

ACCESS TO FINANCE

NI SMALL BUSINESS CONFERENCE

THURSDAY 9TH JUNE 2022

CONOR DEVINE MRICS





ALTERNATIVE LENDING

Incredibly active in Ire / UK since 2016

GFC changed banking landscape

Incredibly innovative vibrant marketplace

Locally owned, FCA approved, multi disciplined specialist brokerage

Delivered over £200M of new finance since 2016

70 lenders on the platform

WHAT DOES ACCESS TO FINANCE MEAN?

Availability (is finance available and in what quantity?)

Cost - at what price is finance available, including all costs, also opportunity costs of delays?

Range / type of finance ? Debt, senior, mezz, asset finance etc...

Reliability (is it available when needed/desired)

Convenience (ease of access)

Continuity (can it be accessed repeatedly)

Flexibility (is the product tailored to the needs)

DEMAND FOR FINANCE

SOURCE: BRITISH BUSINESS BANK SURVEY

The demand for finance was thought to be strong amongst SMEs at all development stages across the UK, largely as a result of the pandemic.

Demand among start-ups was thought to be high. Similarly, demand was high among scale-ups, who would be looking to expand and grow as they move out of the pandemic.

Despite high demand, most respondents felt this was not matched by the available supply of finance.

8/10 respondents (79%) agreed there were gaps in the supply of finance in their region or nation, especially for early stage equity, growth stage equity and debt finance.

Risk-aversion amongst banks was cited as a key barrier to the supply of finance.

Lack of awareness of the range of finance options available was a key theme in this survey.

CLEARPATH
OPERATES IN
SECURED
LENDING SPACE

Main stream lenders



Alternative /
Challenger banks



Bridging finance
companies



Family offices



Loans from £100,000
- £10,000,000

WHAT WE DO



TERMS AVAILABLE

- Cost of funds range from 6-12%
- Shorter term facilities 1-3 years
- Loan to cost at times up to 90%
- Debt and equity available
- Family offices more appetite for risk
- Timeline 8 weeks to drawdown

OBSERVATIONS

8 out of 10 deals now being completed by NON main stream banks

Incredible appetite to do deals (still)

Alternative lenders are now well backed, with institutional investors now on board

New lenders entering market regularly

Lending criteria differs for each lender

Speed, and willingness of lender to show an interest and perform for their client, is at the heart of the success of the alternative lending market

FAMILY OFFICE LENDING

Huge growth in this market in NI in last 24 months

Proven entrepreneurs are making decisions on the lend

Genuine appetite to lend money and increase market share

Some family offices sitting on significant amount of cash

Real Estate still a reliable inflation hedge

Decision makers well versed on managing risk over many decades

SUMMARY

Secured lending market very robust

Lots of options and variations on terms available

Local banks continue to miss a trick

Fundamentals of our property market still very strong

How long will this continue?

The logo for Clearpath Finance. The word "Clearpath" is written in a bold, black, sans-serif font. A horizontal bar is positioned below the "C" and "l". To the right of "Clearpath" is a registered trademark symbol (®). Below "Clearpath" and the bar, the word "FINANCE" is written in a smaller, black, all-caps, sans-serif font.

Clearpath[®]
FINANCE

A large teal circle with a white border, containing the text 'BANK OF ENGLAND FORECASTS' in white, uppercase letters. The circle is positioned on the left side of the slide, overlapping a dark grey vertical bar.

BANK OF ENGLAND FORECASTS

- Inflation and labour markets real areas of concern across the islands
- CPI 7% in March 2022, expected to peak at 10% Q4
- Commodities to stop rising in 2023, bottlenecks and supply chains to clear
- Growth to slow sharply Q3/Q4 2022
- Growth flat 2023, 0.5% 2024
- Global growth Q4 down to 0.5%
- Biggest fall in disposal income since records began (1964)
- Volatility the name of the game

QUESTIONS?

