

Guide for SME Credit Applications



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The purpose of this guide is to provide information about the credit application process.

About KBC

KBC Bank has been providing banking services in Ireland for over 40 years and is part of the KBC Group, one of Europe's most recognisable financial institutions since 1978. With over 1,000 employees in Dublin, Cork, Limerick, Galway, Kilkenny, Waterford and Kildare, we are dedicated to creating a bank where the customer comes first. We take a Bank of You approach to all our products and services and in our dealings with customers, shareholders, staff and communities. A member of one of Europe's largest banking groups, KBC is committed to delivering responsible but innovative banking that is grounded in customer and shareholder value. KBC Group is an integrated bancassurance group, catering mainly for retail, private banking, SME and mid-cap customers. Geographically, the group operates through banking and insurance subsidiaries in Belgium, the Czech Republic, Slovakia, Hungary, Bulgaria and Ireland. The group has a limited presence elsewhere in the world, primarily to support corporate customers from its core market

SME borrowers

This guide will apply to you if you or your business falls within the definition of Small and Medium Enterprise ("SME")

The Central Bank (Supervision and Enforcement) Act 2013 (Section 48) (Lending to Small and Medium-Sized Enterprises) Regulations 2015 (the "SME Regulations") define "Micro, Small and Medium-Sized Enterprises" as being an enterprise which employs fewer than 250 persons and which has either of both of the following:

- a) An annual turnover not exceeding €50 million;
- b) An annual balance sheet total not exceeding €43 million

"Micro and Small Enterprise" means an enterprise which employs fewer than 50 persons and which has either or both of the following:

- a) An annual turnover which does not exceed €10 million
- b) An annual balance sheet total which does not exceed €10 million

For example; if you have two or more Buy to Lets.

A "Medium-Sized Enterprise" means a "Micro, Small and Medium-Sized Enterprise" which is not a "Micro and Small Enterprise"

Meetings

If you are a prospective or existing borrower, KBCI are available to discuss any proposed applications for credit. Please refer to the contact section of this booklet for relevant contact details.

Timelines

The Central Bank (Supervision and Enforcement) Act 2013 (Section 48) (Lending to Small and Medium-Sized Enterprises) Regulations 2015 (the “SME Regulations”) allow up to 15 working days from the date of receipt of a completed credit application for a credit decision to be made. KBCI will endeavour to complete this assessment ahead of this timeframe. The length of the credit process is subject to the complexity of the proposal and more complex proposals may take longer to assess.

Supporting documentation:

Residential Investment Property Applications

- Fully completed and signed application form (incl. declarations)
- Income Verification (PAYE)
- Up to date original Employee Status Report completed & stamped by employer within last 6 months
- Two recent original payslips (latest within last 6 months)
- Most recent original P60 for each applicant
- Income Verification (Self Employed/Proprietary Director)
- Financial/audited accounts for the two most recent financial years, signed by your accountant
- Two most recent years tax returns (P21 or Notice of Assessment or Chapter 4 Revenue Certificate with full completed Form 11)
- Tax clearance certificate

Bank Statements

- 6 Months continuous original Current Account Bank Statements or e-statements (the latest dated within the last 3 months) showing accumulation of savings balances
- Any other documentation required to verify savings record and/or the balance of funds required

Credit Card Statements

- 2 months continuous original Credit Card Statements or e-statements (the latest dated within the last three months)

Other

- Separation agreements or any other relevant legal agreements
- Detailed estimated for any renovations (if applicable)

Professional Fee Finance Applications

- Fully completed and signed application form (incl. declarations)
- Clients who have not drawn down on Professional Fee Finance facility in the last 12 months or Loan amounts greater than €30,000
 - 2 years financial statements/trading accounts for the most recent trading period (audited where required by Company Law or at a minimum certified by a qualified accountant)
 - 3 Months recent current account statements (from where Direct Debit will be paid)

Tax and Pensions Applications

- Fully completed and signed Loan Agreement form (incl. declarations)
- Evidence from Revenue Commissioners that Tax affairs are up to date
- ROS Statement and Chapter 4 with Form 11
- Evidence of licence to practice and professional qualifications/membership of the appropriate body
- 3 Months bank statements from the account the Direct Debit will come from
- Signed Financial Statements for the most recent 24 Months practice trading period

Corporate Banking Applications

- Fully completed and signed application form (incl. declarations)
- Certified / Audited Account for the past 3 years
- Management accounts for the past 2 years
- Cashflow Projections for the next 3 years
- Tax clearance certificate, including all directors
- 6 month Bank Statements
- Any other documentation required to verify savings record and/or the balance of funds required
- Detailed plans, costings and budgets of building / renovations works (if applicable)

The above documentation is required to help determine whether the credit is suitable for you, the borrower. This list is not exhaustive and from time to time, KBCI may require further documentation. We will also require identity and address verification documentation, as applicable, in order for compliance with the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010. The relevant information required will be set out in your application form/advisable from your relationship manager as applicable.

Requirement for a business plan

You may be required to provide a business plan in support of your application for credit. The following information may be required in a business plan but is not exhaustive and further information may be required due to the nature of the application and the nature of the business.

- Business Overview
- Business Structure including Key Personalities / Employees
- Strategic Outlook
- Aged Creditor Listing
- Aged Debtors Listing
- Market analysis
- Competitor Analysis
- Sales and Marketing Plan
- Opportunities and Risks
- Cost – benefit Analysis

Impact of a refused credit application on credit rating

Where you are refused an application for credit, there may be an adverse impact on your credit rating.

Right to a copy of your credit facility agreement

You have the right, upon request, to receive a copy of your credit facility agreement. This will be provided to you, free of charge.

KBCI Policy on Security

KBCI offers secured loan facilities to its customers. The type of security that KBCI requires will depend on a number of factors, including but not limited to the amount and purpose of the loan, the nature and experience of the borrower, and the length of the loan and value and type of assets being offered by the borrower as collateral. The security required in respect of a credit facility will be set out in the security clause of the facility letter or loan agreement issued by KBCI in connection with that facility. Security required under the terms of the facility must be executed by the borrower and any guarantor prior to the release of funds.

In ordinary circumstances, when the facility and any connected facilities have been repaid in full to the satisfaction of KBCI, KCBI will release the security. If during the term of the loan an event of default (as set out in the facility letter) occurs then KBCI may then seek to enforce its security, which may include selling the property, or asset over which it has security and applying the proceeds of sale to reduce the balance of the loan.

Due to the particular nature of a loan additional items of security may be required. KBCI recommends that all borrowers and guarantors should obtain independent legal advice in respect of the security they are providing to KBCI and their obligations arising under the security documentation they are signing.

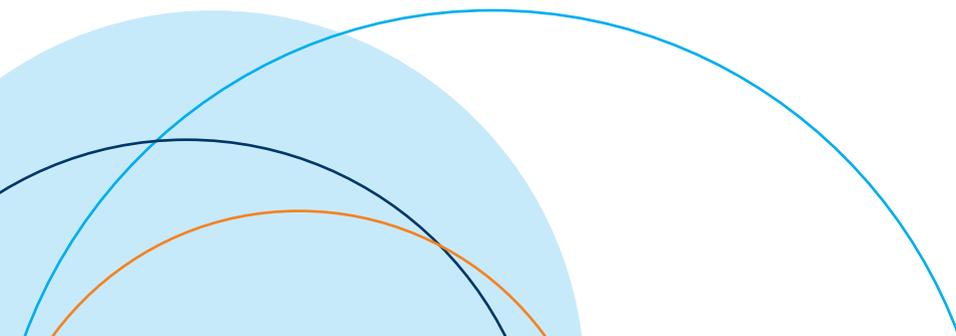
KBCI Appeals Process

You may submit an appeal to us in relation to:

- (a) the refusal of a credit application;
- (b) a special term or condition which is required by KBCI in order to grant credit, including with respect to security and guarantees;
- (c) the withdrawal or reduction of a credit facility;
- (d) a special term or condition which is required by KBCI in order to provide an alternative arrangement;
- (e) the refusal to offer an alternative arrangement;
- (f) being classified as not co-operating.

The appeal must be made in writing to the relevant contact point. You have 20 business days from the date of notification of our decision to make an appeal. Your appeal should set out the reason for your appeal and should include any relevant account or facility references. Your appeal will be considered as soon as reasonably practicable and KBCI will make a decision on your appeal within 15 business days of receipt of the appeal. The outcome of this appeal will be communicated to you within 5 business days of the appeal. If KBCI have not reached a decision within 15 business days we will advise you of the reasons why it will take longer than 15 business days and provide you with an expected timeframe.

Appeals should be addressed to 'SME Appeals Liaison Officer', KBC Bank Ireland, Sandwith St, Dublin 2.



Making a Complaint

If you have a complaint you can either contact us directly by phone on 01-6646000 or outline the nature of your complaint to us in writing, addressing it to:

Complaints and Resolutions Manager
KBC Bank Ireland
Sandwith Street
Dublin 2

The complaint will be fully investigated by us and if it is not resolved to your satisfaction within five business days, a written response will be provided to you. While our investigation is ongoing we will provide you with regular written updates. We generally respond to all complaints within 20 business days.

Irish Government Supporting SMEs Online Guide

This online guide is part of the Irish Government's Supporting SMEs campaign to increase awareness of the range of Government supports for start-ups and small businesses. The online guide allows borrowers to identify which supports may be suitable for their business.

<http://www.supportingsmes.ie/>

Contact

Please contact your Relationship Manager through our main reception line on 01-6646000. In the case of Residential Investment Property Applications, please contact your financial advisor, local hub or call our direct sales team on 1800 515 253.

