A bank for good

March 2018

“We’re a bank for people who don’t just dream of a better world, they are busy building one.”
Charity Bank: A bank for good

Run *for* charities and social enterprises and *owned by* charities and social purpose organisations

- A savings and loans bank with a mission to use money for good
- We lend to charities and social enterprises
- Every single one of our shareholders is either a charitable trust, foundation or social purpose organisation
- No discretionary bonus system for staff and no sales targets
- We are the only bank in the UK with the Social Enterprise Mark
- We were the first bank in Europe to become a B Corporation, an independently assessed certification for businesses that can meet rigorous social and environmental standards
Our mission is to support your mission

We exist to lend to charities and social enterprises, so you can be confident that we’ll work with you side-by-side

• We’ve made loans of over £185 million to charities and social enterprises across the UK

• We take the time to meet and build relationships with our borrowers

• 99% of respondents to our borrower survey in 2016 said they would recommend us
### Our shareholders

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<tr>
<th>Baring Foundation</th>
<th>Barrow Cadbury Trust</th>
<th>BIG SOCIETY CAPITAL</th>
<th>CAF Charities Aid Foundation</th>
<th>The Community Foundation for Northern Ireland</th>
<th>CUMBRIA COMMUNITY FOUNDATION</th>
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<td>Esmée Fairbairn Foundation</td>
<td>Frederick Mulder Foundation</td>
<td>THE HELP FOR ALL TRUST</td>
<td>Igen Trust</td>
<td>Lankelly Chase</td>
<td>THE MERCERS’ COMPANY</td>
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<td>NCVO</td>
<td>Nuffield Foundation</td>
<td>THE PHILLIPS FUND</td>
<td>RBS SOCIAL &amp; COMMUNITY CAPITAL</td>
<td>the Tudor Trust</td>
<td>Vodafone Foundation</td>
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[Charity Bank: A bank for good]
Our loan terms

• Typical amounts borrowed range between £100k and £3.5 million
• We work with other social lenders to provide larger loans
• We provide bespoke flexible repayment and borrowing arrangements in line with the needs of our clients
• Term is for up to 25 years
• Typically, 1% arrangement fee payable on acceptance of our loan offer
• Early repayment penalties are not charged unless the loan is re-financed through another lender in the first five years
Things to consider

• Ask the lender for indicative terms early on
• Do a cost/benefit analysis – be sure it is the best way
• Consider the legal expenses as well as the cost of the loan
• Are you confident you can afford the repayments?
• Do sensitivity testing – “what if” analysis
• Read the small print – can you comply with all of the terms?
• Have you recognised all of the costs?
Dealing with lenders

- Make initial contact at the start of your project planning process
- Consider a social lender – they should have a better understanding of the social sector and may be more willing to lend
- Don’t fear rejection – different banks have different criteria
- Find out about timescales – it can take longer than you might expect!
- If there seems to be a delay – contact your lender straightaway
- Get someone independent to read the loan offer
Key terms – what to look for

• Interest – not just the rate but the type and term
• Fees – check for additional costs
• Security – what is required?
• Commitment – when do you become obligated?
• Default – what happens if things go wrong?
• Covenants – can you comply; are they overly onerous?
• Trustee guarantees?
• Early repayment penalties?
• Requirement to change transactional account?
What lenders look for

• Social impact
• Evidence that you can afford the loan
• Good governance
• Provision of financial information
• Security
“They take the time to consider our plans and opinions and we never feel like a number”

- Charity Bank Borrower
Meet our borrowers
Hudswell Community Charity

• Used a £250k loan from Charity bank to help build 3 new affordable homes for residents of the village.

• “There was never any point where we didn’t understand what was needed or expected from us or where we felt as though we were on our own.”
On The Brink Co Housing Community

- CB have recently agreed loan facility of £1m+ to help fund conversion of office building into 14 homes for sale/rent.
Get in touch

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Visit: charitybank.org
Follow: @charitybank
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