

SMALL BUSINESS FINANCE MARKETS 2015/16



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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

