



Finance & Banking IHF Webinar

29.09.20



Payment Breaks

Steps for Impacted Customers



Customers who have received a COVID-19 Payment Break and can recommence servicing the debt as contracted:

- No action required other than ensuring standing order etc. in place – the facilities will revert to the agreed repayment terms on expiry of the current payment break.
- Any queries should be directed to their relationship manager.

Customers who have received a COVID-19 Payment Break and are unable to recommence contracted repayments:

- Customers should advise their Relationship manager that they are unable to recommence contracted repayments
- AIB has prepared a guide for Small & Medium Enterprises in Financial difficulty. Guide can be found here:
<https://business.aib.ie/content/dam/aib/business/docs/help-and-guidance/information-booklet-for-sme-in-financial-difficulty.pdf>
- Customers should refer to this guide and consult with their professional adviser for support.
- AIB, Government and other key supports (such as Enterprise Ireland Financial Planning Grant) to be considered.



SBCI Schemes

Loan Schemes

Overall Summary



Product	Purpose	Amount	Term	Rate	Business Plan	Security	SBCI Code	Fee	For whom
Brexit Loan/Covid Scheme	Working Capital Support	€25k - €1.5m	1-3 yrs	4% Fixed	Yes	Secured amts > €500K	Yes	No	Viable Micro, SME or Small MidCap enterprise.
Future Growth Loan Scheme	Long Term Investment	SME: €25k-€3m Agri: €25k-€3m	7-10 yrs	Variable + 4.44% <€250k Variable + 3.44% ≥€250k	Yes in cases >€250k	Secured amts > €500K	Yes	No	Viable Micro, SME or Small MidCap enterprise.
Credit Guarantee Scheme	Working Capital & Term Debt including refinance of Covid expenses	€10K - €1m SME & Agri	1 year - 5 ½ year	≤ €250k - 2.75% variable > €250k – up to 2.75% variable (Note 1)	No, but supporting documents for >€250k	Secured amts > €250K	No	Yes	Viable Micro, SME or Small MidCap enterprises.

1. There is a premium payable to the Department of Business, Enterprise and Innovation as a contribution to the cost of the scheme

SBCI Future Growth Loan Scheme

Key Features



Who can Apply?	<ul style="list-style-type: none">Loans provided under the SBCI Future Growth Loan Scheme are available to:<ul style="list-style-type: none">eligible SMEs for a long term investment period of 7 to 10 years
Purpose: To be eligible, the purpose of the loan must be for one of the following:	<p>For SME applications:</p> <ol style="list-style-type: none">Investment in Machinery or EquipmentInvestment in Research and DevelopmentInvestment in Business ExpansionInvestment in Premises ImprovementInvestment in Process InnovationInvestment in People and/or Systems
Loan Amount:	Loans are available for amounts from €25,000 up to a maximum of €3,000,000.
Loan Term:	Loan terms from 7 years to a maximum of 10 years, including any requirement to restructure.
Interest Rate:	<ul style="list-style-type: none">The <u>Base Lending Rate</u> plus:<ul style="list-style-type: none">a maximum fixed margin of 4.44% on loans up to and including €249,999. An SBCI Future Growth Loan of €25,000 over 9 years at 4.44% will have 108 monthly repayments of €281.07. The total cost of credit for the loan is €5,355.56.a maximum fixed margin of 3.44% on loans of €250,000 and above. For example, €250,000 over 9 years at 3.44% will have 108 monthly repayments of €2694.11. The total cost of credit would be €40,963.88 for this loan.
Security:	<ul style="list-style-type: none">Security is not required for amounts up to €500,000.
Other features:	<ul style="list-style-type: none">Interest only repayments are available for up to a maximum of two years at the start of the loan term (subject to credit approval).Repayment structures that have a final bullet repayment are not permitted.

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

Warning: The cost of your repayments may increase.

Supplementary Information on SBCI Schemes

Key Features



How to apply

- Complete an Eligibility Application Form and submit to the SBCI – online form and full details can be found on the [SBCI Website](#). This is not applicable for the Credit Guarantee Scheme
- Eligible SMEs will receive a confirmation letter from the SBCI with a Customer Eligibility Code (which is valid for 6 months).
- Contact your Branch, Relationship Manager or call Direct Business Advisors on 1890 47 88 33, Mon-Fri 9am-5pm with your Customer Eligibility Code to begin your loan application.
- **Note: Confirmation of scheme eligibility does not guarantee credit approval; Customers will be required to submit a standard business loan application to the Bank.**
- **The SBCI require a detailed [business plan](#) to be provided along with your loan application to AIB for facilities of €250,000 and above.**

Definitions:

- An SME is defined by the Standard EU definition as an enterprise that:
 - has fewer than 250 employees
 - has a turnover of €50 million or less (or €43 million or less on their balance sheet)
 - is independent and autonomous i.e. not part of a wider group of enterprises
 - has less than 25% of their capital held by public bodies
 - is established and operating in the Republic of Ireland
- A Small Mid-Cap is an enterprise that is not an SME and has fewer than 500 employees

State Aid (Not applicable to Credit Guarantee Scheme):

Interest rate may be classified as State Aid. Customers are responsible for ensuring that the requirements relating to State Aid are strictly complied with.

The relevant State Aid legislation may include:

- [EU Regulation No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid](#)
- [The General Block Exemption Regulation \(Commission Regulation \(EU\) No 651/2014\)](#)

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