



# Sterling Health

## Product Offering to Health Federation of Nigeria

• Date- 4<sup>th</sup> Nov 2021

# OUR HEALTH AGENDA : HEART OF STERLING



## Who are we

- The goal of the Health Finance Sector, is to serve as an enabler of Healthcare Systems in Nigeria by providing /co-creating platforms that enable easy and affordable access to healthcare across various social classes; leveraging partnerships with Key health stakeholders to develop and build capacities to improve the overall healthcare outcomes, and most importantly enable growth of investments across the health value chain

## What we seek to achieve

- The objective for this webinar is to share our unique value proposition to HFN and provide knowledge and guidance that will enable health businesses deliver through enhanced service delivery. It is our firm belief that our discuss will ultimately enable and position your healthcare businesses for growth.

- The Health Finance Sector harmonizes various solutions to deliver a truly sustainable healthcare system and secure the lives of Nigerians. Sterling has shown its commitment by earmarking **N20B** toward the development of the sector's investments, and we have been working on improving healthcare systems through an integrated partnership approach.
- One of such partnership is the ongoing digitization of health insurance in partnership with RX Health Info Systems, the flagship program launched in Cross River. Also worthy of note is the National Biobank Project which enables resident and inbound travelers into Nigeria from other countries test for COVID -19 to prevent the spread of the disease is pioneered by Sterling

## OFFERINGS : TAILOR MADE PRODUCTS TO HFN



01

### STERLING HEALTH SECTOR LOAN

Sterling Health Sector Loan is a loan program targeted at SMEs in specific health sub sectors with a view to meeting their funding needs.

02

### CBN HEALTH SECTOR INTERVENTION FUND

A 100 billion intervention fund for SMEs in the health sector set up by the Central Bank of Nigeria as a proactive measure to cushion the impact of the coronavirus (COVID – 19) pandemic on the economy

03

### DIGITALIZATION

Collaboration with technology solution providers to deploy electronic medical record for health care providers

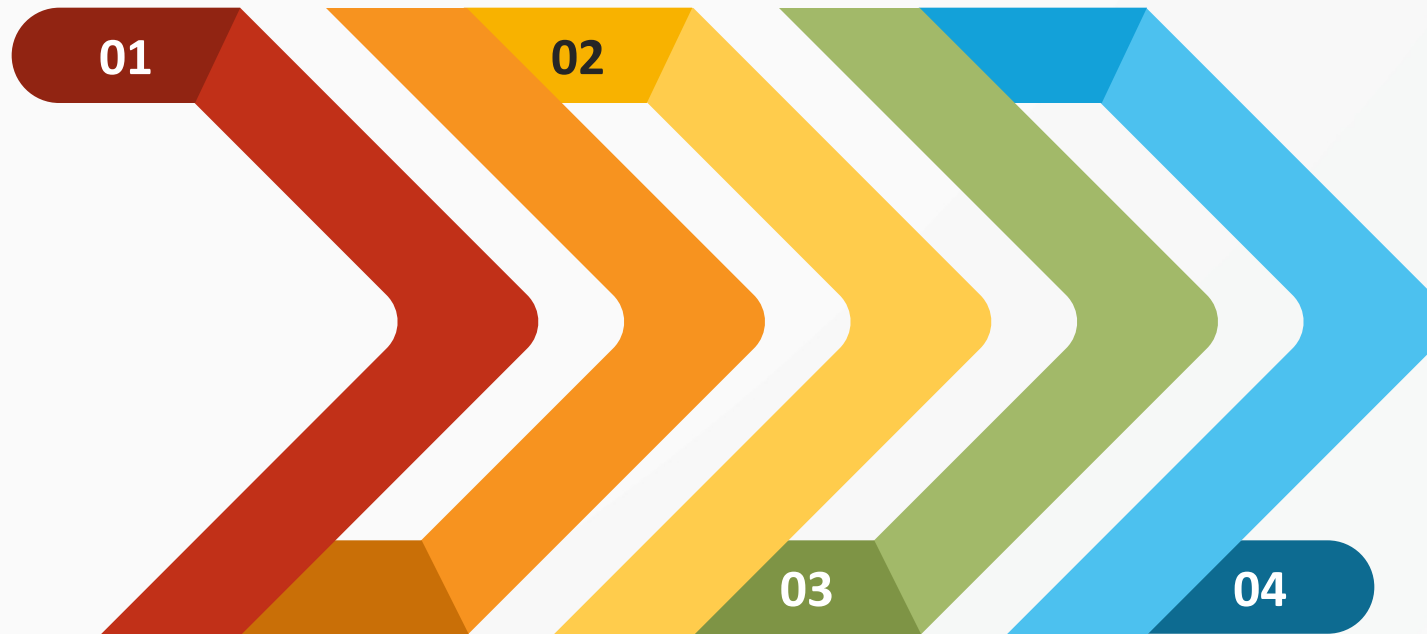
# OFFERINGS : STERLING/HFN HEALTH SECTOR LOAN



## About Sterling Health Sector Loan

This product is targeted at Private Hospitals, Pharmacies, Medical Laboratories and Diagnostic Centers to support funding needs. The loan types available under this scheme are Overdrafts and Term loans

**Overdraft**- This is available to meet your short-term recurrent expenditure to keep the business growing. Repayment is flexible for up to 12 months with a 90 days clean up cycle and renewal option. Loan purpose includes salary payment, purchase of consumables, discounting of invoices, etc



**Term Loan** - This is a medium-term loan with maximum tenor of up to 48 months. Loan purpose includes Asset Finance (48 months) which includes purchase of medical equipment , operational vehicle etc. other working capital needs like rent payment, purchase of consumables can also be structures as a term loan, however with 12 months tenor only.

## Other Features

- Maximum amount of N50million depending on the loan purpose.
- Interest rate between 19%- 21% p.a. subject to a review in line with changes in the money market.
- Management fee of 0.5% flat on the facility amount payable upfront.
- Flexible collateral requirements to suit your business
- Free Onboarding on Sterling Bank digital platforms



## FREQUENTLY ASKED QUESTIONS



1. Types of facility that can be accessed via the template credit?
  - **Working Capital Facility (Available as term loan)**
  - **Asset Finance**
  - **Working Capital Loans(Overdraft/Short term loans)**
2. Can I access an unsecured facility?
  - **Yes, up to 10M is uncollaterised.**
3. How much can I access under Working Capital Facility?
  - **Maximum of N50M**
4. Do I need to ask customer to provide an equity contribution for my working capital facility ?
  - **Yes, a minimum of 10%, for secured lending.**
5. What is the maximum amount that can be financed for Asset Finance  
For Brand New Assets?  
**30% of annual turnover, subject to a maximum of N50 million.**  
For Certified second-hand assets:  
**15% of annual turnover, subject to a maximum of N20 million**

## MORE FREQUENTLY ASKED QUESTIONS



6. What is the equity contribution required for Asset finance?  
- **Minimum of 20% of the value of asset for brand new assets and a minimum of 40% for second hand assets.**
7. What is the maximum Tenor for a working capital facility?  
- **12 months (for Term loans) and 365 days( maximum of 90 days cycle for overdraft facilities)**
8. What is the maximum tenor for asset financing  
**Brand new assets**  
36 months/48 months(for new vehicles e.g Ambulances)  
**Certified second-hand assets**  
18 months.  
**Properties**  
(Up to 60 Months)

# REQUIREMENTS FOR THE STERLING/HFN HEALTH SECTOR LOAN?

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- Application Letter
- Company Profile
- Current Approvals and Licenses
- Letter of exposure to other banks(if any)
- Evidence of compliance and Safety Requirements- Usually, Fire safety Certificate or an Environmental Policy
- Account statement for the last 12 months
- Three clean credit reports on the business and promoter(This shall be conducted by the bank)
- Audited Financials or Management Report
- Cashflow Projections with verifiable assumptions
- Insurance: Keyman/ stock Insurance / Asset Insurance as applicable
- Valuation report on pledged properties(for secured lending)
- Physical inspection on properties pledged (for secured lending)
- Proforma Invoice for assets to be financed (for secured lending)
- Insurance on the pledged asset (for secured lending)

# OFFERINGS : CBN HEALTH SUPPORT INTERVENTION LOAN



S/N	Features	CBN Health Sector Support Intervention Loan
1	Target Market	<ul style="list-style-type: none"> <li>Manufacturers of Healthcare products i.e. pharmaceutical drugs and medical equipment</li> <li>Healthcare service providers/Medical facilities i.e. hospitals/clinics, diagnostic centers/laboratories, fitness and wellness centers, rehabilitation centers, dialysis centers, blood banks etc.</li> <li>Pharmaceutical/Medical product distribution and logistics services</li> <li>Other human healthcare service providers as may be determined by CBN from time to time.</li> </ul>
2	Single Obligor Limit	N2billion for Term loans and N500 million for working capital only
3	Loan type	Term loan only
4	Tenure	Maximum of 10 years for Term loan and 1 year for working capital
5	Interest Rate	5 % per annum (all in). Interest rate to revert to 9% in March 2022
6	Loan purpose	<ul style="list-style-type: none"> <li>Manufacturing of pharmaceutical drugs and equipment</li> <li>Establishment/expansion/upgrade of basic and specialized healthcare facilities</li> <li>Medical/pharmaceutical supplies</li> <li>Medical/pharmaceutical Research and Development (R&amp;D)</li> <li>Distribution of medical/ pharmaceutical drugs and supplies</li> <li>Manufacturing of medical/ pharmaceutical drug technology</li> <li>Any other healthcare value chain activity as may be prescribed by CBN from time to time.</li> </ul>
7	Processing/Turnaround time	<ul style="list-style-type: none"> <li>Loan processing is completed between 5 to 15 working days and sent to CBN for further processing and disbursement . CBN processing time is subject to availability of funds</li> </ul>



## BASIC REQUIREMENT FOR PROCESSING A LOAN?

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- Applicant must have been in line of business for a minimum of 2 years and established a banking relation with Sterling Bank or any other bank for a minimum of 12 months
- Applicant must have verifiable cash flow evidenced in the statement of account
- Applicant must be duly registered with the appropriate body regulating the line of business
- Application must have Audited Financials OR Management account for the year preceding the loan application. At the minimum, management account to be made available.
- Clean CBN CRMS report and two (2) Credit Bureau reports from 2 credit bureau and CRMS on the company and the promoter(s) of the company




## OTHER REQUIREMENTS FOR THE CBN HEALTH SUPPORT INTERVENTION?









- Business Plan(showing economic benefit, Financial analysis and 3years financial projection
- Statement of affairs for start-ups and companies less than 3 years in existence
- Brief on Directors
- Proposed Schedule of fund disbursement
- Proposed Schedule of fund repayment
- Invoices to be financed
- BOQ's for projects/Construction
- Request Letter.
- Details of proposed collateral for the Credit Facility.
- Professional valuation report on the proposed collateral. The bank will appoint a valuer for the valuation at the expense of the customer.
- Physical inspection of the proposed collateral to be carried out by the officers of bank
- Statement of account(s) from other bank(s) for the most recent one (1) year.
- Relevant permits/ licenses/ approvals




# CONTACT INFORMATION









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