



Bank of St. Helena

www.sainthelenabank.com

Starting your Business

with a loan from The Bank of St. Helena

You have a brilliant business idea, and you need some money to get it started. Perhaps you need to buy some machinery, or import some raw materials, and you need money to pay for these.



A Business Loan or Business Overdraft from the Bank of St. Helena could be the solution.

How does it work?

First, you come to us and explain about your new business and the plans you have.

We work out together how much we can lend you, based on the amount your new business will be able to repay, and allowing for the usual ups and downs of business income. We can also advise on whether a straightforward loan or a Business Overdraft would be best for your needs.

Once everything has been agreed we will set up your loan arrangements and you can start your exciting new business.

What is a Business Overdraft?

We have produced a paper called "Understanding Overdrafts" which explains how overdrafts work and when they are appropriate form of lending. Please download a copy from our website, or ask at the bank.

Lending Examples

Purchase of a new machine using a Business Loan

A (fictitious) new business wants to borrow £2,000 to buy an essential machine. The machine will have a useful life of ten years but we jointly agree that the loan will be repaid over five years. The payments on such a loan would be about £40 per

month¹. The cash flow forecast and business plan show that the business will be able to afford such a repayment, so the loan is agreed. The loan is set up, the business orders the new machine, and the new business is underway.

Paying for imported goods using a Business Overdraft

Another (fictitious) new business will need to import raw materials from South Africa on a regular basis. With a Business Overdraft, the business can draw on the overdraft to pay for the imports, and then repay the borrowing once the goods have been shipped, processed and the end products sold. The flexibility of the Business Overdraft makes it an ideal solution to the uncertainties of timing in this example.

Terms and Conditions

Our full Terms and Conditions for Lending are available from the bank on request, or can be downloaded from our website at www.SaintHelenaBank.com

Here are a few points that you must remember when applying:

- The Bank of St. Helena attempts to establish that loans it makes are affordable to the borrower. We will not agree to a business loan if we feel that the repayments will be too much for the new business.
- We will need to see business plans and a cash flow forecast. These do not have to be neatly presented documents but they do need to be clear, fully thought through, and show how the business will work.
- If the loan is to purchase a specific asset (e.g. a machine) we may take a 'legal charge' over that machine until the loan is repaid. That means that, if the business does not keep up repayments on the loan, we will take the asset and sell it to repay the loan.

How do I apply?

Either call into the bank in Jamestown and speak to the Lending Department, or telephone us on (+290) 2175 for an initial discussion. Our lending team will tell you all you need to know and answer any questions you have.



Please remember

A loan is a legal agreement between you / your business and the bank. Do not borrow money that you know you cannot afford to repay.

The information provided in the leaflet is for illustration only and does not constitute a formal offer from the Bank of St. Helena. Figures are based on current interest rates, which may vary. Our Terms and Conditions for Lending will apply to all loans.

The Bank of St. Helena was established under the *Bank of St. Helena Ordinance, 2003*.
Head office: Post Office Building, Main Street, Jamestown, St. Helena Island, STHL 1ZZ

¹ Figures based on interest rates at the time of writing, and subject to change.