



Department
for Business
Innovation & Skills

BIS PERFORMANCE INDICATORS

Value Enterprise Finance
Guarantee funds used by
businesses

JANUARY 2015

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Value Enterprise Finance Guarantee funds used by businesses

Why is this indicator important?

Small and Medium sized businesses (SMEs) need access to finance to enable them to invest and grow. During the economic downturn beginning in 2008 many SMEs found it more difficult to access finance from their bank due to the widespread tightening in the availability of credit. The Enterprise Finance Guarantee was launched in January 2009 to assist viable SMEs unable to access finance through their normal routes and the indicator provides a measure of the additional finance used by SMEs under the scheme.

What will influence this indicator?

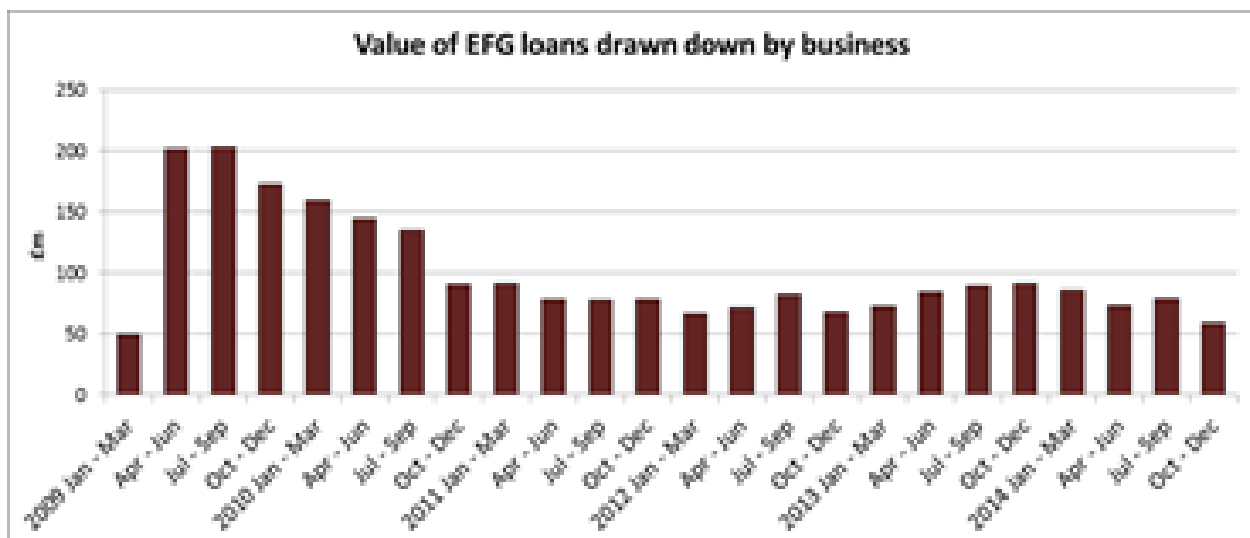
The Enterprise Finance Guarantee will continue throughout 2015-16, guaranteeing, subject to demand, up to £500 million in additional lending during the next financial year.

The indicator will be influenced by the level of SME demand for bank finance in the wider economy and the extent to which this demand is being met by banks and other finance institutions.

EFG is intended to enable additional bank lending to viable SMEs that lack collateral to secure a normal commercial loan, operating at the margins of bank lending. As such, EFG forms around 1-2.5% of UK bank lending to SMEs with a turnover of up to £41 million, and is not meant to displace conventional lending.

How are we performing?

EFG lending peaked in 2009, during the height of the Credit Crunch and has generally been declining since with a slight increase during 2013/14. This partly reflects the wider reduction in SMEs demand for finance, as well as finance conditions stabilising.



What is BIS's role?

BIS has established the [Enterprise Finance Guarantee](#)¹.

Indicator definition

Total value of loans drawn down by businesses from the Enterprise Finance Guarantee scheme during each quarter of the scheme.

Further Information

[Statistics on business use of the Enterprise Finance Guarantee](#)², including the regional and sectoral distribution, are published quarterly on the BIS website. This also provides further information on the application process and eligibility criteria.

Status

Last updated: January 2015 using data from Q4 2014

Due for update: data from Q1 2015

¹ <http://british-business-bank.co.uk/market-failures-and-how-we-address-them/enterprise-finance-guarantee>

² <http://british-business-bank.co.uk/wp-content/uploads/2014/01/Enterprise-Finance-Guarantee-2014Q3-Statistics.pdf>



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Contact us if you have any enquiries about this publication, including requests for alternative formats, at:

Department for Business, Innovation and Skills
1 Victoria Street
London SW1H 0ET
Tel: 020 7215 5000
Email: enquiries@bis.gsi.gov.uk