



Enterprise Finance Guarantee

Application Process and List of Lenders

NOVEMBER 2014

How does a Business apply for an EFG-backed facility?

First and foremost a business applies to a lender for a loan or other form of debt finance. EFG is a tool which, in certain defined circumstances, enables a lender to offer a facility which they would otherwise decline.

If a lender is able to offer a business a facility without the need to make use of EFG then they should do so, not least because any EFG-backed facility requires the payment of a 2% premium by the borrower in addition to the capital and interest payments payable to the lender.

Step One Evaluation of Borrowing Proposal (Assessed by Participating Lender according to own criteria)

EFG Applicants will need to provide all the information normally required by a lender in connection with a finance application, typically including:

- business plan, including details of the purpose of the facility and details of other borrowings of the business
- suite of financial information – to include historic trading figures, management accounts and financial projections
- details on any other publicly funded support received by your business within the past three years (relevant to lender's possible consideration of the use of EFG)

Step Two EFG Eligibility Criteria Check (Assessed by Participating Lender)

The following criteria define the circumstances in which an EFG-backed facility may be provided:

- Small businesses in the UK with an annual turnover of up to £41 million
- Borrowing requirement of £1,000 - £1.2 million.
- Facility term of at least 3 months, with a maximum of 5 years for term loans of up to £1.2 million, 10 years for term loans of up to £600k and 3 years for invoice finance, overdrafts and other revolving facilities.
- Unable to provide any or sufficient additional security to the Lender.
- In an eligible sector. Most sectors are eligible with the principal exclusions relating to businesses in the coal industry, and certain aspects of agriculture and financial services.
- Borrowing is for an eligible purpose. Most purposes are eligible, with the principal exclusions being in respect of facilitating speculative investment, provision of finance (i.e. use of borrowing to fund lending or investment) or financing of specific export orders.

After evaluating the borrowing proposal and performing the EFG eligibility check the lender will then advise the borrower whether it is prepared to provide an EFG-backed facility.

Cost to the Business

- In addition to the regular capital and interest payments due to the lender, plus any arrangement fee which may be charged, a premium is payable to BIS as a contribution towards the cost of providing the guarantee.
- The premium is equivalent to two per cent per annum on the outstanding balance of the loan. It is assessed and collected quarterly in advance throughout the life of the loan. At the point of taking out the loan the borrower is advised of the premium payments due throughout the life of the facility.

EFG List of Lenders

The following lenders participate in EFG. Where a lender operates in a limited geographic area which may not always be immediately apparent from the name of the institution then the area is detailed in brackets after the name of the institution.

ABN AMRO Commercial Finance

Bank of Ireland (Northern Ireland)

Bank of Scotland

Barclays

Black Country Reinvestment Society (Black Country & Staffordshire)

Bolton Business Ventures

Braveheart Investment Group

Business Enterprise Fund (West & North Yorkshire)

Business Finance Solutions (Manchester & Cheshire)

Capitalise Business Support (Kent, Sussex & Surrey)

Centric Commercial Finance

Clydesdale Bank

The Co-operative Bank

County Asset Finance

County Business Finance

Coventry & Warwickshire Reinvestment Trust

DSL Business Finance (Central Scotland)

Danske Bank (Northern Ireland)

Donbac (South Yorkshire)

East London Small Business Centre

Enterprise Answers (Cumbria)

Enterprise Loans East Midlands

Finance Wales
First Trust Bank (Northern Ireland)
Foundation East (East of England)
GLE oneLondon
HSBC
Hull Business Development Fund – The Acorn Fund
Lloyds Bank
Metro Bank
MSIF (Merseyside)
NatWest
NEL Fund Managers (North East)
Regency Factors
The Royal Bank of Scotland
Santander
Skipton Business Finance
South West Investment Group
TSB Bank
Triodos Bank
UK Steel Enterprise
Ulster Bank (Northern Ireland)
Ultimate Finance Group
Yorkshire Bank

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This publication is available from www.british-business-bank.co.uk

Any enquiries regarding this publication should be sent to:

British Business Bank plc
Foundry House, 3 Millsands
Sheffield S3 8NH



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