

# SME's

## Accessing Finance & Support

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# Agenda

- Financing the Business
- What we look for in Lending
- What we mean by 'Viable Business'
- Information required
- Applying for Bank Finance/Meeting the Bank
- Products & Services available
- Tips!
- AIB Support of SMEs

# Financing the Business

***Most new businesses need some financial help to get started, grow and develop.***

Finance generally comes in 3 different forms:

- 1) Equity
- 2) Grants
- 3) Bank Finance

# What we look for in Lending

## Lending focuses on five fundamentals – the 5Cs

- **Character**

Track record/ capability / previous knowledge

- **Capacity**

For repayment (and contingency) – ability to grow sales

- **Capital**

Funding

- **Collateral**

Security – secondary source of repayment

- **Conditions**

Trends for your business/ market

# What we mean by 'a viable business'?

In looking at viability, we look for these characteristics:

## **Track Record**

- A good credit history and strong previous track record of profitable and successful trading, albeit may be/ may have been loss making
- A reliable and co-operative borrower

## **Financial Capability**

- Ability to fund interest on debt when due
- Ability to generate repayment capacity over time to clear debts
- Not threatened by any action e.g. Creditors, Revenue, Examinership

## **Future Prospects**

- A realistic Business Plan and financial/ cash flow forecasts (where appropriate) that outlines a clear action plan for survival

# And, the information YOU need and WE need

## **Good management information is key to running your business**

- Enables action
- Gives control

## **And is necessary support your application**

- Poor information leads to delay and possible decline
- Better the information - the quicker the decision, the more likely a successful outcome. Gives more confidence

## **Typically, we look for:**

*-Business Plan*

*-Accounts*

*-Cashflow*

*-Debtors/Creditors*

*-Tax Confirmation*

*-Assets & Liabilities Statements*

# Applying For Bank Finance / Meeting the Bank

- Talk to your bank
- Prepare the required Financial Information – cash flow projections, business plan, financial info, utd management info, tax clearance cert, assets & liabilities of the business & its owners, list of debtors & creditors
- Once you have all in the information gathered meet with the bank

# Applying for Bank Finance/Meeting The Bank

- Establish who you should be meeting
- Make an appointment
- Send in proposal/supporting documentation 2-3 days in advance of meeting
- Aim of meeting will give you the opportunity to talk through your application and ensure AIB have a full understanding of your business and the nature of your proposal
- You will then be offered appropriate product options

# Applying for Bank Finance/Meeting the Bank

Assuming all documentation in place we will process a formal application for credit.

We will advise you how long it will take to process your credit – *15 days turnaround time*

Once approved we will issue a formal letter of sanction to you – we recommend you consult with a legal advisor to ensure you fully understand the terms and conditions

# Range of Products / Services

- Business Start up package – free fees for 2 yrs (up to €100 in cash), free IBB for 2 years
- Standard Business Loan currently 6.5% subject to lending criteria
- EIB Loan III
- Overdraft facility currently 7.85% subject to lending criteria
- Visa facility for Business Accounts
- Merchant Services
- AIB Finance & Leasing (asset finance)
- Prompt Pay and Insurance Premium Payment
- Free financial advise in relation to financial planning, pension planning and protection
- Dedicated Relationship Manager
- Dedicated Business website [www.aib.ie/business](http://www.aib.ie/business)
- IBB

# Tips for Dealing with the Bank!

- Work in partnership with your bank-build a relationship
- Good Communication – no surprises
- Engage informally
- Keep up-to-date and accurate financial information
- Have your own independent support – share your financial concerns and successes
- Allow sufficient time to deliver funds – avoid financial pressure
- Meet the bank at YOUR business premises – a picture tells a story!
- Be absolute certain of personal financial needs – differentiate from business
- Be realistic with regard to Lending Proposals

***Keep the Bank informed!!***

# AIB Supporting Business

# Our Commitment To You

**AIB is fully committed to supporting  
viable businesses now and in the  
future**

Thank You