

SBCI Agriculture Cashflow Support Loan

Low-cost flexible funding



Bank of Ireland 

Proud Partner of Irish Farmers

SBCI Agriculture Cashflow Support Loan

In association with the Strategic Banking Corporation of Ireland (SBCI), the Department of Agriculture, Food and Marine and the European Investment Fund, Bank of Ireland is supporting farmers' cashflow requirements by participating in the new SBCI Agriculture Cashflow Support Loan. This is now available to SME agri customers in the Republic of Ireland.

What's on offer with the new SBCI Agriculture Cashflow Support Loan?

The scheme aims to support Irish farmers experiencing short-term financial pressure due to price and income volatility and will help them to get access to low-cost flexible funding.

The SBCI is a Government initiated state agency established to ensure access to flexible funding to Irish SMEs and farmers through partnerships with Irish Banks.

Further details about the SBCI are available on the website <http://sbci.gov.ie>

Who can apply?

Micro, small and medium sized enterprises (SMEs) that are active in the primary agricultural sector in the Republic of Ireland who meet the eligibility criteria (as outlined in this brochure).

Period of the Scheme

The Scheme will be open to applications until **30th September 2017** or earlier if the scheme funding has been fully allocated. The final date for drawdowns under the loan scheme will be **29th December 2017**.

Supporting the cashflow needs of Irish farmers

At Bank of Ireland, we understand the importance of the Agricultural sector to the Irish economy. We also recognise the cashflow challenges that farmers face due to price and income volatility which is why we are now providing access to the new SBCI Agriculture Cashflow Support Loan scheme.

This will help farmers like you to get access to discounted loans over longer terms, meaning better support to fund working capital requirements such as feed, fertiliser and trading stock...allowing you more time to focus on what you do best - managing the farm.

Loan Features

- ▶ Apply for a loan amount up to a maximum of €150,000 per farm operation (No minimum loan amount applicable)
- ▶ Avail of a minimum loan term of 1 year up to a maximum of 6 years
- ▶ Loans are unsecured
- ▶ Optional interest-only repayments provided at the start of the loan
- ▶ Loans will be provided at a fixed interest rate of 2.95% exclusively for loans under this scheme¹

The following example represents a standard fixed-rate loan repayment under the new scheme and should be used for indicative purposes only. Eligibility criteria, terms and conditions apply. For further information, speak to your Bank of Ireland Business Adviser or Business Manager.

An Agriculture Cashflow Support Loan of €30,000 @ 2.95% over a 3-year term will require 36-monthly repayments of €871.68. The Total Cost of Credit is €1,380.48.

¹Note: Interest rates may rise if it becomes unlawful for the SBCI to make payments which may otherwise be payable to the Bank under the agreement between the SBCI and the Bank in relation to these loans.

- ▶ This scheme will be open to applications until **30th September 2017** or earlier if funding under the scheme has been fully allocated. The final date for drawdown under the scheme will be **29th December 2017**.

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

Full details available at <http://sbci.gov.ie/>

Purpose of the new SBCI Agriculture Cashflow Support Loan

The new SBCI Agriculture Cashflow Support Loan provides eligible farmers with discounted funding to meet working capital requirements.

Can be used for

- ▶ Working capital to fund day-to-day farm operations for 2017 including feed, fertiliser, trading stock, wages and more
- ▶ Refinance of short term credit facilities, such as supplier trade credit, merchant credit and overdrafts
- ▶ Refinance of business capital where capital expenditure was incurred or assets were purchased from cashflow prior to 31st December 2016.

Cannot be used for

- ▶ Refinance of undertakings in financial difficulties
- ▶ Refinance of existing term debt (e.g. Terms loans/ Leases/Hire Purchase etc.)
- ▶ New investment.

Eligibility Criteria**

Who can apply

- ▶ Micro, small and medium sized enterprises (SMEs)

- Have less than 250 employees
- Have a turnover of €50 Million or less (or €43 Million or less on their balance sheet)
- Are independent and autonomous i.e. not part of a wider group of enterprises
- Have less than 25% of their capital held by public bodies.
- Have a significant presence in Ireland
- ▶ Forestry and Equine as sole enterprises and Aquaculture are not included¹.

¹ Farmers operating in the forestry and equine sectors as part of a mixed farming enterprises may eligible to apply for the loan provided the loan facility is not used to support the forestry/equine part of the business.

****Full eligibility Criteria will be contained in the loan documentation.**

Who cannot apply

SMEs which fall under any of the following are not eligible to apply for the scheme:

- ▶ In financial difficulty
- ▶ Is bankrupt or being wound up or having its affairs administered by the courts
- ▶ In the last 5 years has entered into an arrangement with creditors, in the context of being bankrupt or wound-up or having its affairs administered by the courts
- ▶ Convicted of an offense concerning professional conduct by judgement, fraud, corruption, involvement in a criminal organisation, money laundering or any other illegal activity where such Illegal activity is detrimental to the European Union's financial interests.

Self-Declaration

To be eligible, SMEs must satisfy one of the following conditions by completing the self-declaration included in the SBCI application form:

1. Is applying environmental and climate friendly production methods:

Is participating in an agri-environmental scheme as

part of Ireland's Rural Development Programme (i.e. current or previous GLAS, BDGP, AEOS, REPS, Organic Farming Schemes or a locally-led EU agri-environmental scheme)

2. Is implementing quality schemes or projects aimed at promoting quality and value added:

Is a certified member of a Bord Bia Quality Assurance Scheme; or Is a certified member of a Quality Assurance Scheme run by a co-operative, processor or producer representative body.

3. Is implementing co-operation projects:

Is a member of a DAFM-registered Farm Partnership.

4. Is training in financial instruments and risk management tools:

Has successfully completed or is participating in the Department of Agriculture, Food and the Marine (DAFM's) Knowledge Transfer Programme or previous programmes such as Beef Technology Adoption Programme (BTAP) and Sheep Technology Programme (STAP) (and specifically, the financial management elements of those programmes); or has participated in financial training given by Teagasc (or other body) (including the Cash Flow module included in recent farm walks), and can produce a certificate or other proof to this effect.

Aid

The new SBCI Agriculture Cashflow Support Loan is available to borrowers who meet the eligibility criteria. Applicants should also be aware of their state aid obligations and requirements in order to avail of finance under this scheme.

Borrowers involved in the **Dairy and Livestock** sectors may incur exceptional adjustment aid which under this scheme may allow for a maximum loan amount of €150,000 with a term of 6 years.

De Minimis State Aid threshold

Borrowers involved in **other eligible sectors outside of Dairy and Livestock** (e.g. tillage sector) are subject to the De Minimis State Aid threshold* of

€15,000 in the last 3 financial years. Based on this, there may be a restriction on the amount of scheme funding/ loan term that can be allocated to the borrower in this sector.

Details on the De Minimis State Aid requirements can be found at <http://sbci.gov.ie>.

* State aid is defined as an advantage in any form whatsoever conferred on a selective basis to undertakings by national public authorities (EU Commission definition, 2016).

Use of Information

The information provided to the Bank by Borrowers as part of the application process must be disclosed to the SBCI for the purposes of determining eligibility for the SBCI Agriculture Cashflow Support Loan Scheme. All information provided may be disclosed by the SBCI to its funders, EU and State Bodies. Under the Agriculture Cashflow Support Loan Scheme, the SBCI, the Department of Agriculture, Food and the Marine and the European Investment Fund may post information on their respective websites about you the Borrower, the SBCI funded project and the loan. If you decide to proceed with this application you consent to the transfer and use of your information in this manner. The SBCI may also correspond directly with you from time to time.

This financing is made possible thanks to the guarantee that has been provided by COSME and the European Fund for Strategic Investment ("EFSI") set up under the Investment Plan for Europe. The purpose of EFSI is to help support financing and implementing productive investments in the European Union and to ensure increased access to financing

How do I apply?

To apply, call Bank of Ireland at **1890 365 222** (Monday to Friday 8am to 8pm and Saturday from 10am to 2pm) or arrange a meeting with your local Bank of Ireland Business Adviser/ Business Manager.

bankofireland.com/SBCI

Lending criteria, terms and conditions apply.

Bank of Ireland is regulated by the Central Bank of Ireland.

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