FNB Media Release

FNB welcomes COVID-19 Loan Scheme and commits to deployment to help businesses

29 April 2020 – FNB has welcomed the President’s announcement of the R200bn COVID-19 Loan Scheme to enable commercial banks to help businesses that are unable to meet their financial obligations during the lockdown thus ensuring their resilience for when the economy reopens.

In line with the announcement by Government, and as a member of the Banking Association of South Africa (BASA), FNB is proud to partner with government and other SA banks on this initiative.

Jacques Celliers, FNB CEO says: “We commend the Government’s emphatic response to shield vulnerable businesses against the adverse impact of COVID-19. We believe a government guarantee allows us to continue honouring our obligation to depositors while using our credit extension capabilities to be a conduit for Government’s support for qualifying businesses. This is further evidence that partnerships can help South Africa to decisively respond to the impact of the global pandemic.”

FNB has further confirmed that businesses which were in good standing as at the 29th February 2020 with a track record of honouring their credit obligations will be considered for the COVID-19 Loan Scheme. The loans will be offered at prime and qualifying businesses will only start repaying the loans six months after disbursement.

The application process will include FNB’s stringent internal credit process, as well the overall qualifying criteria set out by Government, as below:

- An annual turnover of less than R300 million;
- In “good standing” with their bank as at the 29th February 2020;
- Businesses that are registered with the South African Revenue Services;
- “Financial distress” as a direct impact of lockdown, resulting in inability to generate revenue;
- Loan to be applied to specific operating costs, such as salaries, rental and key operating proof of expenses needs to be provided;

“COVID-19 has worsened global uncertainty and will delay the recovery of our economy from the current recessionary conditions, therefore, businesses will require assistance beyond the lockdown. This financial support will allow many to optimise their operations to potentially withstand the current economic pressure and retain jobs,” says Celliers.

Businesses can apply for support via the COVID-19 Loan Scheme through the Bank’s digital and relationship banking channels.