Your Business, Your Bank

Credit Supply Clearing Group

Sub-Group 1: Building Banking Relationships and Confidence Promotion

and

Sub-Group 2: Cost of Finance

Sub-Groups Member Organisations:
Department of Finance, Enterprise Ireland, Fáilte Ireland, Irish Banking Federation, IDA Ireland, Chambers Ireland, Irish Farmers' Association (IFA), Irish Hotels Federation (IHF), Irish Small and Medium Enterprises Association (ISME), Small Firms Association (SFA), Allied Irish Bank, Bank of Ireland, Ulster Bank

December 2010

Introduction

This Guide has been produced by the Credit Supply Clearing Group, which was set up by the Department of Enterprise, Trade and Innovation and the Department of Finance, to develop initiatives to help support the funding of Irish businesses. The membership of the Credit Supply Clearing Group is set out at Appendix 1.

As part of its work, the Credit Supply Clearing Group established two sub-groups to address the following issues of:

Building Banking Relationships and Confidence Promotion, and the Cost of Finance to Irish businesses.

This Guide is the output from the work of these two sub-groups.

The aim of this Guide is to help bring clarity to the current realities of funding your business and how you can best position your business to secure the funding it needs to remain viable or to help your business to return to viability.

It outlines the various funding options open to your business, gives a real insight into what Banks look for when examining credit applications, gives information on credit pricing and outlines practical tips on how to package your credit application.

The Guide also provides you with a list of key business support Agencies and information to help your business secure the funding it needs.

Contents

Note: For the purpose of this Guide, where the term 'Business' or 'Businesses' is used, it refers to all sole traders, partnerships, limited companies, farmers and other business organisations

Section 1: Know Your Business

No one knows your business better than you. You will have a very clear picture about the key strengths and weaknesses of your business and the opportunities and challenges you are likely to face in the future, i.e. your business 'story.'

Your ability to present your business story to customers is key to the success of your business. Equally, your ability to present your business story to banks, potential investors, etc. is critical to ensuring access to the required funding for your business.

The key to securing adequate funding and finance for your business is that you must clearly demonstrate that your business is ***viable***. But, what does viable mean in the current environment?

A ***Viable Business*** is a business that is currently in operation and is expected to continue to remain trading for the foreseeable future. Common characteristics of viable businesses are as follows:

- A history of successful trading and profit and/or cash generation
- A management team that has adjusted its business model and cost structure to the prevailing business climate
- Good credit history over the previous 3-5 years
    - For start-ups, this may relate to the promoters personal credit/ financial history or any previous business ventures in which they have been involved in
- A realistic business plan and financial/cash flow forecasts that outlines a clear action plan.
    - Short-term cash flow projections (i.e. 6-12 months) are of particular importance in the current environment
- An ability to show that the business is capable of maintaining or returning to solvency within a two year trading period

Taking time out to assess the current state of your business and to identify any issues that your business may be facing is imperative. With this information to hand you will be better positioned to develop a plan which fits your business. This plan could involve actions around:

- reducing your cost structure,
- improving your debt collection processes,
- strategies to find new customers, accessing new markets or increasing sales.

When seeking new investment in your business, you should clearly demonstrate that you have completed this analysis. This will help instil confidence in existing and potential investors and financiers and is an important factor in securing the appropriate funding structure for your business.

Section 2: Know Your Funding Options

Before approaching your Bank with a credit application, you should assess the full range of funding options open to you. These include:

1. Your Business

The cheapest source of funds is often the cash within your own business. Effectively managing your cash flow may reduce your need for external funding. Here are some useful actions to consider:

Debtor Management	Supplier Management
o Put a formal debtor management system in place, with clear responsibility assigned to a staff member o Encourage payments up-front by accepting debit/credit cards or by offering discounts o Set credit limits, review regularly and stick to them o Check out new customers thoroughly o Don't let any one/small number of debtors get too big o Watch out for tell-tale signs that a debtor may have financial difficulties o Use Internet Banking to monitor payments into your account	o Implement a defined purchasing process with responsibility allocated to a specific staff member o Get quotes from at least three suppliers and go with the one that offers you best value for money o Check out if your supplier offers discounts and/or credit terms o Check if your supplier has a return policy o Check out if you can charge back any costs of delay to your supplier o Maintain regular contact with your key trade creditors o Pay by electronic means rather than by cheque – this will help you manage the timing of payments from your account
Stock Management	**Cost Management**
o Know the cost of carrying stock to your business - insurance, premises, etc. o Monitor the average turnover times of stock - particularly major items o Sell off slow-moving/outdated stock - sales, special offers, etc o Review your security procedures - make sure no stock is leaving for free o Maintain the 'right' amount of stock so cash is not tied up in surplus stock	o Identify the key cost drivers within your business o Review all cost lines within your business, both big and small o Implement an action plan to reduce your business costs o Assess alternative offerings across utilities, insurance, etc o Spread large once off annual costs over the year o Minimise discretionary spend levels

There may also be other ways of freeing cash tied up in your business, e.g. if your company has made statutory redundancies, there is now an option whereby you can offset your next months business tax bill against any monies that you are owed and are outstanding from the Department of Enterprise, Trade & Innovation. Log onto http://www.revenue.ie/en/business/running/tax-payment-difficulties.html for more details.

2. Personal Equity

Equity is the business promoter's own investment in the business. Financiers of, and investors in, businesses like to see a business owner(s)/promoter(s) investing their own money in their business. It demonstrates a real commitment to the business and reduces the overall level of bank debt needed to support the business.

3. Private Equity

- **Friends & Family** – As many Irish businesses are family owned, relatives and friends are often prepared to make investments in the business. In many cases, they may also be willing to do so without taking an equity stake in the business.

- **Business Angels** are private individual investors who invest capital in companies during the early stages of development. Business Angels usually seek active participation, contributing their business know-how or experience in company management. They also generally expect an equity stake in the business in which they invest (See www.businessangels.ie for more details).

- **Venture Capital** is money invested in innovative enterprises in exchange for a stake in the business. Your business can also draw on the expertise and advice of the venture capitalists.

- **Business Expansion Scheme (BES)** allows individual investors to obtain tax relief on investments in certain new businesses. There is no tax advantage for the company in receipt of the BES but securing this funding may enhance your ability to attract other external funding.

- **Seed Capital Scheme** provides for a refund of tax already paid by an individual when that individual sets up and takes employment in a new qualifying business. Tax years for which an individual may claim refunds can be selected from any or all of the six years prior to the year of investment. (For each of the selected years, the refund is limited to the tax paid with an upper limit in any year of €100,000). For more information, please call your local Revenue Commissioners or visit www.revenue.ie.

4. State/EU/Grant Aid

There are a wide range of grants and supports available to both new and existing businesses from State Agencies both here in Ireland and within the EU. These supports range from grants for R&D, Business Expansion, Business Stabilisation, Exporting, etc. to providing advice and expertise of business matters, e.g. accessing international markets, etc.

You should check out if your business is eligible to qualify for these grants at www.basis.ie, www.enterpriseboards.ie or at www.enterprise-ireland.com.

Section 3: Preparing your Bank Credit Application

Once you have assessed all funding options open to your business and wish to approach a bank with a credit application, the following are the key steps to follow before you apply for credit from your Bank:

Work with your Accountant/Adviser:

- Meet with your accountant/financial adviser in advance of going to meet with your Bank to ensure you can clearly demonstrate a thorough understanding of your business and its current financial position.
- Discuss with your accountant/financial adviser the key aspects of your business's current and future financial performance
- Ensure all the relevant documentation, accounts and projections are ready and accurate.
- Consider bringing your accountant/financial adviser to your meeting with your Bank.

Prepare the 'right' documents/information for your Bank:

Documentation Required	Why Banks need this information?
1. Up to date Business Plan/Proposal *(Sample Business Plan templates are available from most banks' business websites)*	This allows your bank to gain an understanding of you as a business owner, the market, product/ service, the assumptions supporting the financial projections and details of your plan for coming through this challenging environment.
2. Financial Information/Projections: o Auditor's statement for the previous three-year trading period	This enables your bank to gain a real insight into how your company: (a) has performed in the past, (b) how it is performing currently (c) how it is likely to perform in the future
o Up to date management accounts and cash flow statements to reflect the current trading period	Short-term cash flow projections are of particular importance in the current environment
o Up to date aged list of debtors/creditors *(including a clear picture of total financial commitments to all lenders)* o Financial and cash flow projections for minimum one-year period and underlying assumptions *(including any evidence of agreed orders/contracts)*	This information must demonstrate the ability of the business to repay existing debt and/or new debt requests and to remain viable over the medium to long term
3. Tax Clearance Certificate	This clarifies that all tax payments are up to date.
4. Up to date Asset/Liability profile of the business and owner(s)/promoter(s) o Background experience of the principals in the business	This allows the Bank to assess the overall financial position of the company and its owner(s) /promoter(s)
5. Collateral o Proposed collateral available to support the credit request	This enables the bank to determine the level of security, if any, that is available

***Note**: Some elements above will be more/less relevant to new/existing businesses – depending on their record with the bank or their time in business.*

The Credit Review Office has designed a generic bank lending request form which gives guidance on the type of information needed by banks to consider credit applications. Individual banks may have their own form of application.

The Credit Review Office generic form may be accessed at:
http://www.creditreview.ie/BankLendingRequestForm.aspx.

Farming Sector:

Farming has a number of particular characteristics which may be different from other SME's, which are relevant to this issue, mainly:

- In the vast majority of cases, farming is a family business which is operated on the basis of self-employment, rather than a company structure.
- Farming has a relatively high level of fixed capital in terms of land and farm buildings, which generally provides adequate security.
- Farm Income consists of two elements: (i) market returns (sales less costs) which tend to fluctuate from year to year, and (ii) a fixed element in the form of direct payments.

The key pieces of information that should be provided by farmers in seeking loans are:

- Farm accounts for the two most recent years, and an update of stock on the farm.

- A farm plan, prepared by the Teagasc advisor, or Irish Farm Accounts Co-op (IFAC), or other professional advisor, setting out cash flow projections.

- A copy of the letter from the Department of Agriculture, Fisheries and Food, setting out the total Direct Payments to the farmer.

- An indication of family living expenses.

- Information on any off-farm income of the farmer and/or spouse.

- A Tax Clearance Certificate or a statement from the Accountant that the tax affairs are up-to-date.

- Details of the purpose of the loan (It should be noted that a major programme of capital investment on farms has recently been undertaken as a requirement under EU and national environmental regulations. Thus most applications for credit from the banks are likely to be for either: (i) working capital/seasonal credit, (ii) minor capital investment, or (iii) restructuring of existing loans where repayment capacity has been reduced).

- Loan security: In the vast majority of cases, the farmer will be seeking credit from his/her existing bank. In that situation the bank will generally hold adequate security in the form of a registered lien or a registered legal charge. Where a farmer is seeking credit from a different bank, a statement of the security already provided to other banks would be required.

- Where a farmer is changing to a new bank, the previous bank statements for the latest 6 months are likely to be required.

- Information may be required on other credit sources including leasing companies and merchant/co-op credit.

Section 4: Bank Funding Options

It is important when approaching your Bank that you are clear as to the type of funding your business requires. Banks offer different types of lending products for business customers, the most common types of which are outlined below:

- ***Overdraft***: An Overdraft is an agreed limit on your current account which can be used to fund the timing gap between income and expenditure. Its purpose is to help your business meet its day-to-day cash flow demands. In any 12-month period, the balance on the account should fluctuate between credit and debit.

- ***Invoice Discounting:*** Many businesses suffer from slow or late payment of invoices. Invoice Discounting can help your business to overcome cash flow problems by giving you immediate access to a pre-determined percentage of invoiced debt without affecting your relationship with your customers.

- ***Business Loans:*** A business loan is a credit facility which is repaid by the business by way of regular repayments over an agreed term – typically between three and fifteen years depending on the purpose of the borrowing. Repayments usually include interest and part of the principal amount borrowed.

- ***Hire Purchase Agreement:*** is a credit facility where the lender purchases an asset and hires it to you for a fixed period of time at an agreed rental rate. When all repayments under the agreement have been made, ownership of the asset is transferred to the borrower. Until the final payment is made, the asset is owned by the lender, but the borrower will have full use of the asset for the term of the hire purchase agreement.

- ***Leasing Agreement (Asset Finance):*** is a credit facility where the lender purchases an asset and hires it to you for a fixed period of time at an agreed rental rate. Generally, Leasing Agreements are for a period of 3 to 5 years and can be used to fund moveable plant and equipment. Under Leasing Agreements, ownership of the asset is not transferred to you at the end of the agreement. Leasing can have tax benefits but you should obtain your own tax advice if you are considering this product.

- ***EIB Loan Scheme:*** The EIB Loan Scheme provides competitively priced medium term funding to help fund business expansion projects for SMEs. It is available from some Irish Banks in partnership with the European Investment Bank (EIB).

Assessing which finance option works best for your business:

- Work with your Bank to agree the best funding mix for your business.
- Plan in advance – generally you will know when your business will be cash rich and cash short so plan accordingly. When cash rich put your money in a high interest bearing deposit account. When you are cash short be sure to have ready access to finance.
- Use specific financial products instead of the business overdraft to spread large one off annual costs over the year – it will save you money and help your business's cash flow.
- Align the term and type of credit facility to your business's needs and financial circumstances.
- Ask your bank to explain the different costs associated with the various credit facilities and any potential cost benefits to you.
- For longer term projects where certainty is required – consider fixed-rate lendings.

Section 5: Restructuring Your Finances

There has been a significant change in the type of funding required by Irish businesses.

Before 2008, most credit applications were for loans for new capital investment purposes. In recent times, this has switched to working capital and cash flow solutions, for example:

- 70% of all business's credit applications to banks relate to working capital[1].

This change has been primarily driven by the decline in economic and trading conditions and a significant slowdown in business's payments cycle. A result of this is that some overdrafts are acting more like long-term debt, i.e. rather than fluctuating between credit and debit balances, the balance of the overdraft remains in a more constant debit position.

This is known in banking terms as developing a ***'hardcore'*** in the business overdraft. While the natural action may be to seek an increase to the business overdraft limit, in these situations it is often more appropriate to take that block of money (i.e. the 'hardcore') out of the overdraft and put it into a loan facility.

This may help reduce the business's interest bill, as loans are generally more inexpensive than overdrafts. One possible impact of this change is that the business overdraft limit may be lower, although this will depend on the business's individual circumstances and financial situation.

Other options businesses should consider when seeking to restructure their finances include "Interest Only" repayments for a specified period of time or extending the term of the loan. These options can help improve the cash flow situation for businesses.

If there is a need to refinance or restructure existing debt, the key to success is that it is discussed with your Bank as early as possible.

[1] *Source: Mazars Report December 2009. The Mazars Report contains the findings of an independent review of lending conditions to Irish SMEs, conducted by Mazars and published by the Minister for Finance.*

Section 6: Credit Pricing

Overview of SME Credit Pricing

The price or interest rate paid for bank credit is of key importance to SMEs. Following on from the economic downturn and the turmoil that has ensued in the wholesale money markets since the financial crisis, there are significant implications for the price of credit that have a direct bearing on the price paid by SMEs for Loans and Overdrafts.

Ultimately the price of lending is determined by the market, and this Section provides an explanation of the components of the interest rates paid by SME's and some of the current issues that are impacting on the cost of credit.

Interest rates charged for SME lending are generally made up of:

- "Cost of funds"
- Margin
  - Cost of risk and capital
  - Administration costs

1. Cost of Funds

There are two key ways banks fund their lending activity to SMEs; through deposit taking from their customers and, where the lending requirements exceed the value of the deposit base, through borrowings from wholesale money markets.

When providing Loans or Overdrafts to SME's, banks tend to quote an interest rate made up of a 'cost of funds' using a market reference rate, plus a margin. With regard to the 'cost of funds' it is clear from the explanation below these reference rates no longer reflect the true cost of funds to the banks.

Like any business a major determinant of the price is the cost and availability of the raw materials. For a bank, that means how much it costs to gather the money that funds their lending through either deposits or wholesale money markets.

(a) Market Reference Rates

Banks have historically priced lending using market reference rates such as the ECB[2] rate or the Euribor[3] rate as a 'cost of funds' reference rate. While these rates provide a publicly identifiable reference point, the events that have unfolded since the start of the financial crisis have meant that these rates do not reflect the real cost of funds and banks actual funding costs are considerably higher. While these European reference rates remain at historically low levels, the reality is that the cost of lending has not reduced accordingly, as outlined below, as there are other factors directly impacting on the cost of credit.

(b) Wholesale Money Markets

Most banks use the wholesale money markets to source a proportion of their funding which they can then use to provide loans and overdrafts. The recent financial crisis has had a significant impact on these markets with the result that the availability of funding has significantly reduced. Wholesale money market investors have also re-assessed

[2] The ECB 'refinancing' rate is the rate at which the ECB lends money to commercial financial institutions like banks. www.ecb.int

[3] The Euribor rates are based on the average interest rates at which a panel of more than 50 European banks can borrow funds from one another.www.euribor.org

the 'risk premium' required to lend to Irish banks in particular. As the level of funding available has decreased, the cost of this funding has increased for banks which, in turn, have had to increase the cost of finance for borrowers including SME's.

(c) Customer Deposits

In order to fund loans to customers, including SME's, banks need to attract funds from depositors by paying them interest. Due to the increased costs of funds sourced from the wholesale money markets and a move by banks to reduce their reliance on this as a source of funding, the competition between banks for customer deposits has increased significantly. As a result, banks are currently paying significantly higher rates for customer deposits relative to the ECB base rate than before, which ultimately has the knock-on effect of increasing the cost of finance for borrowers.

2. Margin

(a) Cost of Risk and Capital

Included in the SME interest margin charged by banks is an element of price that reflects the probability, from the banks' experience and data, that some of its SME customers will not be able to repay the debt. The methodology and calculations used to determine the cost associated with the risk of lending are set out under international rules by the Basel Regulatory Framework[4]. Regulators also give guidance to banks with regard to the buffers needed to protect banks in the event of shocks to the financial system.

To ensure confidence of customers and the security of customer deposits, banks around the world are currently holding higher levels of capital in order to ensure that banks maintain stronger capital bases than in the past. There is an economic cost associated with the holding of this capital and this cost is a factor in the interest rate charged on lending.

In addition in order to attract capital investors, banks will seek to generate a return for the shareholder for that capital, by way of profit. This return will be a factor in the interest rate charged on lending.

(b) Administration Costs

There are costs incurred by banks in processing, assessing, approving and managing credit facilities for customers. Like any business, banks will seek to recoup the costs involved in, and associated with, these activities.

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[4] The purpose of the Basel II Regulatory Framework, which was initially published in 2004, is to create an international standard that banking regulators can use when deciding how much capital banks need to put aside to guard against the types of financial and operational risks banks face.

Section 7: How Banks Assess your Application

Your application will be assessed under a number of headings including:

- ***Track Record:*** Your bank will first look at your business and your own personal track record e.g. credit history, credit rating, etc. Keeping your bank regularly informed is vital to building a relationship that will help meet this requirement when applying for facilities.

- ***Ability:*** Your previous business experience in the area. Demonstrating that you are planning for the future and are dealing with any business issues will be key in helping your bank to assess your application.

- ***Purpose:*** Is the credit needed for working capital, investment capital or expansion? Always ensure that the purpose of the credit fits with the strategic objectives of the company, so your bank understands how the new funds will benefit the business.

- ***Amount:*** You need to ensure that you apply for the right level of facility, that it is realistic and considers all costs when looking to raise new finance.

- **Repayment Capacity:** Your bank needs to know that your business will be capable of repaying the credit facility. Your bank will also look at all other financial commitments and the source of repayment. In the case of an overdraft, your bank will need to see that this facility is there to support the cash flow/seasonal nature of the business, i.e. the overdraft should not be needed all of the time – if it is, a loan or other credit facility may be more suitable and cost effective.

- ***Security***: Security may be required by banks to protect the bank in the event of the company failing. Security can be in the form of property or assets made available by a borrower as security against a loan. The level of collateral required will depend on the risk inherent in the application. Personal Guarantees may also be requested.

- ***Market:*** The market and your business's place within it are of vital importance in your banks' assessment of your application. They will review the local market to identify anything that might have either a positive or negative impact on your business as well as reviewing any assumptions that you have set out in your business plan against normal market trends.

Other important elements of the credit application process

- ***Timings:*** Under the Code of Conduct for Business Lending, your Bank must inform you of how long the credit decision will take. Check with your bank to ensure you have submitted all the necessary information, find out what stage your credit application is currently at and when a decision on your application is due.

- ***Interest Rates:*** Your bank will assess the level of risk in the application and determine the cost of the loan/facility based on the risk. Different rates are available with different finance options, so check with your bank to ensure that you are using the correct type of finance solution for your business.

- ***Declines:*** Where an application for credit is declined, your Bank Relationship Manager must provide you with the reason(s) why the credit facility was declined. In the event of a decline, you should consider the following options open to you:
  - In some instances, it may be possible to re-package the credit application in a way that meets both the business and bank needs.
  - You can appeal a decline decision with your bank if you wish.
  - You can seek an independent review of your bank's decision to decline your credit application. Further information is available on www.creditreview.ie

Section 8: Working with your Bank, Managing your Bank Finance

Working with your Bank:

Banks need businesses just as businesses need banks. Your bank is there to help you achieve your business goals, so don't be apprehensive about working closely with them. Here are some useful tips to help develop a good working relationship with your Bank:

- Keep your bank up- to-date on a regular basis on how your business is performing and be open and honest even if its bad news. Be proactive and contact your bank to address any issues quickly.
- Present up-to-date financials on a regular basis and ensure the figures are accurate. Avoid delays submitting up-to-date information if it has been requested from your bank.
- Invite your banker to your premises so they are fully aware of how your business operates.
- Banks can also be an in-valuable source of advice and information in relation to finance and other business matters - don't be afraid to contact them.
- In the event your Bank Relationship Manager moves branches, the bank should contact you in advance to introduce you to your new Relationship Manager.

Managing Your Bank Finance:

- Banks regulated by the Financial Regulator operate to the practices and polices outlined in the *"Code of Conduct for Business Lending to Small and Medium Enterprises"*. The Code promotes fairness and transparency in banks dealings with business lending. The full Code is available on: http://www.financialregulator.ie/processes/consumer-protection-code/Pages/codes-of-conduct.aspx
- Don't go over agreed limits or break the terms of your loan agreement with your bank if at all possible.
- If you think you are going to go over your agreed limit(s) with your Bank – let them know in advance and they may be able to temporarily or permanently increase your limit.
- If you do go over your agreed limit, you may incur increased fees and charges, including higher interest rates and it may affect your business credit rating.

Managing Your Credit Rating:

- Your business credit rating is critical to ensuring access to adequate funding for your business. The importance of a business's credit rating is even more important since the introduction of a banking regulation called Basel II.
- Basel II requires banks to hold sufficient capital to cover their credit risks. To meet this requirement, banks use a rating system to assess credit applications from business customers.
- The result of your business's credit rating will affect your bank's willingness to lend, the interest rate applicable and the conditions of the credit facility.
- Therefore businesses should ensure that relevant information is provided to their bank, not only at the time of a credit application but also on an ongoing basis, to ensure that credit ratings are updated as circumstances change.
- Be aware that if your bank debt goes 90 days in arrears, it is deemed 'in default' and could affect your credit rating into the future.
- For more detailed information on the impact of Basel II on your business, log onto http://www.ibf.ie/gns/customer-information/business-banking/Business_GuidesNotes.aspx

Section 9: Planning For The Future

Many business owners primary focus over the last year has been on the day-to-day running and survival of their business. This is both right and appropriate given the current trading environment. Equally important is the need to work on a long-term strategy to best position your business into the future, with a particular focus on maintaining and growing your customer base and developing new products and services.

Successful businesses will constantly refine and reinvent their business strategies and customer offerings. As a starting point you should consider focussing on the following four business areas:

1. Be Proactive…. Planning ahead for future growth

Actively review your business plan, maintaining up-to-date financial information and implementing robust cash flow and cost management processes will be crucial to managing future business performance.

2. Be Effective …. Deliver value from Marketing your business

Effective Marketing can be crucial to generate business during a period of downturn. Consider more cost effective ways of marketing your business, such as e-marketing, customer testimonials, etc. In an increasingly competitive arena, customers need to have confidence in your product and service offering, so ensuring value for money marketing spend is a must.

3. Be Innovative …. Capitalise on potential new opportunities

Even in more challenging market conditions new business opportunities may arise. New opportunities can emerge from existing as well as new customers. Tap into the opportunities inherent in your existing base such as referrals and cross selling. Consider diversifying. For example, growth may be delivered by simply adapting or extending a product range thereby broadening its appeal.

4. Be Customer-focused …. Delivering excellent service

While value is an increasingly important factor with consumers when assessing alternative product/service offerings, delivering excellent customer service remains the key to increasing customer retention, cross-sell and recruitment.

Section 10: Supports for Your Business

- **Banking / Finance**

Banking information for SMEs	***www.aib.ie/business*** ***www.accbank.ie*** ***www.boi.ie*** ***www.kbc.ie*** ***www.ulsterbank.ie***
Central Bank ***(Including access to a copy of Code of Conduct for Business Lending to SMEs)***	***www.financialregulator.ie***
Micro-finance **Social Finance Foundation**	***www.sff.ie***
Business Angels	***www.businessangels.ie***
Credit Review Office	***http://www.creditreview.ie/default.aspx***

- **Industry Groups/Supports**

Business Access to State Information and Services	***www.basis.ie***
Business Development Network	***www.plato.ie***
Chambers Ireland (*and affiliated Chambers)*	***www.chambers.ie***
County Enterprise Boards	***www.enterpriseboards.ie***
Department of Enterprise, Trade and Innovation	***www.deti.ie***
Department of Tourism, Culture and Sport	***www.arts-sport-tourism.gov.ie***
Enterprise Ireland	***www.enterprise-ireland.com***
Fáilte Ireland	***www.failteireland.ie***
Irish Banking Federation	***www.ibf.ie***
IDA Ireland	***www.idaireland.com***
Irish Farmers’ Association	***www.ifa.ie***
Irish Hotels Federation	***www.ihf.ie***
Irish Small and Medium Enterprises Association (ISME)	***www.isme.ie***
Small Firms Association (SFA)	***www.sfa.ie***

Section 11: Business Checklist

Below is a checklist of the key steps you should complete before applying for credit with your Bank:

Action	Tick (as appropriate)
Have you reviewed your business plan and current business performance?	
Have you assessed all funding options?	
Do you know the funding mix of your business?	
Have you met with your accountant/financial adviser?	
Do you know the level and type of bank funding your business needs?	
Have you all the relevant documentation / information? 1. Up to date Business Plan 2. Auditors Statement 3. Management Accounts 4. Up-to-date aged debtors/creditors list 5. Financial and cash flow projections 6. Tax Clearance Certificate 7. Up to date asset/liability profile of business and promoters	
Does your application meet all the key criteria used by banks when assessing credit applications? *(Please refer to page 12)*	

Appendix 1

Credit Supply Clearing Group

The Membership of the Group includes:

Government Departments
The Department of Enterprise, Trade and Innovation, the Department of Finance and the Department of Tourism, Culture and Sport.

The Credit Supply Clearing Group was chaired by the Department of Enterprise, Trade and Innovation.

State Agencies
Forfás, Enterprise Ireland, IDA Ireland and Fáilte Ireland.

Banking Sector
Irish Banking Federation and leading lending banks, Allied Irish Bank (AIB), Bank of Ireland (BOI), Ulster Bank, Anglo Irish Bank, Bank of Scotland (Ireland) and National Irish Bank.

Representative Organisations
Chambers Ireland, the Irish Small and Medium Enterprises Association (ISME), the Small Firms Association (SFA), the Irish Farmers' Association (IFA), and the Irish Hotels Federation (IHF).

Purpose of the Group
The purpose of the Group was, inter alia, to identify specific patterns of events or cases where the flow of credit to viable projects appears to be blocked and to seek to identify credit supply solutions. The Group also considered the development of initiatives to help support the funding of Irish businesses.