

# SBCI Future Growth Loan Scheme

Supporting SMEs, including those in primary agriculture, by providing access to low-cost funding that allows them to invest in their businesses and grow profitability.

The Future Growth Loan Scheme is offered by the Strategic Banking Corporation of Ireland (SBCI), with the support of the Department of Business Enterprise and Innovation, the Department of Agriculture, Food and the Marine, the European Investment Bank and the European Investment Fund. The Future Growth Loan Scheme is guaranteed by the European Union, under the European Fund for Strategic Investments (EFSI).

**The SBCI Future Growth Loan Scheme will operate from 20th June 2019 until 31st May 2022, or until the scheme has been fully subscribed.**



Rialtas na hÉireann  
Government of Ireland



# How the SBCI Future Growth Loan Scheme works

## Eligibility check

Irish SMEs, small mid-caps and those in primary agriculture must satisfy the eligibility checks with the SBCI before applying to the Bank for a loan under the SBCI Future Growth Loan Scheme. For a full list of eligibility criteria and how to apply, visit **[sbci.gov.ie/schemes/future-growth-loan-scheme](https://sbci.gov.ie/schemes/future-growth-loan-scheme)**

## Eligibility confirmation

The SBCI will confirm if your eligibility to the SBCI Future Growth Loan Scheme is successful and issue you with an Eligibility Confirmation Letter to confirm. Should you have any queries about the scheme eligibility criteria, visit **[sbci.gov.ie/schemes/future-growth-loan-scheme](https://sbci.gov.ie/schemes/future-growth-loan-scheme)**

**Note:** This is not a guarantee of credit approval.

## Loan application

Before processing your loan application, Bank of Ireland will require a copy of your Eligibility Confirmation Letter. For amounts over €250,000, an up-to-date business plan will also be required.

## Key features

- ▶ €100,000 to a maximum of €3 million for eligible applicants
- ▶ €50,000 to a maximum of €3 million for eligible applicants in the Primary Agriculture sector
- ▶ Variable interest rates, depending on loan amount. Rate will incorporate both the relevant Reference Rate and a Fixed Margin (margin is fixed for the term of the loan). All interest rates are variable and subject to change<sup>1</sup>.
- ▶ Loan term from 8 years to a maximum of 10 years
- ▶ Fixed repayment schedule
- ▶ Optional interest only repayments may be provided at the start of the loan
- ▶ Unsecured loans up to €500,000
- ▶ No charges apply for early repayment

<sup>1</sup> The interest rate that the Bank will apply to all loans up to €250,000 will be a variable rate, based on our Small Business and Agri Reference rate (SBAR) plus a fixed margin of 3.19%. The interest rate that the Bank will apply to all loans of €250,000 or more will be a variable rate, based on our Bank Cost of Funds reference rate (BCOF – 3 month) plus a fixed margin of 2.79%. All Reference Rates, which are subject to change, are updated and available on [businessbanking.bankofireland.com/credit/business-loans/business-banking-reference-rates/](https://businessbanking.bankofireland.com/credit/business-loans/business-banking-reference-rates/)

## State aid

For borrowers in some SME and mid-cap sectors, there may be a restriction on the amount of scheme funding that can be allocated and/or loan term allowed.

Details on the De Minimis State Aid requirements can be found at

[sbci.gov.ie/schemes/future-growth-loan-scheme](https://sbci.gov.ie/schemes/future-growth-loan-scheme)

Loan amounts and terms are dependent upon [State aid<sup>2</sup>](#) thresholds – SMEs are subject to the State aid rules set out in the De Minimis Regulation, the General Block Exemption Regulation and/or the Agriculture Block Exemption Regulation. State aid thresholds apply, and borrowing under this scheme will give rise to State aid benefit to the borrower. Hence, there may be a restriction on the amount of funding / loan term that can be availed of by the borrower. It is important to note that the State aid is not the amount of the loan. Full details can be found at [sbci.gov.ie/future-growth-loan-scheme](https://sbci.gov.ie/future-growth-loan-scheme)

### Representative Example

An SBCI Future Growth Loan Scheme facility of €120,000 at a variable rate of 4.30% over an 8-year term will require 96 monthly repayments of €1480.00. The total cost of credit is €22,080.00.

## Funds must be used for

- ▶ Investment or capital expenditure that enables the enterprise to grow profitability over time as the investment generates returns (subject to terms and conditions imposed by the SBCI)

## Funds cannot be used for the following

- ▶ To finance undertakings in financial difficulties
- ▶ To re-finance existing debt facilities
- ▶ To finance specific export operations
- ▶ In Primary Agriculture, where the purpose is the purchase of land, livestock, annual plants or biofuels, to provide working capital or to fund drainage

Restrictions apply to certain sectors. For information, see [sbci.gov.ie/schemes/future-growth-loan-scheme](https://sbci.gov.ie/schemes/future-growth-loan-scheme)

<sup>2</sup> State aid is defined as an advantage in any form whatsoever conferred on a selective basis to undertakings by national public authorities.

## Who can apply

**Micro, small and medium enterprises (SMEs) and small mid-cap enterprises, including primary agriculture producers, that meet the eligibility criteria.**

- ▶ Your business must be established, and operating in the Republic of Ireland
- ▶ Have fewer than 250 employees (or less than 500 employees if a small Mid Cap enterprise)
- ▶ Your turnover must be €50m or less
- ▶ Your business must be independent and autonomous, in other words, not part of a wider group of enterprises
- ▶ For loan amounts greater than €250,000 an up to date business plan must be presented to support the loan application

## Who cannot apply

- ▶ Businesses that are in financial difficulty
- ▶ Businesses that are bankrupt or being wound-up or having its affairs administered by courts
- ▶ Businesses that have, in the last 5 years, entered in to an arrangement with creditors, in the context of being bankrupt or wound-up or having its affairs administered by the courts
- ▶ Anyone convicted of an offense concerning professional misconduct by judgement, fraud, corruption, involvement in a criminal organisation, money laundering or any other illegal activity

For a full listing of the SBCI Future Growth Loan Scheme eligibility, visit [sbci.gov.ie/schemes/future-growth-loan-scheme](https://sbci.gov.ie/schemes/future-growth-loan-scheme)

## How to apply for a Bank of Ireland SBCI Future Growth Loan Scheme facility

1. Complete the SBCI Future Growth Loan Scheme pre-eligibility application form on [sbci.gov.ie/schemes/future-growth-loan-scheme](https://sbci.gov.ie/schemes/future-growth-loan-scheme)
2. Receive your Eligibility Confirmation Letter from the SBCI, which will include your SBCI eligibility code
3. Visit [bankofireland.com/SBCIFGLS](https://bankofireland.com/SBCIFGLS) to apply for a business loan up to €120,000 or call our dedicated business loans team on 1890 365 222
4. For amounts over €120,000 please arrange a meeting with your Relationship Manager or contact your local branch

Level of security required and rate applicable, will be determined by the amount, purpose & term of facility, in conjunction with the nature and value of the security being offered.

Lending criteria and terms and conditions apply. Over 18's only. Maximum credit of €120,000 available for online applications.

Bank of Ireland cannot take responsibility for information on third party websites.

**WARNING:** The cost of your repayment may increase

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

**WARNING:** If you do not meet the repayments on your credit facility agreement, your account will go into arrears. This may affect your credit rating, which may limit your ability to access credit in the future.

The Future Growth Loan Scheme is offered by the Strategic Banking Corporation of Ireland (SBCI) with the support of the Department of Business Enterprise and Innovation, the Department of Agriculture Food and the Marine, the European Investment Bank and the European Investment Fund. The Future Growth Loan Scheme benefits from a guarantee from the European Union under the European Fund for Strategic Investments (EFSI).