A HELPFUL GUIDE TO APPLYING **FOR BUSINESS FINANCE**

WE BACK BRAVE

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CONTENTS

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WE WANT TO BACK YOU

When you want to borrow money for your business, this guide will help you present a clear picture of your plans.

Whether you apply for a new business loan, a top up or you want to refinance, you will get:

- ✓ Individual attention from us: you can request a meeting with a business relationship manager to discuss your application.
- ✓ Clear information about your loan, such as what it will cost you and our terms and conditions.
- ✓ A good idea of how long it will take us to process your application.
- ✓ A clear reason, if we have decided not to offer you credit, why not and what you might be able to do about it.

SIMPLE STEPS TO APPLYING FOR FINANCE

We are here to support you with your application.

STEP 1

TALK TO US

Before you start preparing any application for finance, please contact us in branch or over the phone. We will give you guidance and outline the information required from you to support your application.

STEP 2

PREPARE A BUSINESS PLAN

A good business plan will help us get a clear picture of your business and what you are planning for it.

STEP 3

WHAT WE NEED FROM YOU

Arrange a meeting with one of our Relationship Managers or one of the Business Advisor Team so that together we can complete the finance application process.

STEP 4

SUBMITTING YOUR APPLICATION

We will let you know what information you will need to give us to back up your application, for example bank statements (if you are new to doing business with us), cashflow projection, business plan, the history of your business and tax statements.

STEP 1
TALK TO US

What will we do?

- ✓ Record your details.
- ✓ Outline the information that will be required in order to make a formal application for finance.
- ✓ Provide you with an SME (Small and Medium Enterprise) Business Lending Application Form. We will help you complete this form.

THE SME BUSINESS LENDING APPLICATION FORM IS DIVIDED INTO THREE CORE SECTIONS.

SECTION 1
BUSINESS DETAILS

This section is about your business, the business owners, current business borrowings, savings and your business financial details.

SECTION 2
PERSONAL DETAILS

Your personal details are also important to us and while it is critical to understand your business, it is also important that we understand its owners. These details will help us make an informed decision and meet your financial needs.

SECTION 3
APPLICATION DETAILS

This section allows you to tell us what your current financial requirements are and supply us with any further information that will support your application.

STEP 2
PREPARE A BUSINESS PLAN

It's always a good idea to let us know you are thinking of a new loan, a top up or to refinance. We'll let you know the information we will need to make it all go smoothly. The next thing to do is to prepare a business plan.

No one knows your business better than you. Try to present a clear picture of the strengths and weaknesses of your business and the opportunities and challenges you are likely to face in the future – your business "story."

A well presented Business Plan, based on a solid appraisal of the business and its future prospects, will help to illustrate the business' story in a professional manner and is a valuable document.

WHAT SHOULD YOU INCLUDE IN YOUR BUSINESS PLAN?

Make sure you include:

- Background details of your business including who owns it, the people involved, what it does, its history and location.
- Outline what the business has achieved in the past, the current position, the future goals and strategy for the business.
- What the risks are for your business, from its markets, customers, finances, and its operation. You also need to include your proposed steps to reduce these risks.

We have a template to help you outline your plans. You'll find a helpful Business Plan Template to download at **www.aib.ie/businessplan** or you may wish to prepare your own business plan.

WHAT IS A VIABLE BUSINESS?

Getting a loan for your business depends on your business being viable. But what does viable mean? It means that a viable business is one that will continue to trade into the future.

VIABLE BUSINESSES HAVE:

- ✓ A track record of profitable and successful trading even if there have been some recent losses.
- ✓ A management team that has adjusted the business model and cost structure to the business climate.
- ✓ Good credit history over the previous 3-5 years. For a start-up business this may relate to the owner's personal credit/financial history or any previous businesses in which they have been involved.
- ✓ A realistic business plan and financial/cashflow forecast that outlines a clear action plan. Short-term cashflow projections (6-12 months) are important.
- ✓ An ability to show that the business is capable of maintaining or returning to solvency within a two-year trading period.

It will help if you keep us informed of how your business is performing. The more we know, the more likely we can help you now and in the future.

STEP 3
WHAT WE NEED FROM YOU

In addition to the Business Plan, the financial information below will help us to fully understand the nature of your business, future prospects and its long-term viability. We will tell you what else you may need in your specific case to ensure a speedy decision.

You will also find this information in Part 3 of the SME Business Lending Application Form.

DOCUMENTATION REQUIRED	WHY DO WE NEED THIS INFORMATION?
1 **Financial Information/Projections** • Auditor's statement for the most recent trading period. • Up-to-date management accounts for the current trading period. • Up-to-date aged list of debtors/creditors. • Financial and cashflow projections and underlying assumptions (including any evidence of agreed orders/contracts). A Cashflow Forecast Tool is available for download from **www.aib.ie/cashflow**	This information helps us to gain a real insight into how your business: a) has performed in the past, b) is performing currently, c) is likely to perform in the future. Short-term cashflow projections are of particular importance. They will show the ability of your business to repay existing debt and/or new finance requests, and to remain viable over the medium to long-term.
2 **Confirmation tax affairs are in order**	This demonstrates that all your tax payments are up-to-date.
3 An **Asset/Liability profile** of the business and owners/promoters. You can download an Asset/Liability Template at **www.aib.ie/business**	This helps us to assess the overall financial position of the company and its business owners/promoters.
4 If required, **details of any security** you are offering to support your credit application e.g. assets, personal guarantees, letter of pledge, etc.	We will check the value of the security available when we assess the credit application, however we will base any decision on the capacity of the business to repay the borrowing.

We will ask you to certify that all the information you provide us is complete and correct so that we know we're using accurate and up-to-date information to assess your application.

STEP 4
SUBMITTING YOUR APPLICATION

Once you have all the relevant documents prepared, talk to us.

HOW WE WILL HELP YOU

HELP

You can request a meeting with us to discuss your credit application at which your Business Relationship Manager/ Business Advisor will help you complete the SME Business Lending Application Form.

REVIEW

It's best to give us a couple of days to look over everything in your application before you talk to us.

TALK

The aim of the meeting is to give you the opportunity to talk through the details of your application and ensure that we have a full understanding of your business and the nature of your proposal.

REFINE

Your Business Relationship Manager/Business Advisor will also use the information you provide to outline all your suitable funding and product options (e.g. overdraft, loan, guarantees, etc.) and potential for specialist lending products such as Leasing, Invoice Finance or Venture Capital.

WHAT HAPPENS NEXT?

Assuming that all the relevant documentation is in place, we will process a formal application for you.

We aim to meet your needs and respond in a realistic way, we will acknowledge receipt of your application and will give you an idea of how long it will take to process.

Depending on the size of your loan or the complexity of your business it may take up to 15 business days to reach a decision on your application. In these cases we will keep you updated on progress.

If we approve your application, we will contact you to tell you the next steps. We will issue a formal Letter of Sanction to you and will include the following information:

- The amount of the credit facility.
- The rate of interest that applies to it.
- Repayment terms.
- Details of any special conditions that must be met before drawdown of the facility or during the term of the facility.
- Where appropriate, we may seek security to reduce the Bank's credit risk, any security that we request will be reasonable and proportionate to your situation.
- Details of any security that you must give us. Where security is required, our leaflet 'Security Costs for Borrowings' will be enclosed.
- We will enclose a booklet called General Terms & Conditions Governing Business Lending, which we will ask you to read along with the letter of Sanction.
- Other relevant information.

Before the facility can be put in place for you to draw down, you will need to:

- Ensure the details of your Letter of Sanction are correct. We recommend that you consult with a legal advisor to ensure you fully understand the terms and conditions.
- Ensure any special conditions we outline are fulfilled.
- Arrange for Security to be put in place where required.
- Sign the acceptance clause at the end of the Letter of Sanction (if the facility is being provided to a Limited Company, the Letter has to be signed by Resolution of the Company), where applicable.
- Return a signed copy of the Letter of Sanction to your Business Relationship Manager/Business Advisor and agree the details for the drawdown of your facility.

If you have received any advice about a new product we will also provide you with a Suitability Statement which outlines the reasons why the particular product option is suitable for your funding need and circumstances.

HOW DO I APPEAL?

Where we decline a request for credit, we will tell you directly, giving you a clear reason for our decision and make every effort to work with you to find an alternative solution. Please note that a declined request for credit will not have a negative impact on your credit rating.

We have an appeals process available for loan, overdraft, asset finance and invoice finance applications.

You may appeal when:

- You feel the decision to be unjustified.
- You believe that we have unfairly offered a smaller facility than requested.
- Existing facilities have been reduced or removed.
- You feel the approval terms are unacceptable.

If you wish to appeal an SME credit decision, there is a two-stage process to follow:

1. You must first appeal through the bank's SME Credit Appeals Process.
2. If your appeal to us is unsuccessful, you can then refer your case to the independent Credit Review Office when your borrowing is between €1,000 and €3,000,000.

1 AIB INTERNAL SME CREDIT APPEALS PROCESS

This appeal must be made directly in writing to the Credit Appeals Officer, PO Box 11826, AIB, 10 Molesworth Street, Dublin 2, within 20 business days (from date of when we tell you of the outcome of your credit application).

Appeals will be referred to an independent Internal Appeals Panel and an update will be issued to you within 15 business days.

2

Where an appeal is upheld, the written response stating the decision will be posted to you by the Credit Appeals Office. A copy of the letter will be sent to your Business Relationship Manager/Business Advisor, in order for them to progress your application.

3 CREDIT REVIEW OFFICE

The Credit Review Office is an independent government office and accepts requests for review of a bank's credit decisions from SMEs for borrowings between €1,000 and €3,000,000. The Credit Review Office will not accept any appeal, unless the SME has first appealed through AIB's internal SME Credit Appeals Process.

Further details of the Credit Review Office process are set out at **www.creditreview.ie**

Where the outcome of a review by the Credit Review Office is a recommendation that the Bank revise their decision, the Bank is then required to comply with the recommendation or explain why it is not going to comply with the recommendation.

HOW WE CAN SUPPORT YOU

We're always ready to talk to you about your business.

If you wish to apply for finance or discuss anything in this guide, call your branch and make an appointment or call us on **1890 47 88 33**.

More information on the material contained in this brochure is also available on **www.aib.ie/business**. You will also find the following templates and tools available for download:

- BUSINESS PLAN TEMPLATE
- CASHFLOW FORECAST TOOL
- ASSET/LIABILITY STATEMENT TEMPLATE
- SME BUSINESS LENDING APPLICATION FORM

Terms & Conditions
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. Security may be required. Allied Irish Banks, p.l.c. is regulated by the Central Bank of Ireland.

GOVERNMENT SUPPORT SCHEMES

Microfinance Ireland Ltd

If you own a micro-enterprise, have a turnover and/or balance sheet of less than €2m and less than 10 staff (full time positions), you may be eligible for a Microfinance loan. Microfinance Ireland was established by the Irish Government to provide loans to newly established and growing micro-enterprises across all industry sectors that do not meet the conventional risk criteria applied by banks.

Microfinance Ireland works in partnership with the Local Enterprise Offices (LEOs) who can assist with training and guidance in preparing your business plan. They will also conduct an initial evaluation of the quality of your business proposal for a loan application. Established in 2012, Microfinance Ireland are open for business and accepting qualifying applications. The company offers loans to viable businesses that have been declined for credit, fully or partially by a bank or where the request for credit does not meet bank lending criteria and are seeking up to €25,000. You can find out more at **www.microfinanceireland.ie**

Supporting SMEs Online Tool

There are over 80 different Government supports for Irish start-ups and small businesses. This Online Guide is to help Irish start-ups and small businesses navigate the range of Government supports to see which you could possibly apply for. Visit **www.supportingsmes.ie** to find out more.

Subscribe to AIB's monthly SME Newsletter at
www.aib.ie/BusinessBrief

Call **1890 47 88 33**
Visit **www.aib.ie/business**
or drop in to any branch.

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