

Small Business

How to apply for a Business Loan



If you prepare and present a strong business case, there's a strong chance that your loan application will be accepted. Here are some ways to maximise your chances of obtaining a business loan.

Likely monthly repayments

Likely monthly repayments		Monthly payments*
Loan amount		
Loan length	Months	
Annual interest rate	%	

* Loans subject to status and eligibility. This calculator is intended as a guide only. The estimated repayment amount is not a quote or offer from the bank. If you apply for a loan, we will review your application and your results may differ from what is indicated by this calculator. Full terms and conditions are available on request.

First of all, define the purpose of your loan. Do you need a loan to:

- Buy inventory?
- Expand your business?
- Purchase new premises?
- For a combination of reasons?

Write down all the reasons that apply.

Prepare a business plan

Before being lent money, you're likely to need a business plan. Therefore, if you haven't already done so, make it a priority to research and write one.

If you're a new business, a break-even analysis showing when your business is likely to start making a profit is essential. Include data and information supporting the viability of your business idea.

Create a sound financial plan

For both new and more established businesses, a sound financial plan needs to form part of the business plan. Include the following elements:

- Financial statements for the past 1-3 years (if your business has been trading for at least a year).
- Cash flow forecasts for the next 12 months.
- A forecast profit and loss (P&L) statement for the next year of trading.
- A projected balance sheet.

Decide how much you need to borrow

Your financial forecasts will help you determine how much money you'll need to borrow. Your business plan will also back up your application, showing why the money is needed.

Prepare a breakdown of how the money you borrow will be spent and include it in your business plan. For example, if you were seeking funding to expand your business, you could show how much you plan to spend on these areas:

- Leasing additional office space.
- Purchasing extra office furniture and equipment.
- Hiring new employees.
- Launching and marketing new products or services.

Plan how you'll repay the money

Put a repayment plan in place before applying for a loan because your lender will want to be sure you've thought about how you'll afford the instalments.

Decide how long you'll need to repay the loan and how much your business will be able to repay each month.

Providing a repayment plan will demonstrate you're serious about repaying the loan and developing your business.

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The information provided by these calculators is intended for illustrative purposes only and is not intended to purport actual user-defined parameters. The default figures shown are hypothetical and may not be applicable to your individual situation. Be sure to consult a financial professional prior to relying on the results.