



Bank of St. Helena

www.sainthelenabank.com

TERMS AND CONDITIONS FOR LENDING

1 General

- 1.1 All references below to “applicant” and “borrower” shall be construed in the plural in the case of joint applications.
- 1.2 References herein to ‘St. Helena’ include the entire jurisdiction of St. Helena, including Ascension Island and Tristan da Cunha.

2 Qualification

- 2.1 Any individual aged eighteen years or over or organisation, of St. Helenian status or having a clear St. Helena connection, can apply for a loan.

This is normally defined as an organisation or individual that either:

- Is a Saint Helenian
- Has a current entitlement to undertake paid employment on St. Helena
- Owns property on St. Helena
- Is a close or dependent relative of someone in any of the above categories
- Is a company registered by the Companies Registrar of St. Helena
- Is a St. Helena-based voluntary organisation (e.g. clubs, societies and charities)
- Has been granted Approved Investor Status by the St. Helena Government in respect of the activity in question
- (References to St. Helena include the entire jurisdiction of St. Helena, including Ascension Island.)

3 Application

- 3.1 Every application must be made on the Bank’s standard application form, which must be completed in full and signed by the applicant. All signatures must be from an authorised signatory.
- 3.2 The purpose of the loan must be clearly stated within the application form or supporting documentation.
- 3.3 The borrower agrees that the Bank may take whatever steps it considers necessary to satisfy itself as to the creditworthiness of the applicant, and the applicant agrees to provide the Bank with whatever additional information it considers necessary in order to assess the application. The borrower may withdraw this consent at any time before a loan is agreed, whereupon the application will be deemed to have been withdrawn.
- 3.4 The Bank reserves the right to refuse to approve loans at its sole discretion, without the requirement to provide a reason for so doing.

Bank of St. Helena

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Established under the Bank of St. Helena Ordinance, 2003.

Please detach these Terms and Conditions and keep them for your records.

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4 Conditions of approval

- 4.1 The applicant will be advised of the approval of a loan by way of a letter, in which any additional or varied conditions will be clearly stated.
- 4.2 To accept the loan offer the applicant must sign and have witnessed in duplicate the acceptance form.
- 4.3 The borrower undertakes not to borrow further sums from any other source without the consent of the Bank whilst any amount of the loan remains outstanding.
- 4.4 The applicant may be required to prove ownership of any asset which is to be provided to the Bank as collateral.

5 Loan period

- 5.1 All loans will be for a specified period of time which will not exceed the estimated useful life of the collateral to be taken by the Bank as security for the loan.

6 Interest rates

- 6.1 Interest will be based on the Ordinary Savings Account Interest Rate, plus a margin to be set by the Bank depending on the status of the borrower and the nature of the loan.
- 6.2 By accepting the loan the borrower authorises the Bank to vary the interest rate, whether occasioned by a change to the Ordinary Savings Account Interest Rate or for other published reasons.

7 Repayments

- 7.1 All repayments must be made automatically each month on a day to be mutually agreed by the Bank and the borrower, and will be debited to an Ordinary Savings Account in the borrower's name held at the Bank of St Helena.
- 7.2 The borrower must ensure that sufficient funds exist on the account to meet the contracted monthly repayments.
- 7.3 All repayments will be for a specific amount as calculated by the Bank in order to fully repay the loan, plus interest, by the agreed repayment date.
- 7.4 Lump sum repayments are permitted. The borrower will be given the option of either reducing the term of the loan, or reducing the monthly repayment. Lump sum repayments can be made at any time and are applied to the loan at the next repayment date.
- 7.5 Should there be insufficient funds in the Ordinary Savings Account, the repayment will still be made and an unauthorised overdraft will be created. The bank will then attempt to contact the borrower to advise of this overdraft and request that it is cleared immediately. The account holder will be unable to draw cash or make payments from the Ordinary Savings Account until this overdraft has been cleared. Unauthorised overdrafts may attract additional charges and/or interest at a higher rate.

8 Disbursement

Secured Loans

- 8.1 Where loans are for purchase of specific items (capital assets/materials/labour) all disbursements under the loan agreement will be made directly to the supplier.
- 8.2 All requests to disburse funds under a loan agreement must be supported by a sales invoice.

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- 8.3 Disbursements must begin within a period for six months from the date of approval or the loan approval will be cancelled.

Unsecured Loans

- 8.4 Upon approval of the loan the bank will notify the borrower and pay the agreed amount into the borrower's Ordinary Savings Account. The borrower need not supply documentation for the purchases made.

9 Default

- 9.1 The events that would cause a loan to be considered In Default will be notified to the borrower in the loan offer document.
- 9.2 The bank's procedures for dealing with loans In Default can be provided on request.
- 9.3 In the case of Default, action (which may include legal action) will be taken to obtain payment and/or to take ownership of the assets held as security.

10 Business Loans – Definition

- 10.1 A loan is a **Business Loan** if
- a) the applicant is recognised as a company by the Companies Registrar of St. Helena; or
 - b) the application is supported by a business plan, cash flow forecast and (for existing businesses) previous financial statements, as required.

11 Other conditions

- 11.1 Appropriate insurance must be maintained over any assets held as security by the Bank for the period of the loan. Such insurance is to be evidenced by the provision of a current insurance certificate.
- 11.2 **BUSINESS LOANS:** The borrower is required to maintain proper books of accounts of the business, which must be made available to the Bank for review on demand.
- 11.3 The applicant may use the services of third parties to assist in completing the application forms and required data. However, the accuracy and completeness of the application remains the sole responsibility of the applicant.

12 Amendment

- 12.1 These terms and conditions form part of the contract between the bank and the borrower.
- 12.2 The bank reserves the right to revise these terms and conditions at its sole discretion, at any time, without notice. Revisions will apply to new and existing borrowers. Existing borrowers will be informed of any material changes.

General Advice to Borrowers

Bank of St. Helena attempts to establish that loans it makes are affordable to the borrower. However, the bank recognises that circumstances may change unexpectedly. In the event that a borrower is likely to be unable to meet the repayments on a loan s/he should contact the bank as soon as possible to discuss the situation, preferably before any payments are missed, so that a satisfactory solution can be agreed.