

Tooling Finance

Specialist Finance for UK Manufacturers



Why 'Tooling Finance'?

The automotive industry is extremely important to the UK both as a major employer and also as one of the largest manufacturing sectors. As a consequence it creates and sustains strong supply chains involving many British companies. RBS is committed to supporting the industry and its supply chains with innovative funding solutions such as Tooling Finance.

Tooling Finance from RBS has been specially produced for manufacturers within, or supplying, the automotive industry who require support for the purchase of 'bespoke' tooling. The average car contains a large number of parts – many generic but a large number of bespoke parts too which are designed specifically for a certain model. These bespoke parts require a bespoke tool (i.e. a template or mould) to be produced, which can be expensive to source and often takes time to manufacture by a specialist tooling supplier.

Manufacturers in the automotive supply chain are often expected to fund the purchase of the tooling for up to two years before production of the agreed parts begins and in some cases beyond the point they begin to supply the parts produced. This can cause a great strain on cash flow and working capital. A tailored Tooling Finance loan from RBS can help.

Who is it for?

Our Tooling Finance loan can help by funding the majority of the cost of the tool. To be considered, the following conditions must apply:

- Tooling Finance loans are currently available only for manufacturers in the automotive supply chain, supporting a large car manufacturer in the UK or overseas. (These car manufacturers are also referred to as Original Equipment Manufacturers or OEMs.)
- The loan must be for the purchase of a bespoke tool which will produce a specific part destined for use in an 'end product' made by an OEM (for instance a new car or engine).
- The Tooling Finance loan must be repaid when the OEM pays for the tool (usually under contract and when parts supply begins) or repaid by the parts manufacturer during early production.
- The loan will cover up to a maximum of 80% of the value of the tool.

How does it work and what are the benefits?

- **Clarity** – A Tooling Finance loan is separate from any other facilities you may have with RBS. This can be useful if you wish to keep your regular working capital free to pay for everyday bills such as staff salaries, factory expenses or funds for other projects.
- **Efficient** – A Tooling Finance loan is highly tailored to the manufacturer's needs and is agreed for the exact length of time it is required, so no paying for a longer credit period than is needed.
- **Extra lending** – Depending on the contract between an OEM and parts supplier, and the credit status of the business applicant, it may be possible for RBS to provide a greater level of funding than would be possible if using a more regular method of borrowing such as an overdraft or business loan.
- **Extra assistance** – Our dedicated Tooling Finance loans team will monitor the tool's production and pay any staged payments previously agreed between the parts manufacturer and the tool's producer, directly from the loan.

Loan features:

- Borrow between £20,000 and £1,500,000
- For a period of up to 56 months
- Variable rate borrowing options are available
- Product fees may apply, and where applicable, drawdown fees and an arrangement fee will be charged. Loan interest to payments will apply
- No early repayment charges

To find out more about Tooling Finance or to apply:

Speak to your existing Relationship Manager or call the Manufacturing Team today.



0800 529 8096

Text Relay

18001 0800 529 8096

Lines are open Monday to Friday, 9am – 5.30pm (excluding Bank Holidays). Calls may be recorded.

Security may be required for which a fee may apply. Over 18s only.

ANY PROPERTY USED AS SECURITY, WHICH MAY INCLUDE YOUR HOME, MAY BE REPOSSESSED
IF YOU DO NOT KEEP UP REPAYMENTS ON A MORTGAGE OR OTHER DEBT SECURED ON IT.

rbs.co.uk

The Royal Bank of Scotland plc.
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