

SBCI YEAR-END STATEMENT

2023



Anseo chun gnó a fhorbairt
Corparáid Baincúireachta Straitéiseach na hÉireann
Here to build business
Strategic Banking Corporation of Ireland

KEY BUSINESS HIGHLIGHTS

The year 2023 marked a significant period for the Strategic Banking Corporation of Ireland (SBCI) as it continued to pursue its mission of promoting economic growth and supporting small and medium-sized enterprises (SMEs) throughout Ireland. Over the course of the year, the SBCI implemented several initiatives, making a substantial impact on the Irish economy. This year-end statement provides an overview of the SBCI's accomplishments in 2023 and its overall contribution to the financial landscape of Ireland.

ENHANCED ACCESS TO FINANCE

One of the primary objectives of the SBCI is to improve the accessibility of finance for SMEs. In 2023, the SBCI worked to expand its range of loan products to ensure that viable businesses have the financial support they need to thrive. Through partnerships with commercial banks and non-bank lenders, which includes a range of Credit Unions, the SBCI facilitated the provision of affordable and flexible loans, reducing barriers that SMEs often face when seeking financing. As a result, a significant number of Irish businesses were able to access capital for expansion, innovation and job creation, stimulating economic growth and fostering entrepreneurship.

Many businesses experienced a year of changing economic conditions in 2023 as they came to terms with the impacts of rising inflation, which plateaued towards the end of 2023, while also dealing with interest rates that continued to rise throughout the year, as lenders adapted their loan pricing in response to a continued increase in European Central Bank (ECB) reference rates. State support in the form of guaranteed loan schemes proved crucial for Irish businesses as they navigated through the impacts of these macro-economic trends.



During 2023, the SBCI supported 3,913 businesses, with the provision of €356m of loans through risk-sharing loan guarantee schemes and low-cost liquidity. Relatively muted demand for lending by businesses in comparison to recent years can in part be attributed to reduced investment appetite and concerns over future demand for goods and services, should global economic growth rates continue to contract. For those businesses that did access funding offered through the SBCI, this has helped them adapt, innovate and grow their businesses through what was a volatile economic environment.

The final drawdowns under the Brexit Impact Loan Scheme and the Future Growth Loan Scheme happened in early 2023 as these schemes came to

an end. The €1.2bn Ukraine Credit Guarantee Scheme launched in January 2023 to support businesses impacted by the on-going conflict in Ukraine until the end of 2024. The €500m Growth and Sustainability Loan Scheme launched in September 2023 to address the on-going gap in the SME credit market for longer term unsecured investment loans, with a minimum of 30% of this scheme targeted at investment in climate action and sustainability purposes. The Energy Efficiency Loan Scheme was launched to the market in July 2022 to help SMEs become more energy-efficient and sustainable and was tailored to SMEs investing in energy-efficient equipment to reduce their energy bills. The Energy Efficiency Loan Scheme closed for new applications on the 31st of December 2023. These schemes benefitted from a mix of EU and State supported guarantees.

OUR STRATEGIC OBJECTIVES

Increase Access to Finance

Promote Sustainability

Enable SMEs to Grow & Prosper





€356M

**SBCI funding
provided in 2023**

3,913

**SMEs supported
in 2023**

INCREASED SUPPORT FOR SUSTAINABLE INITIATIVES

Recognising the importance of sustainable development and transitioning toward a low-carbon economy, the SBCI prioritised initiatives that support environmental sustainability in 2023. The SBCI developed and offered specialised funding programs, including the Growth and Sustainability Loan Scheme and the Energy Efficiency Loan Scheme with incentives for SMEs actively involved in sustainable practices and clean technologies. These initiatives will support the reduction of carbon emissions, the promotion of renewable energy projects and the advancement of green business practices across various industries in Ireland. Furthermore, by encouraging SMEs to adopt sustainable practices, the SBCI has played a role in aligning Ireland's economy with global sustainability goals.

STRENGTHENED COLLABORATION AND PARTNERSHIPS

In 2023, the SBCI continued to strengthen its collaboration with key stakeholders, including the government, financial institutions, community organisations and industry associations. By fostering these partnerships, the SBCI leveraged collective expertise, resources and networks to deliver more comprehensive support to SMEs. Through active engagement and knowledge-sharing, the SBCI facilitated the development of innovative financial products, better designed to address the specific needs of Irish businesses. Additionally, by working closely with its partners, the SBCI improved the effectiveness and reach of its initiatives by exhibiting and contributing at over 30 SME-focused events during the year. Partnerships included the Digital Business Ireland awards, Building Better Business (hosted by the Department of Enterprise, Trade and Employment) events, the National Ploughing Championships, Asia Matters, Enterprise Nation forums, the Small Firms Association Awards and workshops.

SBCI VALUES

OUR VALUES

The team in the SBCI are critical to the delivery of the strategic objectives. During the year, the SBCI Team reset their organisational values which underpin their behaviours and decision making.



Integrity

Innovative

Inclusive

Agile

**Customer
Focused**

Overall, the Strategic Banking Corporation of Ireland's efforts in 2023 have had a significant and positive impact on the Irish economy. By expanding access to finance, promoting sustainability, fostering collaboration and supporting digital transformation, the SBCI has contributed to the growth and resilience of SMEs across Ireland. These achievements represent crucial steps toward achieving long-term economic prosperity, job creation and a sustainable future for Irish businesses. As the SBCI moves forward, it will continue to adapt to evolving market needs, driving innovation and championing the success of SMEs in Ireland.

OUR PRIORITIES FOR 2024

By providing support and helping to develop an effective credit market for SME finance, the SBCI ensures that it is easier for Irish SMEs to get the finance they need to prosper and build economic activity in Ireland.

Looking to 2024, the SME finance market will remain a key focus area. Additionally, the delivery of the €500m Home Energy Upgrade Loan Scheme will see the SBCI, for the first-time, supporting consumers investing in the energy efficiency of their homes through unsecured, reduced rate personal loans. Offered as part of the overall **National Retrofit Plan**, this loan scheme will be a key enabler to the delivery of the **Climate Action Plan** home upgrade targets.

For 2024, the SBCI's main objectives are to:

- Launch and promote the Home Energy Upgrade Loan Scheme.
- Promote the awareness and availability of the Growth and Sustainability Loan Scheme and the Ukraine Credit Guarantee Scheme.
- Further develop and leverage the SBCI's EU relationships and EU supports.
- Further expand our on-lending partners, to provide more funding choice for Irish businesses.
- Continued development of our digital capability.



2023 SBCI BUSINESS CASES

UKRAINE CREDIT GUARANTEE SCHEME

Company Name:	Think Projects Managed Ltd.
Sector:	Wholesale & Retail Trade
Location:	Dublin
Purpose:	Working Capital

Company Name:	Seán Ó Súilleabháin
Sector:	Agriculture, Forestry & Fishing
Location:	Cork
Purpose:	Investment in Business Expansion

Company Name:	Watermans (L.I) Ltd.
Sector:	Manufacturing
Location:	Cork
Purpose:	Investment in Process Innovation



“ The SBCI facility has been a game changer for us and have allowed us to grow our business beyond expectations. ”

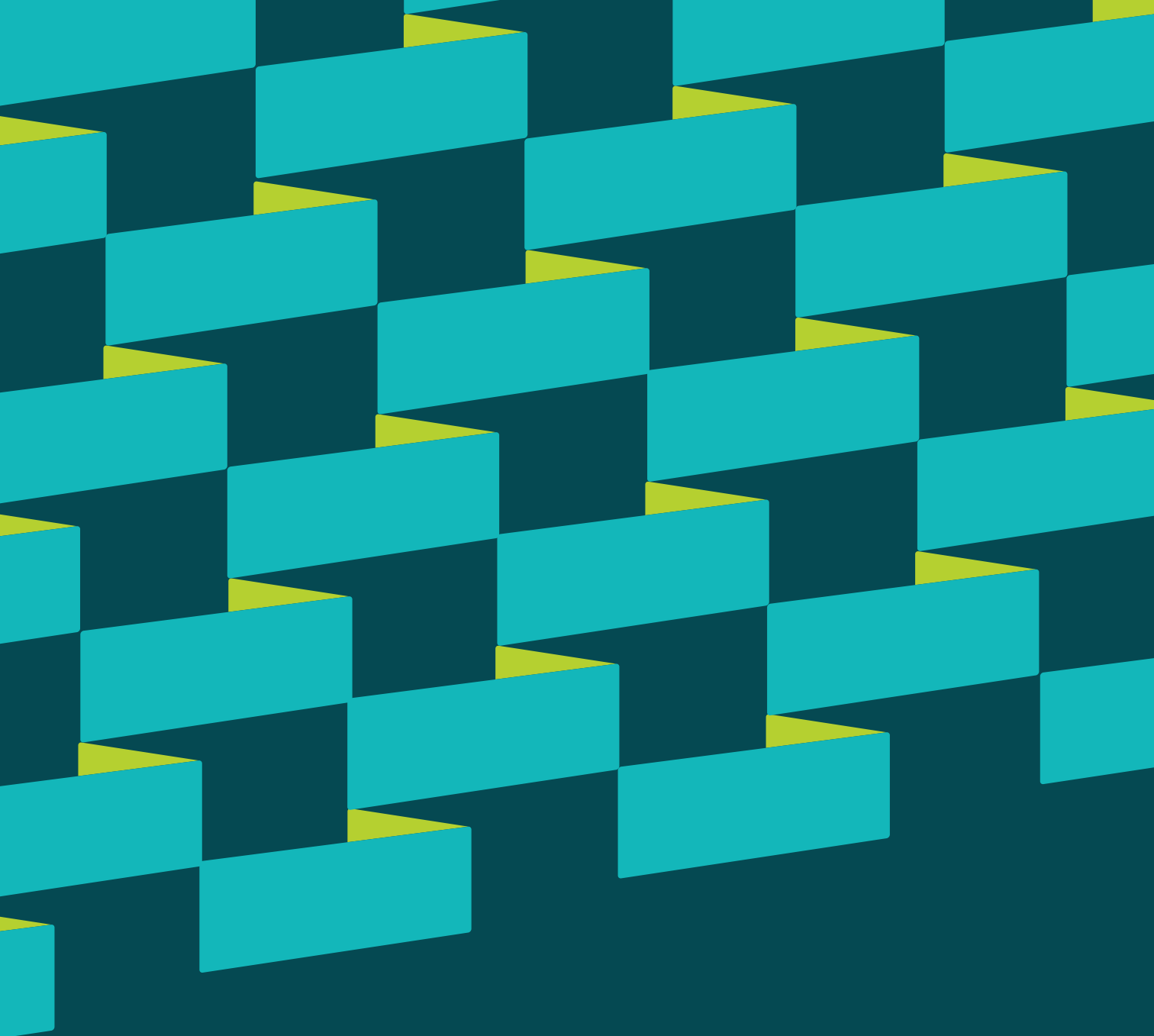
Jonathan Smartt
Co-founder, Think PM

“ I'd recommend the SBCI funding to all businesses, especially to farmers because it is a very easy process. It makes things easier for a small business to deal with an organisation that has the best interest of those businesses at heart. ”

Seán Ó Súilleabháin
Dairy Farmer

“ The Ukraine Credit Guarantee Scheme has allowed us to expand our business by buying raw materials and a new machinery. We are now a one-stop-shop for sustainable packaging. ”

Wan Waterman
MD, Watermans Print & Packaging



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