



Royal Bank  
of Scotland

# Green Loans with no arrangement fee

Royal Bank of Scotland's Green Loans with no arrangement fee aim to provide funding that may be able to support the sustainability ambitions of your business through investment in eligible business assets.

These Green Loans may be able to help your business acquire business assets that fall within the eligible list<sup>1</sup> to support your sustainability ambitions, through debt with no arrangement fee. They are open to applications from eligible UK businesses with an annual turnover of less than £25m<sup>2</sup>.

## Your needs

Climate change is one of the biggest issues facing humanity today, threatening lives and livelihoods globally. Governments are stepping up their efforts to reduce emissions and consumer expectations of businesses' environmental commitments are higher than ever.

## Our potential solution

This new proposition with no arrangement fees will be open to applications from eligible UK businesses who want to acquire assets that fall within the eligible list<sup>1</sup> relating to:

**Clean buildings:** retrofits for buildings and low carbon heating measures

**Clean energy:** renewable energy generation and energy storage systems

**Clean transport:** electric vehicles

**Agriculture:** renewable technology, crops, livestock, forest respiration and conservation, marine and low emission management.

- These Green Loans for eligible UK businesses as set out above have no arrangement fee<sup>3</sup>.
- You may be able to change existing business assets for more sustainable replacements

## Are Green Loans right for you?

You might consider Green Loans if you:



Are passionate about environmental causes



Need to replace existing or invest in new business assets

## More about Green Loans

These Green Loans with no arrangement fee are subject to the terms of a loan agreement, which (amongst other things) would govern how you can use the funds and the eligible asset. These terms include (but are not limited to) that the borrower:

- will only use the loan for the applicable eligible purpose and the borrower will need to provide, prior to drawdown, an invoice evidencing that the loan will be used for the applicable eligible purpose;
- cannot (i) dispose of the eligible asset without Bank consent or (ii) otherwise use the eligible asset in a way which is not permitted under the loan agreement, during the term of the loan;
- will promptly provide the Bank with details of any material change in the condition of the eligible asset.

Failure to comply with the terms of the loan agreement could lead to an event of default under the loan and (depending on their terms) may also impact other facilities of the borrower. The borrower should refer to the loan agreement for full terms and conditions.

## How it works

### You apply

Through discussions with your RM or by expressing your interest digitally [here](#)



### We check your eligibility

These Green Loans can only be used for a specific set of uses under the categories of Clean Energy, Clean Buildings, Clean Transport and Agriculture that fall within the eligible list<sup>1</sup>



### If your application is successful

We would then be able to progress your application. Green Loans with no arrangement fee are subject to the terms of a loan agreement



### You provide an invoice

Prior to the purchase of the asset, you send an invoice, as proof of the loan purpose, to your Relationship Manager who will check whether it meets the requirements



### You receive the funds

If the invoice is accepted and all other drawdown conditions are met, you can draw down the funds

## Green Loans

Minimum Deal Size	£50,001
Product options	<ul style="list-style-type: none"><li>• Variable/fixed rate Loan from £50,001 upwards (up to £10m for fixed rate term) (secured or unsecured subject to approval)</li><li>• Loan repayment terms up to 25 years</li><li>• Repayment Profiles: Capital &amp; Interest, Straight Line</li><li>• Flexible Options: Capital Repayment Holiday available, subject to approval. Conditions apply and you must keep paying the interest during the repayment holiday.</li><li>• Fixed Rate Term: Interest rate can be fixed for 3, 5, 7, 10 or 15 years</li></ul>

## Green Loan Options, Fees and Additional Features

1. Capital & Interest	1. A repayment of principal and interest is periodically made to the loan account
2. Straight Line	2. A repayment of principal is made to the loan account periodically, with interest applied separately to a separate account
3. Capital Repayment Holidays available – subject to approval	3. An option to stop capital repayments for an agreed period of time, subject to approval (note: interest will continue to accrue during this time, which may mean you pay more over the life of the loan)
4. No Early Redemption Charge	4. No Early Redemption Charge if you want to repay the loan early, in full or in part
5. Loan Term (Commitment)	5. The Loan Term (Commitment) is the contractual duration of the loan, at the end of which the loan must be fully repaid
6. Valuation & Security Fee	6. A professional valuation and security fee may be charged where a valuation and security are required

## Other Finance Options that may be available for Sustainability Ambitions

For other financing options you could also consider Lombard Finance for Climate and Sustainable Assets. However, please note that there are differences between the features of Lombard Finance for Climate and Sustainable Assets and a Green Loan. Please consult the Royal Bank [climate hub](#) or your RM for further information<sup>4</sup>

<sup>1</sup> which has been developed by the bank and is subject to review and change on an ongoing basis

<sup>2</sup> other than for eligible UK Real Estate Finance businesses for whom alternative eligibility criteria may apply

<sup>3</sup> It should be noted that loans without an arrangement fee, via propositions other than Green Loans, may in certain circumstances be available

<sup>4</sup> Asset Finance, which includes Finance for Climate & Sustainable Assets, is provided through NatWest Group's subsidiary Lombard and is available to over 18s. Security may be required. Fees may apply. Available to UK customers for business purposes only. Subject to status, eligibility and approval. Finance provided by Lombard North Central PLC. Registered in England No.337004. Registered Office: 250 Bishopsgate, London, EC2M 4AA. Lombard North Central Plc is authorised and regulated by the Financial Conduct Authority for consumer credit activities.

Green Loans with no arrangement fee (Royal Bank of Scotland Green Loans) are open to applications from UK businesses with an annual turnover of less than £25m (other than for UK Real Estate Finance businesses for whom alternative criteria may apply) who are seeking to take out a loan to acquire assets that fall within the eligible list developed by the bank and subject to review and change on an ongoing basis (the Eligible List).

The Eligible List is informed by Royal Bank of Scotland's [Climate and Sustainable Funding and Financing Inclusion Criteria](#) (the CSFF Criteria). However, categorisation of the loan as a Royal Bank of Scotland Green Loan does not imply and should not be taken to mean that the loan and/or its terms and conditions align with any "green" or similar taxonomy, standards, guidance or principles in the UK or elsewhere including, but not limited to, the LMA Green Loan Principles.

Security may be required. Fees (other than arrangement fees) may apply. Over 18s only. Subject to status, eligibility and approval. Business use only. Any property or asset used as security may be repossessed or forfeited if you do not keep up repayments on any debt secured on it. Failure to comply with the terms of the loan agreement could lead to an event of default under the loan and (depending on their terms) may also impact other facilities of the borrower. Terms apply.

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