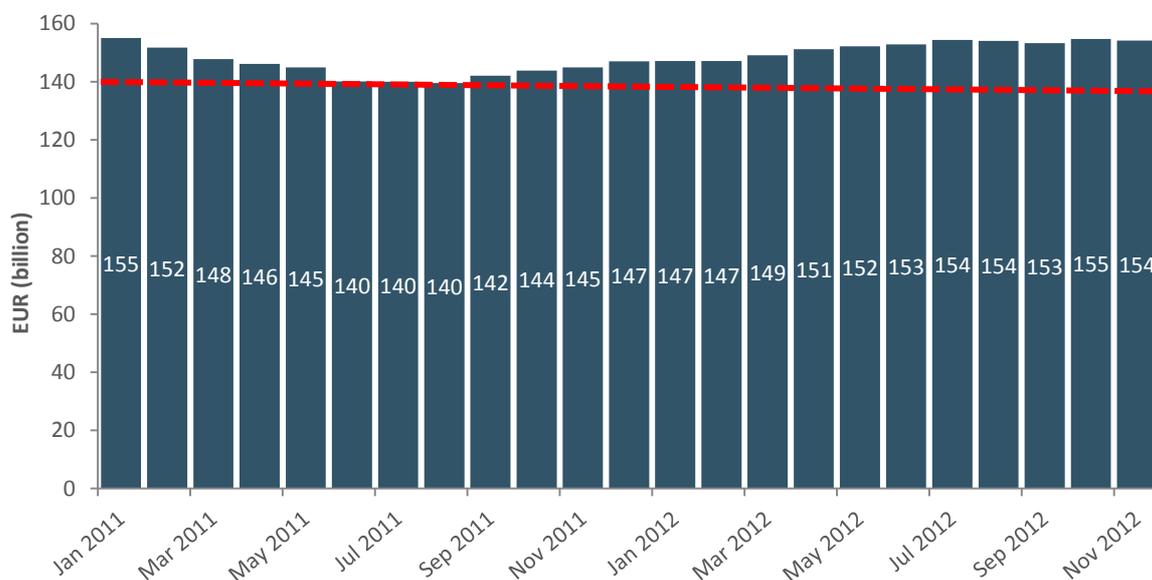
November 2012 data

Headline deposits at covered banks remained stable in November at €154.1bn, declining slightly by c.€0.6bn (c.0.4%) during the month. The decline in deposits during November was largely due to softer Retail deposits in Ireland. On a constant currency basis, deposits were €0.1bn lower month on month in November.

Notwithstanding the slight decline in November, the cumulative growth since the start of the year remains strong with headline deposits up c.€7.1bn (4.9%) or c.€6.1bn on a constant currency basis. The year-on-year increase in November is €9.1bn or 6.3%, although the pace of year on year increase has moderated somewhat.

It is encouraging that as advertised deposit interest rates for both Corporate and Retail customers continue to trend lower across the sector that deposit volumes have remained broadly stable in the second half of the year.

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



Source: Central Bank of Ireland, DoF

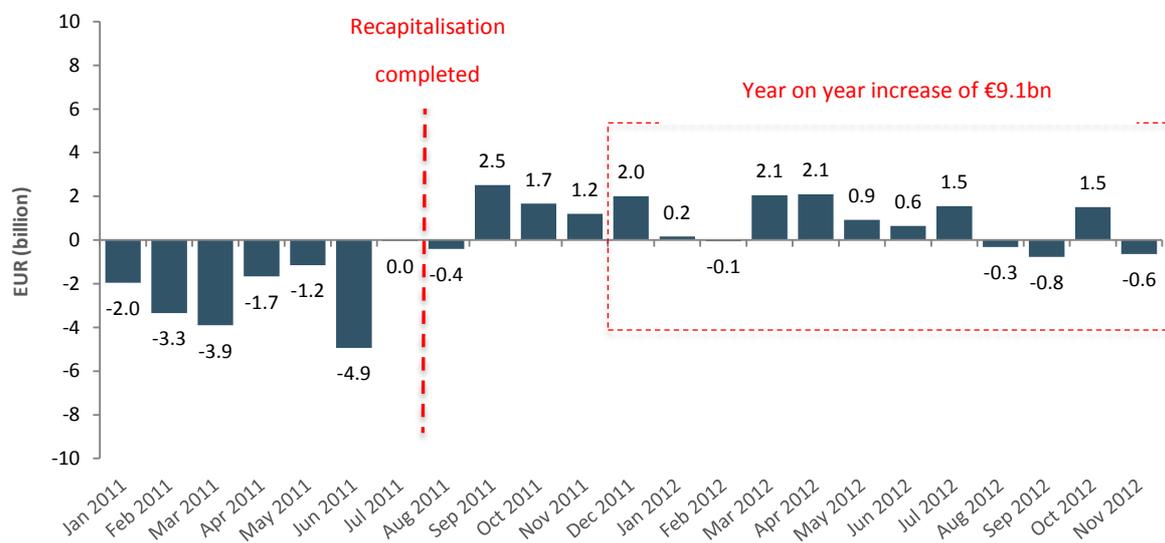
* Excludes NTMA deposits held prior to re-capitalisation, AIB's Polish operations. From January 2012 the figures also include the acquisition of Northern Rock deposits by permanent tsb.

Consolidated Deposits at Covered Banks

A look at the monthly trend

The decrease during November of €0.6bn, which was due mostly to Retail movements, continues the general theme of stability evident in deposit volumes both in Ireland and the UK. Volumes in the UK were broadly unchanged in November. As shown in Figure 2 below, there has been steady quarter on quarter increases recorded across the Covered Banks each quarter since Q3 2011 last September, following the successful recapitalisation of the banking system. In fact deposits have increased by c.€14.1bn since the recapitalisation was completed.

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



Source: Central Bank of Ireland, DoF

Deposit volumes on a constant currency basis

As exchange rates are an important factor in understanding period to period comparisons in deposit volumes, we believe the presentation of results on a constant-currency basis in addition to reporting headline results will help improve the readers ability to understand the trends in covered bank deposit volumes. Constant-currency information compares results between periods as if exchange rates had remained constant period-over-period. We calculate constant-currency by calculating prior-period closing deposit volume using the current period-end foreign currency exchange rate.

Please also note that the deposit volume information presented here is gathered on a geographic basis of where the business is conducted rather than the actual currency of the underlying deposit account. These figures should therefore be considered indicative only,

but will give a good indication of the period to period movements adjusted for exchange rate movements.

As can be seen in the table below, on a constant currency basis deposit volumes decreased modestly by €0.1bn in November and cumulatively remain €6.1bn higher since the start of the year.

Deposit volumes on a constant currency basis

Period ended	Period end volume, at current period end rate	Movement between periods
	EUR'000	EUR'000
31 December 2011	148,175	
31 October 2012	154,266	6,091
30 November 2012	154,126	(140)
Cumulative movement, at constant currency		5,951

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) that the statistics published by the Central Bank of Ireland are compiled using a different methodology than those produced by the Covered Banks themselves.

Next publication date

24/01/2013* December Deposit note (* Please note revised date due to year end reporting.)

14/02/2013 January Deposit note

14/03/2013 February Deposit note

Further information

For further information or requests, please contact:

Department of Finance

Government Buildings

Upper Merrion Street

Dublin 2, Ireland

Tel: +353 1 676 7571

pressoffice@finance.gov.ie

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