

STRATEGIC BANKING CORPORATION OF IRELAND (SBCI) AND FIRST CITIZEN FINANCE ANNOUNCE €50M IN NEW LOWER-COST FUNDING FOR IRISH AGRI-BUSINESS SMES

- *First Citizen becomes sixth SBCI on-lender*
- *New hire purchase and leasing fund for agri-business SMEs to buy machinery*
- *99% of SBCI's original €800m funding (€790m) now allocated across three banks and three non-bank lenders*

Friday 29th April 2016 - The Strategic Banking Corporation of Ireland (SBCI) has today announced that First Citizen Finance has become the sixth lending partner to offer SBCI finance with a new €50m fund for Irish agri-business SMEs seeking to buy or lease machinery (including tractors, combine harvesters and balers).

First Citizen's new hire purchase and leasing products for agri-business will use the SBCI's funding advantage to offer discounted rates and more attractive repayment terms of up to 7 years.

The new fund means that the SBCI has now committed 99% of its original funding (€790m of €800m) to three banks (AIB, Bank of Ireland, Ulster Bank) and three non-bank lenders (First Citizen Finance, Finance Ireland and Merrion Fleet).

The announcement was made at an SBCI event for SMEs, "Funding Strategies for the Food and Agri Sector", which took place in Limerick this morning and was attended by more than 100 small businesses and advisors. EU Commissioner for Agriculture and Rural Development Phil Hogan was the keynote speaker at the event.

Minister for Finance Michael Noonan said: *"I am delighted with this announcement as it is a further example of how the SBCI can and is applying its innovative funding to all branches of the economy.*

It is evidence of help being available to those SMEs who seek funding to grow and maintain their positive impact on Ireland's national economic wellbeing."

Commissioner Hogan said: *“The announcement today by SBCI and First Citizen Finance is a great example of how to drive investment in rural areas. Access to innovative financial instruments through non-bank lending is a key trend at EU level with our Capital Markets Union initiative.*

Investment, growth and jobs are the top priorities of the European Commission, and improved access to competitive finance is the catalyst to making this priority a reality.”

SBCI Chief Executive Nick Ashmore said: *“This is another key step in delivering lower-cost, more flexible funding to Ireland’s agri-business SMEs – which already account for 26% of all SBCI loans.*

It is a major achievement for the SBCI that we have now committed nearly all of the €800m original funding we received when we were set up. This demonstrates the significant impact that the SBCI is having on the SME lending market and the strong demand among SMEs for what we are delivering.”

First Citizen Finance Managing Director Chris Hanlon said: *“We are delighted to extend our asset finance services to the agri-business sector. We look forward to bringing the same high-quality service and nationwide reach to agri-businesses as we have to our existing customers.*

Our new partnership with the SBCI will offer hire purchase and leasing facilities at competitive rates and on attractive terms to farmers and agri-businesses throughout Ireland”.

The new products announced today are:

Hire Purchase	Leasing
(non-consumer)	
Repayment over 2 to 7 years	Repayment over 2 to 7 years
First Citizen buys equipment on behalf of SME and SME acquired ownership when Final Payment is made	First Citizen retains ownership and SME pays for the use of the asset
Fixed interest rate – fixed payments over a fixed term	Fixed interest rate – fixed payments over a fixed term

VAT can be reclaimed immediately (if SME is VAT registered)

Leasing rental payments may qualify for tax deductions

Interest can be offset against taxable profits

SME has the same use of the equipment as if it owned it outright

Capital allowance costs can be offset against tax over time

Initial capital outlay is minimised, helping SME's cashflow

The new products are available immediately, with further details available at www.firstcitizen.ie.

For further information contact:

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