Funding Growth and Recovery

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*Head of Business Banking, AIB*
AIB Supports Financing Solutions Across the Business Lifecycle

**Concept**
- Savings
- Friends & Family
- Grants
- Angels
- Incubators & Accelerators

**Early**
- Venture / Seed Capital
- Enterprise Ireland Equity Investment
- Equity Risk Capital

**Growth & Established**
- Senior Debt & Asset Finance
- Existing Shareholders
- Enterprise Ireland
- Receivables Finance

**Expansion**
- Senior Debt & A.F.
- Mezzanine Debt
- Existing Shareholders
- Development Capital Funds

**Late / Exit**
- Capital Markets
- IPO
- Trade Sale
- Advice

- Current Accounts, Company Credit Cards, Deposits, Resources, Merchant Services & iBB
- Treasury, Trade Finance & Leasing, Loans & Working Capital
- Senior Debt, Invoice Finance, Loans, Invoice Discounting & Working Capital
- Development Capital, Private Equity, Mezzanine Finance
- Trade Sale, Flotation

Central Bank of Ireland - UNRESTRICTED
Supporting All Business Customers

96% Approval Rate
AIB approves 96% of all SME credit applications it receives

SBCI Funding
€400m SBCI funding
2% rate discount
€60m Agri SBCI drawn – fully utilised

€30k in 48 Hours
Decision SME applications up to €30k in 48 Hours

Over €1.2bn New SME Lending Drawdowns in 2016
Strong year on year new money increases seen. Evident across many sectors

34,000 New SME Sanctions in 2016
Strong and consistent year on year growth in numbers of SMEs supported

15,700 New Start-up Business Accounts in 2016
An area of particular focus for AIB underpinned by our ‘Backing Brave’ campaign

Closer to Customers’ Needs

Local Markets
19 Local Markets – 206 Locations

Business & Finance ‘Best Business Bank’ Award 2016

Corporate & FDI
The market leader in Ireland for corporate business and bank of choice for international companies

Recovering Customers
Treatment strategies focused on optimising debt recovery - supporting and rehabilitating customers where feasible

Specialised Finance
Advisory, Mezzanine, Equity and Sponsor finance and PPP

Always-on Digital
Supported by Direct service

Central Bank of Ireland - UNRESTRICTED
Partnerships and Innovation to Help Our Customers

**Sector Specialists**
- Dedicated Sector Specialists
- All key sectors

**Strategic Partnerships**
- Customer solutions
- E.g. exporting

**The PorterShed**
- HPSUs
- Co-working space
- Accelerator programme

**Ludgate Hub**
- Ireland’s first rural digital hub

**Outlook Reports**
- Sector-specific research
- Shared with customers and KBIs

**AIB Start-Up Academy**
- National competition
- Start-Up Academy Summits
- Start-Up Academy Bootcamps

**National Export Hub**
- Partnership with IEA, PwC, Bord Bia and others
- Particularly relevant given Brexit impact

**MyBusinessToolkit**
- Cloud-based business tools
- E.g. accounting, payroll, receipt management, building a website
Equity Funding – Research Insights

AIB commissioned Ipsos MRBI research on the Irish Equity Market
Found that most SMEs still rely on traditional forms of finance to grow their business

62% Not familiar with equity funding and what was available

70% Equity funding did not appeal to them

77% Of those not interested were worried about possible loss of control of their business

AIB largest bank seed fund investor in Ireland and a significant provider of equity capital funding

- €140m contributed to 11 funds
- Combined fund size of €789m
- €175m invested in 158 companies so far
- 3,600 jobs created, 2,175 Irish jobs

### HOW SMES FINANCE THEIR BUSINESS

<table>
<thead>
<tr>
<th>Source of Finance</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reinvest Profits</td>
<td>71%</td>
</tr>
<tr>
<td>Bank Finance</td>
<td>56%</td>
</tr>
<tr>
<td>Founders Equity</td>
<td>26%</td>
</tr>
<tr>
<td>Friends &amp; Family</td>
<td>10%</td>
</tr>
<tr>
<td>Equity from Inst.</td>
<td>6%</td>
</tr>
<tr>
<td>Government Grants</td>
<td>6%</td>
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</tbody>
</table>

### PERCEIVED CONCERNS ABOUT EQUITY FINANCE

<table>
<thead>
<tr>
<th>Concern</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loss of Control</td>
<td>26%</td>
</tr>
<tr>
<td>None</td>
<td>18%</td>
</tr>
<tr>
<td>No Requirement</td>
<td>10%</td>
</tr>
<tr>
<td>Paying It Back</td>
<td>9%</td>
</tr>
<tr>
<td>Don’t Know Enough</td>
<td>7%</td>
</tr>
<tr>
<td>Cost of Funds</td>
<td>6%</td>
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</tbody>
</table>
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Thank You

Catherine Moroney

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