



## Business Finance Partnership activity report

### Background

The Business Finance Partnership aims to increase lending to small and medium sized businesses from sources other than banks. It has two strands. The first strand invests in fund managers who lend to medium-sized businesses. The second strand invests in non-traditional lenders that provide an alternative source of lending for small businesses.

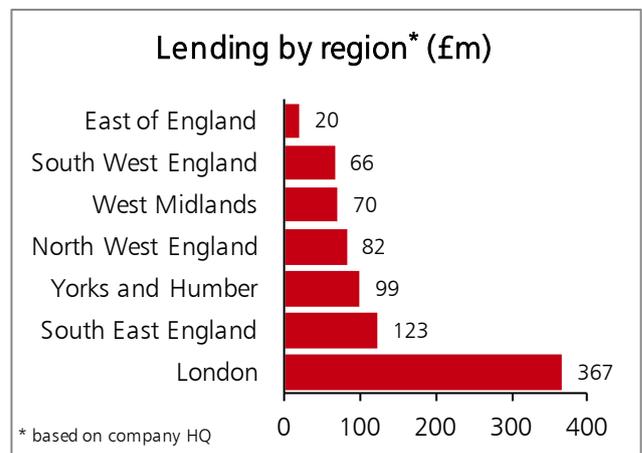
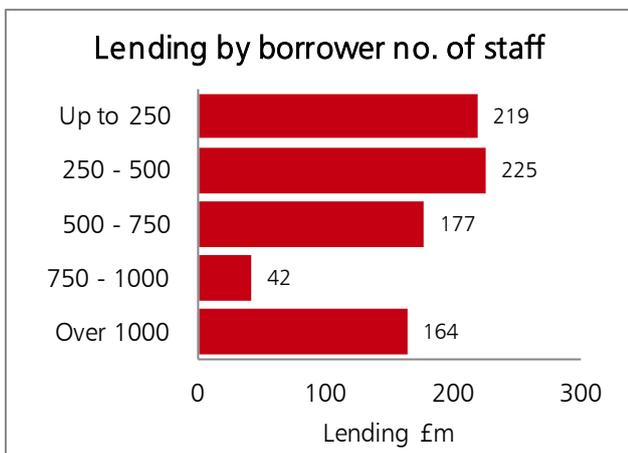
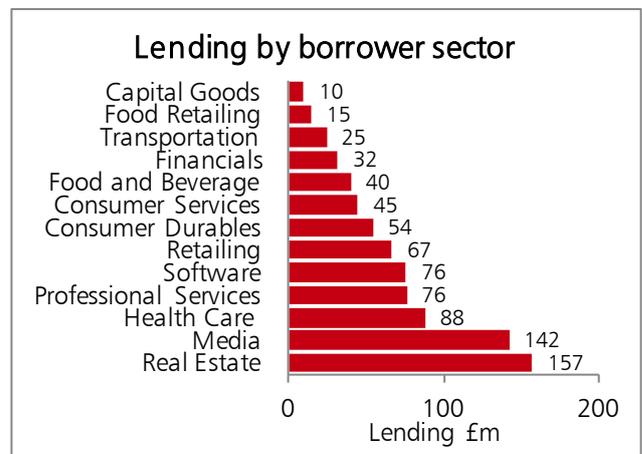
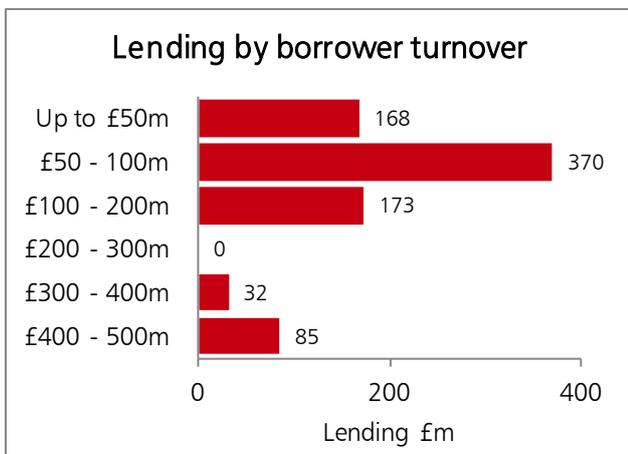
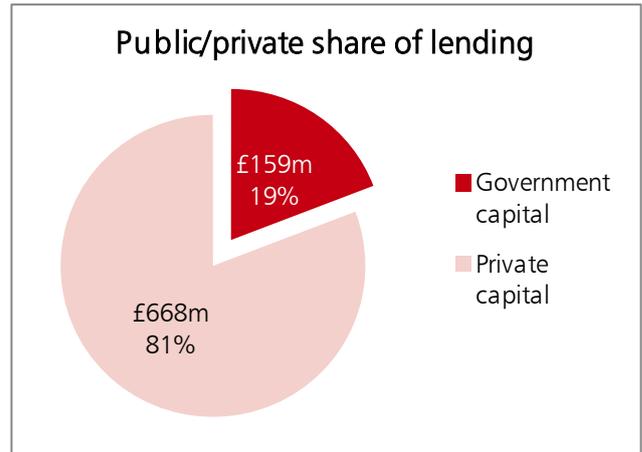
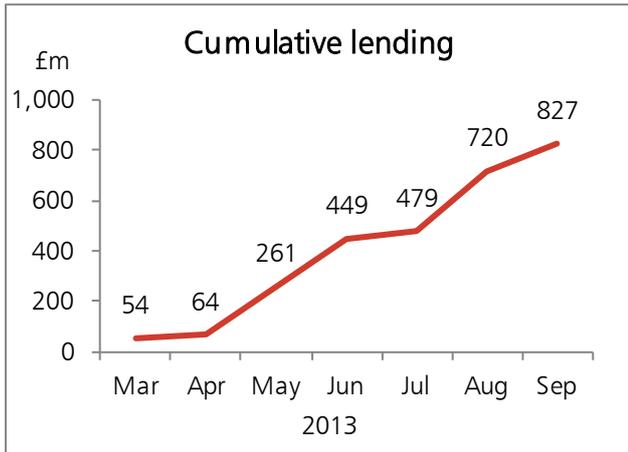
The Business Finance Partnership invests in lenders on fully commercial terms, matched with at least an equal amount from private sector investors. Like any commercial investor, the government has no role in individual lending decisions. This report summarises investment and lending activity through the medium-sized business strand\*.

### Summary of activity

- The medium-sized business strand of the Business Finance Partnership has committed £863 million of government money to help create six new lending funds.
- From these commitments, the funds have so far drawn down £159 million of government money alongside an additional £668 million from private sector investors to lend a total of £827 million to 18 businesses as of 6 September 2013. Further lending is ongoing.
- This means the government has so far helped create around £5 of lending for every £1 of taxpayers' money.
- As a result, businesses in 7 regions and 13 sectors have received loans. The median turnover of a borrower is around £80 million and the median number of employees is around 550. The average duration of loans is 7.1 years, above what is normally available from banks.

\* A separate update on the small business strand will be published in due course

## Charts and data



### Portfolio summary

Number of borrowers	18
Median borrower no. of staff	550
Median borrower turnover (£m)	80
Average* loan term (years)	7.1

\* weighted by loan size

### Funds in receipt of investment

Fund	Government commitment (£m)
Alcentra	100
Ares	100
Hayfin	100
ICG	163
M&G	200
Pricoa	200
Total	863

Note: all data as of 6 September 2013.