

# A bank for good

January 2016

“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

# 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
- Our non-executive directors are unpaid and we do not operate a staff bonus scheme
- 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 exist to help social sector organisations access loans
- We've approved loans of over £250 million to charities and social enterprises
- We take the time to meet and build relationships with our borrowers
- 100% of our borrowers would recommend us
- We support programmes that help prepare charities and social enterprises for repayable finance

# Why use loan finance ?

- To develop, purchase or refurbish a building
- To form part of a matched funding package
- To bridge receipt of delayed funds
- To obtain new contracts
- To acquire equipment
- To supplement grants and donations, which are not always sufficient
- To achieve one, or any mix of the above goals

# Our loan terms

- Typical amounts borrowed are £100k – £2.5m (up to £3.25m for registered housing providers)
- We work with other social lenders to provide larger loans
- We can provide up to 70% loan-to-value
- Term is for up to 25 years
- Typically 1% arrangement fee payable on acceptance of the loan offer
- We do not usually seek personal guarantees from trustees or directors
- Early repayment penalties are not charged unless the loan is re-financed through another lender in the first five years
- Interest rate is negotiable

# What are the benefits of borrowing:

- Loans can allow projects to start more quickly, thus:
  - Providing services sooner
  - Generating income sooner
  - Avoiding potential increases in costs
- Loans can be more flexible than grants
- Loans can enable donation income to be directed where it is most needed
- Loans can introduce business disciplines (effectiveness)
- Loans may bring involvement/expertise from motivated investors

# Should your organisation borrow?

- Ask us for indicative terms early on
- Do a cost/benefit analysis – be sure it is the best way
- 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?

# What lenders look for

- Evidence that you can afford the loan
- Good governance
- Provision of financial information
- Security
- Risk assessment or register
- Social impact



“They take the time to consider our plans and opinions and we never feel like a number”

- *Charity Bank Borrower*

# Meet our borrowers

# Autism Plus



"We're transforming derelict farm buildings at Park House Farm, North Yorkshire, into a chocolate factory and horticulture enterprise, to be run by people with autism and other disabilities."

**- Philip Bartey, CEO, Autism Plus**

# EVA Women's Aid



“A Charity Bank loan helped us purchase the property, which is now a place of refuge helping mature women who have been suffering in silence to change their lives.”

**- Richinda Taylor, CEO of EVA Women's Aid**

# Folkestone Sports Centre Trust



“Charity Bank saw our potential and gave its full support. Without it, the first phase of a major regeneration of this tired, 45-year old building would not have gone ahead and it would have most likely ended with closure.”

**- Tessa Stickler, general manager, Folkestone Sports Centre Trust**

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# First Stop Darlington

“The loan from Charity Bank was easy to set up and we received good support from them throughout the process.

“We are now saving around £10,000 a year that we would have been spending on rent and other operating costs.

“We can now look forward to increasing the services we offer and helping more people in the future.”

**- Tracy Freeman, chief executive,  
First Stop Darlington**



# Get in touch

**Call:** 01732 441919

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**Visit:** [charitybank.org](http://charitybank.org)

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