

Leveraging of single premium insurance policies

Minimum loan facility	£150,000 or currency equivalent.
Interest rate	1 month LIBOR rate +2.25%.
Liquidity premium	Currently 0.75% per year of loan term.
Arrangement fee	0.5% of amount borrowed.
Maximum loan	<p>100% of initial investment or current market value of portfolio, which ever is the lower.</p> <p>For example if a client has £150,000 in a moderate risk portfolio, then the bank will lend £150,000 to leverage the portfolio, giving a portfolio value of £300,000 against a loan of £150,000 (50% loan to value).</p> <p>Alternatively, clients can borrow up to 50% of their current portfolio value for equity release.</p>
Loan purpose	Loans are available for initial terms of up to three years for either re-investment or for equity release purposes. In the event of early or part repayment no redemption penalties apply.

In order to proceed / make an application:

- We would require a loan application form completing together with a current valuation of the investment portfolio being provided as security for the loan. All loan applications are normally underwritten with a decision in principle within seven working days.
- We would also require a bank account application form completing, including an authority to existing bankers so that we can apply for a bank reference regarding the applicant's ability to make the quarterly loan interest repayments. The requirement for a bank reference can be waived if the client can clearly demonstrate other means of paying the quarterly interest. For example, income/withdrawals from the bond being mandated to the bank or the client placing six months interest cover on deposit with the bank.
- The underlying investments held in the insurance company Personal Portfolio investment bond or similar product must be acceptable to the bank in terms of investment risk.
- At drawdown, minimum of 25% of the value of underlying investments held in the portfolio must have a minimum of weekly dealing and the remainder no longer than monthly dealing so that the amount of the Bank's exposure is held in easily realisable assets. Any assets with dealing dates longer than monthly to be discarded from any Loan To Value calculations.
- Exposure to property funds must not exceed 20% of the Policy value in aggregate.
- No one investment is to exceed 20% of the overall portfolio value.
- Call and close margins to be set at 175% and 150% respectively.
- The life policy would be formally assigned to the bank for the duration of the loan and the bank would have the right to veto any proposed changes to the underlying investments.
- The single premium investment products of the International Life companies including; Hansard International Limited, Hansard Europe Limited, Axa International, Royal Skandia, Clerical Medical International, Zurich International Life, Canada Life International, Generali International, Friends Provident International and Royal London 360° are acceptable to the bank.
- These facilities will only be available through IFA firms who have agreed terms of business with Standard Bank.

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Standard Bank Jersey Limited is regulated by the Jersey Financial Services Commission to provide investment business.

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Telephone calls may be recorded.