

# THE BRITISH BUSINESS BANK

Unlocking finance for smaller businesses



The British Business Bank is a UK government-owned financial institution. It drives economic growth by making finance markets work better for smaller businesses in the UK, allowing those businesses to prosper and grow.

## HOW THE BANK WORKS

Smaller businesses don't obtain finance directly from the British Business Bank. Instead, we provide finance and apply guarantees through commercial lenders and investors, who use these financial resources – together with their own money – to lend to or invest in smaller UK businesses. We only operate where there is a clear market need, crowding in and not crowding out private sector activity.

## WE INCREASE THE VOLUME AND DIVERSITY OF SMALLER BUSINESS FINANCE

Working through over 100 finance partners, we support smaller UK businesses across the market:

**Start-up** – mentoring and funds to 'be your own boss'

**Scale-up** – finance for businesses growing quickly or those with the potential to do so

**Stay ahead** – more funding options and greater choice of providers for expansion and working capital

We support more than £5.9bn to over 82,000 smaller businesses. 91% of this funding is delivered through non 'big five' banks. The average size of investment or debt facility we enable, excluding Startup Loans, is around £72k. Our subsidiary, Start Up Loans, has lent over £486m in over 62,500 loans since September 2012 – an average of £7,750 per loan.

We are the largest UK-based venture capital investor, with over £1.3bn committed across our programmes.

## WE ARE VASTLY INCREASING OUR PROVISION OF LONG-TERM PATIENT CAPITAL



We expect to unlock an additional £13bn of patient capital, crucial to helping high-growth smaller UK businesses become the world beating global success stories of tomorrow.

We will achieve this through four main interventions: a new Managed Funds Programme which will attract institutional capital and expand investor diversity; a new British Patient Capital programme which will increase the availability of scale up equity, demonstrate returns and act as a catalyst to market growth; support for emerging clusters of Regional Angels to help reduce regional early stage equity imbalances; and our existing Enterprise Capital Funds, which increase early stage venture capital and encourage new entrants into the market.

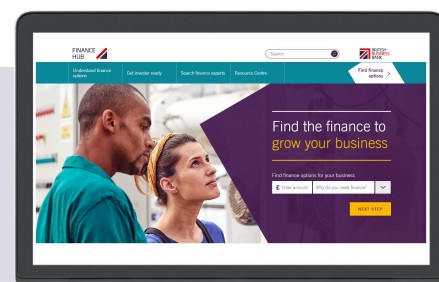
Through these, we aim to consolidate the UK's position as a global hub for VC and a world-class location for entrepreneurs and innovative companies.

## WE PROVIDE EXPERTISE ON UK SMALLER BUSINESS FINANCE MARKETS

As the centre of expertise on finance for smaller UK businesses, we advise and support Government on SME finance policy, and to design programmes that address market failures affecting smaller UK businesses.

## WE IDENTIFY AND HELP REDUCE REGIONAL FINANCE IMBALANCES

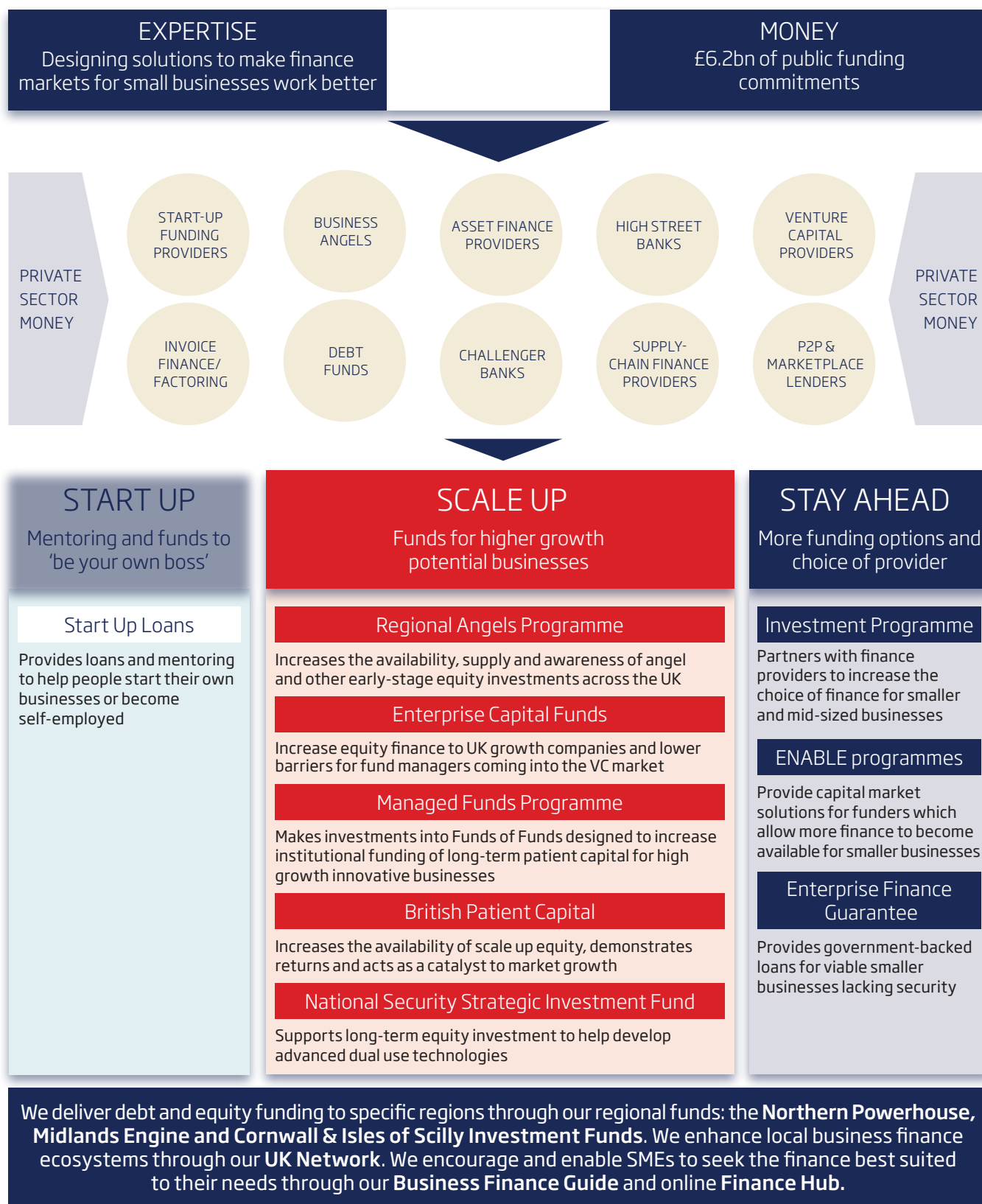
Our Northern Powerhouse Investment Fund, Midlands Engine Investment Fund and Cornwall and Isles of Scilly Investment Fund have a combined capacity of £690m. Our UK Network, launching this Autumn, will provide a network of relationship managers to improve regional access to finance.



## WE ENABLE SMALLER BUSINESSES TO SEEK THE RIGHT FINANCE

For businesses looking to scale up, our new Finance Hub ([www.british-business-bank.co.uk/finance-hub](http://www.british-business-bank.co.uk/finance-hub)) has a six-step finance finder tool and content to help users explore the most suitable finance options for them. Our widely-used Business Finance Guide ([www.thebusinessfinanceguide.co.uk](http://www.thebusinessfinanceguide.co.uk)) sets out the choices available to businesses at all stages.

# HOW WE OPERATE



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