



---

Good evening Chairman and Members of the Committee, thank you for this opportunity to discuss AIB's support for SMEs across Ireland.

My name is Catherine Moroney, Head of Business Banking with AIB and I am joined by my colleague Margaret Brennan, Head of SME Sector Strategy and Specialists.

SMEs have played a vital role in Ireland's ongoing economic recovery, with small and medium sized businesses now employing 900,000 people across Ireland and whilst there are still challenges ahead, Ireland is expected to remain one of Europe's fastest growing economies this year.

AIB's primary role in the economy is to support and facilitate our customers in dealing with the opportunities and challenges that lie ahead for them.

AIB has 2.3 million customers and we serve their needs through our people and our physical and digital infrastructures, with 275 AIB & EBS Branches, 20 Business Centres and 24 hour Phone & Online Banking services. AIB also provides daily banking facilities to our customers through 1,100 An Post locations nationally.

I would like to briefly outline AIB's lending activity to SMEs. AIB approved a total of €5.5bn in new lending in Ireland in 2016, of which €1.2bn was to SMEs and in the first six months of 2017, lending increased a further 13% on the same period in the prior year. These figures exclude renewed loan facilities and all working capital facilities, so they represent 'new' term lending in support of Irish business growth. I cannot at this time discuss our full year figures to December 17 as we are in our restricted 'pre-results closed period'.

Business lending and business generally, is largely relationship driven and AIB have recently appointed new Heads of Business Banking in each of our 19 local markets supported by dedicated teams of Business Advisors and Relationship Managers, close to our customers and their place of business.

Supporting our business customers requires a detailed understanding of the challenges and opportunities facing their sector and their business. We have developed our sectoral expertise over many years and we have sectoral experts available to support our customers and our teams in the market. Last year, we also appointed 21 SME Brexit advisors and we encourage customers to be proactive about planning for their business in the context of Britain leaving the EU.

We have a range of product types, time periods and price points to cater for needs and risk, with both fixed and variable rate facilities. Our Business Credit Line is among the most flexible and competitively priced Working Capital facilities available. The bank has a 48-hour decision commitment for all SME loans up to €60,000, which can also be accessed online or over the phone. AIB has also strongly

supported SBCI initiatives, we provided €400m of the SBCI loan fund and €60m of the SBCI Agricultural Cash flow Support Loan Scheme.

AIB works constructively and consistently with our business customers experiencing difficulty, prioritising the restructuring of existing facilities to sustain viable businesses and we maintain our engagement with customers that have been through the restructure process.

In terms of the diversity of funding available in Ireland, AIB is a significant seed, venture and growth capital fund investor, with AIB commitments currently totalling €161m across 13 funds. With partners, these funds total €1.1bn and to date they have invested in circa 200 companies creating over 3,000 Irish jobs. AIB also published in-depth customer led research on alternative funding sources in 2017 to help build awareness, understanding and accessibility. We also provide tailored Mezzanine Finance, which can often be the difference in making a project viable for a business.

Turning to daily banking, AIB provides full in-branch cash and coin service across our entire network and we do not restrict transaction types to specific days and times. AIB offers highly competitive rates for cash handling, including the lowest price in the market for processing euro notes.

Our customers tell us that convenience is key and we actively work to help them to move towards digital payment methods, available through online, self-service and paperless options whilst retaining their choice of channel and options.

For example, in 2015, we launched a free Business Internet Banking platform on PC, Mobile and Tablet, for smaller Businesses where they can manage their business finances cost effectively online.

And in support of start-ups, we offer maintenance and transaction free banking as well as zero cash handling fees up to a maximum discount of €100 per quarter. These benefits are available through the AIB Business Start Up & Young Farmer package for the first two years of their start up.

Through this combination of people, accessibility and distribution connectivity, supported and enabled by our technological and online capabilities, we provide customers with a comprehensive choice of access and supports, bringing decision making and sectoral expertise closer to them.

Finally I would like to finish by saying that AIB's commitment to our customers remains our top priority.

On behalf of the Bank, I want to again thank you for inviting us here today and we welcome your questions.