
7 October 2013

High Street Bank Fund For Start Up Entrepreneurs

Entrepreneurs who have started a business through the government-funded Start Up Loans Company can now access second-phase funds from the high street bank Santander UK plc, with more banks in the pipeline to follow suit.

From today, Santander will provide second-phase funding to Start Up Loan businesses that have shown growth and promise, with a minimum of 6 months of trading. Each entrepreneur can apply for up to £25k, with Santander relaxing the lending criteria for Start Up Loan entrepreneurs, as part of their continued contribution to the growing economy and the promotion of enterprise.

This partnership highlights the success of the Start Up Loans scheme which, in 11 months, has provided funding and mentors to over 8,000 entrepreneurs in every sector, across all regions in England and Northern Ireland.

Start Up Loans has grown significantly since its inception a year ago, starting 30 businesses daily. The Chairman of Start Up Loans, James Caan comments: "Second-phase funding from Santander recognises the great progress the Start Up Loans Company has made in stimulating entrepreneurship and start-ups in this country. Their commitment enables our entrepreneurs to graduate into the more traditional lending routes, previously closed off to young budding entrepreneurs, demonstrating the powerful role that Start-Up Loans play in creating a new generation of entrepreneurs."

Of the new partnership, Steve Pateman, Head of UK Banking at Santander, says: "Start Up Loans are providing exceptional advice and guidance to entrepreneurs, and by partnering with them we are able to provide second-stage funding to start ups, making finance more widely available to small businesses. This helps us bridge the funding gap that many entrepreneurs encounter and supports our aim to be the banking partner of choice for businesses."

Start Up Loans Enquiries

Media enquiries should be directed to press@startuploans.co.uk or 020 7932 1599

Managing Director Tim Sawyer and Creative Director Yasmina Siadatan of Start Up Loans are available for interview.

Potential loan applicants should contact hello@startuploans.co.uk

Notes to editors

Start Up Loans is a £151.5 m government-funded initiative that provides start-up support in the form of a repayable loan together with a business mentor for entrepreneurs across England and Northern Ireland.

Founded by Lord Young, the Prime Minister's Enterprise Advisor, Start Up Loans was created within the Department for Business, Innovation and Skills.

It is designed to help young people who have a feasible business idea but no access to mainstream finance.

With a view to providing the robust SME sector of tomorrow, Start Up Loans aims to equip enterprising individuals with the tools needed to make their businesses a success.

£14m of the funding announced by the Prime Minister on 12 September is designed specifically to support new participants in the Department of Work and Pensions' New Enterprise Allowance (NEA) scheme from 1 October. Those joining the NEA after this date will access Start Up Loans instead of the previously available NEA loans.

As the Start Up Loans Company only commenced making loans 12 months ago, it will take until summer 2014 for the loan portfolio to mature in terms of reaching a stable level of loan defaults. While the current provisioning rate is around 5% of total loan value, the business case assumption for the maximum expected default rate was 40%. Based on our experience to date, we currently believe the expected default rate to stabilise at 30%, which is consistent with community lender default rates on loan portfolios with similar characteristics. The overall economic benefit of the programme taking account of the assumed default rate is strongly positive as a result of the economic activity generated by the large majority of businesses supported by the programme that continue successfully.

Start Up Loans is one of a range of government-backed schemes totalling £2.9 billion that are being brought together under the Business Bank initiative. A further £1 billion of new capital will be deployed by the Business Bank in partnership with the private sector to further increase the amount of finance available and the choice of finance providers to businesses.

The Prime Minister announced on 5 June that loans will also be available to applicants aged over 30.

Santander Corporate & Commercial provides dedicated relationship banking support to businesses with a turnover of more than £250,000 through the bank's 35 regional corporate business centres located across the UK. It is part of Santander UK plc, a full-service retail and commercial bank providing services to 25 million customers, with almost 1,200 branches. It is a wholly owned subsidiary of Banco Santander, managed autonomously, with its own local management team. Santander UK is firmly focused on the UK with c. 99% of customer assets UK-related. The total balance sheet remains UK focused, with a minimal net exposure after collateral to eurozone periphery countries only amounting to c. 0.4% of total assets.

Santander UK is subject to the full supervision of the Financial Conduct Authority (FCA) and Prudential Regulation Authority (PRA) in the UK. Santander UK plc customers are protected by the Financial Services Compensation Scheme (FSCS) in the UK.

Banco Santander (SAN.MC, STD.N, BNC.LN) is a retail and commercial bank, based in Spain, with a presence in 10 main markets. Santander is the largest bank in the euro zone by market capitalization. Founded in 1857, Santander had EUR 1.342 trillion in managed funds, 102 million customers, 14,680 branches – more than any other international bank – and 186,785 employees at the close of June 2013. It is the largest financial group in Spain and Latin America. It also has significant positions in the United Kingdom, Portugal, Germany, Poland and the northeast United States. In the first half of 2013, Santander registered EUR 2,255 million in attributable profit, an increase of 29% from the same period of the previous year.

Santander Media Enquiries

Rachel Pegg, 0207 756 4400

Sarah Davies, 0207 756 4211
Jemma Abela, 0207 756 4199

The Santander press office operates from 8.00am to 6.00pm. Outside of these hours please call 0800 5877708.

www.startuploans.co.uk