



11 May 2015

## **AIB approves more than €60m in loans from its €200m SBCI backed fund**

- **1,300 customers avail of 4.5 per cent business loan rate in first three months**

Allied Irish Banks (AIB) has approved more than €60 million in business credit to over 1,300 customers following the launch in March this year of a €200 million fund backed by the Strategic Banking Corporation of Ireland (SBCI).

AIB said today there had been strong demand from businesses and farmers for the loans which are available at the highly competitive rate of 4.5 per cent per annum variable. This is the cheapest standard variable rate for business loans in the market.

AIB's SBCI offering represents a discount of two per cent on its Standard Variable Business Loan rate.

Commenting on demand for the fund, AIB's Head of Business Banking, Ken Burke, said: "AIB is pleased with the level of uptake of the SBCI backed fund. It is very encouraging to see the range and scale of the 1,300 businesses that have been approved for funding. For example, they include a Dublin food company expanding its premises to support growth; a farmer in the midlands purchasing machinery; a pharmacy in the south-east purchasing a premises for its business; a hotel in the west renovating its property and purchasing equipment; and a dentist returning to Ireland to set up a new practice."

"As the economy continues to recover, investment by SMEs in their businesses is critical for continued growth. This attractively priced fund has helped stimulate demand from our customers to invest in their businesses at this turning point in the economy," Burke added.

The fund offers terms ranging from two to ten years and the demand for the fund is spread across all the regions AIB serves and across a variety of sectors including agriculture, distribution, manufacturing and services.

AIB is keenly aware of the importance of a fast response to business customers' requests for credit. To this end, the bank also has a 48 hour decision-making process for loan applications up to €30,000. AIB's SBCI fund caters for loans up to €5 million, however many loans are for less than €30,000.

**-ENDS-**

### **Note to Editors**

#### **About the Strategic Banking Corporation of Ireland (SBCI)**

The Government approved the establishment of the SBCI in May 2014 to enhance the supply of credit to Small and Medium Enterprises ("SMEs") by using its funding to lend to SMEs via institutions called 'on-lenders'. The SBCI is financed by Kreditanstalt für Wiederaufbau ("KfW"), Germany's

promotional bank, the European Investment Bank (“EIB”) and the Irish Strategic Investment Fund (“ISIF”) with an initial fund of €800m. The key advantage of the SBCI is its lower cost of funding and the fact that it can lend to on-lenders for up to ten years.

**Further information**

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