

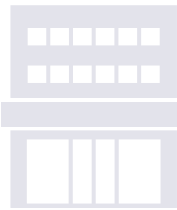
SMALL BUSINESS FINANCE MARKETS 2015/16



SEE FULL REPORT AT: WWW.BRITISH-BUSINESS-BANK.CO.UK

THE UK'S SMALLER BUSINESS POPULATION IS THRIVING

5.4M



Record number of smaller businesses in the UK¹

350,000

new enterprises registered in 2014²

85%

of new jobs in the UK between 2008-13 created by firms with fewer than 50 employees³

56%

of smaller businesses plan to grow their turnover in the coming year⁴



SUPPORTED BY GROWING AND DIVERSIFYING FINANCE MARKETS

4

consecutive quarters in which net bank lending to smaller businesses has increased⁵

75%

increase in peer-to-peer business lending in 2015⁶

2.2 £BN

invested annually in smaller businesses by equity providers⁷

1%

Total of small businesses who use equity finance in the last 3 years⁴

80%

combined market share for business loans held by the four largest UK banks⁸



CHALLENGES REMAIN IN THE SUPPLY OF FINANCE

BUSINESS PERFORMANCE – MORE TO DO

-20%

UK businesses are on average 20% less productive than the G7 average⁹

13TH

UK's position in cross country comparison of start-ups that grow to more than ten employees within three years¹⁰

THE BRITISH BUSINESS BANK IS WORKING TO UNLOCK FINANCE FOR UK'S SMALLER BUSINESSES

Supporting

2.5 £BN

of finance to smaller businesses

44,000+

over 44,000 smaller businesses are currently supported through our programmes

400 £M

New Northern Powerhouse Investment Fund to boost growth in the North

1 BIS Business Population Estimates 2015

2 ONS Business Demography 2014

3 Enterprise Research Centre, Goldman Sachs and British Business Bank (2015) "Unlocking UK Productivity - Internationalisation and Innovation in SMEs"

4 Business Bank Finance Survey 2015

5 Bank of England Bankstats

6 AltFi Data 2016

7 British Business Bank analysis of Beauhurst Data 2016

8 Competition & Markets Authority, Retail Banking Market Investigation 2015

9 ONS (2015) 'International Comparisons of Productivity - First Estimates, 2014'

10 Organisation for Economic Co-Operation and Development; 'The Dynamics of Employment Growth: New Evidence from 18 Countries', Chiara Criscuolo, Peter N. Gal and Carlo Menon (OECD), 2014.

HOW WE OPERATE

SOLUTIONS Designed to make finance markets for small businesses work better		MONEY £3bn+ of public funding commitments
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START UP Mentoring and funds to 'be your own boss'	SCALE UP Funds for high growth potential businesses	STAY AHEAD More funding options and choice of provider
Start Up Loans Providing loans and mentoring support to help entrepreneurs to start a business.	Angel Co Fund Matching equity investment in smaller businesses from business angels.	Investment Programme Supporting a greater range of funding for smaller businesses.
	Venture Capital Solutions Supporting a vibrant and diverse venture capital market for early stage and high growth businesses.	Enable Funding and capital products to help increase the flow of finance.
	Help to Grow Programme Allowing fast-growing firms to reach their potential. It will include debt finance with equity elements or, more simply, junior debt.	Enterprise Finance Guarantee Encourages financial institutions to lend to viable smaller businesses lacking collateral or track record.

Finance platforms and credit reference agencies

RESULTING IN INCREASED BUSINESS INVESTMENT, GROWTH AND JOBS

