

Credit Portfolio Advisory

The UK Recovery Loan Scheme



MARCH 2021

In the March 2021 Budget, the UK Government announced the Recovery Loan Scheme (RLS). On 6 April 2021, RLS will succeed the current CBILS¹ and BBLs² programmes, which have seen total lending of more than £73 billion to date. The availability of such government-guaranteed financing has been widely recognised as providing critical cashflow support to UK businesses during the COVID-19 pandemic, with bank and non-bank lenders playing a crucial role in ensuring the efficient delivery of this funding to SMEs.

In 2020, we saw gross lending to UK SMEs surge to over £100 billion (82% higher than in 2019)³, with CBILS and BBLs accounting for a significant percentage of this. For many non-bank lenders, the provision of financing via these schemes offered an important route for continued market participation, with accreditation necessary by the British Business Bank (BBB).

Alantra Credit Portfolio Advisory (CPA) has successfully sourced and structured CBILS funding facilities for accredited non-bank lenders and anticipates continued strong appetite from private capital and institutional investors to support such lenders in the rollout of RLS financing.

We outline below the key features of the program and how CPA can help you.

**UP TO £10
MILLION**

PER BUSINESS

**6 APR TO
31 DEC 2021**

PERIOD OF AVAILABILITY,
SUBJECT TO REVIEW

**UP TO 6
YEARS**

MAXIMUM TERM, VARIES
BY PRODUCT

**80%
GUARANTEED**

BY THE UK GOVERNMENT

Alantra's reach in the corporate & SME lending market

Origination channels			Funding channels					
			Institutional capital and banks			Private Capital		
Banks	Direct lending funds	Non-bank lending platforms	Insurance and Pension Funds	Asset managers	Banks	Private Equity	Credit Funds	Hedge Funds

TRACK RECORD ADVISING NON-BANK LENDERS IN DEBT & EQUITY

Alantra CPA has access to a wide array of institutional investors and to private capital to source the appropriate funding solutions for your requirements

OUR DIRECT EXPERIENCE STRUCTURING CBILS AND BBLs LENDING FACILITIES

Alantra CPA understand how to structure, price and execute credit portfolio transactions with associated complexities designed to optimise our client's interests

OUR INVESTOR REACH AND ACCESS

Alantra CPA are actively helping banks and non-bank lenders in structuring forward funding commitments and capital raisings

1. CBILS – Coronavirus Business Interruption Loan Scheme

2. BBLs – Bounce Back Loan Scheme

3. Source: British Business Bank Small Business Finance Markets Report 2020/21

Alantra CPA

Alantra's current transactions in the space

Nucleus Commercial Finance

Financing facility

Arranger to UK SME Fintech lender on a facility to originate CBILS loans

£200 million
2020

Confidential

Equity sale and financing facility

Financial advisor to a UK bridging and development lender on the sale of equity in addition to the arrangement of a facility to support origination growth

Confidential
Ongoing

Confidential

Sell-side advisory

Lead advisor on an all-stock merger between a European specialist lender and a Fintech Bank

Confidential
Ongoing

Confidential

Financing facility

Arranger to a UK specialist non-bank consumer lender to establish a forward flow for their second-charge mortgage and unsecured lending businesses

Confidential
Ongoing

Alantra CPA Key Contacts



Andrew Jenke
Managing Partner
London
T: 07901 512 747
E: andrew.jenke@alantra.com



James Fadel
Head of Structured Funding
London
T: 07890 616 654
E: james.fadel@alantra.com



Arun Sharma
Head of UK
London
T: 07827 663 243
E: arun.sharma@alantra.com



Marcus Evans
MD and Head of Bank Capital Solutions
London
T: 07747 638 501
E: marcus.evans@alantra.com
