



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

3 April 2020

Rt. Hon, Mel Stride MP  
Chair  
Treasury Committee  
House of Commons  
London  
SW1A 0AA

## CREATION OF CORONAVIRUS LARGE BUSINESS INTERRUPTION LOAN SCHEME

Dear Mel,

I am prepared to take whatever further action is necessary to support the economy through the economic crisis caused by the impact of Covid-19.

I have already announced a series of measures to support individuals, businesses and public services. At the Budget on 11 March, I announced the creation of the Coronavirus Business Interruption Loan Scheme, which provides a government guarantee of 80% to give banks the confidence to continue lending. It is available on facilities of up to £5m for any viable business with a turnover of less than £45m per annum who is experiencing lost/deferred revenues or disrupted cashflows as a result of Covid-19.

Working with the Bank of England, we have also established the Covid-19 Corporate Financing Facility to support larger companies which are fundamentally strong, but have been experiencing severe disruption to cashflows.

Last week, I wrote to the banks, alongside the Governor of the Bank of England, asking them to support small and medium-sized enterprises in any way they can. This included ensuring they pass on the benefits of the Government guarantee to any business borrowing under the Coronavirus Business Interruption Loan Scheme by keeping interest rates reasonable.

However, I recognised that there were companies who were unable to access either CBILS or CCFF by virtue of their size. I am therefore writing to provide details of a new Coronavirus Large Business Interruption Loan Scheme (CLBILS). It will ensure that more firms are able to benefit from government-backed support during this difficult time. It will provide a government guarantee of 80% to enable banks to make loans of up to £25 million to firms with an annual turnover of between £45 million and £500 million. This will give banks the confidence to lend to more businesses which are impacted by coronavirus but which they would not lend to without CLBILS. Loans backed by a

guarantee under CLBILS will be offered at commercial rates of interest. Further details of the scheme will be announced in due course.

A handwritten signature in blue ink, appearing to read 'Rishi Sunak', with a stylized flourish at the end.

RISHI SUNAK