



Mcfinchz Contractors Limited
PO Box 841, BOROKO 1111
National Capital District
Papua New Guinea

Date: 23rd JULY, 2024

Bank South Pacific (BSP)
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National Capital District
Papua New Guinea

SUBJECT: LOAN PROPOSAL FOR K50,000 WITH 18-MONTH REPAYMENT TERM AT 8% INTEREST RATE

Dear Loans Manager,

I am writing to propose a loan application for Mcfinchz Contractors Limited in the amount of **K50,000**. The purpose of this loan is to expand our operations and improve our service delivery to meet the increasing demand for security services in the National Capital District.

Company Background:

Mcfinchz Contractors Limited has been operational for over five years, providing high-quality building and maintenance solutions to both residential and commercial clients. Our commitment to excellence has earned us a solid reputation and a growing client base. The loan will help us acquire additional equipment, hire and train more personnel, and enhance our operational capabilities.

Loan Details:

Loan Amount: K50,000
Interest Rate: 8% per annum
Repayment Term: 18 months
Repayment Frequency: Monthly

Purpose of Loan:

The purpose of this loan is to support the growth and expansion of Mcfinchz Contractors Limited. Specifically, the funds will be used to:

1. **Acquire New Equipment:** Purchase equipment to enhance the effectiveness and efficiency of our operations.
2. **Recruit and Train Additional Personnel:** Hire and provide training for new staff to meet the increasing demand for our services.
3. **Expand Operational Base:** Improve and expand our operational facilities to better serve our growing client base in the National Capital District.

This investment will enable Mcfinchz Contractors Limited to provide higher quality construction solutions, increase our market presence, and ensure the quality and satisfaction of our clients.

Repayment Plan:

Below is the amortization schedule for the proposed loan. The following amortization schedule outlines the repayment plan for the proposed K50,000 loan over an 18-month period at an annual interest rate of 8%. Each monthly payment includes a portion of the principal amount and the interest due for that period. The schedule details the breakdown of each payment, showing the allocation between principal repayment and interest, along with the remaining loan balance after each payment.

This structured repayment plan ensures that the loan is fully paid off by the end of the 18-month term. The total monthly payments will start at K2,971.57 and slightly vary towards the end, ensuring the principal is gradually reduced while covering the interest charges effectively. This detailed amortization schedule helps in understanding the financial commitment and managing cash flow efficiently throughout the loan term.

Loan Repayment Schedule

Month	Payment Due Date	Monthly Payment (K)
Month 1	August 19, 2024	2,971.57
Month 2	September 19, 2024	2,972.57
Month 3	October 19, 2024	2,972.57
Month 4	November 19, 2024	2,972.57
Month 5	December 19, 2024	2,972.57
Month 6	January 19, 2025	2,972.57
Month 7	February 19, 2025	2,972.57
Month 8	March 19, 2025	2,972.57
Month 9	April 19, 2025	2,972.57
Month 10	May 19, 2025	2,972.57
Month 11	June 19, 2025	2,972.57
Month 12	July 19, 2025	2,972.57
Month 13	August 19, 2025	2,972.57
Month 14	September 19, 2025	2,972.57
Month 15	October 19, 2025	2,972.57
Month 16	November 19, 2025	2,972.57
Month 17	December 19, 2025	3,000.86
Month 18	January 19, 2026	2,121.25

Loan Amortization Schedule

Month	Principal (K)	Interest (K)	Total Payment (K)	Balance (K)
1	2,638.24	333.33	2,971.57	47,361.76
2	2,659.75	312.82	2,972.57	44,702.01
3	2,681.40	291.17	2,972.57	42,020.61
4	2,703.20	269.37	2,972.57	39,317.41
5	2,725.15	247.42	2,972.57	36,592.26
6	2,747.26	225.31	2,972.57	33,845.00
7	2,769.52	203.05	2,972.57	31,075.48
8	2,791.93	180.64	2,972.57	28,283.55
9	2,814.50	158.07	2,972.57	25,469.05
10	2,837.23	135.34	2,972.57	22,631.82
11	2,860.12	112.45	2,972.57	19,771.70
12	2,883.17	89.41	2,972.57	16,888.53
13	2,906.38	66.20	2,972.57	13,982.15
14	2,929.76	42.82	2,972.57	11,052.40
15	2,953.30	19.28	2,972.57	8,099.10
16	2,976.99	4.50	2,972.57	5,122.11
17	3,000.86	0.00	3,000.86	2,121.25
18	2,121.25	0.00	2,121.25	0.00

Conclusion

Thank you for considering our loan application for K50,000, with a repayment term of 18 months at an 8% interest rate. The loan will significantly enhance Mcfinchz Contractors Limited' operational capabilities, enabling us to acquire new additional equipment, recruit and train additional personnel, and expand our services to meet the growing demand.

We have a solid repayment plan in place, with monthly payments clearly outlined in the attached amortization schedule and repayment calendar. We are committed to fulfilling all our financial obligations on time and ensuring the successful implementation of our planned improvements.

We look forward to a favourable response from Bank South Pacific (BSP) and are available for any further information or discussions required to process our loan application. Your support will greatly contribute to our growth and ability to provide top-notch security services in the National Capital District.

Sincerely,

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Mr. Ale Kiku
Owner & Managing Director
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Papua New Guinea
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