



British Business Bank Performance Highlights March 2015

@britishbbank

www.british-business-bank.co.uk

Key facts



We are working with **over 80 partners** across England, Northern Ireland, Scotland and Wales to unlock finance for smaller UK businesses



Our programmes are supporting more than **£1.8bn** of finance to more than **43,000** smaller businesses, with around a further £1.2bn of finance to mid-cap businesses.

* total includes both our contribution and additional private sector money

MORE THAN
70%



of our finance and investment support is delivered through providers other than the big four banks



18,000

more smaller businesses benefitted from new finance and investment support from the British Business Bank in 2014



138%*

growth of our market impact since we started operating in shadow form

* this is a comparison of our stock of lending and investment at end of 2014 versus end of 2012

We operate across all sectors, but the top five supported are



14%

Wholesale and Retail Trade



13%

Information and Communications



13%

Manufacturing



12%

Accommodation and Food Service



8%

Science and Technology



Ron Emerson
Chairman
British Business Bank



Keith Morgan
Chief Executive Officer
British Business Bank

“It is evident we are already making an impact”

Smaller businesses are critical to our economy, but for many years they have had to rely on overly-concentrated and often inefficient finance markets. That is the reason why the UK Government asked us to set up the British Business Bank – to make finance markets work better for smaller businesses, so that they can prosper, grow and help build the UK economy.

Receiving State Aid approval from the European Commission last October – by no means an easy task – enabled us to take some significant steps as an arm’s length, public limited company at the start of November and begin the process of changing the structure and accessibility of finance markets for smaller businesses.

Our high level of independence has allowed us to move quickly, achieving a great deal in a short space of time, and we are confident about our ability to maintain this momentum. Most recently, we have secured the go-ahead to pilot an innovative new programme – Help to Grow – which will help fast-growing companies realise their potential. This is only one of several

areas where we are developing innovative solutions, a key aspect of our remit.

In addition to new financial products, we have mobilised significant amounts of new money. Working with over 80 partners in the market, our programmes now support around £1.8 billion of lending and investment to more than 43,000 smaller businesses and we are excited about our ability to deliver more.

Over the coming year, we look forward to building on what we have achieved so far, ramping up our work to deliver increased volumes and choice of finance in the market and improving awareness of the different sources of finance available to the UK’s smaller businesses.

Finally, we have been very encouraged by the strong response and support we have seen in working with a wide variety of industry and representative organisations, all of whom are passionate about the need to build this sector of our economy. We look forward to strengthening these links as we move forward.

Our impact – smaller businesses

How our programmes deliver for smaller businesses.

Equity finance unlocked by our Enterprise Capital Funds

OneDrum

Scottish-based software company OneDrum secured funding from Amadeus and Angels Seed Fund (an Enterprise Capital Fund), several business angels, the UK Technology Strategy Board and Scottish Enterprise, to develop a desktop application that allows simultaneous, multi-author document creation and editing in Microsoft Office.

Equity finance unlocked by our Angel CoFund

Gousto

Gousto provides customers with fresh organic ingredients for a wide range of exciting menus, delivered straight to the door to cook at home. Customers choose recipes online and have all the ingredients delivered in the correct proportions, alongside recipe cards and cooking instructions.

Founded in 2011, Gousto received a combined £500,000 from the Angel CoFund and an angel syndicate, which enabled Gousto to secure a further £1 million in institutional funding. This investment and a further £5m institutional investment last year has supported the company's growth plans. Gousto grew by 1,100% last year, making it one of the UKs fastest growing start-ups.



Equity finance unlocked by our Aspire Fund

Playmob

Playmob, which links virtual purchasing found in many online games to real-life charitable donations, received £215,000 from the Aspire Fund.

Jude Ower, founder of Playmob Ltd, said: "I am delighted to be working with the Aspire Fund to take Playmob to the next level. By securing this investment, it enables Playmob to set up operations in the US, an extremely important area for the business's growth."



Debt finance unlocked by our Enterprise Finance Guarantee

Team Sport

Team Sport Indoor Karting has nine indoor recreational racetracks

across the south of the UK and opened a new go-karting centre in Brighton after securing financial help from a participating lender, Lloyds TSB.

Paul Wrightman, owner of Team Sport, said "The support ... was essential in securing the Brighton site when time was of the essence, and helped us to expand into a new geographic area that we had identified as being a good opportunity for future growth".



Debt finance unlocked by the StartUp Loans programme backed by the British Business Bank

Fittamamma

Alexandra, a 29-year-old entrepreneur from West Sussex, has been given a £9,500 Start-Up Loan to help develop her clothing line and resource centre for active pregnant women. As well as funding, Alexandra has benefited hugely from the support provided to her through George Clayton, her mentor.

Alexandra said: "I have found the application process and the mentoring session incredibly helpful and believe this experience, along with the financial support will make a huge difference in taking FittaMamma to the next level."



Debt finance unlocked by our Business Finance Partnership/Investment Programme

Predator

Predator Equipment is a manufacturer of large agricultural trailers and liquid tankers based in Dungannon, Northern Ireland.

MD Eamon McVeigh said: "In this climate, SMEs like ourselves need all the help we can get and it's great to see the Government making a real impact through the Business Finance Partnership and the work they're doing with the likes of MarketInvoice."



Our impact – finance markets

How we work with our delivery partners



Martin Ling
*co-founder,
BMS Finance*

“British Business Bank is enabling funders like us to tell businesses that there is capital out there and that deals can be done. That in turn allows us to meet the needs of a segment of businesses that are increasingly looking to move from subsistence into a growth phase, which can only benefit employment and the economy at large.”



Eileen Burbidge
*partner,
Passion Capital*

“By supporting and incentivising private sector investors, the British Business Bank is making the best possible contribution to the UK’s thriving growth culture.”



Rhydian Lewis
co-founder, Ratesetter

“Small businesses are the posterchild of economic recovery and growth and the British Business Bank has a crucial role to play in encouraging their growth.”

Our delivery partners

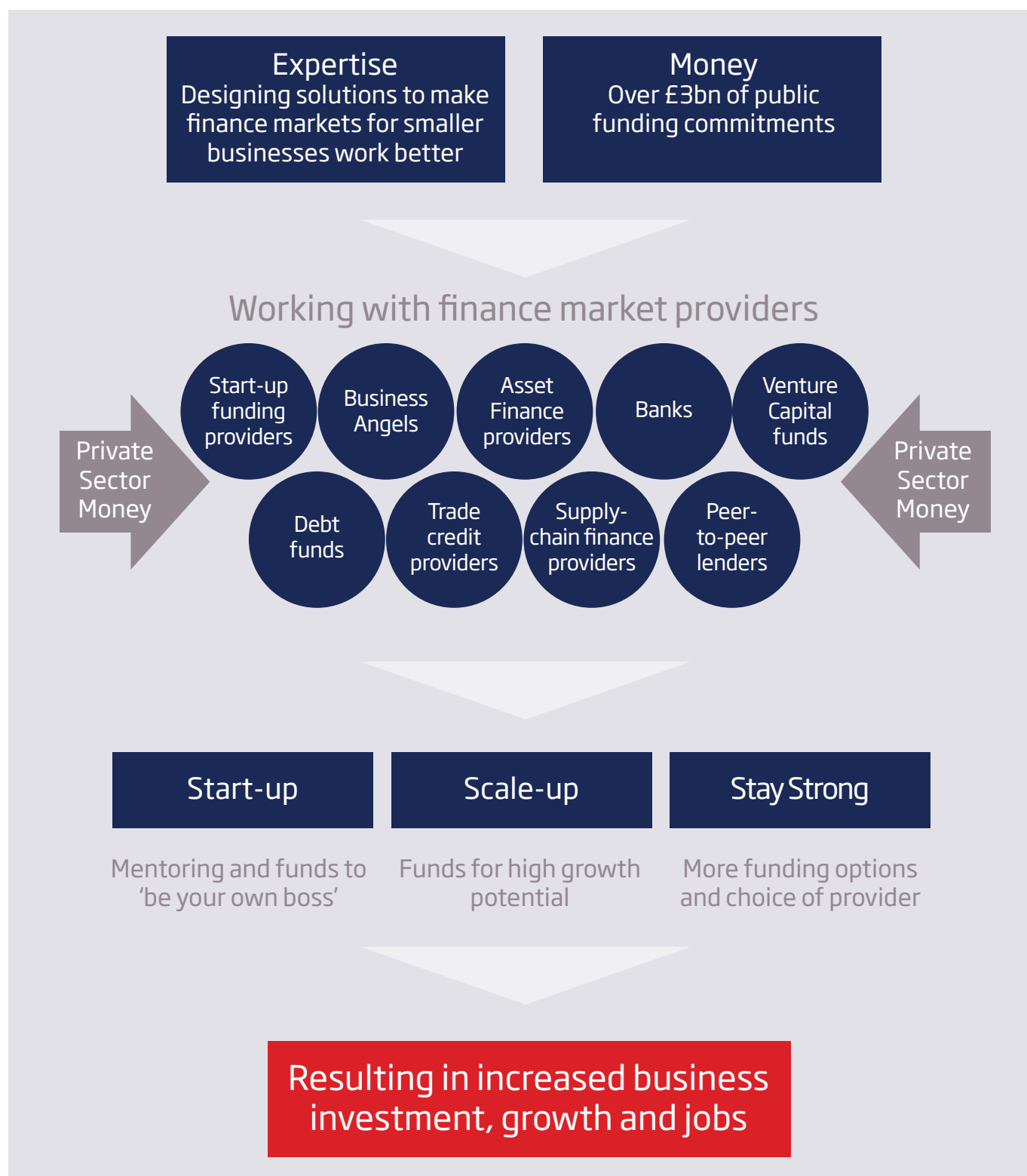
The British Business Bank does not provide funding directly to smaller businesses. Instead we work together with private sector partners to increase access to finance from a greater number of providers through a wider range of products. Our delivery partners include banks, leasing companies, venture capital funds and web-based platforms. Our route to market is through more than 80 established or newly emerging finance market providers.

ABN AMRO Commercial Finance	Hull Business Development Fund - The Acorn Fund
Alcentra	IGC
Amadeus Capital	Inspired Capital
Angel Cofund	IQ Capital Partners
Ares Management	Kingsway
Bank of Ireland (Northern Ireland)	Lloyds Bank
Bank of Scotland	Longwall Ventures
Barclays	M&G Investments*
Beechbrook Capital*	MarketInvoice*
Black Country Reinvestment Society (Black Country & Staffordshire)	Mercia Fund Management
BMS Finance*	Metro Bank
Bolton Business Ventures	Midven
Boost & Co*	Merseyside Special Investment Fund
Braveheart Investment Group	MMC Ventures
Business Enterprise Fund (West & North Yorkshire)	MVM Life Science Partners
Business Finance Solutions (Manchester & Cheshire)	NatWest
Capitalise Business Support (Kent, Sussex & Surrey)	NEL Fund Managers (North East)
Catapult Venture Managers	North East Finance
Centric Commercial Finance	North West Business Finance Limited
Clydesdale Bank	Notion Capital
County Asset Finance	Panoramic Growth Equity
County Business Finance	Passion Capital
Coventry & Warwickshire Reinvestment Trust	Praesidian*
Credit Asset Management Limited*	Pricoa Capital Group
Danske Bank (Northern Ireland)	Ratesetter*
Dawn Capital	Regency Factors
Disruptive Capital Finance	Santander
Finance For Enterprise (Donbac) (South Yorkshire)	Seraphim Capital
DSL Business Finance (Central Scotland)	Shire Leasing*
East London Small Business Centre	Skipton Business Finance
Enterprise Answers (Cumbria)	South East Seed Fund
Enterprise Loans East Midlands	South West Investment Group
Episode 1	Start-up Loans company
European Capital*	Sussex Place Ventures
European Investment Fund	The Co-operative Bank
Finance Wales	The Royal Bank of Scotland
Finance Yorkshire	Triodos Bank
First Trust Bank (Northern Ireland)	TSB
Foresight Group	UK Steel Enterprise
Foundation East (East of England)	Ulster Bank (Northern Ireland)
Funding Circle*	Ultimate Finance Group
GLE oneLondon	Urica*
Hayfin Capital Management*	WHEB Partners
Hermes Investment Management	Yorkshire Bank
HSBC	Zopa*

*These partners work with our commercial subsidiary, British Business Bank Investments Ltd

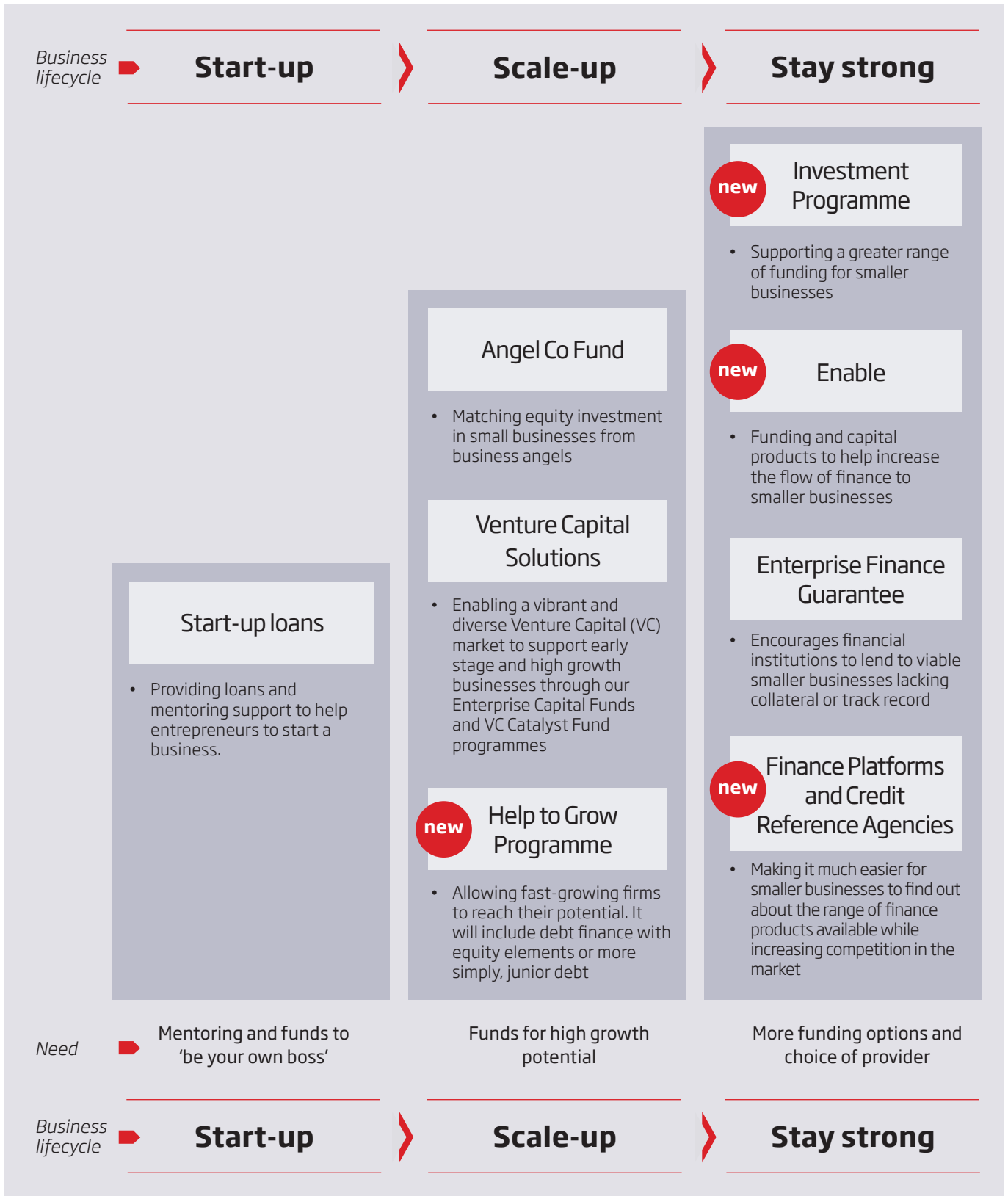
How we operate

The British Business Bank brings expertise and government money to smaller business finance markets. Understanding markets and smaller businesses' finance needs allows us to design programmes to make finance markets work better. Investing alongside private sector investors maximises our impact and allows us to reach the full range of finance providers such as banks, leasing companies, venture capital funds and web-based platforms. The diagram below shows how this process works in practice.



Market segments we operate in

We are creating the opportunities for smaller businesses to invest and grow, creating additional jobs and building economic activity.

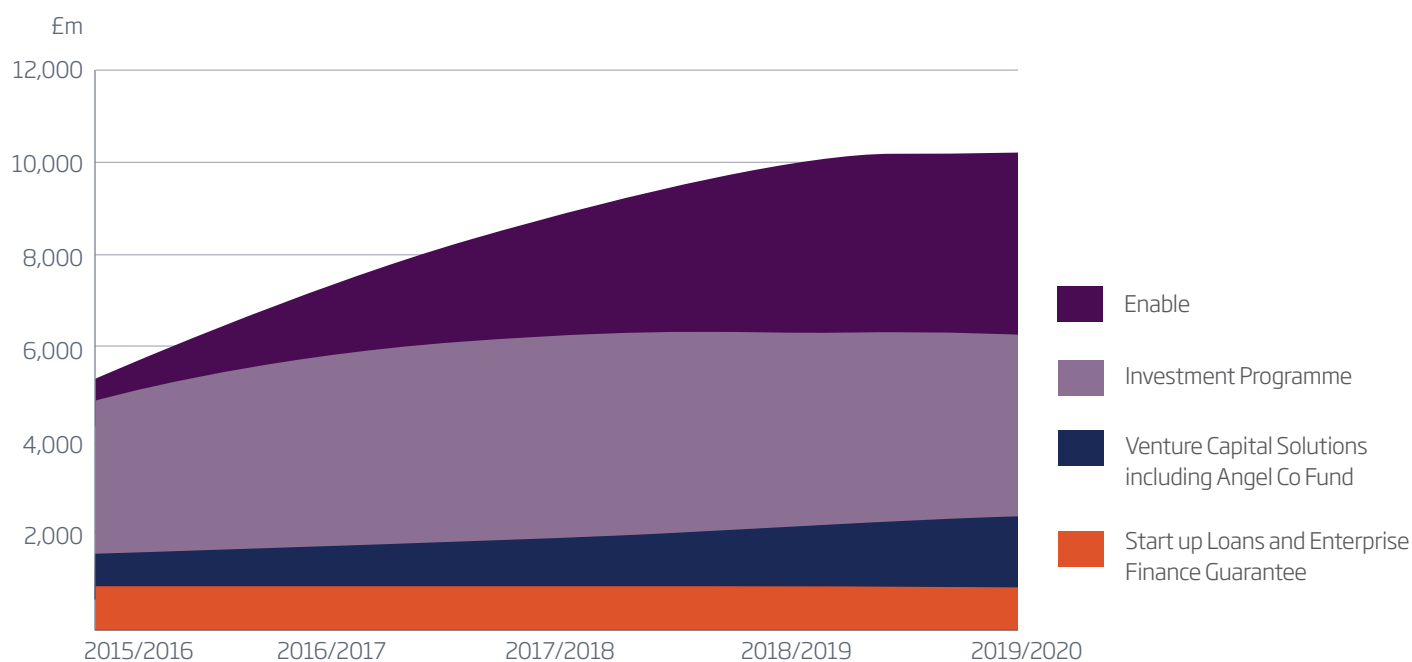


Our strategic objectives

The table below outlines our strategic objectives, our Key Performance Indicators and how we're doing against them.

Objective	Key Performance Indicators	Current position
To increase the supply of finance available to smaller businesses in areas where markets do not work effectively	£10bn stock of finance facilitated through our programmes by the end of March 2019.	2014/15 year to date actual £3.1bn
A more diverse market for smaller businesses finance with greater choice of options and providers.	At least 50% of our finance facilitated through providers other than the four largest banks over five years.	More than 70% of our finance and investment support is delivered through providers other than the big four banks
Better provision of information in the market connecting smaller businesses and finance providers.	Clear survey evidence from smaller businesses and finance providers that awareness of smaller businesses of finance options has improved	Survey evidence shows 43% of average smaller business awareness of six alternative finance options
To manage taxpayers' resources efficiently	To earn greater than the Government's medium term cost of capital over five years.	On track

The graph below illustrates how we plan to unlock £10bn over the next few years



Some of our recent work

The past year has brought significant developments for the British Business Bank. See below for a snapshot of our work during this period.

February 2014

Start Up Loans programme is made available across the UK

20th February 2014

£40m committed to Funding Circle

20th March 2014

British Business Bank launches its new ENABLE guarantee programme to help small banks lend to UK small firms

April 2014

£20m committed to Sussex Place Ventures

28th February 2014

£30m commitment Praesidian Capital, a growth capital fund

April 2014

Our Enterprise Capital Fund programme for Venture Capital is changed to allow commitments up to £50m

18th November 2014

ENABLE funding programme launched to support small lease finance providers



1st November 2014

British Business Bank becomes a plc

1st December 2014

British Business Bank commits £25m to IQ Capital Fund 2

3rd December 2014

Autumn Statement: £400m for Enterprise Capital Funds and also new funding for Enterprise Finance Guarantee

9th December 2014

Publication of flagship "Finance Markets 2014" report

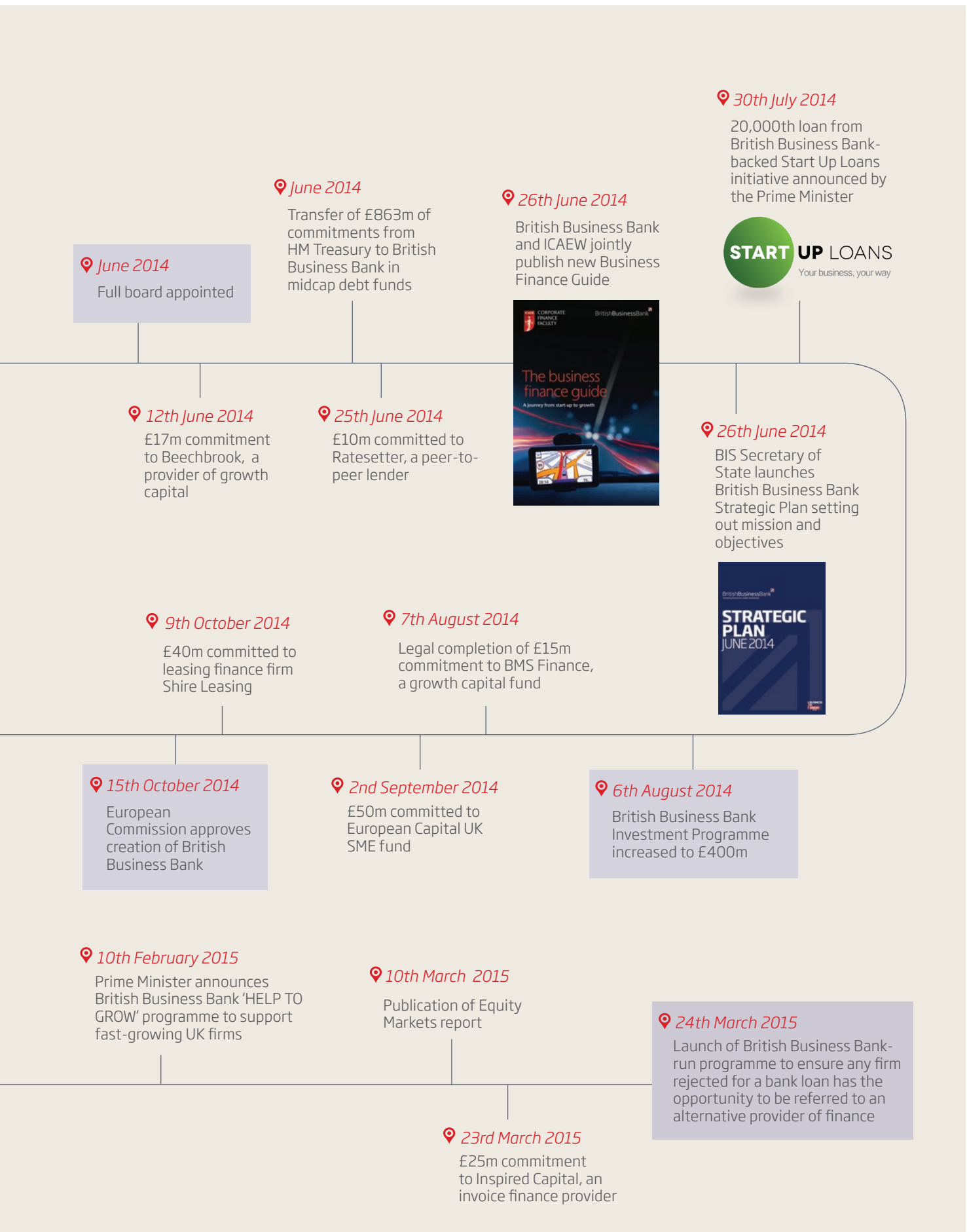


19th January 2015

Start Up Loans hit 25,000th loan mark

2nd February 2015

£5m committed to Kingsway asset finance provider





Unlocking finance for
smaller businesses

© British Business Bank plc (March 2015)

All figures source British Business Bank December 2014 unless otherwise stated.

This publication is available from british-business-bank.co.uk.

Any enquiries regarding this publication should be sent to:

British Business Bank plc

Foundry House

3 Millsands

Sheffield S3 8NH



British Business Bank plc is a public limited company registered in England and Wales (registration number 08616013, registered office at Foundry House, 3 Millsands, Sheffield, S3 8NH). As the holding company of the group operating under the trading name of British Business Bank, it is a development bank wholly owned by HM Government which is not authorised or regulated by the Prudential Regulation Authority (PRA) or the Financial Conduct Authority (FCA). It operates under its own trading name through a number of subsidiaries, one of which is authorised and regulated by the FCA. British Business Bank plc and its subsidiary entities are not banking institutions and do not operate as such. A complete legal structure chart for British Business Bank plc and its subsidiaries can be found at www.british-business-bank.co.uk