



AIB announces new initiative to speed up SME loan decisions for its customers

26th November 2012

- Credit decisions on loans of up to €25,000 to be delivered on next business day
- Loan applications and decisions to be made at local branch
- New simplified application process to enhance access to credit for SMEs
- Process moves credit decision closer to customer and is intended to boost SME sector

AIB today (November 26th) announces that it is launching a new simplified loan application process to help boost access to credit for Small and Medium Enterprises (SME).

The SME sector is critical to the Irish economy and most companies are smaller, local enterprises. As a result, a majority of all loan applications to AIB from the SME sector are for €25,000 or less.

Under the new arrangements, subject to simplified criteria, viable business borrowers will be able to secure a decision on their formal loan applications for up to €25,000 on a next-business-day basis. Decisions in relation to credit applications under this process will be made in the local bank branch. The loans will be available for working capital, investment and expansion activities and will be available to customers who have banked with AIB for the past 12 months.

Launching the initiative, AIB's Chief Executive, David Duffy said AIB staff at bank branch level were mobilised to begin processing business credit applications under the new system from tomorrow, Tuesday, November 27th to "materially improve our ability to serve our customers in the SME market in a quick, local relationship based, responsive manner".

"From this week we will introduce changes to ensure that AIB customers in the SME sector have access to credit as quickly and efficiently as possible whilst benefiting from the value of a local banking relationship. This initiative is a key step to improving credit flow and boosting economic activity whilst still maintaining prudent credit standards. There is a perception at large that banks are not lending which, in itself, discourages SME customers from approaching the bank for credit. AIB is determined to change that perception", he said.

All customers who apply will be assisted by an AIB staff member in completing the standard SME Business Lending Application Form. There will be no additional requests for documentary information.

“AIB continues to encourage all SMEs who are seeking credit to approach the bank without hesitation. The initiative announced today is specifically designed to ensure that our local staff are responsive to our customers needs in a timely manner”, David Duffy said.

Lending Commitments

AIB has already exceeded the Government SME lending target of €3.5 billion for 2012. In the year to the end of September 2012, AIB processed 25,113 formal customer applications from SMEs for credit, of which 23,040 were sanctioned – an approval rate of more than 90 percent.

Appeals

Customers who are unsuccessful in their applications for credit are entitled to an internal credit appeal and, should this prove unsuccessful, are also entitled to an external credit appeal through the Credit Review Office.

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