

CHAIRMAN'S STATEMENT

We aim to be the catalyst that brings about significant change to the structure and accessibility of finance markets, for the lasting benefit of our economy.

We've been keen to adopt a commercial-mindedness which enables us to connect with the market on equal terms and with a common language

We have a specific remit to make the UK's finance markets work better for those smaller businesses so vital to our economic growth and prosperity.

Publishing our first annual report and financial statements is a significant milestone for the British Business Bank, and comes at the end of a period of rapid development for our organisation.

The last year has been about putting in place everything needed to form a new organisation while continuing to deliver increasing levels and variety of finance, through a wider range of partners, to an increasing number of businesses. Gaining State aid approval from the European Commission last October has enabled us to operate with a level of independence which has allowed us to develop rapidly and to achieve a huge amount in a relatively short period of time.

In many ways, the story of our first year chimes with the experience of many of the start-up and scale-up businesses we help fund - including recruiting and integrating new colleagues, setting up governance processes and policies, designing Company structures, developing a strong set of corporate values and putting the business' infrastructure in place.

The business has achieved this while delivering the increased volume and choice of finance that smaller businesses need. Good performance against our objectives, as measured by our key performance indicators, means

we are well placed to deliver on the objectives we have been set for the coming years.

THE BOARD

We've put a Board in place that brings together a wide range of financial and small business experience. The Board is comprised of seven independent Non-executive Directors, one Shareholder Representative Director and three Executive Directors. Most of our Board members have run, worked for, or been closely involved with small businesses throughout their careers.

Until the Board was formalised in 2014, the Bank was run as a shadow operation within the Department for Business, Innovation and Skills. The Board has met regularly since its establishment in 2014, adopting its formal governance role in November 2014 when operations and assets were transferred to the British Business Bank plc. In March 2015, Maria Turner, who successfully established and chaired our Board Risk Committee, decided to stand down from the Board due to taking a new and demanding role in Scandinavia - we wish her well and thank her for her important contribution.

As a Board committed to continual improvement, we have recently undertaken an evaluation to ensure the Board and its Committees operate effectively and to explore the opportunities for improvements based on our first months of organisational independence.

I would like to thank all the British Business Bank's Directors for their contribution during this key period. Their valuable input and commitment to their roles has been vital in maintaining the high standards of corporate governance which underpin our organisation.

DELIVERING THROUGH PARTNERSHIPS

We remain focused on the problem that we're trying to solve - a lack of supply and choice in finance for smaller businesses. In the last year we have introduced new and innovative approaches to start to address those issues and we look forward to further developments in the coming year which will build on what we have already put in place.

By employing our resources through a range of private sector partners, we make best use of and leverage our funding to create greater impact. Maintaining strong relationships with those partners - ranging from equity funds, banks, asset finance providers and alternative finance, to the business membership organisations and advisory bodies who help us spread the word about increased finance options gives us the solid foundation we need to deliver our objectives.

COLLEAGUES

Across our two offices in Sheffield and London, we now have 106 colleagues in our organisation. They bring with them a unique blend of skills, experience and

background - from banking, investments and asset finance to specialist policy knowledge from the Civil Service.

One striking feature of our workforce is their sense of common purpose - a real drive and passion to improve finance markets for smaller businesses.

As importantly, we've been keen to adopt a commercial-mindedness which enables us to connect with the market on equal terms and with a common language - a conscious and necessary reshaping of how a government-sponsored organisation should relate to the world of finance and business.

We continue to maintain strong working relationships with colleagues at the Department for Business, Innovation and Skills, which is our organisation's sponsor, and we look forward to working with them and new Ministers to further develop and implement our plans.

Finally, I would like to acknowledge first the enormous effort and commitment of our staff, which has enabled us to meet all of our targets so far. In addition, I would also like to thank a wide range of supporters including Ministers and officials across government, our delivery partners, and others who have championed our progress and share our aims. We look forward to achieving much more together as we grow and develop as an organisation.

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Ron Emerson
Chairman
British Business Bank

A stylized, handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end.