

# IFP

INDEPENDENT  
FINANCE PROVIDERS  
IRELAND

IFP Ireland Launch

03<sup>rd</sup> December, 2015

John Power

# Agenda

- Background
- Purpose of the Group
- Members
- Overview of the Product Providers
- Survey Highlights
- Conclusion

# Background to the IFP Ireland...

- Less players
- Banks want low risk, vanilla products.
- Lack of information = high risk
- For smaller customers, banks adopt a light touch high volume approach
- Availability of funds is not an issue – **their perceived risk is**

## Thus

- Lack of sector knowledge, access to easily verifiable comprehensive information and a light touch approach can result in **viable propositions**  
**being rejected**

# The Response...

- Genesis for the Umbrella group
- Group of specialist providers – all providing specific products
- Most products are not available from the banks
- Credit Review Office – 55% of applications are overturned
- IFP Members are spending the time and have the knowledge to understand requirements.

# IFPI Purpose...

- Drive awareness of Independent Finance Providers in the Irish market
- Inform Irish Business, particularly those in the SME sector, that there are more financing options outside of the banks
- Build trust and credibility for the sector
- Single point of reference for Irish Businesses to research providers
- Allow collaboration between all members and also many of the banks
- Point of contact for external bodies to engage with the sector

# Current Members...



FINANCE & LEASING  
SOLUTIONS LTD



# Overview of Providers Products

# IFPI Product categories...

## Pre-Shipping

- Stocking
- PO finance
- Reverse ID

## Post Shipping

- Invoice Discounting / Finance
- Single Debtor
- Single Invoice
- Invoice Trading

## Asset Finance and Leasing

- Leasing of equipment, vehicles, IT etc.

## Term lending

- Peer to Peer lending and crowdfunding platforms
- Specialist lending companies

## Equity

- Domestic equity providers



# Who Does What...

Provider	Working Capital											
	Long term			Pre- Shipping				Post Shipping				Equity
	Term	Asset backed	Lease	Reverse ID	Stocking	Supplier Finance	PO	ID	Single Debtor	Single Invoice	Invoice trading	Equity
Bibby Financial services												
Close Brothers												
Convertibill												
Aztec Finance												
InvoiceFair												
Grid Finance												
Linked Finance												
Co-Funder												
GRENKE												
Finance Ireland												
SME Finance & Leasing Solutions Limited												
Crossflow Payments												
Trade Team Global												
Tower Trade Finance Ireland												
Merrion Fleet Management												
Renatus Capital Partners												

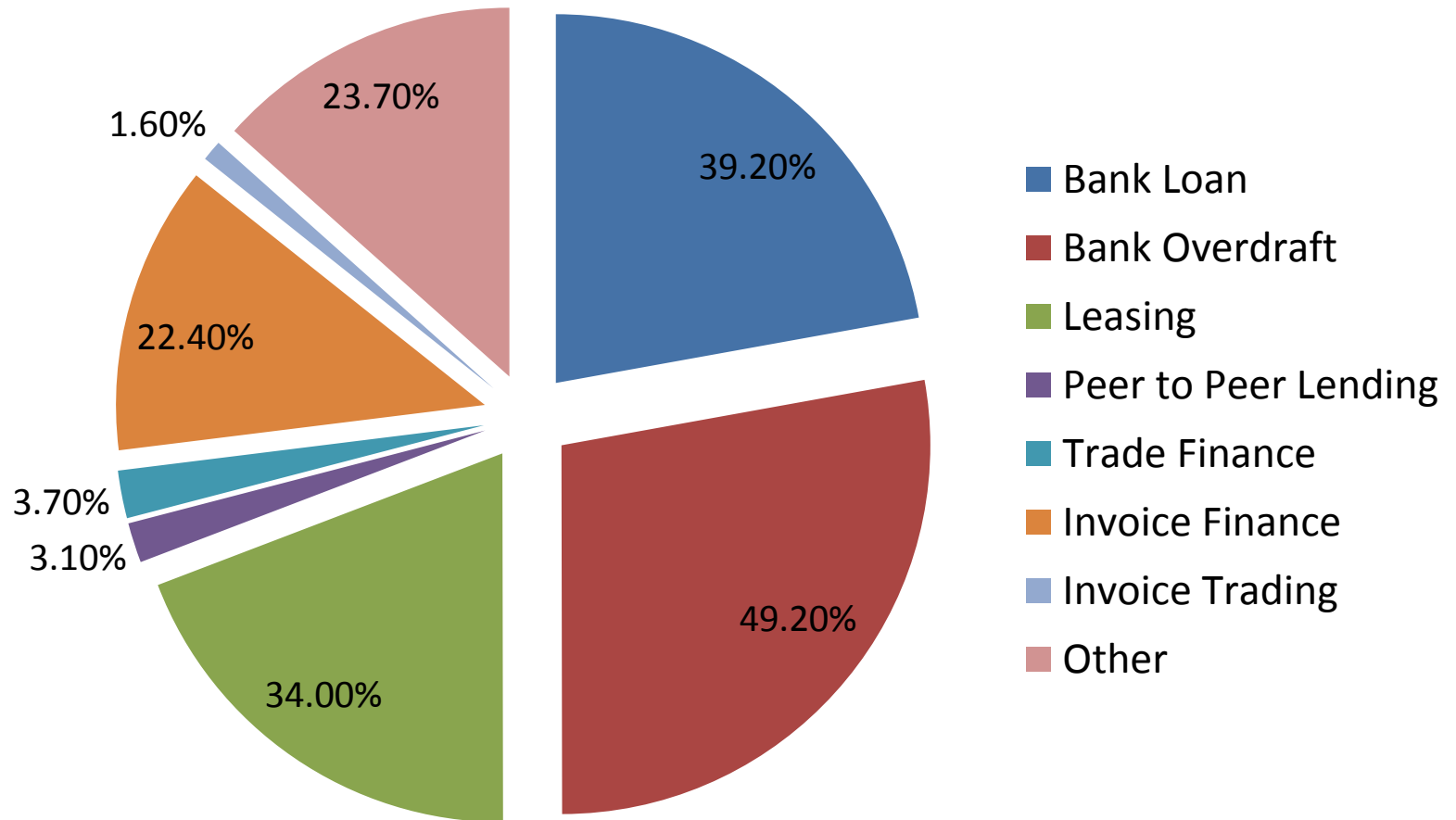
# Survey Highlights

# Context of the Survey...

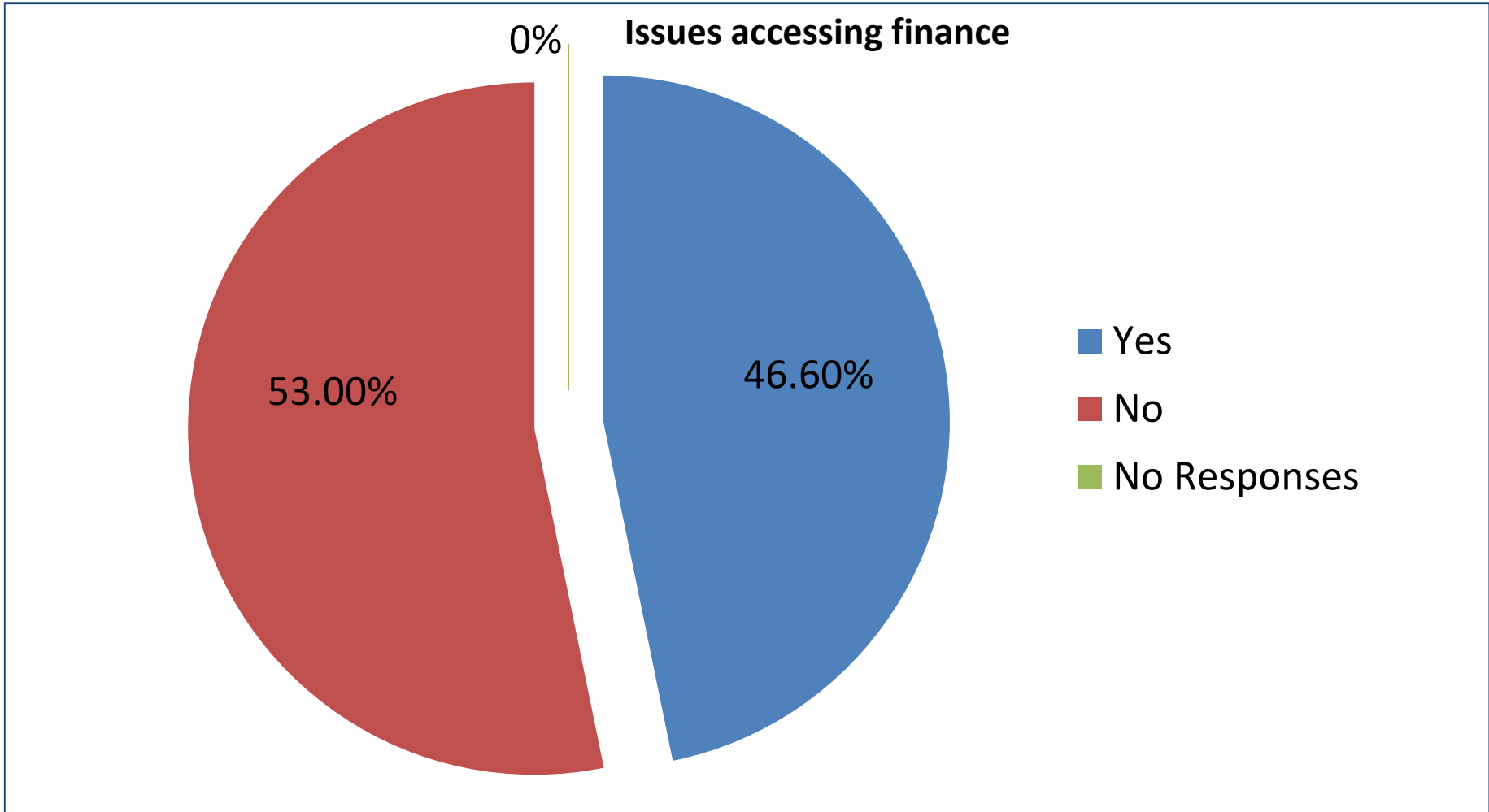
- 590 responses
- Broad range of companies & Sectors
- 62% of respondents <€5m turnover
- 54% have <30 staff

# Banks are Still the Main Source of Funding...

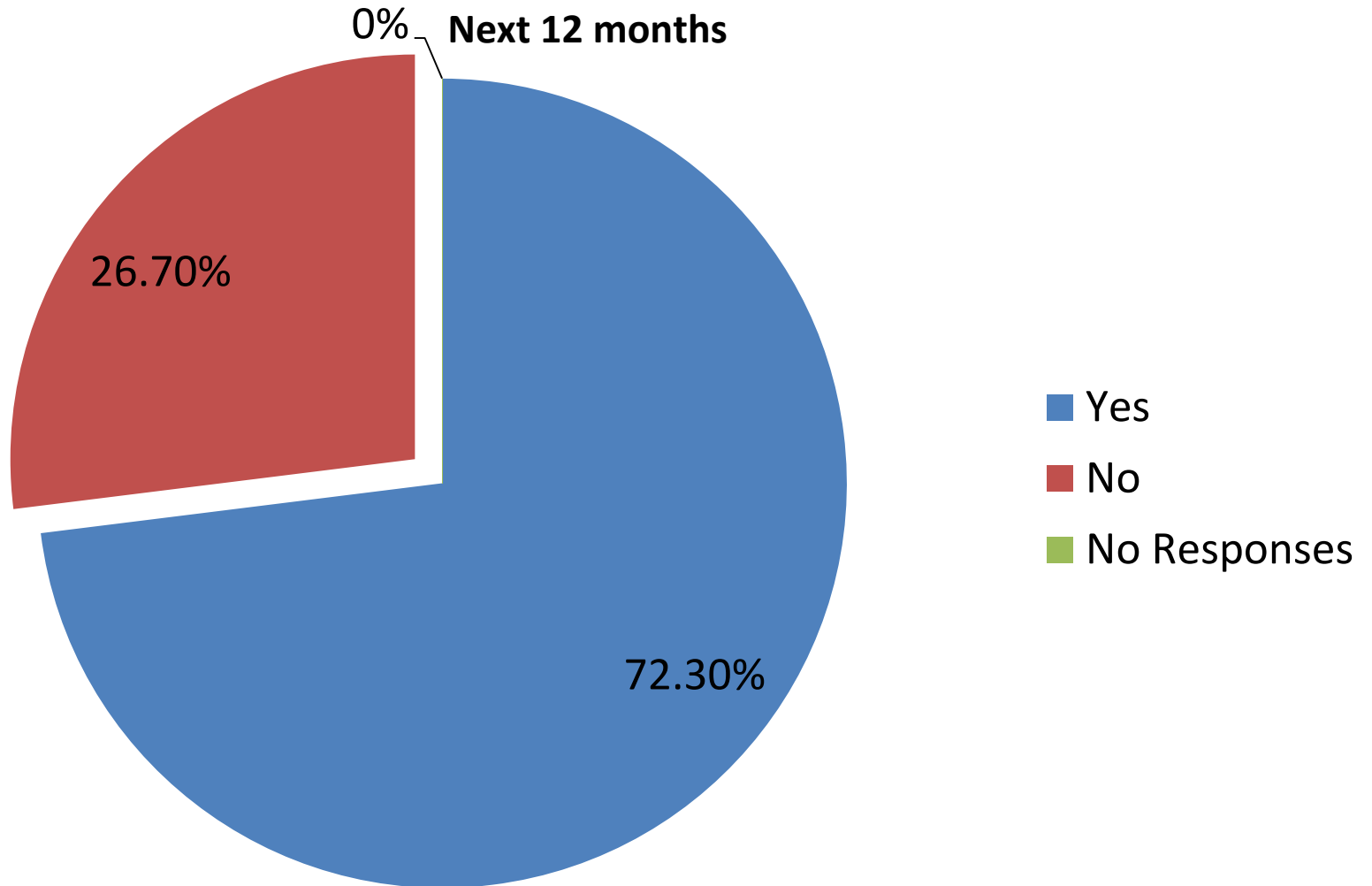
Finance Types



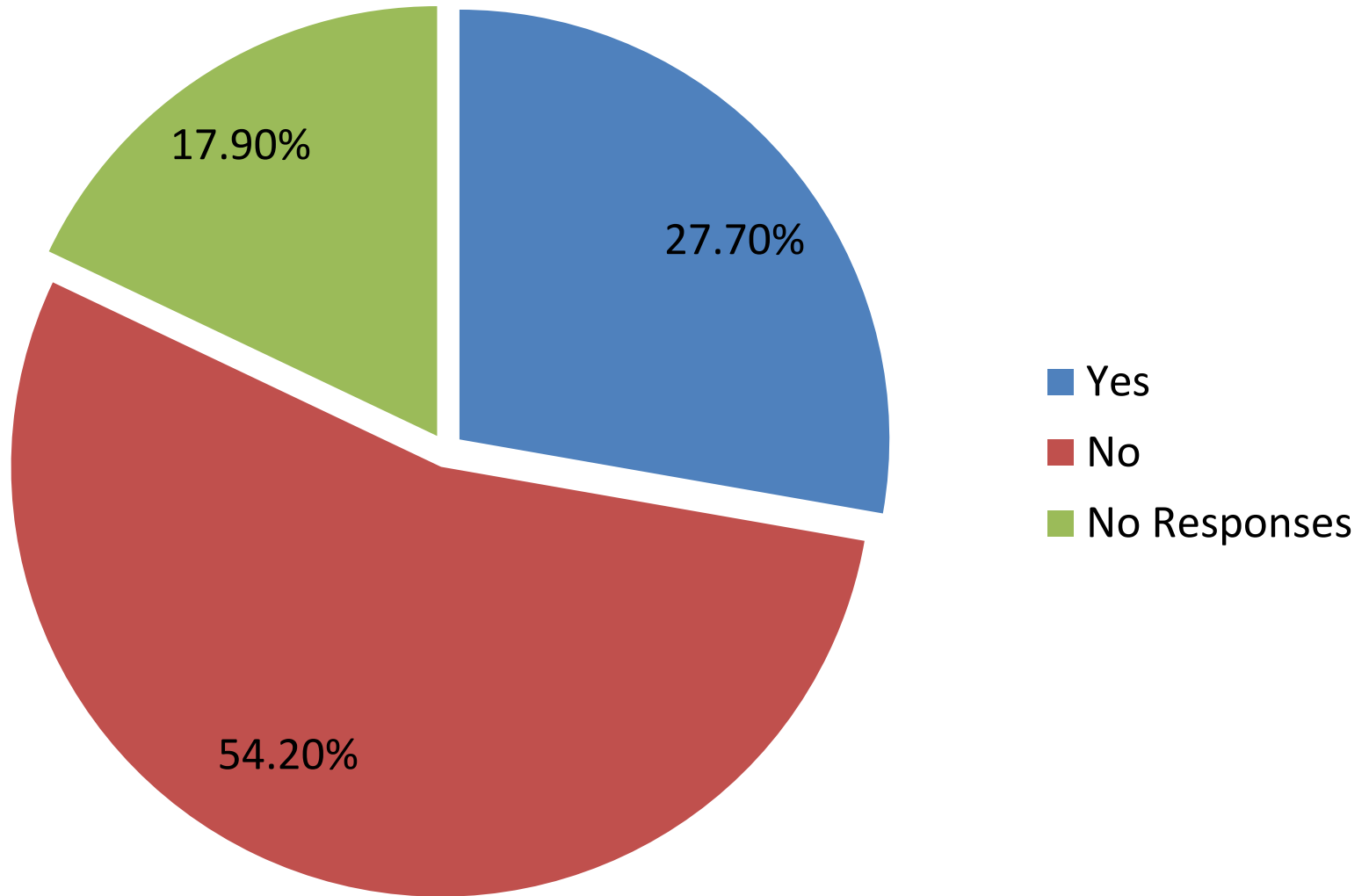
# Access to Finance is Still an Issue...



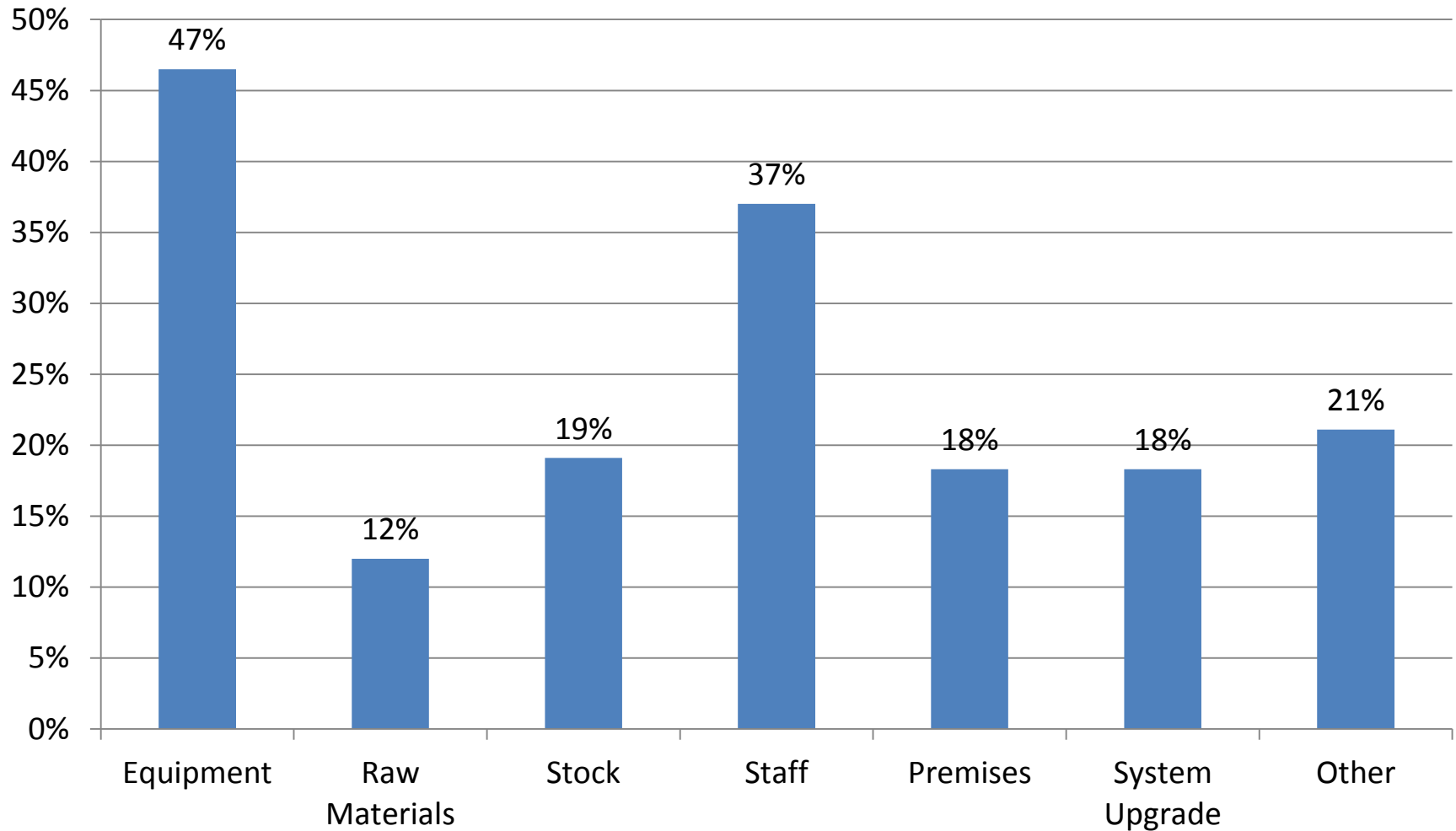
# 73% Require Funding in 2016...



# 54% not Prepared to Access Finance in 2016...

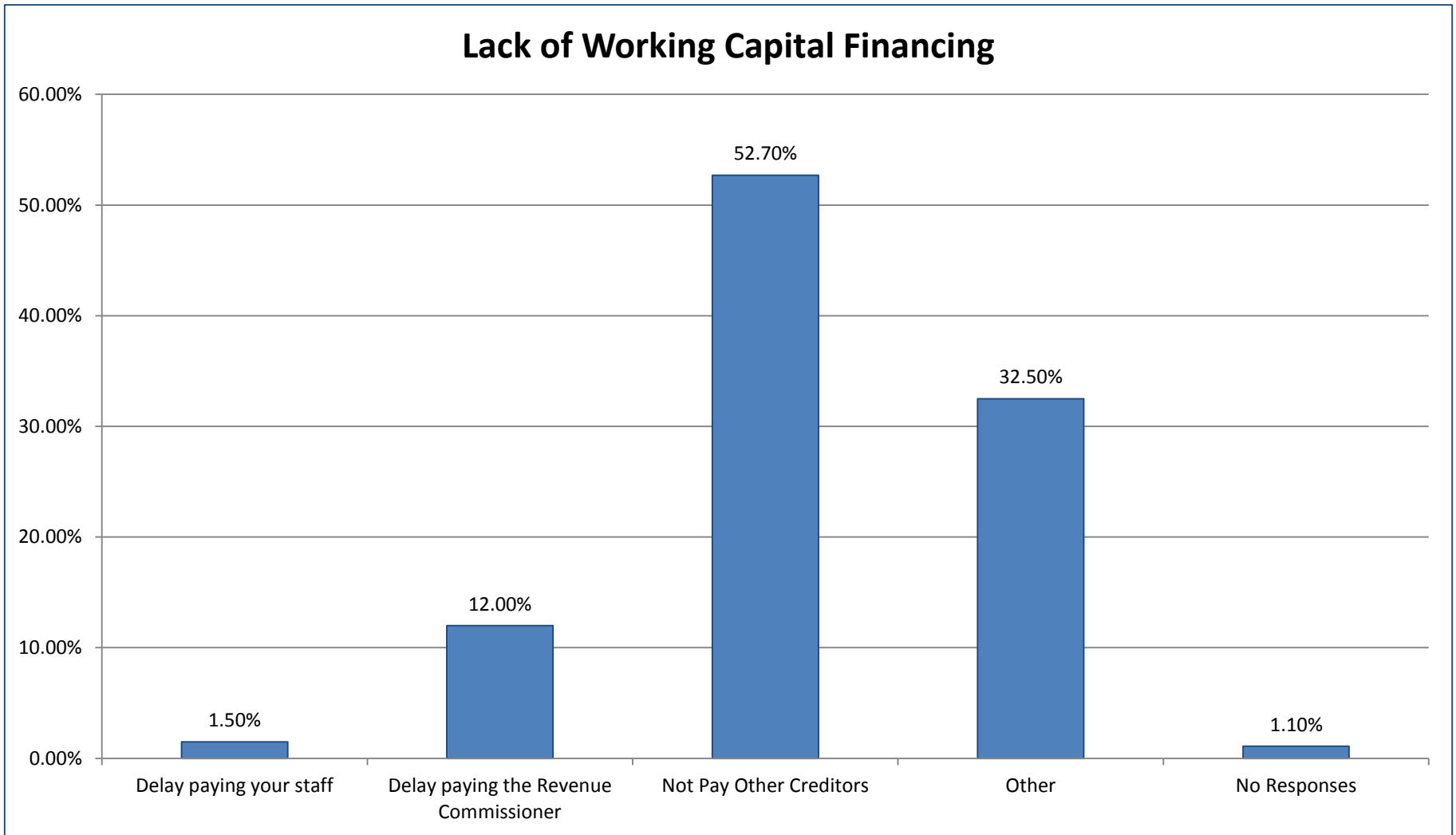


# Predominantly Funding for Working Capital...



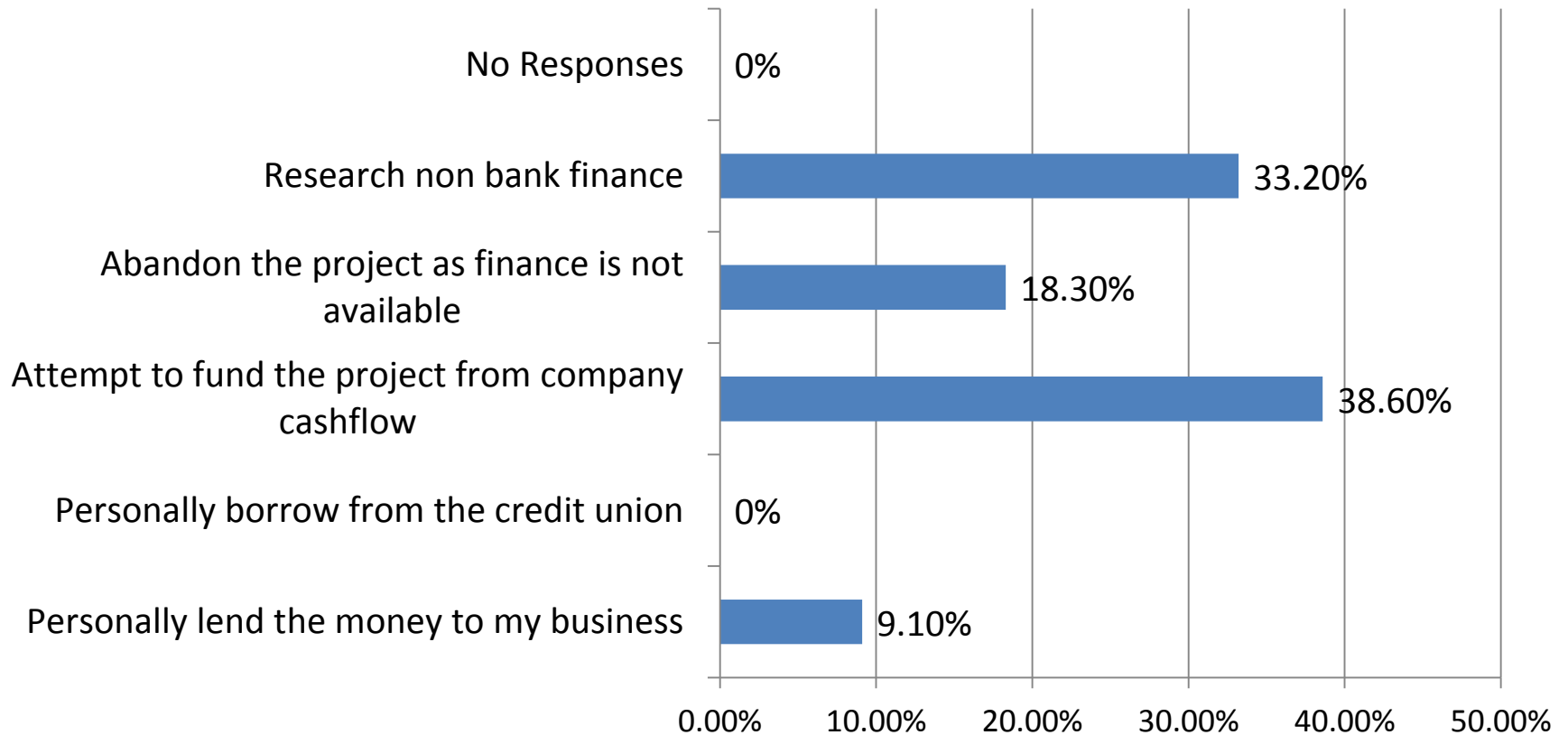


# No Funding Likely to Result in Stretched Creditors...



# Worrying 18% Say They Would Cancel the Project...

## Vital project funding



# The More Interesting Comments...

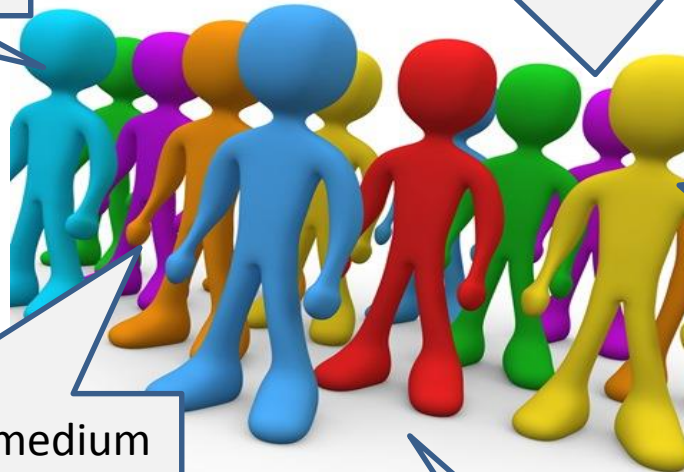
Our experience as a Technology company is the issue over collateral

I could create 50-70 jobs in the Republic and also expand to Northern Ireland subject to being able to finance this

All our finance issues are related to cashflow pressures due to significant and rapid expansion.

Moving from small to medium business is difficult, it needs a bigger funding requirement and often needs a bigger picture look from financiers

Finance has freed up in past year you have to shop around



# Conclusion

- Compliment traditional sources of finance
- Greater risk appetites than the banks
- Companies are still required to present a good business case
- We are making it easier for SMEs to access funding

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