

Frequently Asked Questions for SMEs

What do I need to apply for a Business Loan?

We suggest you visit one of our Branches or else contact our Business Banking Centre, Head Office, Mill Street, Qormi on +356 2380 8000.

The link in this website – [Guide to Business Borrowing](#) – provides a fairly good overview of what to look for and what requirements the Bank will ask for.

How do I repay?

This depends on the source of finance requested. Loans are usually repayable over the life of the asset and paid from profits generated from the business. On the other hand if you borrow on an overdraft basis this is repaid from incoming sales receipts or payments from debtors on an ongoing basis. Again, the [Guide to Business Borrowing](#) provides comprehensive information on this subject.

Can I get an indicative quotation for a Business Loan?

Yes you can ask for an indicative quotation from one of our bank officials. Alternatively the link to this [Business Loan calculator](#) gives you the monthly repayment you would have to pay based on loan amount, interest rate and term of loan. The fees are not included in the monthly repayment.

What security do I require for the Banking facilities?

The Bank usually seeks some form of appropriate security, such as guarantees, property or other assets that are straightforward to value and realise. More information will be provided once you set up the 1:1 meeting with any of our lending officers.

Are there any fees for early repayment of facilities?

There are no early repayment fees on Business Loans and you are free to repay the facilities any time before maturity.

Is the interest rate fixed for the period of the Business Loan?

Unless a fixed interest rate is attached to a particular Loan product, debit interest rate is usually applied as a margin over the bank's base rate (presently 2.35% per annum).

What personal or other information do you need?

The link in this website – [Guide to Business Borrowing](#) – provides a good overview of what essential and supporting information the Bank may ask for.

Can my business apply for a loan if it has no assets?

This could be the case for start-ups and will be assessed accordingly against other essential and supporting information.

Does my business need a bank account?

Preferably better to have a bank account before applying as this will help in the overall assessment even if the bank account is held with another bank. Nonetheless if no bank account is held the bank will be asking for other information as part of its onboarding process.

Do I need to give a reason why the business wants to borrow the money on the application?

Yes the bank needs to know the purpose of why a customer wants to borrow money and that the purpose fits within the

Bank's lending appetite.

What if the business or I have had credit?

You can always and still apply for a Bank Loan to finance some sort of new venture or new/additional bank finance. Past performance helps the bank makes a better judgement when applying for a bank loan and the Bank will take into consideration the total commitments of the business.

How can I improve my chances of success?

1. You must **develop a strong business plan** by demonstrating a clear grasp of your financials, emphasising on your ability to meet repayments. You need to show that you have thoroughly researched your market and your competitors identifying clear routes to market, highlighting when you expect money to start coming in.

[Click here to go to Download Centre where you can find easy guides and tips on how to write a business plan and carry out a business review>>>>](#)

2. You must as well **build a good financial understanding** by making it clear that you understand your numbers, outlining what you need the money for and how you will pay it back. You may need to seek the help of an accountant, to research what goes into a sound balance sheet and cash flow forecast.

[Click here to see how to complete a cash flow forecast>>>>](#)

3. **Be honest** and do not underestimate how much money you need: coming back to the bank for more funding will be more expensive. It may also affect confidence in your ability to manage your company finances. Avoid overestimating revenues and undervaluing the costs you will incur – and remember to include the living costs you will need to take out of the business.
4. **Stay in dialogue by remaining** in close contact with your bank. Ask for feedback on your lending applications and how you could improve them. The bank may sometimes ask for more information to help reach a decision. Remember, a 'no' now may not mean a 'no' in the future.
5. Further information and support is provided in the [Guide to Business Borrowing](#).