

Coronavirus Business Interruption Loan Scheme (CBILS) Bank of England Base Rate Variable Loan



We are participating in the Government's **Coronavirus Business Interruption Loan Scheme (CBILS)** to support small and medium sized businesses by providing access to a source of alternative finance.

This scheme is available for UK companies that have an annual turnover between £1,000 - £45 million, the maximum value of a facility provided under the scheme will be up to a value of £5 million for a term up to 6 years. **Please be aware that this is a government backed guarantee scheme, which may allow you to borrow money in these circumstances. However, your business will always remain responsible for repayments of the whole (ie.100%) of the debt.**

There are other eligibility criteria for this scheme that will need to be met. Please contact your local Relationship Director.

What is a CBILS Base Rate Variable Loan

This is a variable rate loan linked to the Bank of England (BoE) Base Rate, repayable over an agreed term. The loan is available for business customers and to be used for business purposes with loan amounts starting at £50,001.

A straight-line loan is payable over an agreed term, where the repayments of the loan are equally distributed, and a fixed amount of capital is repaid on every repayment date. This means the total monthly amount decreases as the principal balance decreases with every payment.

The loan may be repaid over the agreed term from either:

- Capital and interest repayments – where the outstanding loan balance and interest have been repaid in full on maturity of the loan
- Part or full interest only repayments – where a pre-agreed outstanding loan balance is required to be repaid in full on maturity of the loan.
- Please note - interest will not be payable by you for the initial 12 months.

How are my payments calculated?

Your loan repayments will be calculated to ensure they are sufficient to repay your loan over the agreed term.

The amount of loan capital you repay as part of each loan repayment is agreed at the start of the loan. This will remain the same for the full loan term.

Each repayment will also include an interest payment. To calculate the interest cost we'll use the most recent BoE Base Rate plus the agreed Santander lending margin.

Unless you have chosen the option of full interest only, then after 12 months, the interest cost will vary on each loan repayment date. This is because the interest cost is calculated against the loan balance outstanding, and this balance reduces with each loan capital repayment you make.

If your loan includes the option of part or full interest only we'll confirm at the start of loan the balance repayable on maturity.

What are the key benefits?

- The loan may be used to help with the short or long term funding requirements of your business.
- The loan amount and repayment schedule can be tailored to the individual requirements of your business. This may include the option of part or full interest only with a remaining balance payable on loan maturity. Interest will not be payable by you for the initial 12 months).
- The amount of loan capital you repay as part of each loan repayment remains the same for the full loan term, unless agreed otherwise, for example where over payments are made. This means you will know how much of the loan capital balance reduces with each loan repayment.
- Your interest rate is linked to BoE Base Rate, you could benefit from any future decreases in this rate.

What are the key risks?

- If the BoE Base Rate increases so will the total amount you have to repay.
- If you take the option of part or full interest only with remaining loan balance repayable at loan maturity, you must ensure you'll have a way to make this payment, remembering that market and finance conditions may change over the loan period.
- If you take the option of part interest only with the remaining loan balance repayable at loan maturity, this may result in higher overall costs over the term as a whole.

APPLICATIONS ARE SUBJECT TO STATUS AND TERMS AND CONDITIONS. THE RIGHT TO DECLINE ANY APPLICATION IS RESERVE.

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What happens when the term ends?

We will get in touch with you prior to the end of your loan to confirm the amount to be repaid and agree next steps.

What other financing options does Santander offer?

We have a range of financing options available which can be tailored to suit the needs of your business. Your Relationship Director will provide you with information about the full range of solutions available through Santander.

What should I do if I'm not sure or need advice?

We don't provide any advice about our Coronavirus Business Interruption Loan Scheme (CBILS) Facilities.

If you're in doubt or need guidance, we strongly recommend that you get independent professional advice.

Please note: we have provided the information in this document for information purposes only. These materials are the property of Santander UK plc and its affiliates (the Bank) and may not be provided to third parties. Nothing in these materials constitutes investment, legal, tax or accounting advice.

For more information please contact your local Relationship Director or visit: [santander.co.uk](https://www.santander.co.uk)



The Coronavirus Business Interruption Loan Scheme (CBILS) is managed by the British Business Bank on behalf of, and with the financial backing of the Secretary of State for Business, Energy and Industrial Strategy (BEIS). British Business Bank plc is wholly owned by HM Government and is not authorised or regulated by the Prudential Regulation Authority (PRA) or the Financial Conduct Authority (FCA). Full details on CBILS and the list of participating CBILS lenders can be found on the British Business Bank website at: www.british-business-bank.co.uk/CBILS.

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STANDARDS of LENDING PRACTICE

Our commitments to our business customers and what we ask of you

As a lender we have committed to follow the Standards of Lending Practice for business customers. By adhering to the Standards we are demonstrating a commitment to ensuring that our customers are treated fairly.

- We will lend responsibly and treat your business fairly and reasonably at all times.
- We will ensure that all information we provide about our products and how they work is clear and understandable so that you can decide what is best for your business' needs.
- We will provide clear, upfront information on the documents required to support an application. Taking account of this will help to ensure that we can deal with your application efficiently.
- If we are unable to approve your application, we will explain why and provide a referral, where appropriate, to alternative sources of finance.
- If your application is declined you have the right to appeal the decision.
- We will set out any requirements/conditions we may have to support any borrowing in a clear, understandable way.
- We will confirm the conditions of your business borrowing in writing and highlight any covenants or material conditions attached to it.
- We will clearly set out the type and frequency of information we will require to monitor the business' performance.
- If your business experiences difficulties, we will seek to understand the overall circumstances to try and identify suitable and pragmatic solutions. Where appropriate, we will provide details of free debt advice.
- That the business maintains any commitments it has to us, for example providing information which we may reasonably request to monitor performance.
- Take care of any security information to help prevent fraud and protect your account(s).
- Tell us as soon as possible if someone is misusing confidential information.
- Carefully check your business' account statements/records to make sure they are accurate. If anything isn't right, please get in touch with us.

Please let us know if

- Your contact details change or there is a change in how your business is run, for example, ownership/directorships etc, so we can keep our records up to date.
- Your business may be about to experience, or is experiencing, difficulties. The sooner you do this, the more likely it is we'll be able to find a way to help you.

What we ask of you

- That, prior to making an application, you double check what information we will need to process an application. If you are unsure or have any questions, please contact us.
- That all information you provide to us during our relationship is accurate and timely.
- We ask you to think carefully about whether the business can afford the product applied for and to be open in your dealings with us.
- To make sure that you understand the terms and conditions associated with your product.
- That you seek professional advice, where this is appropriate for the needs of your business and the type of product you are applying for.