

Applying for a Commercial Loan / Overdraft

Lending Brochures

What is Needed:

- A fully completed application form
- Signed Account Transfer covering the application fee
- A Business Plan
- Cashflow Forecast (for a minimum of 3 years)
- Trading Profit and Loss / Income and Expenditure Account (for a minimum of 3 years)
- Income Tax Certificate
- Company Documentation (if applicable)

How it Works:

Upon receiving all necessary documentation for a commercial loan/overdraft, an in-depth analysis is undertaken on the business proposal. This process is likely to take up to **4 weeks (20 working days)** for under £30k, and up to **8 weeks (40 working days)** for over £30k. This is depending on:

- The value of the application
- The detail and accuracy of the information provided
- The security offered (if applicable)

Fees:

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

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



Commercial Interest Rates

Commercial Unsecured.....	7%
Commercial Secured.....	6%
Commercial Loans exceeding £150K.....	5%

Interest Rates are subject to change. For information on Short-term Contract Finance and Support for Young Entrepreneurs, please contact the Lending Section.

Commercial Loan Insurance

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

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Commercial Lending



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Normal Repayment

Secured and Unsecured

A Business Loan can be used for many purposes, including business start-up costs, expansion of existing business and venture capital investments.

Loan repayments commence one month from the date the facility letter is signed.

A **Secured Business Loan** can be used to purchase assets of large value, e.g. Vehicles, Plant and Machinery, Equipment and Property; or for the construction of new buildings.

An **Unsecured Business Loan** can be used for a number of purposes, however, businesses must demonstrate that they have no suitable asset to use as the required security.

Unsecured Business Loans are available up to £5,000 and are generally used for small asset purchase, e.g. Tools.

Deferred Repayment

A **Deferred Business Loan** provides funding, enabling clients to purchase an asset or construct/renovate a building. The key features of a deferred loan is that repayments are postponed for an agreed period.

Additional information required for a Deferred Business Loan application:

Along with the Application form and other supporting documentation, the business plan must include detailed information pertaining to the deferral period, i.e.

- Specific details of why the deferral period is required
- The length of the deferral period
- When you wish to start repaying the loan

This facility will incur deferral interest during the period which the loan is deferred.

Business Overdrafts

Secured and Unsecured

The purpose of an **Overdraft** is to allow the account holder access to funds beyond what they hold in their account up to a specified limit.

An overdraft is used for **Working Capital** purposes only. Working Capital is the funds required to conduct the day-to-day operations of the business, for example salaries, stock, fuel, etc.

An overdraft is essentially a line of credit that applicants pre-arrange with the Bank for use at times when the business needs extra finances.

An Unsecured Overdraft is available up to £5,000 only, however, the business must demonstrate that it has no suitable asset to use as the required security.

Contact the Lending section for further details on all Commercial Lending services.

Short-Term Contract Finance

If you have successfully been awarded a contract on St Helena but will not receive any funds until the contract is completed, you can apply for Short-Term Contract Finance to cover your immediate expenses. The maximum term is currently set at 4 months.

The benefits of Short-Term Contract Finance are faster approval time, as no business plan or cashflow forecasts are required; no asset-based guarantees are required as the contract will be the collateral; interest is only charged on the funds drawn, and you will be in control of the repayments and can re-use the funds as much as you like for the duration of the facility.

Support for Young Entrepreneurs

Secured and Unsecured support is available for applicants between the ages of 18 and 25 to help finance their new start-up business. The maximum amount available is £5,000 and the maximum repayment term is 5 years.

Eligible candidates must not have a previously owned business and if in partnership, the business must be run by another young entrepreneur who also meets the eligibility criteria.