

Small Business Finance Markets Report 2019/2020



SMALLER BUSINESSES ARE VITAL TO THE UK ECONOMY

5.9m

smaller businesses in the UK



381,000

businesses created in 2018
- over 1,000 a day



16.6m

people working in UK SMEs - 61% of the private sector workforce



SIGNIFICANT GROWTH IN SMALL BUSINESS FINANCE MARKETS OUTSIDE OF BANK LENDING IN THE LAST FIVE YEARS (2014 - 2018)

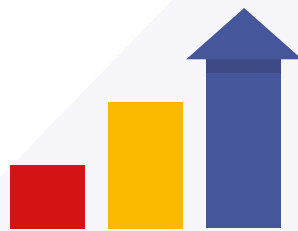
Up 32%

value of smaller business asset finance deals increased to £19.4bn



Up 131%

value of smaller business equity finance increased to £6.7bn



Up by 14%

number of smaller business equity finance deals increased to over 1,600



Up 374%

marketplace business lending (P2P) increased to £2.37bn



LOW DEMAND FOR FINANCE PRODUCTS IS LONG-STANDING, DESPITE A FLURRY IN 2019 AHEAD OF EU EXIT

28%

of businesses expect to grow over the next 12 months, (down from 36% in 2018)



73%

of businesses would rather forgo growth than borrow



Net bank lending up

driven by lower repayments (down 4.3% to £54.7bn), exceeding the fall in gross bank lending (down 1.7% to £56.7bn)



45%

of smaller businesses used external finance (up from 36% in 2018)



42%

of smaller businesses are permanent non-borrowers



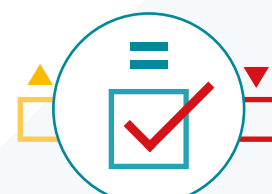
Overdraft & credit card use up

23% of SMEs used overdrafts, 19% of SMEs used credit cards, the highest since 2007



56%

of those surveyed expected EU exit to have no impact on their growth



29%

of those surveyed expected EU exit to have a negative impact on business growth

