## **SMALL BUSINESS FINANCE** MARKETS 2016/17

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



**UK** smaller businesses

# continue to prosper









Supported by growing & diversified financial markets

# 9 CONSECUTIVE **QUARTERS**

OF POSITIVE NET BANK LENDING TO SMALLER BUSINESSES<sup>5</sup>







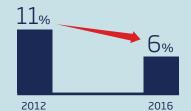
However

# market issues remain

Regional imbalance in scale-up funding



**Declining loan** application rates



6% OF SMALLER **BUSINESSES APPLIED FOR** 

## A NEW LOAN OR OVERDRAFT FACILITY

IN PREVIOUS 12 MONTHS COMPARED TO 11% IN 20127



**38%** OF SMALLER BUSINESSES **STILL** WENT DIRECTLY TO THEIR MAIN BANK

> WHEN FIRST IDENTIFYING A FINANCING NEED<sup>8</sup>

Growth in awareness of different finance products is slowing

## Supporting scale-ups

F400M

**ADDITIONAL VENTURE CAPITAL FUNDING ANNOUNCED** TO SUPPORT SMALLER **BUSINESSES TO** SCALE-UP



£650<sub>M</sub>

NORTHERN POWERHOUSE **INVESTMENT FUND &** MIDLANDS ENGINE

**INVESTMENT FUND WILL** PROVIDE A TOTAL OF £650M TO REGIONS OUTSIDE THE **SOUTH EAST** 

OF WHICH WILL BE EQUITY FINANCE

2 Closing regional imbalances

## The British Business Bank is

helping to increase diversity of supply & awareness

across the UK



OUR BUSINESS FINANCE GUIDE PUBLISHED WITH THE ICAEW OUTLINES THE FINANCE OPTIONS AVAILABLE TO BUSINESSES AT ALL STAGES www.thebusinessfinanceguide.co.uk/bbb



# HOW WE OPERATE

## **SOLUTIONS**

Designed to make finance markets work better for smaller businesses



## MONEY

Over £3bn of public funding commitments for smaller businesses

Working with finance market providers... START-UP BUSINESS ASSET FINANCE **HIGH STREET** CHALLENGER **FUNDING ANGELS PROVIDERS** BANKS **BANKS** PROVIDER **PRIVATE PRIVATE SECTOR SECTOR** MONEY MONEY SUPPLY-PEER-TO-PEER VENTURE INVOICE FINANCE DEBT **CHAIN FINANCE LENDERS** CAPITAL FUNDS **PROVIDERS FUNDS PROVIDERS** 

### START UP

#### Start Up Loans

Loans and mentoring to help people start their own businesses or become self-employed

## SCALE UP

#### Angel CoFund

Equity co-investment alongside business angel syndicates

### Venture Capital Funds

Increasing equity finance to UK growth companies and lowering barriers for fund managers coming into the VC Market

#### Venture Capital Catalyst

Support businesses by investing in the UK's VC and growth capital infrastructure

#### Help to Grow

Growth loans for smaller businesses

## STAY AHEAD

#### Investment Programme

Partnering with finance providers to increase the choice of finance for smaller and mid-sized businesses

### **ENABLE**

Capital market solutions for funders

### Enterprise Finance Guarantee

Government-backed loans for viable smaller businesses lacking security

Regional programmes: NPIF and MEIF

Designated Banks and Finance Platforms Referrals scheme

Sharing of SME data with Credit Reference Agencies

Improving the information available to businesses seeking finance

## **RESULTING IN INCREASED BUSINESS INVESTMENT, GROWTH AND JOBS**

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