

PRODUCTIVE FINANCE IN ACTION: THE ECONOMIC FOOTPRINT OF ALLICA BANK'S LENDING

A REPORT FOR ALLICA BANK

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FOREWORD

Six years ago, Allica was granted its banking license – followed by the key milestone of our first loan completing in March 2020. While Allica has experienced rapid growth since those early days – welcoming over 700 colleagues and becoming the fastest-growing fintech in UK history – our guiding mission has remained unchanged: to give established businesses the banking they deserve.

From shops to manufacturers, care homes to accountants, and pubs to logistics firms, established businesses keep our economy turning and our communities thriving. They also drive innovation across sectors from pharmaceuticals to engineering.

These established businesses – typically with between 5 and 250 employees – make up a third of UK employment and turnover. Yet the service they get from their bank is increasingly impersonal, inconvenient, and poor value. In fact, recent research by Allica identified a £65 billion SME lending gap that has emerged over the past 25 years, restricting their ability to grow and innovate.

That's why we're proud of the insights uncovered in this report by Oxford Economics, which demonstrate the scale of the positive impact Allica is having on the UK economy. By the end of 2024, Allica had lent over £3 billion to established UK businesses – and in that year alone, our lending supported 84,000 British jobs, contributed £5.8 billion to GDP, and generated £1.4 billion in tax revenue that can be reinvested into public services.

Importantly, Allica's lending is reaching the regions that are often most underserved, including Wales, the North East, and the East Midlands, which will be critical as we level up the UK and generate real economic growth.

I'd like to thank the Oxford Economics team for their work on this report, applying their trademark rigour from the outset. And I'd also like to thank our customers, investors, brokers, and partners for their vital support throughout our journey.

Finally I'd like to thank the Allica team. Their dedication, innovative thinking, and passion for giving established businesses a powerful and rewarding banking alternative inspires me every day. As this report has shown, we've already made our mark. But the opportunity to power Britain's growth has only just begun.

Richard Davies
Allica Bank CEO

THE ECONOMIC FOOTPRINT OF ALLICA BANK'S LENDING IN 2024



84,000 jobs supported by Allica Bank's lending.



Equivalent to **one in every 440 UK jobs**.



£5.8 billion contribution to UK GDP.

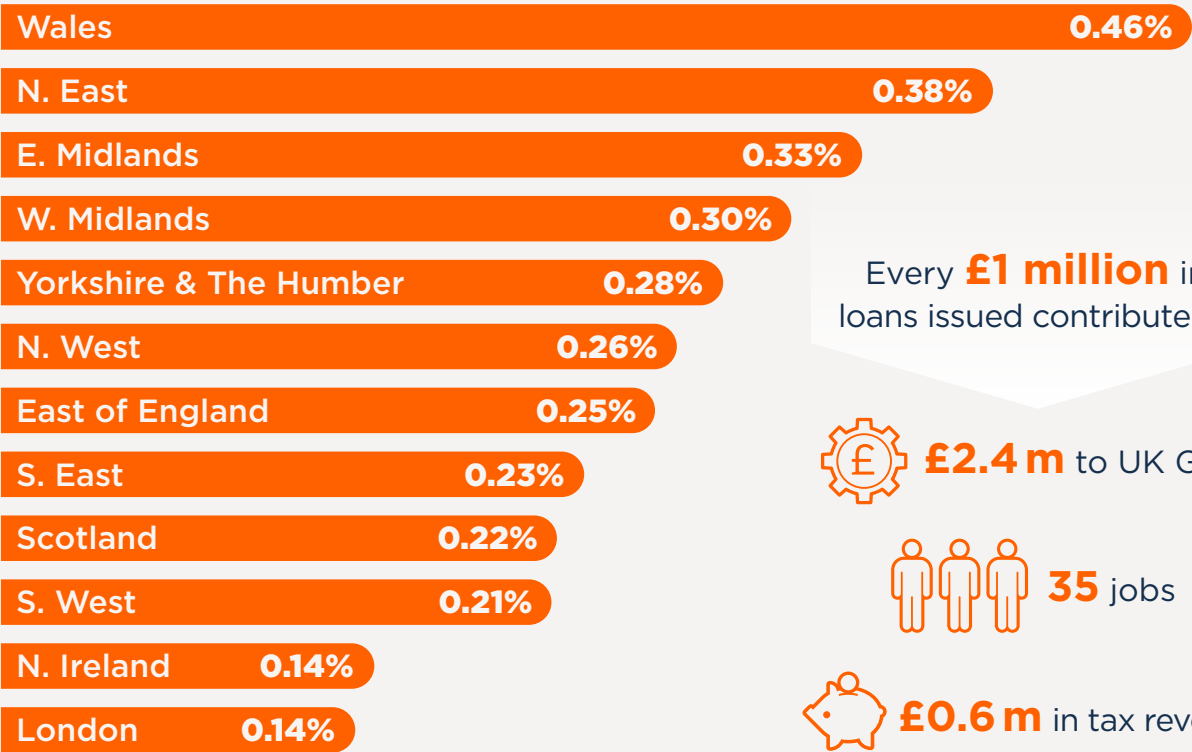


60% of gross lending to UK SMEs now made by challenger and specialist banks.



£1.4 billion in tax revenues.

Allica Bank's employment footprint as a share of each region's labour market was highest outside of London and the South East.



Every **£1 million** in loans issued contributed...



£2.4 m to UK GDP



35 jobs



£0.6 m in tax revenue



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Allica Bank

EXECUTIVE SUMMARY

UK SME FINANCING HAS UNDERGONE SIGNIFICANT CHANGES OVER THE PAST DECADE

At the end of the global financial crisis, the major UK banks accounted for the majority of business loans to SMEs. However, after a series of government initiatives and regulatory interventions, new and specialist banks have entered the market, such as Allica Bank. These new entrants harnessed digitally native business models and platform lending to reach SMEs seeking funding across the country.

These challenger and specialist banks now lend more to SMEs than the major UK banks. The share of total gross lending to SMEs by challenger and specialist banks was 60% in 2024.

ALLICA BANK'S LENDING SUPPORTS A SIZEABLE ECONOMIC FOOTPRINT ACROSS THE UK

Allica Bank has established itself as the market leader for broker-distributed lending to established SMEs in the UK, having been granted its banking licence just over five years ago.¹ It is one of many new challenger banks aiming to provide SMEs with the funding they seek across the country.

¹ Allica Bank (2024), [Annual Report and Accounts 2023](#). Accessed March 2025



60%

Challenger and specialist banks' share of total gross bank lending to UK SMEs in 2024

Allica Bank's lending has grown rapidly. Having issued its first loans in March 2020, Allica Bank's lending topped £3 billion in 2024.² These loans were issued to SMEs across the country. When compared to the distribution of all SME lending in Great Britain, Allica Bank issued a relatively higher value of loans to SMEs in the North West, South East, East of England, and East Midlands.

In 2024, Allica Bank's lending supported an estimated £5.8 billion contribution to UK GDP. This accounted for £1 in every £490 of economic output in the UK.

By channel of impact, an estimated £2.2 billion contribution to GDP was **directly** attributed to the operations of Allica Bank's SME customers. The largest share of this was supported in the retail and wholesale (21%) and transportation and storage sectors (18%). This was followed by the administrative services, construction, and real estate sectors, with 11% of the direct GDP contribution each.

We estimate a further £1.8 billion contribution to GDP was supported through the SMEs' spending in the UK supply chain (**indirect impact**). Moreover, the payment of wages supported an estimated £1.8 billion contribution to UK GDP (**induced impact**).

This total economic contribution was estimated to have sustained around 84,000 jobs across the UK in 2024. It also supported an estimated £1.4 billion in tax revenues for the UK Exchequer in the same year.

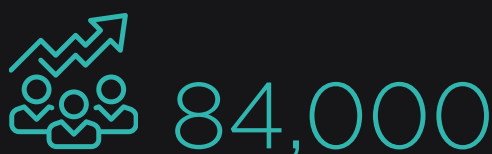
Allica Bank's economic footprint is spread across the UK. Similar to the distribution of Allica Bank's lending, the highest number of jobs supported were in the South East (10,000 jobs). However, relative to the size of the respective regional economies, total employment supported by Allica Bank's lending as share of the regional labour markets was highest in Wales and the North East (at 0.46% and 0.38% respectively).

Overall, our analysis indicates that for every £1 million in loans issued, Allica Bank's lending supported a £2.4 million total contribution to UK GDP, 35 jobs, and £0.6 million in tax payments, in 2024.

² Allica Bank (2025), [Annual Report and Accounts 2024](#). Accessed May 2025



Total contribution to UK GDP supported by Allica Bank's lending in 2024, or £1 in every £490 of UK GDP



Total employment supported by Allica Bank's lending in 2024

SECTION 1: SME FINANCING IN THE UK



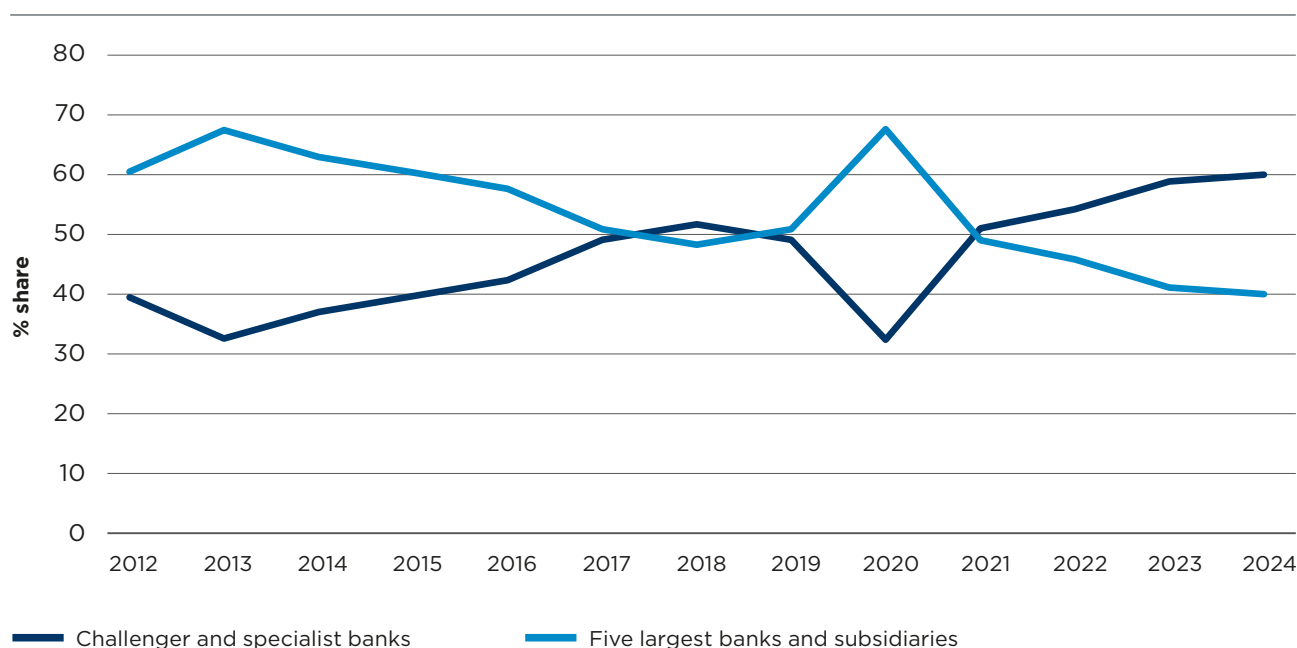
Small- and medium-sized enterprises (SMEs) are vital to local communities and the success of the UK Government's Growth Mission. The UK's SMEs account for more than half (52%) of private sector turnover, and around six in every 10 private sector jobs held across the country. Securing external finance for SMEs supports business investment and enables existing businesses to grow and new businesses to be established.

1.1 HOW SME FINANCING HAS CHANGED IN RECENT YEARS

The SME financing landscape has undergone a significant shift in recent years. At the end of the global financial crisis, the major UK banks accounted for the majority of business loans to SMEs. However, new entrants to the market—including a range of challenger and specialist banks—have increased their share of the market since, capitalising on regulatory change and technological advancement.

Challenger and specialist banks now lend more to SMEs than the major UK banks. The share of total gross lending to SMEs by challenger and specialist banks was 60% in 2024. This was the highest share on record, and the fourth consecutive year the market share increased (Fig. 1), following a brief trend reversal in 2020 from government-backed emergency lending schemes at the height of the Covid-19 pandemic.³

Fig. 1: Share of annual gross bank lending to UK SMEs



Source: British Business Bank

³ British Business Bank (2025), *Small Business Finance Markets 2024/25*. Accessed March 2025. The five largest banks comprised HSBC, Barclays, Lloyds Banking Group, NatWest Group, and Santander UK and their subsidiaries.

CASE STUDY: THE DEVIL'S STONE INN, DEVON

Suzy Cremer bought the historic Devil's Stone Inn in 2021 and, with the support of her husband Lee, has transformed the pub into a thriving local Devon community hub. It has been listed in the Good Beer Guide in 2024 and 2025.

Being new to the pub industry, she had to use an expensive bridging finance loan to make the purchase. However, after being introduced to Allica Bank, she refinanced using a commercial mortgage and is now saving £1,000 a month in repayments.

Suzy has put those extra savings back into the continued development of the pub, including enhancing its accommodation and installing an outdoor kitchen with a pizza oven.

“

It's so refreshing to have somebody that takes an interest in the business and who takes the time out to actually come here and visit the premises. It's a really refreshing approach to modern day banking.

Suzy Cremer, Owner of The Devil's Stone Inn

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THE NATURE OF THE SME FINANCING MARKET

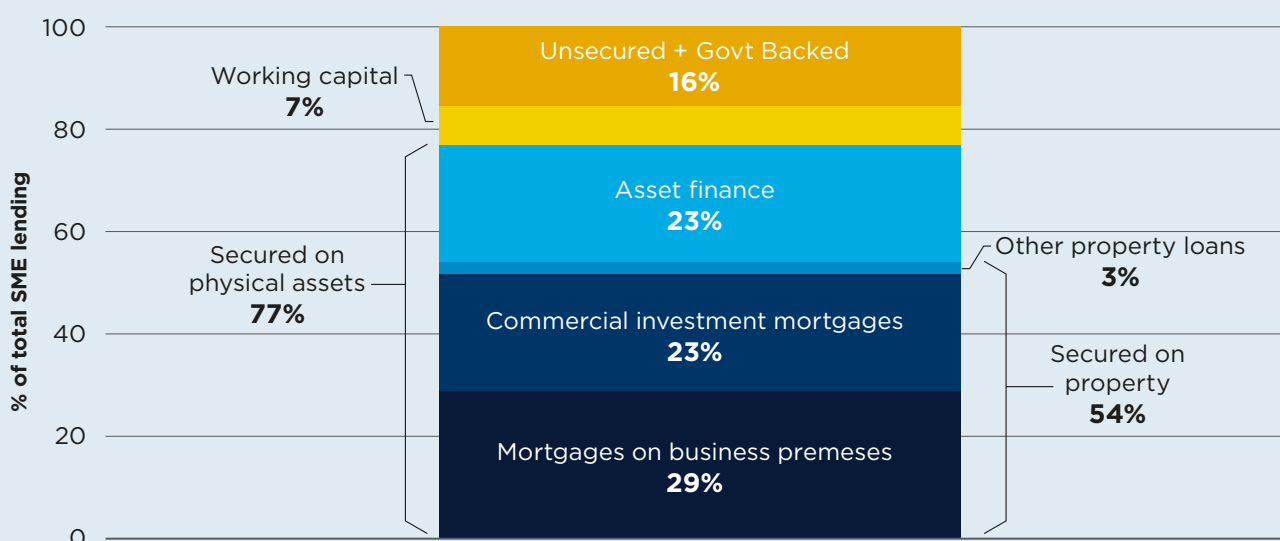
Two core facts summarise the current SME financing landscape in the UK: the majority of SME lending is secured on physical assets; and the majority of lending is to larger established SMEs.

Most SME loans are backed by tangible collateral.

In 2023, around three-quarters (77%) of SME lending was secured on physical assets.

This included both loans where property (54% in 2023) and other assets (23%) were used as the security against the loan. The remainder of SME lending was used for working capital (7% in 2023) and on unsecured and government-backed loans (16%).

Fig. 2: Percentage of total UK lending to SMEs by loan type in 2023

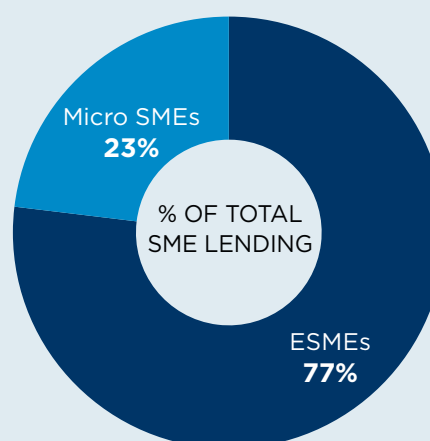


Source: Allica Bank, Bank of England, UK Finance

Note: totals may not sum due to rounding

The majority of lending is to larger established SMEs. Nearly 5 million micro-businesses with 0–4 employees operated across the UK economy in 2024, accounting for 90% of the UK's business population.⁴ However, it was the larger established SMEs (ESMEs), with 5–250 employees, which accounted for the majority (77%) of SME lending. Micro-businesses have lower capacity to access and manage debt owing to their smaller operations and are more likely to draw on relatively smaller personal credit to access finance rather than commercial loans.

Fig. 3: Percentage of total value of SME lending in the UK by SME size in 2023



Source: Allica Bank, Bank of England, UK Finance

⁴ ONS, [Business Population Estimations 2024](#). Accessed March 2025. Micro SMEs are defined as business with 0–4 employees.

CASE STUDY: RAINBOW PRODUCTIONS, LONDON

Rainbow Productions is a global leader in the manufacture of character costume mascots, based in Colliers Wood. With customers including the Olympic Games, FC Barcelona, worldwide film premieres, and LEGOLAND® Resorts, it was recently awarded a King's Award for Enterprise in recognition of its success in international trade.

In need of extra manufacturing and storage capacity to meet growing global demand, Rainbow approached Allica to borrow money to expand into an additional premises. Allica was able to turn an offer around in just 10 days, enabling the business to open up the extra space it needed to grow.

“

We've got many years of growth ahead of us and having Allica on board will not only help us now with the infrastructure we've got but, equally, drive business for the future.

*Simon Foulkes, Managing Director of
Rainbow Productions*

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SECTION 2: THE ECONOMIC FOOTPRINT OF ALLICA BANK'S LENDING IN THE UK



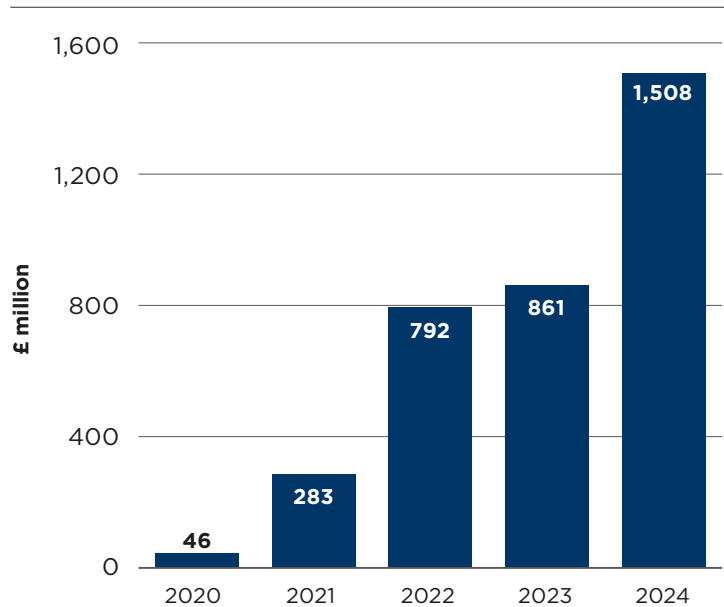
2.1 ALLICA BANK'S LENDING

Allica Bank's lending has grown rapidly.

Fig. 4 highlights the continued growth of Allica Bank's lending, from the issue of its first loans in March 2020, to originating more than £1.5 billion of loans to SMEs in 2024. In aggregate, Allica Bank has lent more than £3 billion as of the end of 2024.⁵

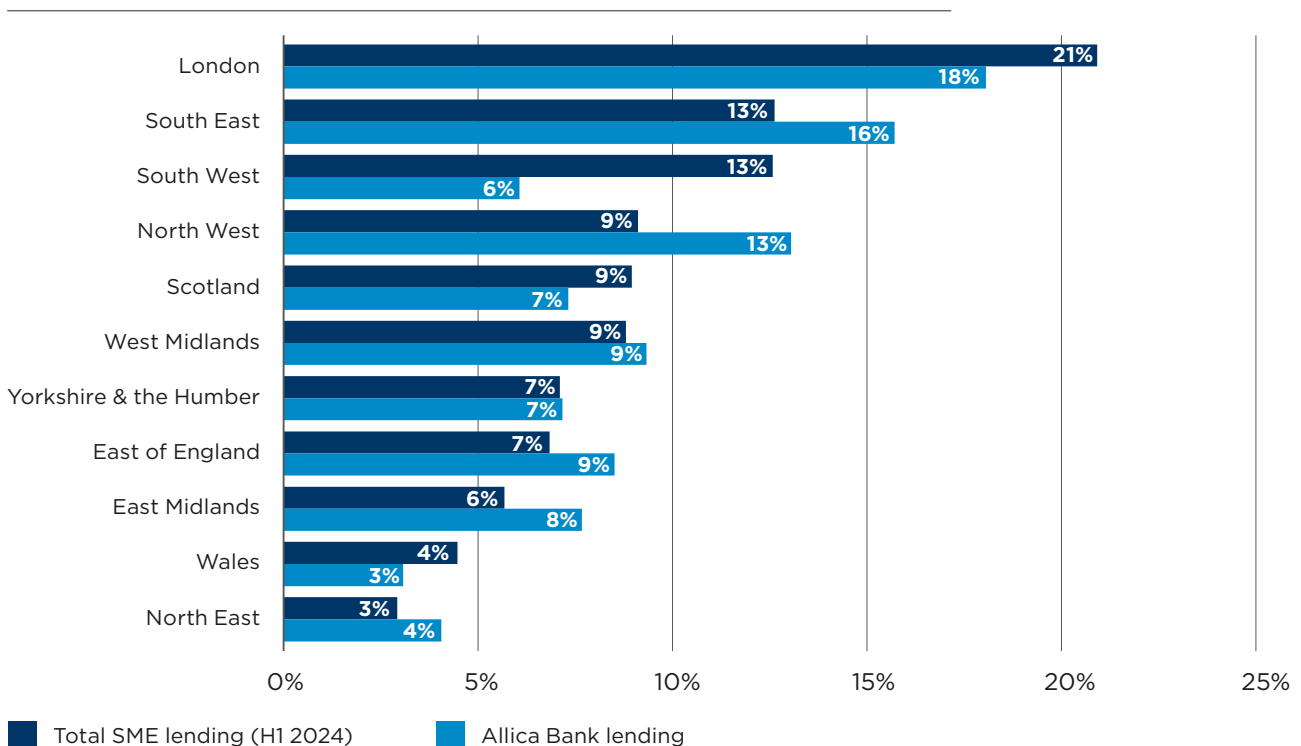
Allica Bank lends to SMEs across Great Britain. When benchmarked against all SME lending in Great Britain, Allica Bank issued a relatively higher value of loans to SMEs in the North West, South East, East of England, and East Midlands, for example.⁶ Conversely, a lower proportion of Allica Bank's lending went to London (18%) and the South West (6%), when compared to all British SME lending (21% and 13% respectively).

Fig. 4: Loans and advances issued by Allica Bank each year



Source: Allica Bank

Fig. 5: Regional distribution of Allica Bank's lending and total lending to SMEs



Source: Allica Bank, UK Finance

% of British total SME lending

⁵ Allica Bank (2024), [Allica smashes £3 billion in lending and £4 billion in deposits](#). Accessed March 2025.

⁶ UK Finance, [SME Lending within UK postcodes](#). Accessed February 2025. Data for H1 2024. Allica Bank data on organic lending products used. As Allica Bank did not lend to any customers in Northern Ireland, this analysis therefore focuses on its lending in Great Britain (i.e., excluding Northern Ireland). However, the proceeding economic impact assessment is conducted for the UK as a whole and therefore does include Northern Ireland and the spillover activity which is supported there.

Providing funding to SMEs across all regions of the country is vital for boosting economic development. Regional imbalances in SME lending do exist in the UK. For instance, when the distribution of SMEs is accounted for, London received 1.7 times the average financing per SME versus the UK as a whole.⁷ SMEs in deprived areas—the businesses located in areas within the top 15% of their respective national Index

of Multiple Deprivation—have reported being less confident in their ability to get loans from traditional banks compared to elsewhere.⁸ Reducing regional imbalances, particularly through SMEs' access to finance, is therefore a key priority of Government and the British Business Bank, through initiatives such as the Nations and Regions Investment Funds and Unlocking Potential.⁹

2.2 THE DIRECT IMPACT OF ALLICA BANK'S LENDING IN THE UK

Allica Bank's economic footprint starts with the business activities of its SME customers themselves. Through their own operations, Allica Bank's SME customers generate revenues and GDP, employ staff, and pay taxes. A proportion of these impacts can be attributed to Allica Bank's lending, as these loans enable the SMEs to sustain, invest in, and expand their business operations, known as the **direct impact** of Allica Bank's lending.¹⁰

Allica Bank's lending directly contributed £2.2 billion to UK GDP in 2024. We estimate Allica Bank's SME customers generated an estimated £5.1 billion in annual revenues which could be attributed to their loan in 2024, around 6.5% of these businesses' total revenues. Of this loan-related revenue, we estimate the SMEs' gross operating surplus, employment costs, and net taxes on production summed to £2.2 billion—this is the SMEs' direct contribution to UK GDP. To put this figure in context, it is equivalent in size to the GDP generated by the UK's clothes manufacturing sector, or the UK's telecommunications equipment manufacturing sector.¹¹

Allica Bank's lending went to SMEs across the industrial spectrum. Reflecting the SMEs it lends to, the largest direct GDP contributions were generated within the retail and wholesale sector (21%) and transportation and storage sector (18%). This was followed by the administrative services, construction, and real estate sectors, with 11% of the direct GDP contribution each.

“

Allica Bank's lending
directly contributed
£2.2 billion to UK GDP
in 2024.

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7 UK Government/Oliver Wyman (2024), [Bridging the UK SME Finance Gap](#). Accessed March 2025.

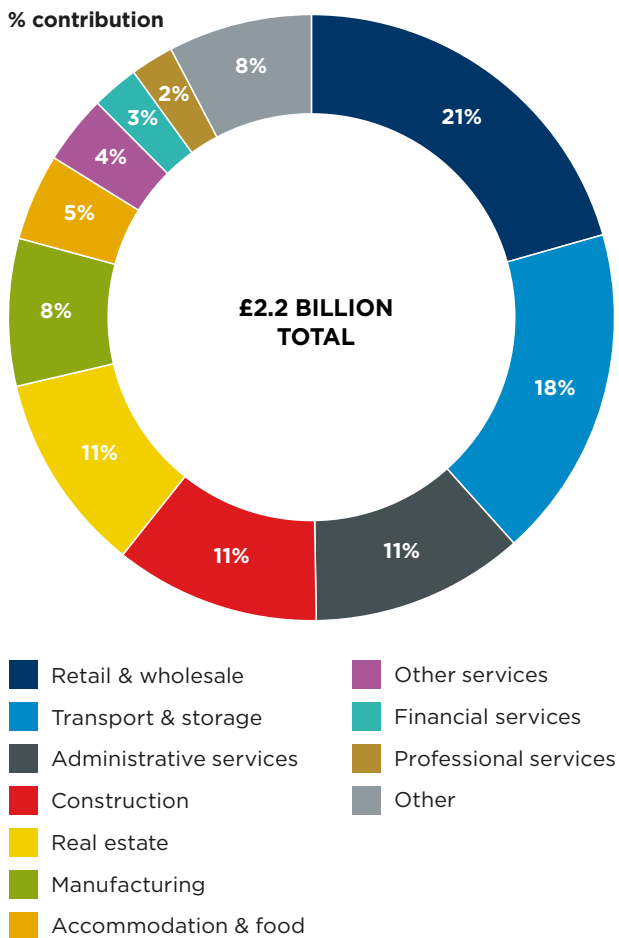
8 British Business Bank (2025), [Small Business Finance Markets 2024/25](#). Accessed March 2025.

9 UK Government (2025), [Small business access to finance](#). Accessed March 2025.

10 To capture the share of these SMEs' impact which is attributable to their loan, financial inputs were scaled based on the ratio of the value of each SMEs' loan to the value of its balance sheet. Data were provided for all of Allica Bank's Asset Finance loan originations, and its 2024 originations of Commercial Investment Mortgages and Business Loans Secured on Property. As this was not the full population of originated loans, results were scaled to the value of loans under management outstanding as of 31 December 2024, totalling £2.4 billion. This figure excludes Allica Bank's forward purchases of existing buy-to-let mortgages and portfolio acquisitions from other lenders.

11 Defined using Standard Industrial Codes 14 and 26.3, respectively. Data from the ONS.

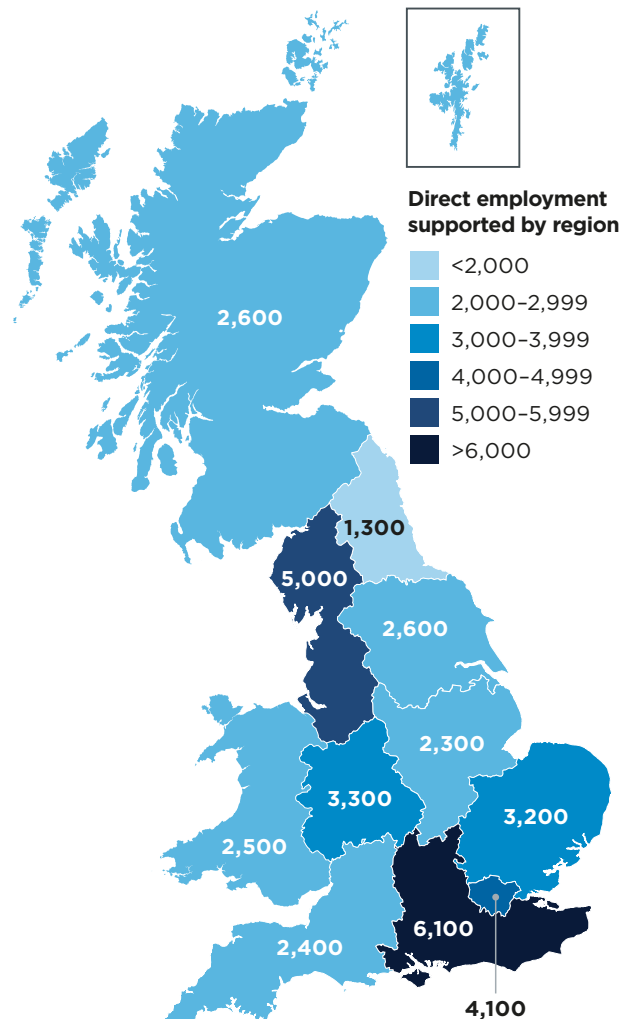
Fig. 6: Direct contribution to GDP in 2024 by sector



Note: totals may not sum due to rounding

Source: Allica Bank, Oxford Economics

Fig. 7: The direct employment supported by Allica Bank's lending by region in 2024



Source: Allica Bank, Oxford Economics

Note: totals may not sum due to rounding.

Across the country, an estimated **36,000 jobs** were directly supported at Allica Bank's SME customers by its lending in 2024. The largest share of these jobs was supported in the South East (6,100 jobs), followed by the North West (5,000 jobs).

We estimate Allica Bank's lending directly supported **£470 million** in tax revenues in the UK. This total comprises the estimated corporation taxes, taxes on business purchases, and taxes on production paid by its SMEs customers in 2024, which were attributable to their loan. Our analysis indicates labour taxes formed the largest share of this direct tax contribution (around two-thirds of the total).

2.3 THE WIDER IMPACT OF ALLICA BANK'S LENDING IN THE UK

The economic footprint of Allica Bank's lending is not limited to its direct impact but also encompasses the wider economic activity its lending supports across the UK economy. **The indirect impact measures the economic activity supported by its SME customers' spending with suppliers across the UK economy that could be attributed to their loan.** In turn, these initial purchases stimulate additional economic activity across those businesses' UK supply chains.

We estimate Allica Bank's lending supported around £2.8 billion of spending with UK-based suppliers in 2024. We modelled the SMEs' supplier spending based on the procurement pattern of a "typical" SME operating within the relevant sector.¹² This therefore captures the propensity of SMEs operating in the real estate sector to purchase goods and services including insurance, property management, security, and cleaning, or in the construction sector to purchase cement, concrete, and architectural services, to give two example sectors. The detailed data also captured the tendency of SMEs to purchase from other SMEs.

This spending with UK-based suppliers supported an estimated £1.8 billion indirect contribution to GDP across the UK. In addition, this spending supported around 26,000 jobs and £420 million in tax revenues in the same year.

Allica Bank's lending also stimulates additional wage-induced economic activity. This occurs when its SMEs customers' employees, and the people employed along their UK supply chains, spend their wages across the consumer economy, in retail and leisure outlets, for example. In 2024, we estimate that Allica Bank's SME customers' employment costs which could be attributed to Allica Bank's lending equated to around £1.3 billion.¹³

We estimate that Allica Bank's lending supported a £1.8 billion contribution to GDP in the UK through the induced channel of impact. This wage-induced activity also supported an estimated 22,000 jobs and £510 million in tax revenues in the same year.



The economic footprint of Allica Bank's lending is not limited to its direct impact but also encompasses the wider economic activity its lending supports across the UK economy.



¹² This is done by adjusting the ONS' published Input-Output table, which details the inter-industry purchased throughout the economy, using data on the business characteristics of SMEs from the ONS' Annual Business Survey. The result is a bespoke matrix of transactions across the economy, from the perspective of a purchasing SME.

¹³ This figure was estimated by Oxford Economics using the latest available national statistics ratios of output to employee compensation from the ONS, paired with underlying data on turnover from a sample of Allica Bank's SME customers.

2.4 THE TOTAL IMPACT OF ALLICA BANK'S LENDING IN THE UK

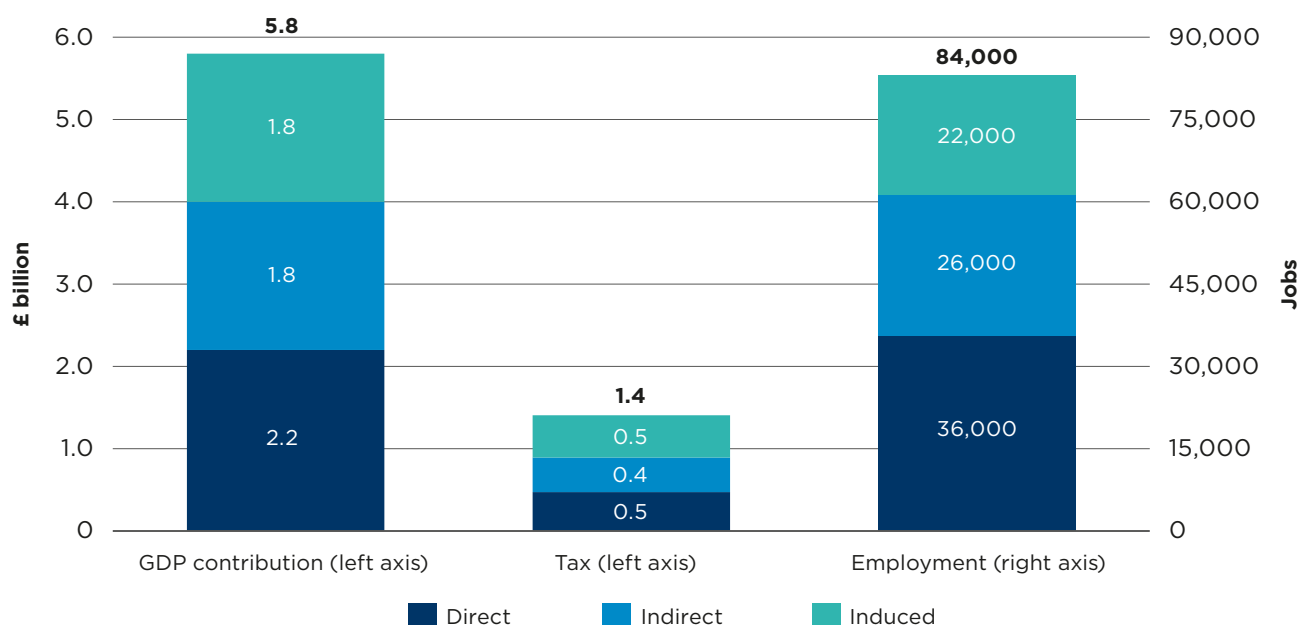
Across the direct, indirect, and induced channels of impact, we estimate that Allica Bank's lending supported a **£5.8 billion total contribution to GDP across the UK in 2024**. This equated to £1 in every £490 of economic output produced in the UK in the same year—or 0.2% of all economic output in the country.¹⁴ To put this into context, it was comparable in size to the total economic output of Preston in the same year.¹⁵

We estimate Allica Bank's lending sustained a **total of 84,000 jobs across the UK in 2024**. This total was equivalent to one in every 440 UK jobs—or 0.2% of total UK employment—and was similar in magnitude to the labour force of Blackpool in the same year.¹⁶ Finally, Allica Bank's lending in the UK supported an estimated £1.4 billion in revenues for the UK exchequer in 2024.

The scale of this total impact means that every £1 million in loans issued by Allica Bank enabled its SME customers to contribute £2.4 million to the economy in terms of GDP.¹⁷ In addition, 35 jobs and £0.6 million in tax payments were supported for every £1 million in loans received by Allica Bank's SME customers.

In 2024, the loans issued by Allica Bank represented around 4% of the £37.3 billion in SME lending originated by challenger banks. While the funding received by SMEs will vary in type and use, this indicates the significant support challenger banks provide to the UK economy.

Fig. 8: Total economic impact supported by Allica Bank's lending in 2024



Source: Allica Bank, Oxford Economics

Note: totals may not sum due to rounding

¹⁴ ONS, *Gross Domestic Product (GDP)*, accessed March 2025.

¹⁵ Estimated GDP of Preston of £5.8 billion in 2024 (in current prices) from Oxford Economics' UK Local Authority District database, based on ONS National Statistics and Regional Accounts.

¹⁶ ONS, *Labour market overview*, accessed March 2025. Estimated employment in Blackpool of 73,600 from Oxford Economics' UK Local Authority District database, based on ONS Business Register and Employment Survey data.

¹⁷ This is calculated as the ratio of the total contribution to GDP supported by Allica Bank's lending (£5.8 billion) to the value of its loans outstanding captured in this analysis (£2.4 billion).

ALLICA BANK'S LENDING: THE GROWTH GUARANTEE SCHEME

The Growth Guarantee Scheme (GGS) is a Government-backed SME finance initiative launched in July 2024 as the successor to the Recovery Loan Scheme. The GGS aims to help SMEs access finance for investment and growth through loans of up to £2 million, with a 70% Government-guarantee offered in exchange for a 1.5% fee.

The GGS reached the milestone of £2.5 billion in lending in July 2025, with 69% of the total issued to businesses outside of London and the South East.¹⁸ However, research from Allica Bank shows the GGS is three to four times smaller than similar programmes in the US, Germany, Spain, and France.¹⁹

Further expansion could support sectors facing funding declines—such as construction, where SME finance fell 20% between 2016 and 2024 according to research from Allica Bank. Notably, 65% of SME home builders cited access to development finance as a barrier to meeting housing targets.²⁰ Strengthening the GGS could therefore advance broader government priorities, including homebuilding.²¹



18 British Business Bank, [British Business Bank reaches £2.5bn lending milestone for its Growth Guarantee Scheme](#). Accessed November 2025.

19 Allica Bank, [Rebooting SME Finance to Unlock Growth](#). Accessed November 2025.

20 Home Builders Federation, [State of Play: Challenges and opportunities facing SME home builders](#). Accessed November 2025

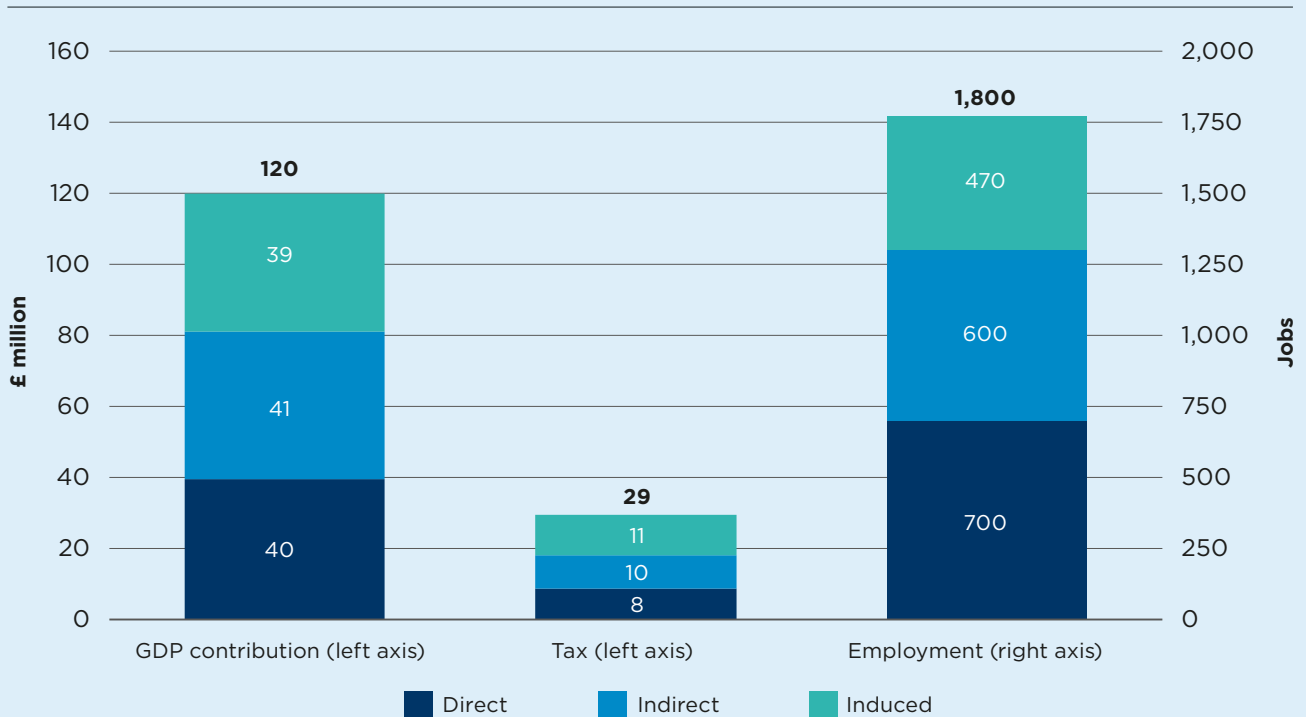
21 UK Government, [Government backs SME builders to get Britain building](#). Accessed November 2025

THE ECONOMIC FOOTPRINT OF ALLICA BANK'S LENDING THROUGH THE GROWTH GUARANTEE SCHEME

Allica Bank's lending through the Recovery Loan Scheme and the GGS supported an estimated £120 million contribution to UK GDP in 2024. This footprint was spread throughout the UK, with the largest share of the total sustained in the East of England region (21.2%), followed by Yorkshire & The Humber (12.9%) and the North West (9.1%).

It also sustained around 1,800 jobs across the country and £29 million in tax revenues for the UK Exchequer in the same year.

Figure 9: Total economic impact support by Allica Bank's scheme lending in 2024



Note: this includes loans issued through both the Recovery Loan Scheme and Growth Guarantee Scheme

Note: totals may not sum due to rounding

Source: Oxford Economics

2.4.1 Allica Bank's impact across the UK

Allica Bank's lending supports economic activity across the country. The geographic distribution of Allica Bank's total contribution to GDP largely reflects the distribution of Allica Bank's SME customers (Fig. 10). In absolute terms, the highest total GDP contribution in 2024 was supported in London (£720 million), also reflecting the prominence of its role in the supply chains of the UK service industry and the consumer economy. This was followed by the South East (£690 million), the North West (£640 million), and the West Midlands (£610 million).

However, as a share of each region's economy, Allica Bank's contribution to GDP was higher outside of London and the South East. This figure was highest in Wales (0.47%) and the North East (0.45%). This was followed by the East Midlands (0.35%) and West Midlands (0.33%).

Fig. 10: The total GDP contribution supported by Allica Bank's lending in each region in 2024²²

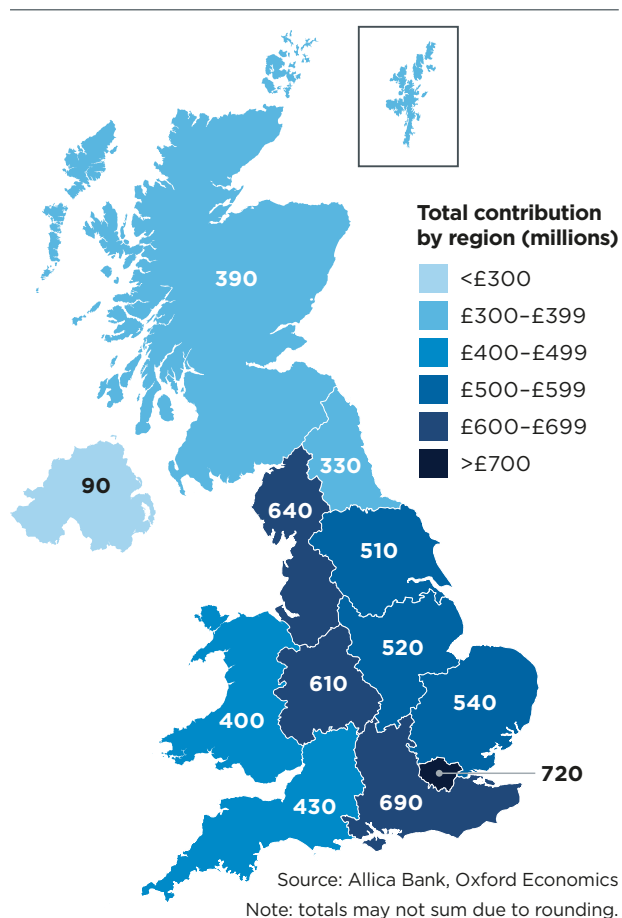
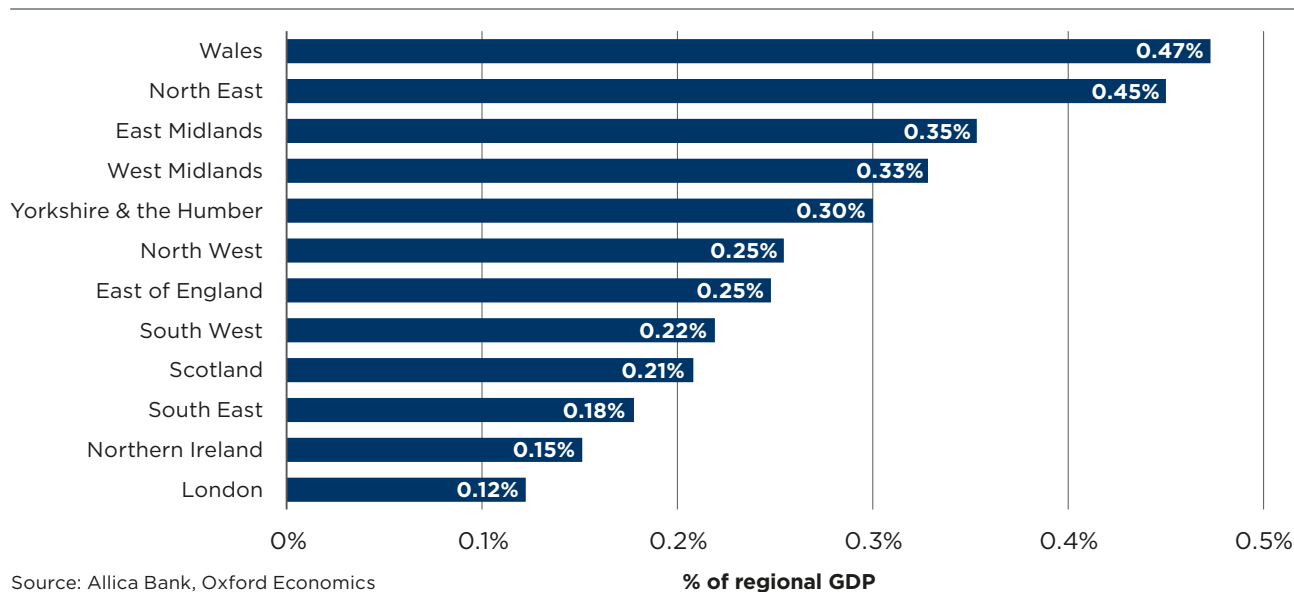


Fig. 11: Total GDP contribution as a share of regional GDP in 2024



²² Though Allica Bank does not lend to any SMEs in Northern Ireland, some impact is sustained in Northern Ireland in the indirect channel of impact due to supply chains spillover and in the induced impact due to activity in the consumer economy, which are both modelled across the UK in this assessment.

Allica Bank's lending supports employment throughout the country. We estimate the most jobs were supported in the South East, with 10,200 jobs sustained in 2024 by Allica Bank's lending. This was followed by the North West (9,900 jobs), and the West Midlands (8,900 jobs). Fig. 12 illustrates the geographic spread of employment supported by Allica Bank's lending across the UK labour market.

Similar to the pattern of the contribution to GDP above, the total employment supported by Allica Bank's lending accounted for the largest share of the region's labour force in Wales (0.46%) and in the North East (0.38%). This was again followed by East Midlands (0.33%) and West Midlands (0.30%).

Fig. 12: The total employment supported by Allica Bank's lending in each region in 2024

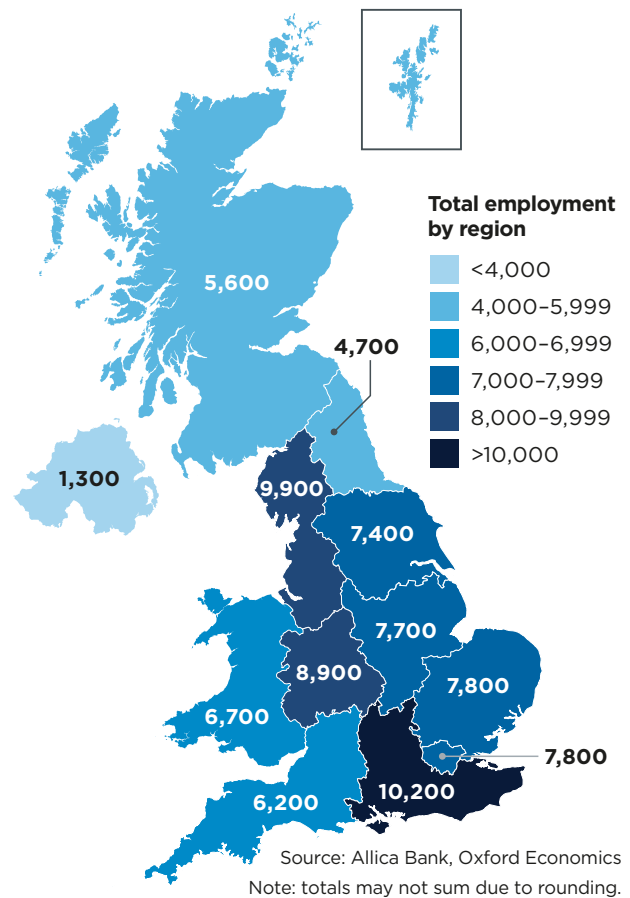
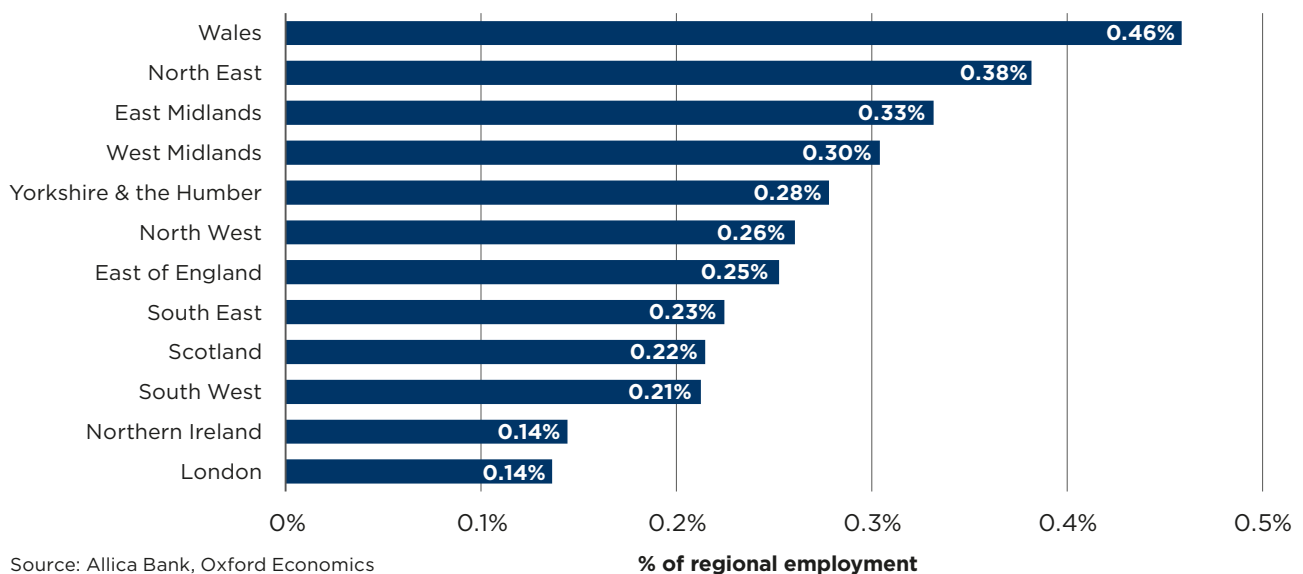


Fig. 13: Total employment contribution as a share of regional employment in 2024



CASE STUDY: KCM WASTE MANAGEMENT, ROTHERHAM

KCM is a family-run, waste management specialist based in Rotherham, South Yorkshire. It employs over 120 people and offers a one-stop-shop for all waste disposal and recycling needs. Owned and operated by the Hickling family for over 30 years, it serves customers in Rotherham, Sheffield, Barnsley, Doncaster, and the surrounding areas.

The business was looking to expand further but, despite strong growth plans, its high-street bank was uneasy about supporting it. Allica Bank stepped in with a flexible growth finance facility tailored to support KCM's ambitions.

KCM now has a clear path to growth, with its sights set on doubling its turnover in the next five years.

“

We chose Allica because we weren't getting the support from our bank. When we looked around, Allica were very enthusiastic to help us grow.

*Gareth Hickling, Managing Director of
KCM Waste Management*

”



CASE STUDY: KINDER CITY, LUTON

Kinder City nursery has operated from its charming, repurposed church building in Luton since 2015. Over the years, it has become a beloved home for kids and staff alike. When the opportunity to buy the property arose, Ovais, the owner, was keen to secure their future in the building.

Ovais applied for a mortgage with Allica Bank and was made an offer just four days later. Now he is looking at how else he can invest in the business and improve the experience for the kids, parents and staff, such as transforming the outdoor space.

“

As a founder and director I feel I have a renewed energy for my business. With this new-found autonomy I can really be innovative and creative in enhancing and tailoring every aspect of this building.

Ovais Ahmed, Owner of Kinder City

”



ABOUT ALLICA BANK

Allica Bank issued its first loan in March 2020, having received its banking licence from the Prudential Regulation Authority in 2019. Since then, growth has been rapid, with Allica Bank surpassing £3 billion in business lending in November 2024, having also reached the milestone of £1 billion of new lending for the year in the previous month.²³ This growth includes continued diversification of products, having expanded into asset finance loans in 2021. Allica Bank also launched its business current account in January 2023 and now has over 6,000 customers.²⁴

This expansion has positioned Allica Bank as the UK's fastest growing private company in 2024.²⁵ As well as topping the Sunday Times 100 (a ranking of the UK's fastest growing companies), Allica Bank topped the table of Deloitte's UK Technology Fast 50 awards, a ranking of the UK's 50 fastest growing technology companies, for the second year in a row (2022/23 and 2023/24). In fact, Allica Bank recorded the highest growth for any fintech company in UK history, according to Deloitte. Allica Bank's accolades are not limited to their growth performance. It was also named Best Business Finance Provider at the British Bank Awards in 2022, 2023, 2024, and 2025, and Best Commercial Mortgage Provider at the Business Moneyfacts Awards in 2023 and 2024.

²³ Allica Bank (2024), [Allica smashes £3 billion in lending and £4 billion in deposits](#). Accessed March 2025.

²⁴ Allica Bank (2025), [Annual Report 2024](#). Accessed May 2025.

²⁵ Allica Bank (2024), [100 fastest-growing companies in Britain 2024 revealed](#). Accessed March 2025.



APPENDIX: METHODOLOGY

DATA PROVIDED

To enable Oxford Economics to carry out the economic impact assessment for this report, Allica Bank provided information on the loans it has issued. This included the original loan amount, the loan balance outstanding, and a series of information about the SMEs. This included its

sector of operation and geographical location, balance sheet financials (value of balance sheet and total assets), and income statement financials (earnings before interest, tax, depreciation, and amortisation (EBITDA)) and turnover, plus rental income in the case of property loans).

DIRECT IMPACTS AND MODEL INPUTS

In order to measure the direct contribution to GDP of the SMEs, its compensation of employees and net taxes on production were estimated using ratios from the ONS's Annual Business Survey of these metrics to output for their respective industrial sector, at 2-digit Standard Industrial Code (SIC) level. These were added to the SMEs' EBITDA to calculate their direct contribution to UK GDP, as per the income approach to national accounting as defined by the ONS.

At this stage, we estimated how much these SMEs spent on third-party procurement. This was also estimated using sectoral ratios from the ONS's Annual Business Survey, giving the average share of output which is spent on procurement of inputs of goods and services in each industrial sector. This procurement spending, also known as intermediate consumption, and the direct contribution to GDP sum to the SMEs' turnover. While this does not feed into the direct impact, it is the core input to the indirect impact modelling.

The SMEs' direct employment was then estimated using the average sectoral productivity. This is the GDP generated per worker, on average, in each industrial sector, which is calculated using ONS data on GDP and employment in each of these sectors.

The SMEs' direct contribution to GDP is divided by this figure to estimate the number of staff they directly employed.

Finally, the SMEs' direct tax payments were estimated. This included an array of taxes. Firstly, corporation tax was estimated, using the effective corporate tax rate as a share of the SMEs' gross operating surplus, sourced from HM Revenue & Customs Corporation Tax Payable data. Taxes on products as a share of gross spending were estimated using data from the ONS' published input-output tables. The ratios used in both cases were sector specific. The labour taxes paid by the SMEs, including PAYE income tax and employer/ee National Insurance Contributions, were estimated by applying the prevailing tax rates and thresholds to the estimated compensation of employees.

The "Allica Bank share" of those values then had to be calculated. For each individual SME, the value of each firm's Allica Bank loan outstanding was taken as a share of its estimated balance sheet size. Then this share, which averaged 6.5% across the data received, was applied to each of the above metrics to get the share of each which can be attributed to their Allica Bank loan.

Data were provided for all Allica Bank's Asset Finance loan originations, and its 2024 originations of Commercial Investment Mortgages and Business Loans Secured on Property. As this was not the full population of originated loans, this sample was then additionally scaled to the total value of loans under management outstanding as of 31 December 2024, in order to capture the full population,

totalling £2.4 billion. This figure excludes Allica Bank's forward purchases of existing buy-to-let mortgages and portfolio acquisitions from other lenders on the basis the economic activity associated with these loans may have already been captured elsewhere, by the original lenders, so therefore does not capture the full £3.0 billion of loans under management at this date.

INDIRECT AND INDUCED IMPACTS

Next, the indirect and induced impacts were calculated. From the starting point of the SMEs' total spending on third-party supplies, the pattern of this procurement spend was then estimated by type of product purchased and the region of purchase. This was done by adjusting the ONS's published Input-Output table, which details the inter-industry purchases throughout the economy, using data on the business characteristics of SMEs from the ONS's Annual Business Survey. The result is a bespoke matrix of transactions across the economy, from the perspective of a purchasing SME. The regional distribution was estimated based on the region of the origin purchaser and the good purchased, using Oxford Economics' Regional model of the UK economy. This is built using the Flegg and Webber approach to constructing sub-national input-output tables—capturing the inter-regional nature of inter-industry purchases across the UK economy by applying data on the size and structure of each region's economy, along with Location Quotients.

The pattern of procurement from domestic suppliers, excluding imports, was then fed into Oxford Economics' economic impact models, which are based on the entire pattern of transactions between industrial sectors (as found in an input-output table). The second key model input was the direct employment costs support by Allica Bank's lending, which is used to measure the wage-financed spending supported in the consumer economy.

The indirect and induced gross value added, employment, and tax impacts were then calculated within the model, which also incorporates the latest gross value added-to-jobs, tax-to-income, and tax-to-spending ratios, on a refined industry-by-industry basis.

The results show the economic contribution supported by Allica Bank's lending in 2024, based on all loans under its management as of 31 December 2024. The results are therefore not cumulative, so do not show the economic impact of Allica Bank since its creation, but instead capture all loans still active at this point.

The results of this study are presented on a gross basis. This means that the results do not control for any displacement of activity from Allica Bank's competitors. They do not consider what the resources currently used in supporting the Allica Bank's economic footprint could otherwise be productively diverted to.

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