

BusinessPlus+ Newsletter

Issue – March 2020

Banks/Lenders Negotiations in Difficult Times

In tough economic times, banks normally revert to the “Rule Book” in dealing with borrowers.

What this means for SMEs is if you wish to continue to access products from banks, including loans, bank overdraft, leases and debtors' financing etc., it will be necessary for you to ensure that you have complied with your bank's reporting requirements and the various ratios and other financial calculations that your bank may have imposed as part of the loan or facility agreement with your business – the Loan Covenants.

It's a good idea to keep your bank informed of the progress your business is achieving and ensure that your financial records are up to date, so that you can quickly supply financial accounts and other business information reports to the bank when required.

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