



# Guide for SME Credit Applications

THE BANK OF YOU + YOUR BUSINESS

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# Guide for SME Credit Applications

The purpose of this guide is to provide information about how the credit application process works and what will be required to enable KBC Bank Ireland plc ('KBCI') to make a decision on your application for credit.

## 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, Wicklow 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. KBC Bank is committed to delivering responsible but innovative banking that is grounded in customer and shareholder value.



**KBC Bank is a member of KBC Group, one of Europe's largest banking groups.** This 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.

## 1 SME borrowers

This guide will apply to you if you or your business falls within the definition of Micro, Small and Medium Enterprise ("SME")<sup>1</sup>.

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## 2 Meetings

If you are a prospective or existing borrower, KBCI will be pleased to discuss any proposed applications for credit. You can find the contact details you may need to arrange this in the contact section of this booklet.

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## 3 Timelines

The SME Regulations<sup>2</sup> 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.

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## 4 Supporting Documentation

**You may be required to provide some or all of the following ▶**

1. Micro, Small and Medium Enterprise "SME" means an enterprise which employs fewer than 250 persons and which has an annual turnover not exceeding €50 million and/or an annual balance sheet total not exceeding €43 million. 2. "SME Regulations" means Central Bank (Supervision and Enforcement) Act 2013 (Section 48) (Lending to Small and Medium-Sized Enterprises) Regulations 2015.

## Business Banking Applications

- Fully completed and signed application form (incl. declarations)
- Certified / Audited Financial Accounts for the past 3 years
- Up to date Management Accounts
- Cashflow Projections for the next 3 years
- Tax Clearance Certificate for the Borrower/s, including Directors (if applicable)
- Most Recent 6 Month Bank, and/or Credit Card Statements
- Evidence of Savings/Own input
- Any other documentation as advised by your Business Partner as part of the Application process
- Details of any security proposed (if applicable). Please ask your Business Partner for further information

## Professional Fee Finance Applications

- Fully completed and signed application form (incl. declarations)
- Completed SEPA Direct Debit mandate and FATCA/CRS form
- For Clients who have not drawn down on Professional Fee Finance facility in the last 24 months or Loan amounts greater than €50,000
  - 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 bank statements from the account the Direct Debit will come from

## Tax and Pension Finance Applications

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

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## 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 depending on the nature of the application and the business.

- Business Overview
- Business Structure including Key Personnel / 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.

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## 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.

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## KBCI Policy on Security

KBCI offers secured credit 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 credit facility, the nature and experience of the borrower, and the term of the facility 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.

Normally, when the Credit Facility and any connected Credit Facilities have been repaid in full to the satisfaction of KBCI, KBCI will release the security. If, during the term of the facility, a default (as set out in the facility letter) occurs then KBCI may seek to enforce its security. This may include selling the property, or asset over which it has security, and applying the proceeds of sale to reduce the balance of the facility.

Due to the particular nature of a credit facility, additional 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 in advance of signing such documentation.

## 6 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 those relating 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 address at the end of this paragraph. You have 20 business days from the date of notification of our decision to make an appeal. Your appeal will be acknowledged in writing by us within 5 working days of receipt, and this letter will include details of a point of contact in relation to the appeal until the appeals process is concluded.

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. Within 5 working days of the completion of an appeal, KBCI will notify you of the decision and the reasons for the decision. If the appeal is upheld or partly upheld, we will set out the terms of any offer being made in a clear and comprehensible manner.

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

## 7 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.

## 8 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 additional supports may be suitable for their business.**

**[www.supportingsmes.ie](http://www.supportingsmes.ie)**

## 9 Contact Details

**Please contact your Business Partner through our Business Support Team on 1800 804 414 or [business.support@kbc.ie](mailto:business.support@kbc.ie)**

[www.kbc.ie/businessbanking](http://www.kbc.ie/businessbanking)

