



## **AIB seed capital funding supporting 260 jobs in 2011 and 2012**

**22nd December 2011**

### **AIB expects to invest in 20 businesses in 2012 following a successful 2011**

- AIB is the largest provider of seed capital funding in Ireland
- Funds are likely to support 260 jobs in 2011 and 2012
- AIB is expected to have invested approximately €6 million in 2011 alone in 20 new investments in early stage companies
- AIB expects a record year of seed funding investment in 2012
- The cumulative amount approved for investment since the funds were created is €15 million which translates to 78 investments in 50 projects supporting 350 jobs

AIB anticipates a record year of seed funding investment in 2012 and expects to support the creation of at least 20 new high performing, innovative businesses in the coming year. Investment in 2011 supported approximately 130 high value jobs with the same number of jobs targeted to be supported in 2012.

AIB facilitates the provision of such finance through two dedicated Seed Capital Funds which have a combined total €75 million available for investment, making AIB the largest provider of seed capital funding in Ireland.

The funds are two of four specialist Seed Capital Funds, totalling €124 million, formed with Government support as part of the bank recapitalisation mandate.

The two AIB Seed Capital Funds are:

- AIB Seed Capital Fund which has a total of €53 million under management by Enterprise Equity Venture Capital, €23 million of which is provided by Enterprise Ireland.
- AIB Start-up Accelerator Fund which manages a total of €22 million, of which €2 million was contributed by Enterprise Ireland. This fund is managed by ACT Venture Capital.

In 2011 both funds will have received more than 400 enquiries and expressions of interest from early stage businesses seeking seed capital investment. The internet, healthcare and software sectors are the primary drivers of enquiries.

The portfolio of companies has a strong regional balance with Dublin being the most frequent source of both enquiries and investments. There were also investments in Cork, Limerick, Donegal and Galway.

The cumulative amount approved for investment since the funds were created is €15 million which translates to 78 investments in 50 projects supporting 350 jobs. AIB is expected to have invested approximately €6 million in 2011 alone in 20 new investments in early stage companies. Investments are expected to focus on high growth, export oriented companies in sectors such as software, life sciences and cleantech.

John Kelly, Senior Manager with Business Banking at AIB, said: “The fund managers working on behalf of the funds have been showcasing the availability of seed capital with the innovation and incubation centres throughout the country in 2011 and have conducted extensive one-to-one consultations with tenant companies of these centres.

“With investor sentiment remaining risk averse, the strategic importance and value of seed capital capability is critical to nurture and develop a new generation of emerging sector Irish businesses.”

Des Doyle, Manager of Growth Capital with Enterprise Ireland, added: “The availability of venture capital is vital for driving entrepreneurship, business growth and, critically, employment. These seed funds, formed as part of the bank recapitalisation mandate, bring the total amount of seed capital under management in Ireland to €124 million compared with €30 million in mid 2009.

“These Government-supported seed funds, not least the two AIB/Enterprise Ireland funds, are making a very positive impact on the availability of funding for new high potential start-up businesses in Ireland. For example, over 40 new early stage Irish high potential companies were approved investment by the four Irish seed funds in 2011 providing them with essential investment to help grow their businesses and generate employment.”

Given the current level of enquiries the AIB Seed Capital Funds expects a record year of investment in 2012 and is confident the Funds will support the creation of at least 20 new businesses in the coming year.

**-Ends-**

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***Notes to editors***

The AIB Seed Capital Fund was established in 2007 to provide venture capital for companies at the seed and early stages of development across a range of sectors throughout the Republic of Ireland. The Fund was established under the Enterprise Ireland Seed and Venture Capital Programme 2007-2012.

The Fund has a total of €53 million under management with AIB committing €30 million and Enterprise Ireland €23 million. It is managed by experienced managers with extensive expertise in making seed and early stage investments, adding value and facilitating business success.

The Fund managers are empowered to make seed investments of up to €500,000. Furthermore, the Fund has the capacity to make investments in later rounds to support the continued growth of investee companies.