

Press release

Ministers Coveney, McGrath and McConalogue welcome AIB as lender for €1.2 billion Ukraine Credit Guarantee Scheme

From [Department of Enterprise, Trade and Employment \(/en/organisation/departments-of-enterprise-trade-and-employment/\)](#)

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Allied Irish Bank Group (AIB) has today confirmed it is joining the Ukraine Credit Guarantee Scheme as a lender. This scheme has a lending ceiling of €1.2 billion and facilitates loans for working capital and medium-term investment.

The important features are:

- no personal guarantee or collateral required for loans up to €250,000
- loans of up to 6 years and €1 million
- reduced interest rates (vs standard market rates)
- available until 31 December 2024 and includes farmers, fishers and small mid-caps
- pre-eligibility available on Strategic Banking Corporation of Ireland (SBCI) Hub which speeds up the process

Businesses will have certainty that their liquidity funding needs can be met through low-cost loans supported by the government. This is a central pillar of the government's response to aid businesses impacted by rapidly rising costs as a result of the invasion of Ukraine.

Minister for Enterprise, Trade and Employment, Simon Coveney said:

"This Credit Guarantee Scheme gives much needed access to liquidity to businesses that are impacted by the ongoing cost increases arising from the illegal invasion of Ukraine by Russia. The favourable terms and pre-eligibility availability makes this scheme attractive and accessible to businesses including SMEs, farmers and fishers.

"The government will continue to assist businesses in the most practical, targeted and effective way as we continue to negotiate a challenging trading environment."

Minister for Finance Michael McGrath said:

"This government is committed to supporting Irish SMEs. We understand that businesses continue to face significant challenges in relation to inflationary pressures in the energy and commodity markets, resulting from Russia's invasion of Ukraine.

"The Ukraine Credit Guarantee Scheme sends a strong signal of the government's support to businesses by making up to €1.2 billion of low cost working capital available to SMEs, primary producers and small mid-caps affected by these inflationary pressures and enable them to continue trading through this crisis.

"The scheme allows businesses which have experienced an increase in costs of over 10% on 2020 due to the impact of the conflict, to access lending terms of up to 6 years, on loans ranging from €10,000 to €1 million, with amounts of up to €250,000 available on an unsecured basis.

"I welcome Allied Irish Bank's decision to join the Strategic Banking Corporation of Ireland as an on-lending partner for this scheme. SMEs play a critical role in the Irish economy. It is of pivotal importance that Irish banks provide competitively priced liquidity to SME customers."

Minister for Agriculture, Charlie McConalogue, said:

"I welcome the addition of AIB as lenders under the €1.2 billion Ukraine Credit Guarantee Scheme. While our world-class agri-food sector has shown its ability to adapt to various situations, it is important to continue to support businesses in a practical and targeted way to effectively meet their liquidity and working capital needs. This further demonstrates the government's continued support for farmers and agri-businesses in this time of economic uncertainty arising from the impacts of the conflict in Ukraine.

"I was pleased to be able to ensure that the Ukraine Credit Guarantee Scheme will be available to farmers, fishers, foresters, and food businesses. AIB's participation in the scheme affords farmers and businesses more choice and increased accessibility to lower-cost funding and I am confident this initiative will play a crucial role in ensuring the ongoing viability of the agri-food sector and businesses generally."

Colin Hunt, CEO of AIB said:

"We are aware of the impact the Russian invasion of Ukraine is having on Irish businesses and the challenges this represents in terms of rising energy costs and disruption to supply chains. We are delighted to once again partner with the Strategic Banking Corporation of Ireland (SBCI) to bring the Ukraine Credit Guarantee Scheme to market to support our business and farming customers. In particular the provision of unsecured loans of up to €250,000 makes this scheme an attractive option for borrowers."

June Butler, CEO of SBCI said:

"We welcome AIB as the newest lender to the market for the Ukraine Credit Guarantee Scheme. AIB's participation in the scheme means Irish businesses will have another access point to lower-cost funding when it is needed the most, which is a key priority for the SBCI.

"This scheme provides additional support and financial flexibility to those businesses directly or indirectly impacted by the conflict in Ukraine, allowing them to fund their working capital and investment needs. The provision of unsecured loans of up to €250,000, together with the reduction in applicable interest rates, makes the Scheme a viable option for borrowers.

"The SBCI will continue to play its role in supporting Irish businesses during these turbulent times, as they seek access to financing to grow, innovate and thrive into the future."

AIB customers can apply for the Scheme online at [aib.ie/sbciukraine](https://aib.ie/business/sbci/ukraine-credit-guarantee).
(<https://aib.ie/business/sbci/ukraine-credit-guarantee>)

Notes

Ukraine Credit Guarantee Scheme

Background

The scheme is timebound and will be available until 31 December 2024.

In September 2022, the Minister for Enterprise, Trade and Employment announced a Budget package to help businesses with escalating energy costs and to plan for the future. On foot of this in January 2023, to assist the wider business sector with liquidity and to invest in energy efficiency, we introduced a €1.2 billion State-backed Ukraine Credit Guarantee Scheme. This provides low-cost working capital to SMEs, primary producers and small mid-caps (businesses with fewer than 500 employees) of up to €1 million, on a six-year term, with no collateral required for loans up to €250,000.

SMEs, small Mid-Caps and primary producers have an immediate and urgent need for liquidity to meet increased expenses, particularly energy costs, and adapt to volatile and altered economic trading conditions. A significant and ambitious credit guarantee scheme will assist lenders in providing liquidity to these companies and send a strong signal of support and confidence.

The main features of the scheme are as follows:

- this is a scheme for SMEs, primary producers and small Mid-Caps (defined as businesses with up to 499 employees). SMEs are expected to be the main beneficiaries
- in order to qualify for the scheme, the borrower will have to declare that costs have increased by a minimum of 10% on their 2020 figures and that the loan is being sought specifically as a result of difficulties being experienced due to the Ukraine crisis
- loans will be available to viable businesses only and it must be a new loan with no refinancing
- the ceiling of funding available under the UCGS is €1.2 billion
- a guarantee rate of 80% for the State with the lenders retaining 20% of the risk of the loan
- the current standard facility size of €10,000 to €1 million under the current Acts will remain for the UCGS
- the products covered under the scheme include a broad range of credit facilities including overdrafts, working capital and term loan facilities
- capital and/or interest moratoria for specific periods of time (up to three months) will be permitted under the scheme but any decision regarding such moratoria will be at the discretion of the individual lender based on their assessment of their customer

The scheme has been prepared in order to comply with the terms of the European Commission's Temporary Crisis Framework for State Aid. In particular:

- primary agricultural, fisheries and aquaculture producers may be included
- a guarantee premium on each loan under the Scheme is required to be paid in addition to interest rate costs. The premia range for SMEs is 0.29% for loans of 1-3 years and 0.68% for 4-6 years. For small mid-caps the range is 0.73% for 1-3 years and 1.55% for 4-6 years

Businesses apply through the SBCI Hub, via sbci.gov.ie. (<https://sbci.gov.ie/>) This is an easy to-use online application. If successful, the applicant will receive a code which can be used at any participating finance provider.

Part of

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