



Rialtas na hÉireann  
Government of Ireland

# Government working with finance providers to support SME financing



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# Foreword

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Finance is the lifeblood of business at all stages of development. It is a top priority of Government to ensure that appropriate finance is easy to access for all businesses, be they start-ups, growing or more mature firms ready to scale up.

Government has worked successfully with the banking sector and alternative finance providers to offer a wide range of supports to businesses at all stages of their business cycle. It can be difficult to work out exactly what is available for different businesses, and that's why I've prepared this simple guide, which sets out the types of equity and debt financing supports and resources available, organised by the size of your business. It also provides the relevant contact details for ease of access to these supports.

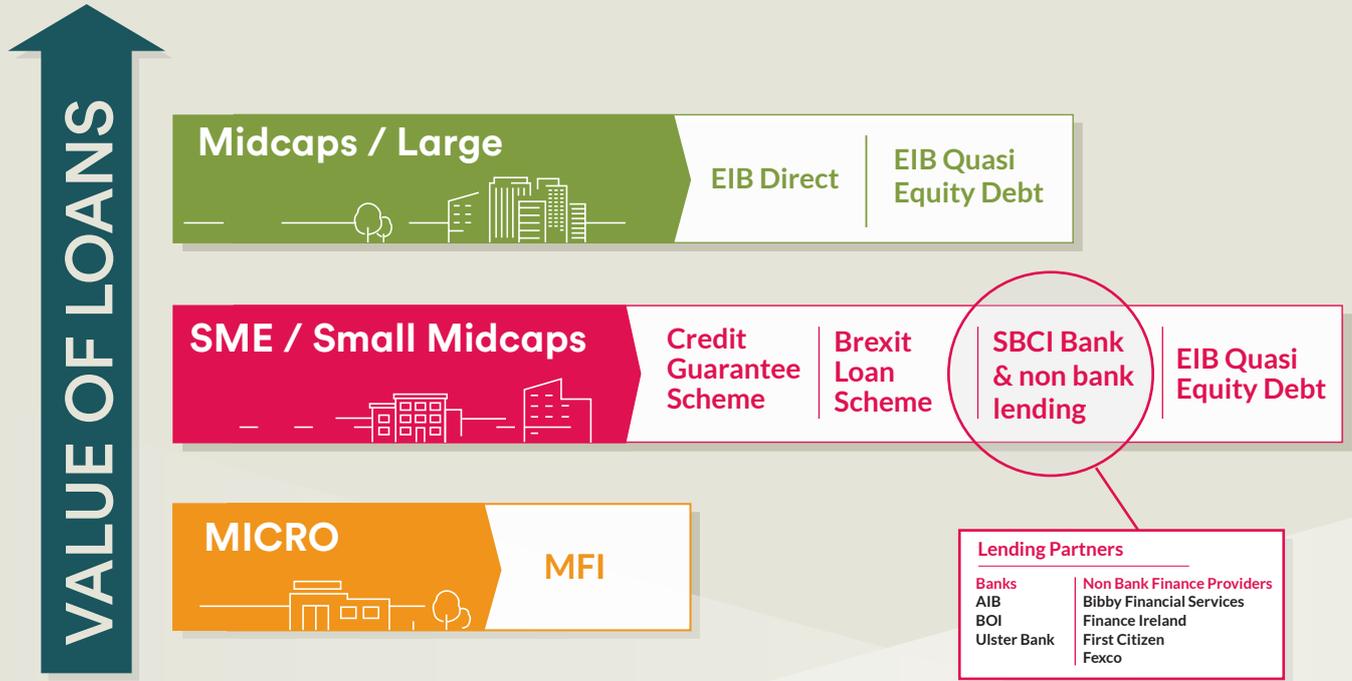
My Department, offices and agencies are always available to advise and support businesses. I hope you find it useful.

A handwritten signature in black ink that reads "Heather Humphreys TD".

**Heather Humphreys TD**

Minister for Business, Enterprise and Innovation.

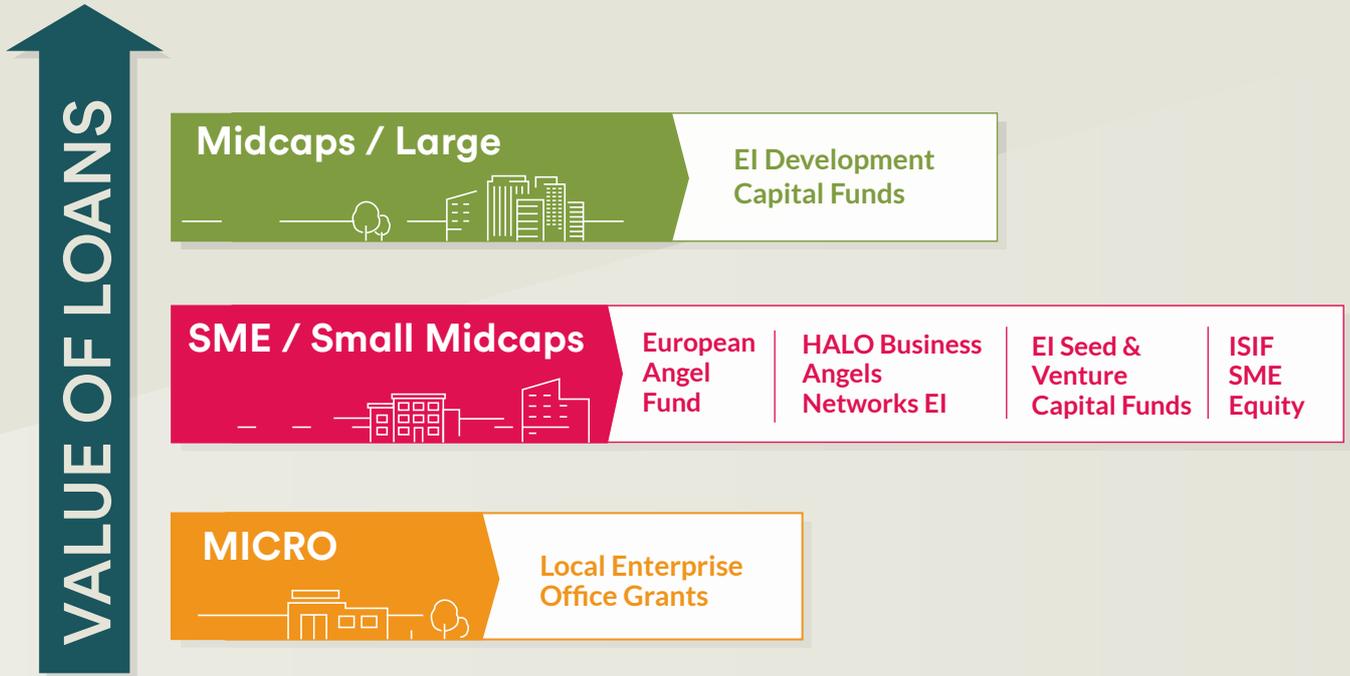
# SME Debt



**Lending Partners**

Banks	Non Bank Finance Providers
AIB	Bibby Financial Services
BOI	Finance Ireland
Ulster Bank	First Citizen
	Fexco

# SME Equity



# Sources of SME finance

## SME Debt Finance Supports

Source	Information	Activity levels	How to access
<b>Microfinance Ireland (MFI)</b>	MFI was established in 2012 to provide small loans (€2,000-€25,000), for business purposes, to start up, newly established or growing micro enterprises employing less than 10 people and with turnover of less than €2m per annum.	Since its establishment to end Q2 2018, MFI has approved loans totalling €25.4m which have helped to create or sustain 4,277 jobs.	To access an MFI loan businesses can; <ul style="list-style-type: none"> <li>➤ Apply directly through <a href="http://www.microfinanceireland.ie">www.microfinanceireland.ie</a></li> <li>➤ Apply through the Local Enterprise Office Network</li> <li>➤ Apply through the Irish Local Development Network</li> <li>➤ Ask to be referred by one of the main commercial banks; AIB, BOI or Ulster Bank</li> </ul>
<b>Credit Guarantee Scheme (CGS)</b>	The Credit Guarantee Schemes encourage additional lending to small and medium businesses by offering a partial Government guarantee (currently 80%) to banks against losses on qualifying loans to eligible SMEs. Facilities from €10,000 up to €1m are offered.	In the lifetime of the Credit Guarantee Schemes to end of Q2 2018, €93.4m in credit guarantee scheme facilities were sanctioned for 587 SMEs, which have helped to create or sustain 3,666 jobs.	To access the scheme, businesses can approach one of the participating providers: AIB, BOI or Ulster Bank.  The Credit Guarantee Scheme is operated by the Strategic Banking Corporation of Ireland (SBCI) on behalf of the Minister for Business, Enterprise and Innovation.

## SME Debt Finance Supports

Source	Information	Activity levels	How to access
<b>Strategic Banking Corporation of Ireland (SBCI)</b>	The SBCI was established in 2014 to support Irish SMEs to invest in and grow their businesses through access to flexible, appropriately priced credit.	To the end of December 2017, €920m of SBCI supported lending has been provided to 22,965 Irish SMEs operating across all sectors of the Irish economy and in all regions of the country, supporting 119,393 jobs.	To access SBCI supported lending, the SBCI has seven on-lending partners: <ul style="list-style-type: none"> <li>➤ AIB</li> <li>➤ Bank of Ireland</li> <li>➤ Ulster Bank</li> <li>➤ Finance Ireland</li> <li>➤ First Citizen</li> <li>➤ Bibby Financial Services</li> <li>➤ FEXCO Asset Finance</li> </ul>
<b>Brexit Loan Scheme</b>	The Brexit Loan Scheme is a €300m loan fund available to eligible Irish businesses impacted by Brexit. Finance provided under this scheme is easier to access, more competitively priced (maximum interest rate is 4%), and offered at more favorable terms than other lending for such businesses. Loan amounts are offered of between €25,000 to €1.5m and unsecured loans up to €500,000.	Since its establishment to end Q2 2018, the Brexit Loan Scheme has progressed to sanction at bank level loans totalling €2.49m.	To access, eligible businesses can apply by: <ul style="list-style-type: none"> <li>➤ Completing the eligibility form and returning to the SBCI</li> <li>➤ If SBCI assess a business as eligible, an eligibility reference number is given which is then provided to the participating finance provider (currently AIB, BOI and Ulster Bank)</li> </ul>

## SME Debt Finance Supports

Source	Information	Activity levels	How to access
<b>European Investment Bank (EIB) Direct Loans</b>	<p>The EIB provides favourably priced and structured direct loans to private corporates with planned capex and R&amp;D investments costing over €20m, including:</p> <ul style="list-style-type: none"> <li>➤ Large loans to large cap corporates; and</li> <li>➤ Loans of between €10m to €50m to midcap corporates with up to 3,000 employees.</li> </ul>	<p>EIB has provided direct loans to large corporates and to midcaps. EIB has also allocated €150m to a Programme Loan specifically for Irish midcaps.</p>	<p>To access EIB direct loans contact should be made with staff in EIB's local office in 8 Upper Mount Street, Dublin 2 (c.murphy@eib.org) or in 98-100, Boulevard Konrad Adenauer, L-2950 Luxembourg (m.finucane@eib.org).</p>
<b>European Investment Bank (EIB) Quasi Equity</b>	<p>Quasi-equity is a direct self-liquidating financing provided by EIB where the repayment and the expected return of the investment depend on the success of the underlying investment programme. It is available to companies with up to 3,000 employees where the loan volume requested is between €7.5m and €50m.</p>	<p>To date, two Irish projects in Insurance Software and Biotechnology totalling €35m have been approved for funding.</p>	<p>To access EIB Quasi Equity contact should be made with staff in EIB's local office in 8 Upper Mount Street, Dublin 2 (c.murphy@eib.org) or in 98-100, Boulevard Konrad Adenauer, L-2950 Luxembourg (m.finucane@eib.org).</p>

## SME Equity Finance Supports

Source	Information	Activity levels	How to access
<b>Halo Business Angel Network (HBAN)</b>	HBAN is responsible for the development of business angel syndicates on the island of Ireland. HBAN matches investor ready propositions with angel investors.	In 2017, HBAN Angels invested €12.8m into 45 companies in the Republic of Ireland. In 2017, over 90 new Angels were registered with HBAN bringing the total number of registered Angels since 2015 to 244.	HBAN currently has 5 Regional Business Angel Networks and 7 Syndicate groups across the island.  HBAN co-ordinates the connections for anyone interested in forming or joining an existing syndicate through its website <a href="http://www.hban.org">www.hban.org</a>
<b>European Angel fund</b>	In 2016, the €20m European Angel Fund was launched. This is a joint initiative with the European Investment Fund (EIF) designed to enhance the capacity of Business Angels to provide equity financing for innovative companies in the form of co-investments.	To date, 9 Angels have been signed up to the fund, which has invested over €1.5m in 17 companies.	Eligible businesses can apply to EAF by filling out an online form located here: <a href="http://www.eif.org/what_we_do/equity/eaf/eaf_form.htm">http://www.eif.org/what_we_do/equity/eaf/eaf_form.htm</a>
<b>Local Enterprise Office (LEO) Grants</b>	The 31 LEOs located nationwide offer a range of financial supports to assist with the establishment and growth of business (micro – enterprises) employing up to 10 people.	The activity levels of the individual grant schemes are listed in the following sections of the table.	Access to LEO supports is through any one of the Local Enterprise Offices situated across the Local Authority Network  <a href="http://www.localenterprise.ie">www.localenterprise.ie</a>

## SME Equity Finance Supports

Source	Information	Activity levels	How to access
<b>LEO Feasibility Study Grants</b>	Feasibility Study Grants are designed to assist the promoter with researching market demand for a product or service and examining its sustainability. It includes assistance with innovation, hiring of expertise from third level colleges, private specialists, design and prototype development. The maximum Feasibility Study Grant payable is between 50% - 60%, of the investment depending on the region - or €15,000 whichever is the lesser.	Since their inception in 2014 to the end Q1 of 2018, the LEOs have approved almost €6.2m in feasibility grants for micro enterprises.	Access to LEO supports is through any one of the Local Enterprise Offices situated across the Local Authority Network <a href="http://www.localenterprise.ie">www.localenterprise.ie</a>
<b>LEO Priming Grants</b>	A priming grant is a business start-up grant and is available to micro enterprises within the first 18 months of start-up. The maximum priming grant payable shall be 50% of the investment or €150,000, whichever is the lesser.	Between 2014 and end Q1 2018 the LEOs have assisted 1,502 clients with priming grant approvals totalling just over €29.5m.	Access to LEO supports is through any one of the Local Enterprise Offices situated across the Local Authority Network <a href="http://www.localenterprise.ie">www.localenterprise.ie</a>

## SME Equity Finance Supports

Source	Information	Activity levels	How to access
<b>LEO Business Expansion Grants</b>	The Business Expansion Grant is designed to assist a business in its growth phase after the initial 18 months start-up period. The maximum business expansion grant payable shall be 50% of the investment or €150,000, whichever is the lesser.	To date the LEOs have provided almost €29m in business expansion grants.	Access to LEO supports is through any one of the Local Enterprise Offices situated across the Local Authority Network <a href="http://www.localenterprise.ie">www.localenterprise.ie</a>
<b>Dublin Business Innovation Centre (Dublin BIC)</b>	Dublin BIC empowers entrepreneurs to start and scale by providing a comprehensive range of programmes specifically designed to advance the ambitions of early-stage companies across four core areas of expertise: <ul style="list-style-type: none"> <li>➤ Investor-Ready Preparation</li> <li>➤ Access to Finance</li> <li>➤ Incubation Space</li> <li>➤ Community &amp; Collaboration</li> </ul>	350 start-ups have received funding through Dublin BIC to date.	Business Entrepreneurs can apply to Dublin BIC by filling out an online form <a href="https://www.dublinbic.ie/contact/contact-form">https://www.dublinbic.ie/contact/contact-form</a>
<b>Enterprise Ireland Seed and Venture Capital Scheme</b>	The Enterprise Ireland Seed and Venture Capital Scheme, which has been in operation since 1994, was established to increase the availability of risk capital for SMEs.	To date, EI has committed in excess of €510m, which, using a co-investment model, has raised a total of €1.19bn in Seed & Venture capital funding.	All funds are independently managed by private sector fund managers who make the decisions regarding investments.

## SME Equity Finance Supports

Source	Information	Activity levels	How to access
<b>Enterprise Ireland Development Capital Scheme</b>	The Enterprise Ireland Development Capital Scheme was launched in 2012 to increase the availability of Growth and Expansion Irish Capital for established Irish manufacturing and high growth companies.	To date EI has committed €75m which, using a co-investment model, has raised in excess of €490m in development capital funding.	Companies involved in significant expansion, R&D, export or investment activity are assigned a Development Adviser who will discuss business needs and relevant supports available from Enterprise Ireland <a href="http://www.enterprise-ireland.com">www.enterprise-ireland.com</a>
<b>Irish Strategic Investment Fund (ISIF)</b>	The ISIF, managed and controlled by the National Treasury Management Agency (NTMA), is an €8.9bn sovereign development fund with a unique mandate. ISIF deploys capital to support new and existing non-bank alternative finance providers and other providers of finance as part of its strategy.	To date, the ISIF has committed over €3.8bn to transactions in a wide range of sectors.	To submit proposals or to discuss investment ideas, contact details are available on the website <a href="http://www.isif.ie">www.isif.ie</a>

## What if I can't secure finance?

Source	Information	How to access
<b>Credit Review Office (CRO)</b>	<p>The CRO provides an independent, impartial credit appeals process for SMEs, including sole traders and farmers. The CRO has no statutory or regulatory powers to overturn bank lending decisions. However, if they conclude that the lending could have been made within acceptable risk boundaries, the bank will be required to comply or explain to the CRO why it will not do so. <b>In over 90% of the cases supported by the Office, the banks have accepted the CRO Opinion and complied with the recommendations.</b></p>	<p>You can start your application now by downloading the Borrower Application Form and Borrower Administration Form on the website</p> <p><a href="http://www.creditreview.ie">www.creditreview.ie</a></p>

## Glossary of Terms

<b>AIB</b>	Allied Irish Bank
<b>BOI</b>	Bank of Ireland
<b>EI</b>	Enterprise Ireland
<b>EIB</b>	European Investment Bank
<b>ISIF</b>	Irish Strategic Investment Fund
<b>LEO</b>	Local Enterprise Offices
<b>MFI</b>	Microfinance Ireland
<b>SBCI</b>	Strategic Banking Corporation of Ireland
<b>SME</b>	Small-to-Medium Enterprise

## Definitions

### Microenterprise

Fewer than 10 employees and an annual turnover or balance sheet below €2 million.

### Small enterprise

Fewer than 50 employees and an annual turnover or balance sheet below €10 million.

### Medium enterprise

Fewer than 250 employees and annual turnover below €50 million or balance sheet below €43 million.

### Mid-caps

There is no common EU definition of mid-cap companies, mid-caps are broadly said to have between 250 and 3,000 employees.





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