



*For immediate release*

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## **AIB SECURES A FURTHER €200 MILLION CREDIT FOR BUSINESSES FROM THE SBCI**

### **AIB approves more than €5 million credit each week to businesses from the SBCI fund**

Allied Irish Banks, p.l.c (AIB) today announces it has secured an additional €200 million in new funding as part of its partnership with the Strategic Banking Corporation of Ireland (SBCI) bringing the total to €400 million. The funding will be made available to businesses and farmers at a variable rate of 4.5 per cent.

AIB also disclosed that it has already approved €200 million of business credit for more than 5,000 customers countrywide since the first tranche of the SBCI fund was launched in March 2015.

There was strong demand from the hospitality, retail, services, agriculture and manufacturing sectors countrywide. The average drawdown was €28,500, but loans drawn down ranged in size from €1,000 to €1 million.

AIB Chief Executive Officer Bernard Byrne said: “AIB is delighted to have fully allocated the SBCI backed fund in such a short period of time, it is encouraging to see the range and scale of businesses approved for funding. This additional €200 million will help small businesses and farmers to grow their businesses, create employment and support the economy by offering them loans at the attractive rate of 4.5 per cent. This rate is 2% below AIB’s standard variable rate business loan offering, the discount being provided by a combination of the SBCI and AIB. ”

The Minister for Finance, Michael Noonan said: “AIB’s partnership with the SBCI has been a huge success. SMEs have seen the real benefit as they are getting access to lower cost funding to grow their businesses. To date AIB has already approved €200 million of loans to SMEs from SBCI funds. Today’s announcement will enable AIB to offer a further €200 million of funds to SMEs with an interest rate reduction of 2%. At the launch of the Strategic Banking Corporation earlier this year I predicted that this initiative will be a vital source of funding for SMEs for decades to come. It is encouraging to see how AIB have embraced the establishment of the SBCI into the market.”

SBCI Chief Executive, Nick Ashmore said: “AIB’s SME customers have received approval for all the €200 million we originally allocated to AIB. It is a sign of the very strong appetite for SBCI loans that we have reached this stage so quickly and we are delighted to provide AIB with another €200 million in fresh funding to meet this continued demand. AIB has succeeded in using its reach to impact a large amount of customers in a short amount of time – across a wide variety of sectors and with a good regional spread.”

#### **Notes to Editors**

##### **About AIB’s SBCI loan offer:**

- Loans at 4.5% per annum variable, a competitive, 2% discount from AIB 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. It may take longer for customers experiencing financial difficulties.)
- Terms and conditions apply.

### **About the Strategic Banking Corporation of Ireland (SBCI)**

The Government approved the establishment of the SBCI in May 2014 to enhance the supply of credit to Small and Medium Enterprises (“SMEs”) by using its funding to lend to SMEs via institutions called ‘on-lenders’. The SBCI is financed by Kreditanstalt für Wiederaufbau (“KfW”), Germany’s promotional bank, the European Investment Bank (“EIB”) and the Irish Strategic Investment Fund (“ISIF”) with an initial fund of €800m. The key advantage of the SBCI is its lower cost of funding and the fact that it can lend to on-lenders for up to ten years.

**\*\*Pictures to be sent by Shane O’Neill Photography\*\***

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