

Funding Growth in Midlands Businesses



 Delivered by British Business Bank
Financing growth for Midlands businesses

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British Business Bank



 @meifbbb
www.meif.co.uk

The British Business Bank

The UK's economic development bank

An independent plc since Nov 2014,
with the UK government as sole
shareholder

We work with 100+ partners



We improve finance markets for
smaller businesses, so they work
more effectively and dynamically



This helps businesses
thrive and prosper, building
economic activity in the UK



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Why support smaller businesses (SMEs)?

5.5m

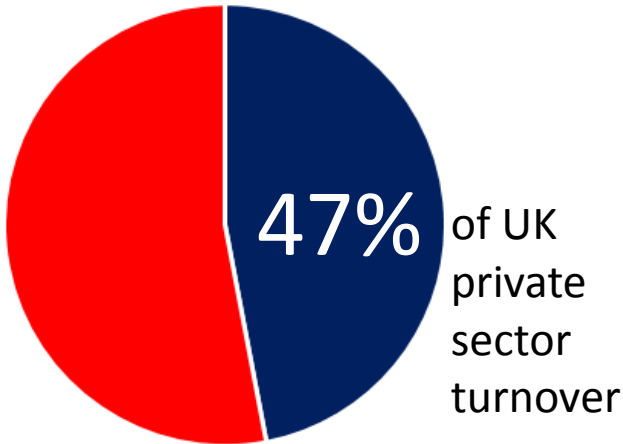
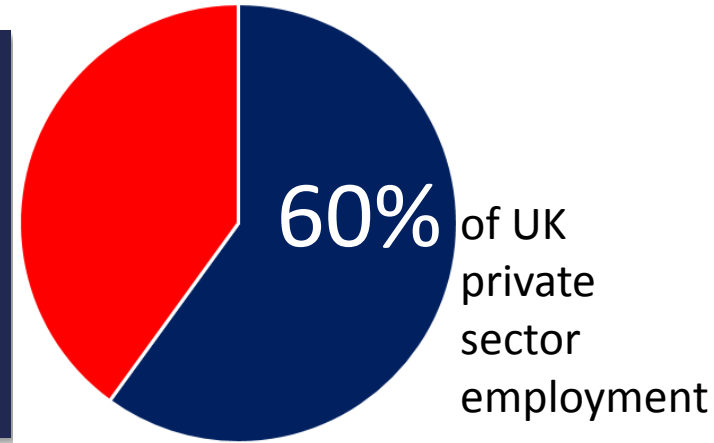
UK SMEs

99.9%

of UK
businesses

15.6m

Employees in
UK SMEs



3rd out of 14 countries for proportion of start-ups in business population (OECD)

13th out of 14 countries for proportion of start-ups that grow to 20 + employees in 3yrs (OECD)

British Business Bank - our objectives



1. Increase the supply of finance



2. Help to create a more diverse finance market



3. Promote better information in the market



4. Achieve this whilst managing taxpayers' money efficiently

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British Business Bank - our programmes

START UP

Mentoring and funds to 'be your own boss'

Start Up Loans

SCALE UP

Funds for high growth potential businesses

Angel CoFund

Enterprise Capital Funds

Venture Capital Solutions

Help to Grow Programme

STAY AHEAD

More funding options and choice of provider

Investment Programme

ENABLE Programmes

Enterprise Finance Guarantee

Regional programmes: NPIF, MEIF and CISIF

Designated Banks and Finance Platforms Referrals scheme

Sharing of SME data with Credit Reference Agencies

RESULTING IN INCREASED BUSINESS INVESTMENT, GROWTH AND JOBS

The Business Finance Guide



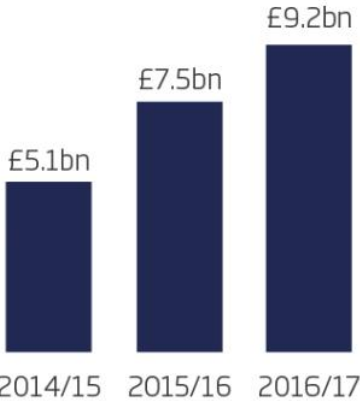
- Written by experts, an easy-to-understand guide to finance options at each stage of business life cycle
- Wide range of supporters, links put in front of c.1m businesses through direct marketing and partners
- Re-launched in June 2016 with enhanced digital content
- www.thebusinessfinanceguide.co.uk

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British Business Bank - our impact



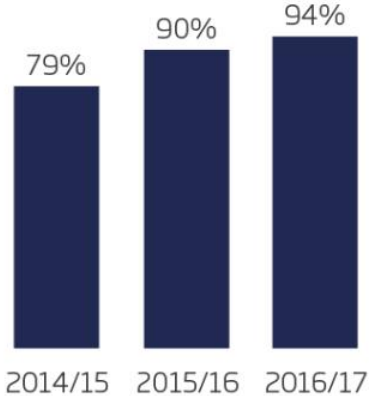
1. Increase the supply of finance



Stock of finance



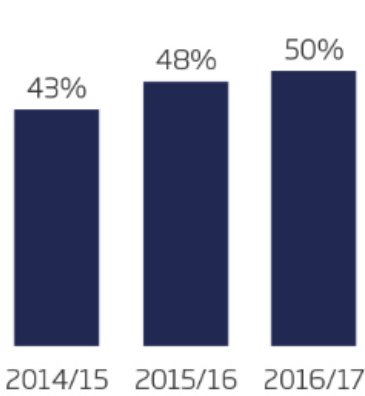
2. Help to create a more diverse finance market



Percentage through non-Big Four banks



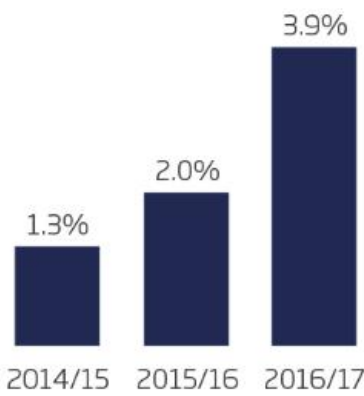
3. Promote better information in the market



Awareness of different forms of finance



4. Achieve this whilst managing taxpayers' money efficiently



Adjusted return on capital deployed

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Our national programmes – Midlands impact

£1.19bn

Finance to Midlands SMEs currently supported through our national programmes (excludes Start Up Loans)

5,475

Number of Midlands SMEs currently supported through our national programmes (excludes Start Up Loans)

£48.1m

Value of Midlands loans supported by the Start Up Loans programme since 2012

7,317

Number of Midlands loans supported by the Start Up Loans programme since 2012



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The Midlands Engine Investment Fund

Financing the Midlands Engine

- A close collaboration between the British Business Bank, BEIS, DCLG and 10 Local Enterprise Partnerships in the West Midlands and East & South-East Midlands
- Fund of Funds, bringing together over £250m of ERDF, EIB and British Business Bank funding to invest in SMEs across the region
- Public procurement undertaken to appoint commercial fund management organisations to run underlying funds
- Funds set up as 10-year limited partnerships with 5-year investment periods



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Midlands Engine Investment Fund - Lots

- **Lot 1 Equity**
 - Investments up to £2m
 - at least 20% by value of investments will be under £250k and at least 70% will be under £750k
- **Lot 2 Debt**
 - Loans from £100k up to £1.5m
 - at least 25% by value of investments will be principal amounts under £200k and at least 70% will be principal amounts under £500k
- **Lot 3 Small Business Loans**
 - Loans from £25k up to £150k
 - at least 25% by value of investments will be principal amounts under £50k and at least 70% will be principal amounts under £75k
- **Lot 4 Early Stage and Proof-of-Concept**
 - Investments up to £750k
 - at least 50% by value of investments will be amounts under £250k

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Midlands Engine Investment Fund – so far

£120m of debt and small business loans funds (Lots 2 & 3) now available:

- £50m debt fund managed by Maven Capital Partners UK LLP across the West Midlands
- **£40m debt fund managed by Maven Capital Partners UK LLP across the East & South-East Midlands.**
- £17m small business loans fund managed by BCRS Business Loans Limited across the West Midlands.
- **£13m small business loans fund managed by Enterprise Loans East Midlands Limited across the East & South-East Midlands.**

Equity and Proof of Concept funds (Lots 1 & 4) expected later in the Autumn

Once all funds are available there will be launch events across the LEP areas

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ABOUT MAVEN CAPITAL PARTNERS

MEIF Maven Debt Finance

- **£50 million West Midlands** and **£40 million East & South East Midlands**
- Providing loans of between **£100,000** and **£1.5 million** to eligible SMEs

Over **£410 million**

Funds Under Management

Investing on behalf of more than

12,000 Investors

Small-to-mid-cap private equity house, investing up to

£15m

per transaction

60

Investment and Support Professionals across the UK

Nationwide Coverage

Manchester, Glasgow, Birmingham, London, Edinburgh,

www.mavencp.com/sme-finance

Source: Maven Capital Partners, 27 February 2017

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LOAN CRITERIA - MEIF

13m Fund size

Lower Limit £25K upper limit £150K,

Average Deal £32,828,

Loan Term 1-5 years

Contact: www.first-enterprise.co.uk

www.meif.co.uk

British Business Bank and the Midlands - summary

£1.19bn



Finance currently supported through our national programmes for smaller businesses

£120m



Additional debt finance available now through the Midlands Engine investment fund Lots 2 & 3

£250m



Overall finance expected to be made available through the Midlands Engine Investment Fund



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**MIDLANDS
ENGINE**
Investment Fund



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A complete legal structure chart for British Business Bank plc and its subsidiaries can be found at www.british-business-bank.co.uk.

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