



*For immediate release*

*31<sup>st</sup> August, 2015*

### **SME drawdowns at AIB up 48% in 2015**

AIB has seen a significant increase in SME activity in the first half of this year with funds availed of up 48% on the same period last year. AIB has approved €2.5 billion in credit to the SME sector in the first six months of 2015, approving 95% of small business and farmers credit applications received. Application numbers have also increased by 18% in the first half of the year compared with last year.

This increase in demand for credit has been seen across a range of sectors with the hospitality sector seeing very strong growth driven by increasing tourism numbers. Retailers are also investing in their businesses on the back of improved consumer sentiment, according to AIB. Agriculture is still evidencing good demand with technology, manufacturing, healthcare and energy sectors also showing strong growth this year.

Following the launch of the AIB €200 million loan fund, supported by the Strategic Banking Corporation of Ireland (SBCI) in March this year, AIB is seeing strong demand from businesses and farmers. To date AIB has approved over €150m in business credit to more than 3,500 customers under the fund.

The AIB SBCI loan fund allows SMEs access credit at a market leading rate. Loans are available at the highly competitive rate of 4.5% per annum variable, a discount of 2% below AIB's Standard Variable Business Loan rate. Loan terms range from two to ten years, catering for applications of up to €5m.

In support of SME customers AIB also launched a 48 hour decision-making process in September last year for loan applications up to €30,000. AIB recently reached the landmark 10,000<sup>th</sup> customer who received loan approval within 48 hours. That company was Eco Drop based in Galway.

Ken Burke, Head of Business Banking at AIB said: "There is a general upward momentum building as the economy recovers. AIB is delighted to reach our 10,000<sup>th</sup> customer under our 48 hour SME credit approval programme. Eco Drop is a very progressive company and we are pleased to be able to support them in their expansion. As the economy continues to recover, investment by SMEs in their businesses is critical for continued growth and AIB is committed to providing support for small, medium businesses and farmers. It is encouraging to see the range and scale of businesses that have been approved for funding, particularly the 3,500 businesses through the SBCI backed fund."

**-Ends-**

## **Eco Drop story:**

Eco Drop, based in Galway received funding under the SBCI loan fund. Eco Drop is a small waste water company, employing eight people. Gary Regan, founder of Eco Drop spent 16 years living and working in America. He returned to Ireland to work in construction in early 2007. With the downturn in construction in mid-2008, Gary set up his first business, Gary's Cycles and Garden Machinery. In early 2014, Gary spotted a need for maintenance and repair of wastewater treatment plants and septic tanks and established Eco Drop.

“There were a few people operating in the industry but nobody was doing it at a scale or as professionally as I felt we could. Initially it was all about getting the right staff, they're key to everything,” said Gary.

Responding to customer demand, the loan Eco Drop received was used to invest in new vehicles, which are fully kitted out with diagnostic equipment, such as CCTV for checking pipes, and tools allowing them to undertake repairs on different scales varying from a domestic septic tank to a waste water treatment plant. Further plans are in place to expand in the coming months, with Eco Drop getting ready to move to a new, larger premises and already advertising for new staff.

Gary added: “48 hour approval on my loan from AIB helped me get my business up to speed faster. The confidence AIB has shown in my business with this loan has helped in moving my business to the next level. After the new premises, our next step is probably buying a de-sludging truck. It would be a significant investment but is something that would allow us to take on jobs we can't do at the moment. In 10 to 15 years, I'd like my business to be running exactly as I want it, to have some security. Everything happening now, with AIB's backing, is a step to that.”

## **Notes to Editors:**

AIB's SBCI loan offer includes:

- Loans at 4.5% per annum variable, a competitive, 2% discount from AIB's Standard Business Loan Rate
- Terms between two and 10 years
- Loans for working capital and investments
- Funding up to €5m (no minimum value)
- 48 hour approval on new business loan requests up to €30,000 for AIB customers (48 hours starts upon receipt of all required information, excludes weekends and bank holidays).

*\*\*Pictures of Eco Drop sent to the picture desk\*\**

## **For more information please contact:**

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