

## Application Submission

All applications for business-related lending must be made in writing on the appropriate Business Loan Application form. An application may be faxed/ emailed. It must also be accompanied by a Business Plan and supporting financials which meets the requirements set by the Bank.

The Business Loan Application and Business Plan must be signed by authorised signatories appropriate to the legal form of the borrower.

Please note that these requirements apply for all types of loans, including business overdrafts.

All applications are subject to relevant application, administration, cancellation and additional Lending fees.

## Lending Brochures

We have a selection of Lending Brochures available from Bank of St Helena:

- Lending
- Personal Lending
- Mortgages (Housing)
- Commercial Lending
- Business Loans - A Guide for Applicants
- Understanding Overdrafts
- How your Loan Works
- Financial Support for Young Entrepreneurs



# Business Loans

## A Guide for Applicants



Bank of St. Helena Ltd.

[www.sainthelenabank.com](http://www.sainthelenabank.com)

## Loan Interest Rates

Commercial Unsecured.....7%

Commercial Secured.....6%

Commercial Loans exceeding £150K.....5%

*Interest Rates are subject to change.*

## LOAN INSURANCE

Assets used as security on all loans must be insured. For full details on required insurance cover, contact the Lending Section.

### CONTACT US

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Bank of St Helena Ltd

## Bank Of St Helena Business Loans

Bank of St Helena Ltd has a flexible package of loans available for businesses. Appropriate borrowing can allow a business to seize opportunities and grow. When assessing an application for a lending, the Bank aims to ensure that the business does not take on debt that it cannot manage to repay, and that all documentation provided demonstrates methodical preparation and realistic targets. The information required allows the Bank to form its judgement on whether this is the case.

## Obtaining Assistance

The Bank can provide some help to applicants, mostly in terms of identifying areas of the application that are of concern and suggests how these areas might be better researched. However, the Bank cannot give advice on the actual underlying business planning.

There are a number of potential sources who provide such assistance, however, the Bank does not formally recommend any particular provider. Many of these have previous experience of helping clients prepare information for loan applications.

Applicants using a third-party provider should note that the third-party is the applicant's agent. The business loan proposal and, if approved, the facility letter are between the Bank and the applicant. In the event of any difficulties, the Bank will hold the applicant responsible for the data provided, irrespective of whether any third parties have been involved in its preparation.

## Business Plan Requirements

The purpose of the Business Plan is to enable the Bank to determine the scope and nature of the business to which it is being asked to lend, and also to ensure the applicant has a good understanding of the risks that may befall the business and thereby affect its ability to repay the loan.

The Bank does not impose a set format for a Business Plan. However, to be acceptable for the purposes of business lending, the Business Plan must contain the following minimum information:

- It should outline the structure of the business, the product or service, the customer, the growth potential and the financials. It should also include how the loan will be utilised within the business and the expected benefits, and the supplier costs and/or contractor quotes. The plan must cover a three year period from the date the loan will be drawn.
- A Cashflow Forecast covering the same period as the rest of the Business Plan, however, if a positive net cash position is not obtained within this period, an extended Cashflow will be required until such time that it does.
- A projected Trading, Profit & Loss Account and / or Income Expenditure Account for the same period as the Cashflow Forecast.
- Details of the offered collateral, on which the loan will be secured.
- Details of any existing borrowings by the business and the business owners.
- Information on all assumptions used in compiling the forecasts.

- For existing businesses, the accounts of the business for at least the previous completed financial year, and management reports for any completed quarters since. The accounts should include: A Balance Sheet, Depreciation Schedule, Trading, Profit & Loss Account and / or Income Expenditure Account.

It is strongly recommended that the Business Plan includes the following information in as much detail as is appropriate to give the Bank a good understanding of the business:

- Information on how the business will operate in relation to its customers and competitors; this could include market research and competitor analysis.
- Information on the owner(s) and key staff of the business and their relevant experience; this could include CVs and information on completed and planned training.

