

SBCI Agriculture Cashflow Support Loan

Helping you with your farm cashflow



#backedbyAIB



Small businesses. Big plans.
Strategic Banking
Corporation of Ireland

Supporting farmers – lower cost cashflow support loan for the agri sector

At AIB we know the income and cashflow challenges that farmers like you may be facing as a result of current price volatility as well as the impact of Britain's decision to exit from the EU.

That's why we're partnering with the Strategic Banking Corporation of Ireland (SBCI) to provide practical help and support to farmers facing cashflow challenges.

SBCI is an SME* funding company which partners with banks to provide access to lower cost funding to Irish SMEs and farmers.

What's on offer with an SBCI Agriculture Cashflow Support Loan?

- Interest rate of 2.95% per annum, fixed for the term of the loan
 - Loan terms from 1 to 6 years
 - Loans available to fund working capital
 - Loans are available up to a maximum of €150,000 per farm operation
 - No security will be required for these loans
 - An interest only repayment option may be available at the start of a loan, subject to normal lending criteria
 - The loan scheme will be open until 30th September 2017 or until the loan scheme has been fully subscribed, if earlier.
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A typical €30,000 two year fixed interest rate loan will have 24 monthly repayments of €1,288.61, APR (Annual Percentage Rate) 2.98%. If the APR does not vary during the term of the loan the total cost of credit of this loan i.e. total amount repayable less the amount of the loan, would be €926.64.

*SMEs are those who:

- Have less than 250 employees
- Have a turnover €50 million or less (or €43 million or less on their balance sheet)
- Are independent and autonomous (or, if part of a wider group of enterprises, the entire group must qualify as an SME)
- Have less than 25% of their capital held by public bodies.

Who can apply?

SBCI Agriculture Cashflow Support Loans are available to farmers who operate as a Small and Medium Enterprise (SME) and are active in the primary agricultural sector in the Republic of Ireland.

Customers experiencing financial difficulty may not be eligible to apply for this loan.

Customers will also be required to declare that they meet **ONE** of the following conditions:

- Are participating in an agri-environment scheme as part of a Rural Development Programme **or**
- Are a certified member of a Bord Bia Quality Assurance Scheme or are a certified member of a Quality Assurance Scheme run by a co-operative, processor or producer representative body **or**
- Are a member of a Department of Agriculture, Food and the Marine (DAFM) registered Farm Partnership **or**
- Have completed or are participating in the financial management elements of DAFM's Knowledge Transfer Programme or previous programmes such as BTAP and STAP, **or** they have a certificate or other proof in relation to Financial Training from Teagasc or another body relating to eligible agricultural sectors.

Some agricultural sectors are excluded as follows:

- Aquaculture
 - Forestry (as a sole enterprise)**
 - Equine (as a sole enterprise)**.
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** Customers operating in the forestry or equine sectors as part of a mixed farming enterprise, are still eligible to apply for a loan provided the loan is not used to support the forestry or equine part of their business.

For more details please refer to www.aib.ie/sbciagri

About the Loan

Farmers can use an SBCI Agriculture Cashflow Support Loan for the following purposes:

- To meet working capital finance needs for terms between one and six years
- To replenish cashflow where capital expenditure was previously funded using cash, a current account or an existing working capital facility, such as an overdraft /credit line
- To refinance existing farm creditors (e.g. merchant credit) or a portion of existing working capital finance.

Some exclusions apply including:

- New investments in fixed assets and future capital expenditure
- Refinance of existing term finance e.g. term loan, lease, hire purchase.

For a complete list of exclusions, refer to www.aib.ie/sbciaagri



If you need finance for activities that are excluded from the scheme, contact your Relationship Manager, Branch or call **1890 47 88 33** to find the most suitable product to meet your needs.



How much does an SBCI Agriculture Cashflow Support Loan cost?

Loans are available at 2.95% per annum, fixed for the duration of the loan. If you are able to repay your loan early we won't apply breakage costs.

What is the term of an SBCI Agriculture Cashflow Support Loan?

Terms are available for between 1 and 6 years, depending on the purpose of the loan.

How available is an SBCI Agricultural Cashflow Support Loan?

Like all loans, we will take everything into account when you apply for an SBCI Agriculture Cashflow Support Loan. We'll look at your application carefully, and make a decision based on your ability to repay the facility sought. We'll check everything and get back to you with a decision as soon as we can. If you are an AIB customer and the new loan is up to €30,000 we will respond with a decision within 48 hours***.

Is the SBCI Agriculture Cashflow Support Loan State Aid?

SBCI, which is a state body, provides support for the scheme which allows a reduced interest rate to be applied. In some cases, this reduction in rate may be classified as State Aid.

Talk to your Relationship Manager who will help you find out if State Aid applies in your particular circumstances.

For more details visit www.sbc.gov.ie

3 easy ways to apply



Online

The SME Agri Lending application form is available on www.aib.ie/sbcagri



Branch

Drop into any AIB branch



Phone

Call **1890 47 88 33**
Direct Business Advisors

***We aim to provide a decision within 48 hours upon receipt of all required information. 48 hours excludes Saturdays, Sundays and Bank Holidays. If you are experiencing financial difficulties please talk to us so we can advise the best solution for you.



To find out more contact your Relationship Manager or Branch, call our Direct Business Advisors on **1890 47 88 33** or visit **www.aib.ie/sbcagri**

What else do you need to know?

It is important to be aware that as part of the application process AIB is obliged to share information about successful applicants with the SBCI. This is primarily to validate eligibility for the scheme but it may also be shared with EU Bodies and State Bodies. This will be done with regard to obligations under data protection legislation. The Department of Agriculture, Food and the Marine (DAFM) and the SBCI may post information on their websites about you the customer, the SBCI scheme and also the loan. If you decide to proceed with this application you consent to the transfer and use of your information in this manner. The SBCI, EU Bodies and State Bodies may also correspond directly with you from time to time.

If you provide false information in relation to your eligibility for the Scheme or the amount of State Aid received, AIB are obliged to share this information with the SBCI who may take further action. This may also result in the termination of your loan facility and a demand for early repayment in full.

Lending Criteria, terms and conditions apply. Credit facilities are subject to repayment capacity and financial status and are not available to persons under 18 years of age.

Warning: The entire amount that you have borrowed will still be outstanding at the end of the interest-only period.

Warning: You may have to pay charges if you repay early, in full or in part, a fixed-rate credit facility.

We will not apply charges if you repay an SBCI Agricultural Cashflow Support Loan early. Allied Irish Banks, p.l.c. is regulated by the Central Bank of Ireland.



This financing is made possible thanks to the Guarantee that has been provided by COSME and the European Fund for Strategic Investment (“EFIS”) set up under the Investment Plan for Europe. The purpose of EFIS is to help support financing and implementing productive investments in the European Union and to ensure increased access to financing.



Branch. Phone. Online.
Call **1890 47 88 33**
Visit www.aib.ie/sbciagri

