



Your guide to our Growth Guarantee Scheme lending criteria

(GGS)

GGS loans with Atom

We've been accredited by the British Business Bank to offer secured loans through the Government-backed Recovery Loan Scheme (GGs). The successor scheme to the Recovery Loan Scheme, GGS launched in July 2024 and is designed to support access to finance for UK small businesses as they look to invest and grow.

The following guide details our GGS specific lending criteria and should be read in conjunction with and alongside our existing business lending criteria. In general, our existing business lending criteria will apply to all GGS lending. Any specific criteria to be applied to GGS lending are detailed in this document and must be followed for GGS applications. Where there is no specific criteria detailed in this document, the existing business lending criteria should be assumed to apply.

Our existing business banking lending criteria can be found here: <https://www.digitalmortgages.net/business/lending-criteria>

Eligibility

To be eligible for a GGS loan, your customer's business must:

- Be based in the UK;
- Is or will be engaged in trading activity in the United Kingdom at the initial drawdown date;
- Be able to provide suitable security in line with Atom's business banking lending criteria;
- Be a small or medium enterprise (turnover less than £45m);
- Generate more than 50% of its turnover from trading activity;
- Not be considered a 'business in difficulty'¹.

The following businesses are not eligible to apply:

- Banks, Building Societies, Insurers and Reinsurers (excluding Insurance Brokers);
- Public Sector bodies;
- State funded primary and secondary schools.

Borrowing for the following purpose is not eligible:

- Where the borrower intends to use the funds to purchase or remortgage residential or commercial property primarily in order to generate income by leasing it out to others.

Key facts

Loan size: £250k to £2m* (subject to aggregation eligibility and assessment).

¹The definition of a 'business in difficulty' can be found in the FAQ sections of both <https://www.digitalmortgages.net/business/growth-guarantee-scheme/> and <https://www.atombank.co.uk/growth-guarantee-scheme/>

Maximum Loan Size

The maximum amount a business can borrow under GGS will depend on whether or not they fall in scope of the Northern Ireland Protocol and is capped at the lesser of (a) the applicable Maximum Amount (which for NI Borrowers will be lower) and (b) an amount that would not take the borrower over the applicable Maximum Subsidy Amount for its sector.

The amount outstanding under any CBILS, CLBILS or existing RLS Phase 1 or 2 Facility/Facilities does not need to be deducted to determine the Maximum Amount available. However, any amounts outstanding for existing RLS Phase 3 Facilities must be deducted to determine the Maximum Amount.

The Maximum Amount per business group is:

- £2 million for businesses across all sectors outside the scope of the Northern Ireland Protocol; or
- For businesses in scope of the Northern Ireland Protocol:
 - £1 million for businesses that do not operate in the agriculture, aquaculture or fisheries sector.

The maximum amount per business group for NI businesses that operate in the agriculture, aquaculture or fisheries sector is lower than Atom's minimum loan amount of £250,000, therefore borrowers that operate within these sectors are not eligible for a loan with Atom.

Accessing a facility through GGS counts as a subsidy. If the business has received any previous subsidy, this may reduce the maximum amount they can borrow.

Maximum Subsidy Amount

For GB applicants, the maximum value of subsidy they are eligible for is £315,000 in aggregate over this and the previous two fiscal years (ending 31st March).

For NI applicants, the maximum aggregate value of subsidy they are entitled to over the borrower's current and previous two financial reporting years is:

- €20,000 or £17,000 if the business relates to the primary production of agricultural products
- €30,000 or £25,500 if the business relates to fisheries and aquaculture, or
- €300,000 or £255,000 for all other sectors.

Your customer will be required to provide written confirmation that receipt of a GGS facility will not mean the business will breach any of the above thresholds.

If the business has received any other relevant subsidy, they should have been provided with a written record of the amount of such subsidy.

Term: Up to 6 years.

Repayment type: Interest only, capital and interest, with the loan and all other amounts due to be repaid in full at the end of the term.

Fees: These will include valuation and legal fees.

LTV: Up to 75%, subject to lending policy and underwriter assessment.

Security: First legal charge over suitable security (land, property). We may require additional security, this could be in the form of debentures or business guarantees, and personal guarantees may be requested in line with our standard lending policy. All forms of security are eligible under GGS other than security over the Principal Private Residence ("PPR") of either a borrower or a personal guarantor.

Where a property is used as both a residence and a business location by a borrower or a personal guarantor, under GGS this property is deemed to be a PPR and we cannot take security over such properties.

Loan Purpose: The loan can be used for business investment and growth, to refinance existing debt with another lender, and for cash flow / working capital purposes².

²Lending where the borrower intends to use the funds to purchase or remortgage residential or commercial property primarily in order to generate income by leasing it out to others is not eligible under GGS.

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The Growth Guarantee Scheme is managed by the British Business Bank on behalf of, and with the financial backing of, the Secretary of State for Business and Trade. British Business Bank plc is a development bank wholly owned by HM Government. It is not authorised or regulated by the PRA or the FCA.

Visit <https://www.british-business-bank.co.uk/finance-options/debt-finance/growth-guarante>

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