

St.George Banking Group



Dear Valued Business Partner,

Our expanded SME Recovery Loan Scheme offer extension of our lowest business fixed rate in year

Our expanded SME Recovery Loan Scheme offer

St.George Group is pleased to announce the details of our expanded SME Recovery Loan Scheme offer to help eligible small businesses impacted by COVID-19 access low-rate finance. With loans up to \$5 million and rates from 2.58% p.a.¹, the SME Recovery Loan will provide continued support to Australian businesses impacted by COVID-19 or the March 2021 floods.

What's changing?

The Federal Government has announced changes to the existing SME Recovery Loan Scheme eligibility.

Under the revised scheme rules, from 1 October 2021 our St.George, Bank of Melbourne and BankSA SME Recovery Loan will be available to eligible customers who:

- Are adversely economically affected by the Coronavirus Pandemic
- Have been adversely economically affected by the March 2021 floods

Key features of our SME Recovery Loan offer

Product	Business Loans
Limit	Up to \$5,000,000
Maximum Term	Up to 10 years

Fees	\$0 establishment fees and \$0 monthly account keeping fees for new loans approved ³
Rates	Variable interest rate from 2.58% p.a. to 4.28% p.a. depending on security offered and whether a repayment deferral period applies ¹
Deferral period	Option to defer repayments for 6 or 12 months
Security	Directors Guarantees - New, GSA: New/Existing, SSA: New/Existing, Other security may be required (as appropriate).

Eligibility

To be eligible, your customer:

- Must be adversely economically affected by the Coronavirus Pandemic, or
- Must have been adversely economically affected by March 2021 floods².

Your customer will also need to:

- Have an annual turnover of less than \$250 million
- Have a valid ABN
- Be a tax resident of Australia – that is based, registered and operating in Australia

Customers who have received JobKeeper payments can continue to apply where they are otherwise adversely economically affected by the Coronavirus Pandemic.

Applications under the SME Recovery Loan Scheme offer must be submitted and approved by 31 December 2021.

Loan Purpose

- Loans must be used for **business purposes only** (including to support investment in the business), with some excluded uses.
 - Loans cannot be used for the purchase of residential real property, the purchase of financial products, or lending to an associated entity.
 - Loans can be used to purchase non-residential real property (such as commercial property) or for the acquisition of another business.
- Loans may be used to **refinance pre-existing debt** of an eligible borrower, with some exceptions:
 - Loans secured by residential property cannot be refinanced.

- Loans that are more than 30 days in arrears, as at the application date, cannot be refinanced.
- We can **vary or restructure loans** as long as they continue to meet eligibility criteria (including the maximum loan term) and do not increase the loan limit after approval.
- Customers who have a controller, liquidator, administrator, restructuring practitioner, or trustee in bankruptcy appointed are ineligible.

Please ensure all the above conditions are met, and the application process is followed accurately to avoid delays.

Commissions payable for SME Recovery Loans

- Upfront Commission: 0.10% (excl of GST) of the loan amount
- Trail Commission: 0.25% p.a. (excl of GST)

Extension of our lowest fixed rate in years

We are also pleased to confirm the extension of our existing fixed rate business lending offer. Applications under this offer can now be submitted by 30 November 2021, with settlement by 31 January 2022.

Eligible **new and existing** business customers can access our 2 and 3 year fixed rate loans from **2.39% p.a.**^{3,4} for fully or partially secured business loans up to \$3 million. To assist you highlight the key benefits of our fixed rate offer to your customers, we have also updated our attached information sheet.

All other details (apart from application period) and eligibility criteria remain unchanged.

Our expanded SME Recovery Loan Scheme offer along with our lowest business fixed rate in years, continues to provide Australian businesses with the support they need to recover and grow.

Contact your Senior Partnership Manager for more information.

Regards,

**St.George Group Commercial Intermediaries
Business Division**

Things you should know:

This communication is not for distribution to your customers or any member of the general public. The information contained in the email is current as at 29/09/21.

Applications for finance are subject to the Bank's normal lending criteria. Credit criteria, terms and conditions, fees and charges apply.

1. Rates vary depending on a number of factors including security offered and whether a repayment deferral applies. An interest rate premium may apply where a payment deferral period is selected. Interest will accrue during the period of the repayment deferral.
2. To be eligible customer's business must be located or operate in a Flood Affected Local Government Area as defined in the rules of the scheme.
3. Other fees and charges apply.
4. Rates vary depending on a number of factors, such as type of security provided.

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