

2022

ANNUAL
REVIEW

BAROMETER >>

NO. OF
BANKRUPTCIES
REMAINS THE SAME

2022

 17% ↑

START-UPS
HIGHEST EVER

 6% ↓

CO. INSOLVENCIES
CONTINUED DECREASE

 56% ↑

JUDGMENTS
BY VALUE REGISTERED

AVG. AGE OF FIRST TIME
DIRECTORS
INCREASES TO 43.5 YRS

COMPANY
INSOLVENCIES
CONTINUE TO DROP

BUSINESS IN IRELAND

Foreword

IRISH START-UPS REACH HIGHEST NUMBER ON RECORD

2021 was a record-breaking year for new company start-ups, marking a significant turning point for the Irish economy's Covid-19 recovery.

If we look back to 2020, the contrast in start-up activity was stark. 2020 was the lowest point for the number of new-start-up companies in Ireland since 2016, illustrating the prolonged impact of Covid-19 lockdowns on the Irish economy.

However, 2021 painted a much more positive picture. Achieving the highest number of new company start-up registrations on record is a clear demonstration of the resilience, determination, and hard work of the Irish SME community. Moreover, it gives reason for optimism as we look to the year ahead.

The Irish start-up community is buoyant, but the next twelve months will not be without their challenges. The increase in dissolved companies this year serves as a reminder of the challenging environment in which businesses are currently operating, and we must ensure that there are continued supports available to protect new companies and promote growth and development.



Christine Cullen
Managing Director,
CRIFVision-net

“Achieving the highest number of new company start-up registrations on record is a clear demonstration of the resilience, determination, and hard work of the Irish SME community”.

TRENDS FOR 2022

NEW OPPORTUNITIES FOR DIGITAL TRANSFORMATION

2021 was a year of continued Covid-related challenges and restrictions but also one of positive economic growth. The Irish economy, comparable to many of its EU peers, experienced particularly strong H2 growth. Overall, it recorded a 7.3% growth in domestic demand and 2022 is set to be another year of positive demand growth.

However, as we emerge from the manifold challenges of a global pandemic, 2022 will also see us confront an even bigger global challenge, namely global warming.

This scale and urgency of this challenge means that it is incumbent on all of us, particularly those of us in decision making positions or with the ability to influence decision making, to ensure it is at the forefront of our decision making in 2022. For corporates, this means investing in meaningful ESG strategies with the power to deliver tangible change, all the while ensuring that they are working toward being part of the solution to global warming, and not part of the problem.

In parallel, the effects of the Pandemic will continue to be felt across the Irish economy, with some sectors more vulnerable to continued restrictions and changing consumer behaviour than others. Where possible, we must resist the temptation to seek to return to how things were done in the past, and instead support these industries in plotting a new and prosperous way forward in the months and years ahead.



Sara Costantini
UK and Ireland Regional
Director, CRIF

Brexit has been an underlying source of economic and political uncertainty since the 2016 referendum. In April 2021, the EU ratified the EU-UK Trade Deal. This development should enable the Irish and wider EU business community to approach 2022 with greater clarity and greater certainty. Ireland is now the only English-speaking EU member state and it is critical that it continues to strategically build on this USP to maximise inward investment.

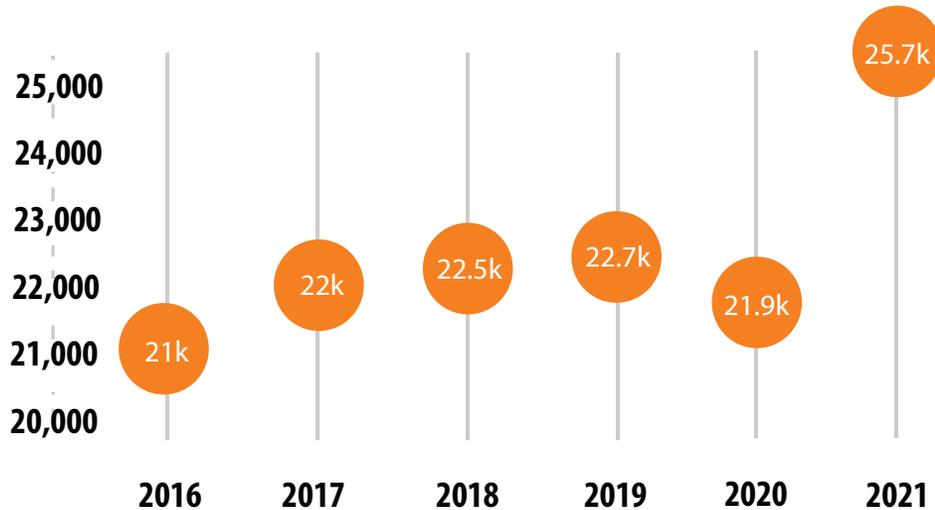
Finally, this decade will be defined by exciting new opportunities for digital transformation. These new innovations will enhance how we interact with the rest of the world, both in a personal and professional capacity, and at an organisational and institution level. In a very short space of time, we have already seen how businesses have quickly evolved and adapted as their customers spend more time at home, and the impact this has had on how we interact with others, make purchases and engage with our favourite brands.

Equally, we have seen a significant rethinking of the traditional 9-5 office culture, with the widespread adoption of remote, hybrid and flexi working. People are making new choices about where they want to live and creating new expectations about flexibility, working conditions and life balance. Business processes are different, and the mix of digital/human touch is creating new opportunities. We must continue to embrace these opportunities, whilst also recognising and investing in the universal importance of human connection.

“We must resist the temptation to seek to return to how things were done in the past, and instead support these industries in plotting a new and prosperous way forward”.

Company Start-Ups

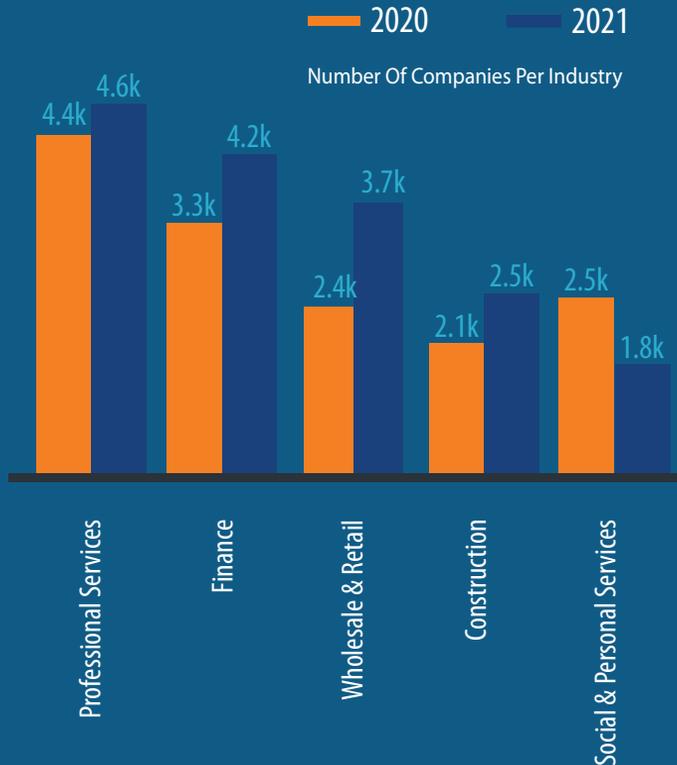
HIGHEST NUMBER OF COMPANIES EVER REGISTERED



2021's start-ups grew by a large increase of 17% when compared with 2020's figures. It also reversed 2020's decrease of 4% in the number of companies registered, following the upward trend that has been seen since 2013. Ireland's new company start-up levels reached their highest point ever, recording 25,695 new companies.

Company Start-Ups

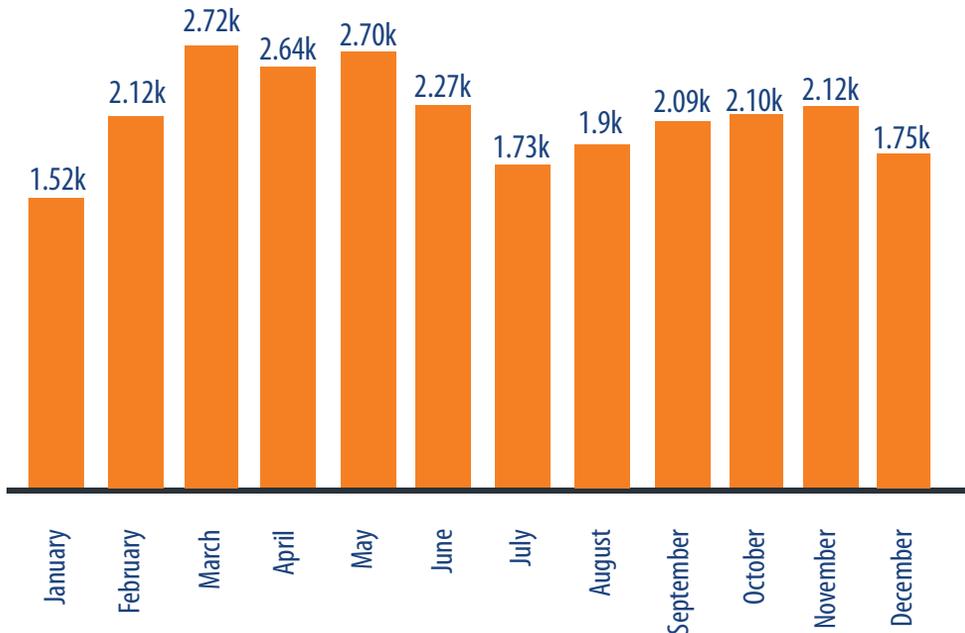
5 KEY INDUSTRIES FOR START-UPS



- The most popular industry was professional services (Legal, Accounting & Business) which accounted for 4,592 of all company start-ups, up 4% on the previous year.
- The finance sector was the second most popular industry for start-ups in 2021. 4,195 new companies were set-up, up 27% on 2020 (4,195 vs 3,311).
- The only industry to see a decrease in start-ups in 2021 was Community, Social & Personal Services which saw a decline of more than 600 new companies during the period (-26%).

Company Start-ups

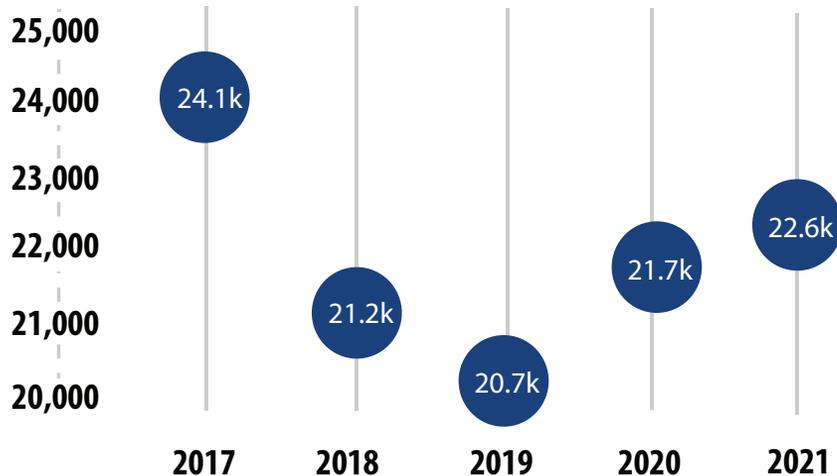
BY MONTH



- The impact, the re-introduced lockdown had on company start-ups can be seen when looking at the start-ups per month in January when only 1,518 companies were formed. However, peaking in March, there was a steep increase in start-ups over the year, despite a harsh lockdown remaining during this period.
- The second half of the year saw a usual dip in the Summer months but kept steady until December - with a total of 11,743 companies formed in H2, compared to a staggering 13,952 in H1.

Business Name Start-Ups

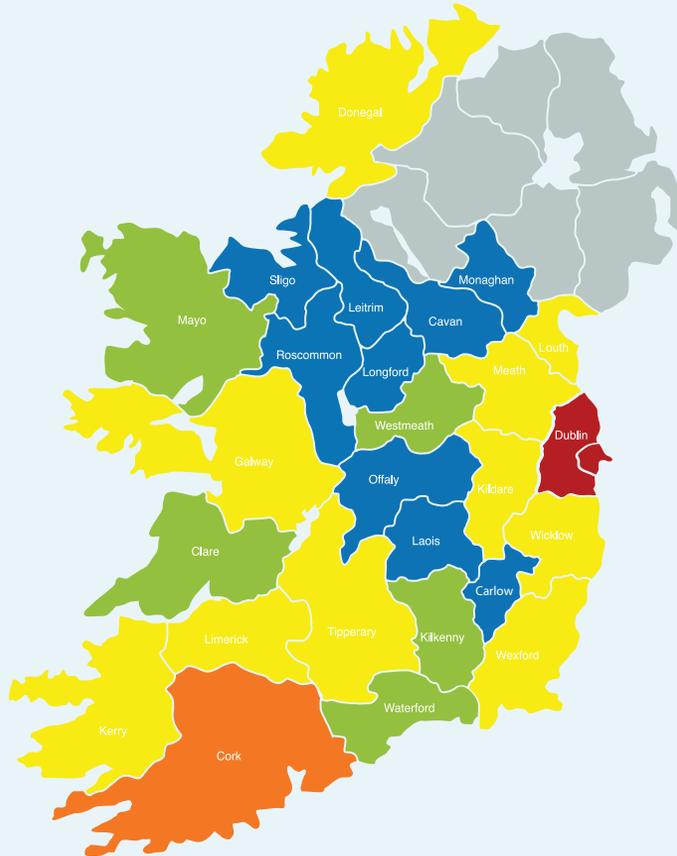
CONTINUED INCREASE FROM 2020



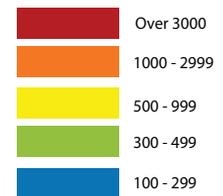
- In total, 48,295 companies and businesses were registered in Ireland last year - up 10% on 2020 thanks to the 17% increase in company start-ups and 2% increase in business registrations (22,600 vs 21,168)
- For the second year in a row, there has been an increase in business registrations. From 2017 this number was decreasing until last year which saw 6% increase on 2019's figure.
- This increase could be attributed to existing businesses needing to diversify, as well as more people setting up businesses after becoming unemployed due to the pandemic. This 'Necessity-Led Entrepreneurship' was seen in the last recession.

Hottest Counties: Ireland

START-UPS - BY LOCATION

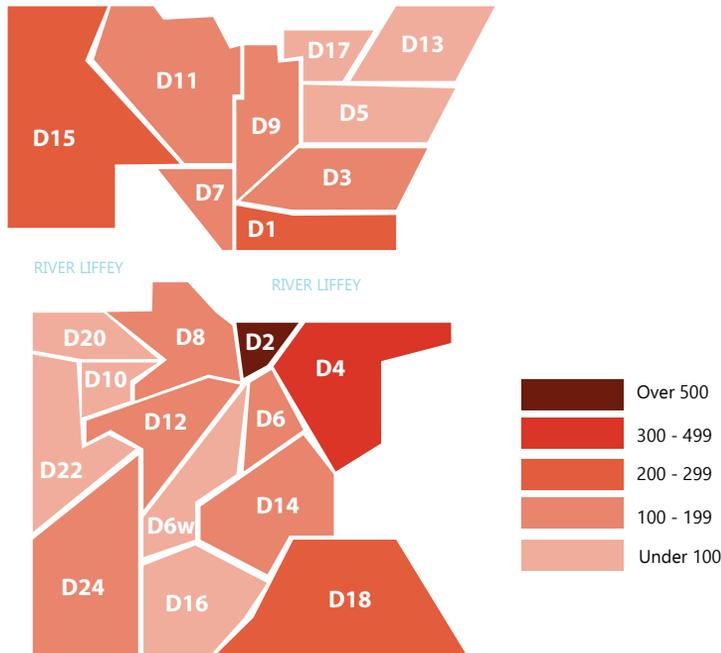


- Dublin was the most popular location for company start-ups (11,815). Cork, Galway, Kildare and Meath make up the remainder of the Top 5, the same as 2020.
- Cork in second place had 2,504 start-ups, up 17% compared to 2020 (2,134).
- Galway, Kildare and Meath accounted for 2,800 company start-ups between them.
- Sligo, Wexford and Leitrim saw the largest percentage increase in start-ups when compared with 2021 (29%, 26% & 24% respectively).



Hottest Postcodes: Dublin

START-UPS - BY LOCATION

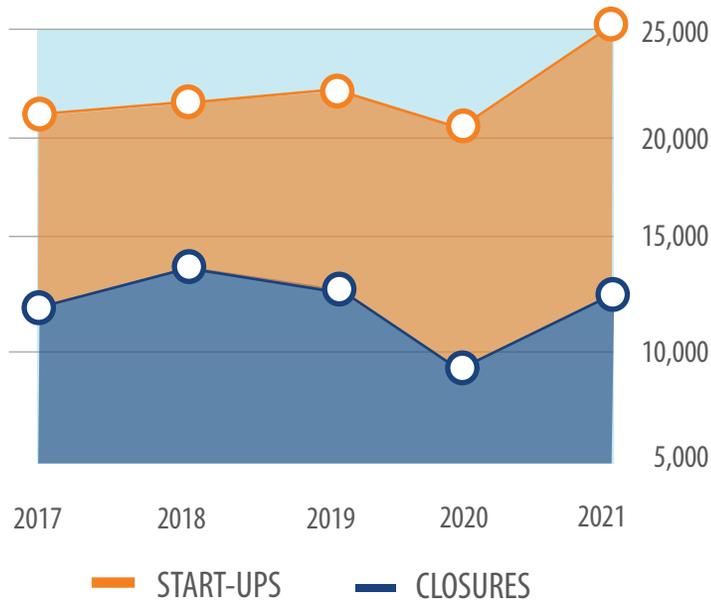


- In Dublin City, D2 accounted for 24% of company start-ups (849). D4 in second place (402) and D15 in third (261).
- The least popular Dublin postcodes for company start-ups were D17 (23), D20 (22) and D10 (15).

Start-Ups Vs. Closures

COMPANY START-UPS vs COMPANY CLOSURES

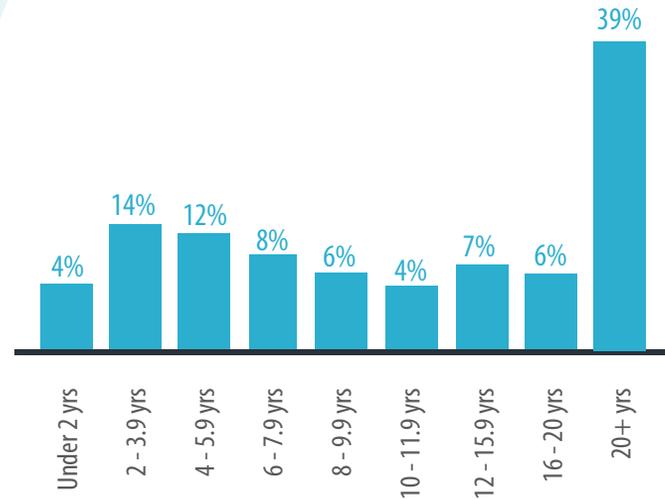
12,410 Irish companies were dissolved in 2021 which is up 37% on last year's figure (9,081). It should be noted that most companies can be dissolved for reasons other than insolvency - e.g. a company reaching the natural end of its life.



YEAR	START-UPS	CLOSURES	DIFF PY
2021	25,695	12,410	13,285
2020	21,926	9,081	12,845
2019	22,796	12,670	10,126
2018	22,517	14,188	8,329
2017	22,408	12,287	10,121

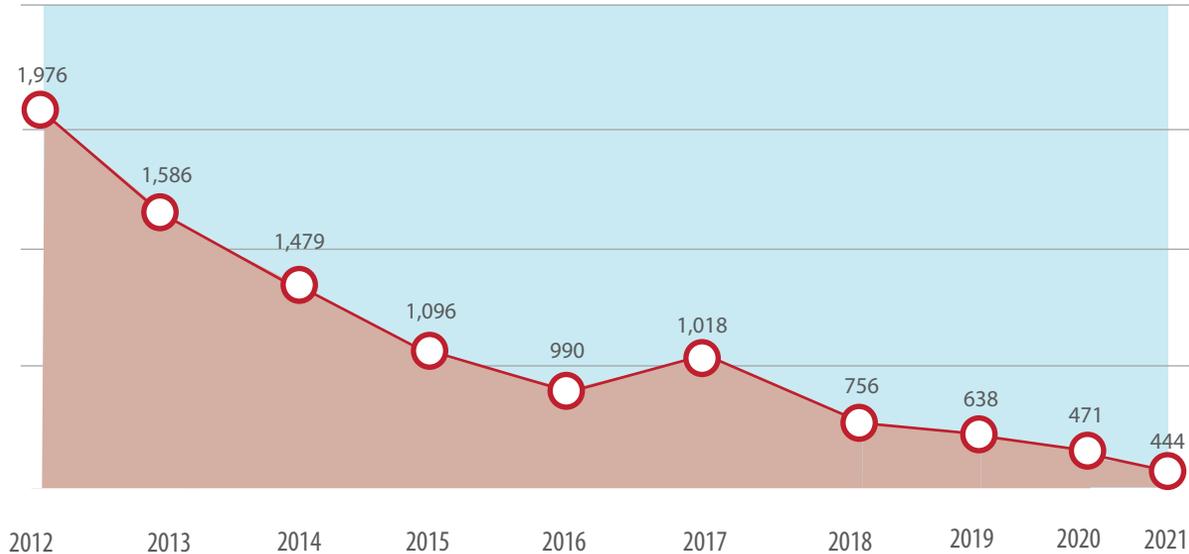
- Company start-ups have outnumbered company closures for the past 12 years.
- Last year saw Irish company start-ups exceed company closures by 13,285 entities.
- However, there was a large 37% increase in dissolved companies compared with 2020 (12,410 vs 9,081).
- With over 265,000 companies now trading as normal in Ireland, this represents a 6% net gain in companies.
- 18% of companies closed before completing 4 years in business. Almost half closed by year 10.

CLOSURES - LENGTH OF TIME IN BUSINESS



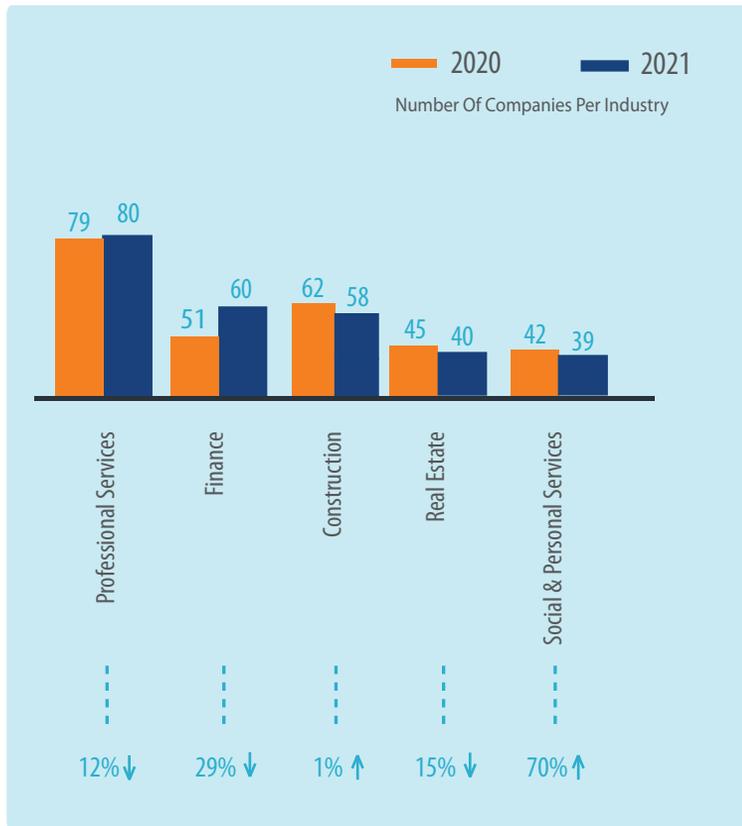
Company Insolvencies

IRISH COMPANY INSOLVENCIES: 10 YEAR TREND



The overall insolvency rate for 2020 was down 6% compared to 2019, totalling 471 insolvencies for the year.

Insolvencies in 2021- Industry Comparison

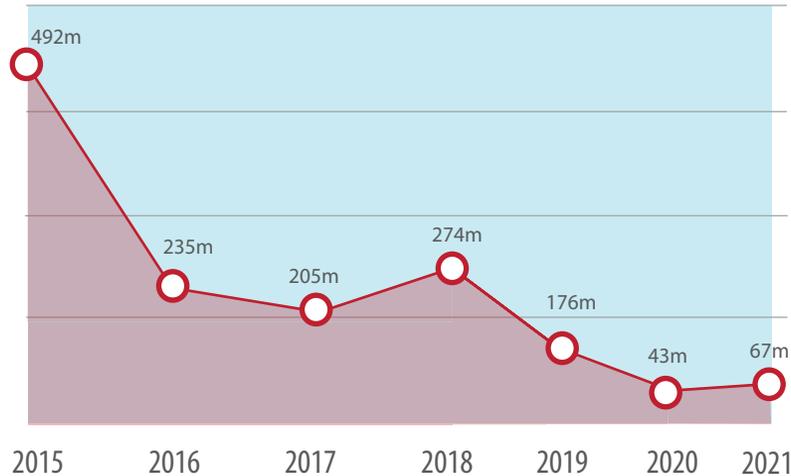


333	COMPANIES IN LIQUIDATION	5% ↓
97	COMPANIES IN RECEIVERSHIP	0% →
14	COMPANIES IN EXAMINERSHIP	48% ↓

- 2021's company insolvency figure is down 6% on the previous year. The largest numbers of insolvencies were recorded in the month of February, with a total of 97 insolvencies
- The most insolvent sector was professional services (80), down by 1 insolvency.
- There was an average of 37 companies with an insolvency notice, per month in 2021 (compared to 39 per month in 2020).

Bad Debt Judgments

INCREASE FROM LOW POINT OF 2020



- The value of Judgments registered in 2021 increased by 56% compared to 2020.
- The number of judgements however remained similar with a small 0.6% increase compared to 2020 (1,329 vs 1,321).

CONSUMER JUDGMENTS

YEAR	VALUE	NO.
2021	€56m	865
2020	€37m	876
2019	€163m	2,329
2018	€259m	1,949

COMMERCIAL JUDGMENTS

YEAR	VALUE	NO.
2021	€11m	464
2020	€6m	445
2019	€13m	648
2018	€15m	576

AVERAGE VALUE OF BAD DEBT Judgments



CONSUMER JUDGMENTS - TOP PLAINTIFF

Collector General (Limerick) - €1.1m

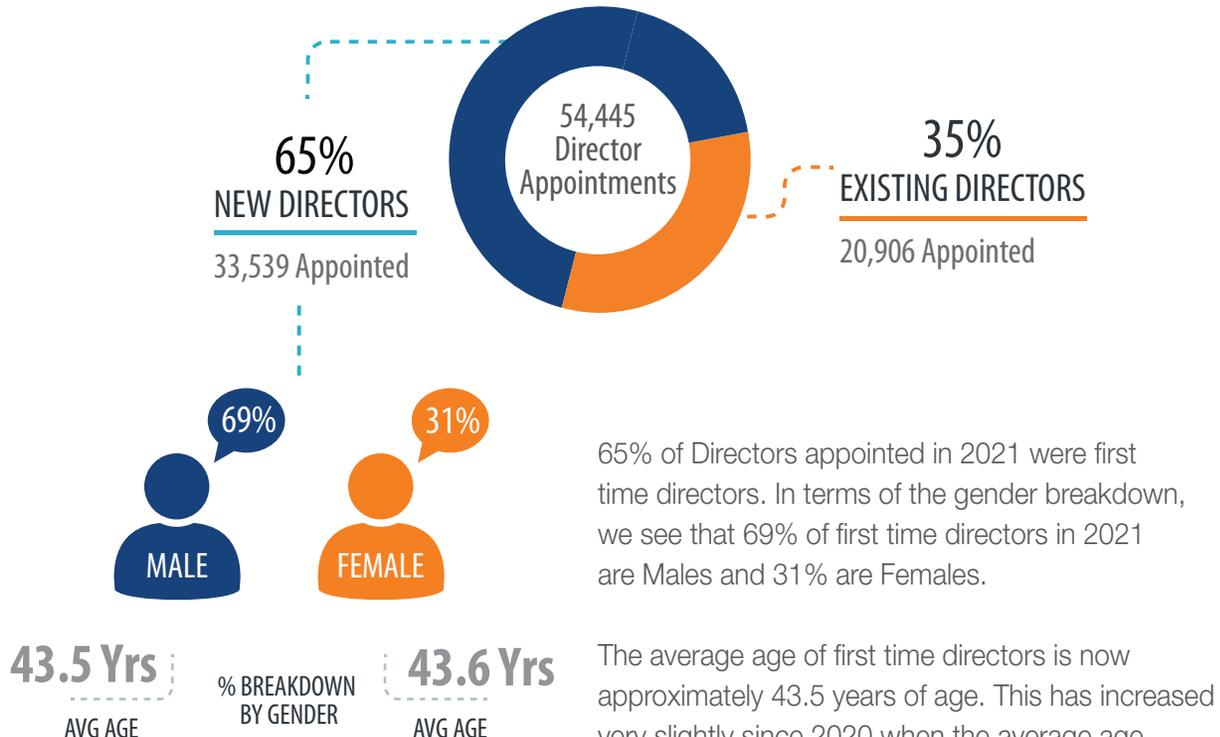
COMMERCIAL JUDGMENTS - TOP PLAINTIFF

Collector General (Limerick) - €2.5m

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Entrepreneurial Spirit

FIRST TIME DIRECTORS



65% of Directors appointed in 2021 were first time directors. In terms of the gender breakdown, we see that 69% of first time directors in 2021 are Males and 31% are Females.

The average age of first time directors is now approximately 43.5 years of age. This has increased very slightly since 2020 when the average age was 42.2 Years.

The Future of KYC

THERE'S A BETTER WAY TO MANAGE KYC & IT'S CALLED DIGITALHUB

DigitalHub delivers an amazing, hassle-free, and fully digital onboarding experience to your customers, with lower costs, faster approvals and better, more automated processes on our end-to-end KYC and risk platform.

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RISK

AML



IDVerify
Verify Customer ID



Credit Check
Customer Pre-Screen



Link2Bank
Indepth Customer Evaluation



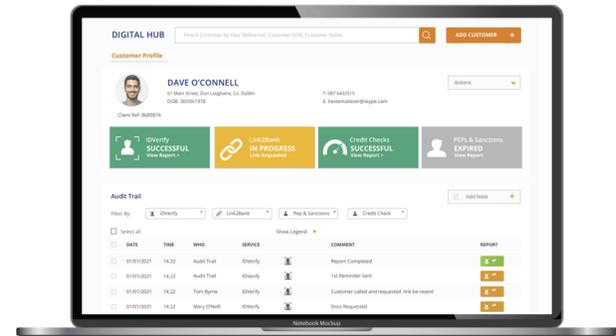
PEPs & Sanctions
AML Compliance

DigitalHub combines 4 services into one beautiful, hassle-free digital workflow, covering each step of the KYC process:

- KYC Check (Customer Pre-screen)
- PEP & Sanctions Check
- Digital ID Capture & Store
- Customer Risk Evaluation (PSD2 Link2Bank)

If you would like to find out more, contact us at:

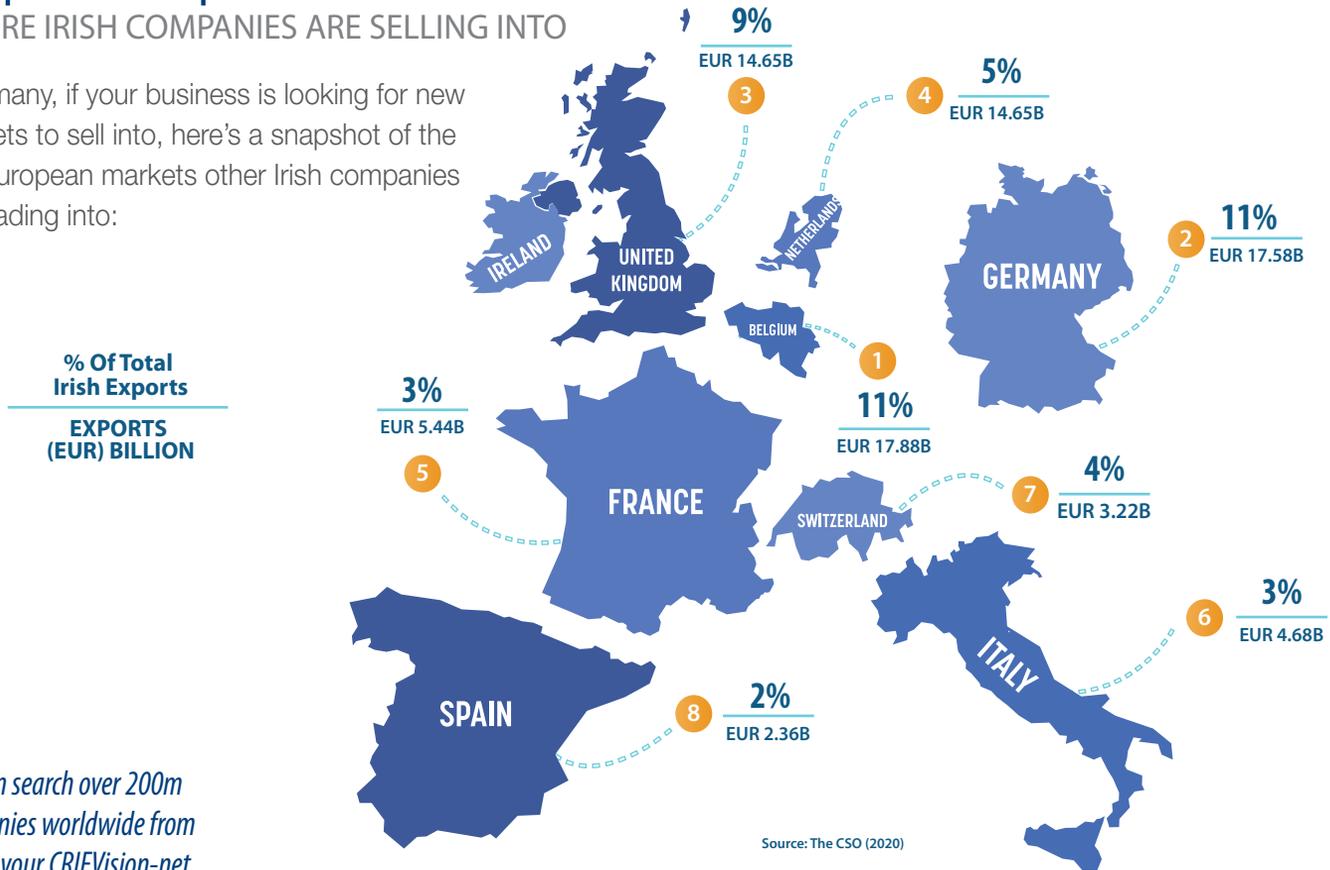
solutions.vision-net@crif.com



Top European Markets

WHERE IRISH COMPANIES ARE SELLING INTO

Like many, if your business is looking for new markets to sell into, here's a snapshot of the top European markets other Irish companies are trading into:



You can search over 200m companies worldwide from within your CRIFVision-net account!

Source: The CSO (2020)

Unpaid Debts

TOTAL BAD DEBTS IN IRELAND 2021

QUALIFYING DEBT FROM
BANKRUPTCIES*

€472m

BAD DEBT FROM
PERSONAL INSOLVENCY
PIA's, DRN, & DSA*

€1.07bn

1,333 CASES

€1.8bn

TOTAL BAD DEBTS
IN IRELAND - 2021

BAD DEBT FROM
JUDGMENTS

€67m

1,329 CASES

BAD DEBT FROM
FAILING COMPANIES

€195m

1,291 CASES

Over €34.7m a week was lost in
unpaid debts during this period in Ireland.

*The bad debt from Personal Insolvency and
Bankruptcies figures are representative of H2 2020 and H1 2021.

Bankruptcy

PERSONAL INSOLVENCY

199 bankruptcy cases were recorded in 2021 - an increase of 55% compared to the same period in 2020.

Period	NO. OF BANKRUPTCIES	DIFF
2021	200	+71 ↑
2020	129	-129 ↓
2019	258	-96 ↓
2018	354	-113 ↓
2017	467	-56 ↓

QUALIFYING DEBT FROM BANKRUPTCIES 2021



Companies and
business managers
are encouraged to
fully risk check
customers to
minimise exposure
to bad debts.

Personal Insolvency

VEHICLE BREAKDOWN

There was a 13% decrease in approved Insolvency Arrangements in H1 2021 compared with H2 2020.

PERSONAL INSOLVENCY - H1 2021 v H2 2020				
INSOLVENCY TYPE	H1 2021 NO. OF CASES	H2 2020 NO. OF CASES	MOVEMENT	DIFF
Protective Certificates	616	750	-134 ↓	-18%
APPROVED ARRANGEMENTS				
Personal Insolvency Arrangements	492	585	-93 ↓	-16%
Debt Settlement Arrangements	38	66	-28 ↓	-42%
Debt Relief Notices	92	60	+32 ↑	+53%
Totals	622	711	-89 ↓	-13%

- In the year from 1st July 2020 to 31st Jun 2021 there were 1,333 approved insolvency arrangements.

PERSONAL INSOLVENCY VEHICLES

While they still often represent a point of last resort, the options available to individuals unable to meet debts as they fall due, are much greater today in Ireland than just a few years ago. The right option or vehicle will often depend on the overall level of debt and the way it is secured. The Insolvency Service of Ireland offer various arrangements to best suit the needs of their applicants.

- 616 individuals sought a Protective Certificate to protect their assets during H1 2021, a 18% decrease compared to H2 2020.
- Personal Insolvency Arrangements decreased by 16%, Debt Settlement Arrangements by 42%, while Debt Relief Notices increased by 53%.



CRIFVision-net, is a leading provider of business data.

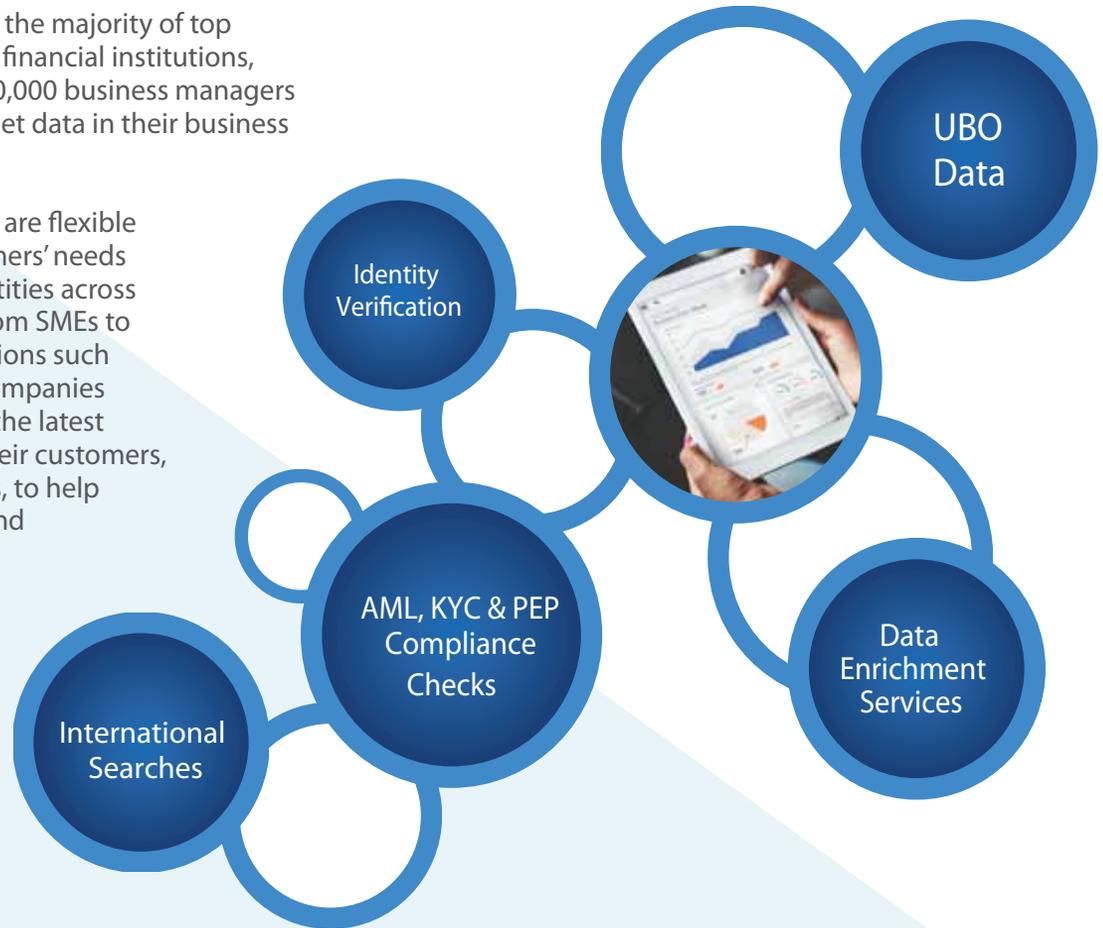
Our cutting-edge information services enable our clients to make better decisions in relation to AML, credit assessment, risk management, customer insight and anti-fraud.

With CRIFVision-net, you can expect exceptional expertise in accessing the very latest real-time data on Irish and UK companies. This coupled with over 30 years researching and reporting on businesses, has led our service to be ranked as one of the leading information agencies in Ireland.



In any single business day the majority of top professional service firms, financial institutions, media outlets, and over 10,000 business managers use and trust CRIFVision-net data in their business processes.

Our information solutions are flexible and tailored to our customers' needs and budgets, ensuring entities across the business spectrum, from SMEs to large enterprise organisations such as banks and insurance companies alike, can enjoy access to the latest insights and reports on their customers, competitors and suppliers, to help enhance their decisions and protect and grow their business.



CRIFVision-net, is part of CRIF, a global company specialising in credit bureau and business information, and credit solutions. The group currently has 6,200+ staff professionals and 70+ subsidiaries in 35+ countries across four continents. CRIF is a leading provider of credit information for banks in continental Europe and is one of the leading international companies in integrated services and solutions for business information and credit and marketing management.

The company is included in the FinTech 100, a ranking of the leading global technology solution providers for the financial services industry. 10,500 banks and financial institutions, 600 insurance companies, 82,000 business customers and 1,000,000 consumers across 50 countries currently use solutions from CRIF every day.

For further details on CRIF simply visit - www.crif.com

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to learn more on how we can help your business.

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