

# POWERING ESTABLISHED SME GROWTH: THE ECONOMIC FOOTPRINT OF ALLICA BANK'S LENDING

A REPORT FOR ALLICA BANK

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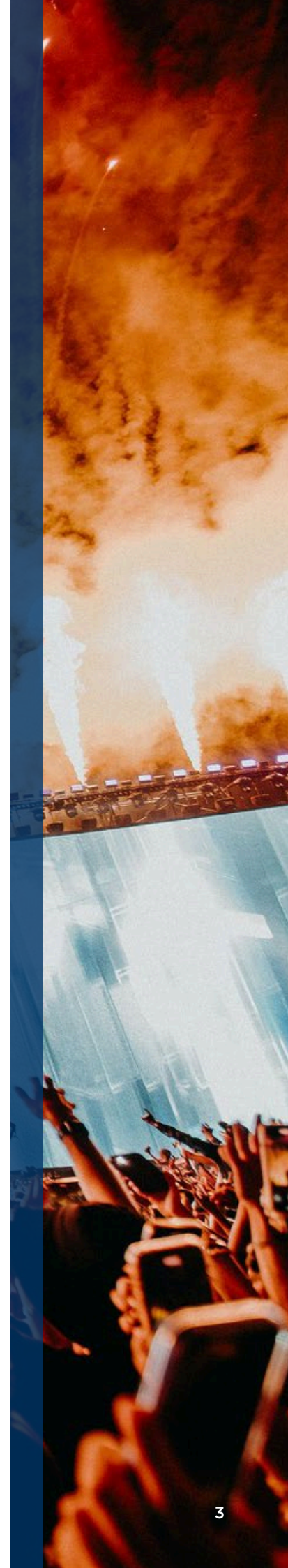
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# FOREWORD

**The UK's economic success is built on its established businesses. These firms, with 5-250 employees, contribute over a third of employment and turnover, yet are often overlooked despite the role they play in driving growth and innovation across the country.**

These are the businesses that keep local economies alive, supporting one in every two private sector jobs in rural areas. Many – as we shall see – are also global leaders in their fields, exporting worldwide and flying the flag for British commerce and ingenuity.

And yet, they have been consistently underserved by major banks who have cut back their relationship management model over the last 15 years. That matters even more in today's environment, with energy prices, employment costs, business rates and inflation all hitting cashflow.

The result is that one of the most critical parts of the UK economy is being held back at a time when the country needs growth. Allica Bank was built to change that.

We've created a bank designed specifically for established businesses, helping them invest, grow and create jobs across the UK. In 2025 alone, Allica lent £1.3 billion to these businesses, meaning our active lending contributed £8.4 billion of GDP, 118,000 jobs, and £2.1 billion in tax revenues that can be reinvested into public services.

Our lending is increasingly concentrated in high-growth SMEs that deliver greater turnover for every pound borrowed, with the GDP contribution of our lending increasing by 44% over the past year on lending growth of 35%. Once more, 29% of our customers delivered turnover growth of more than £1 million in the past year, compared to 17% of the wider established SME sector.

That is the kind of growth this segment can deliver when it is properly backed.

And it's not just concentrated in London and the South East. Our lending is making a growing impact across the UK, with employment supported by Allica increasing faster in regions such as Wales, the North East and the East Midlands than in the capital.

This report, produced with Oxford Economics, sets out that impact in detail. My thanks go to their team for the rigour and challenge they have brought throughout.

I'd also like to thank our customers, investors, brokers and partners. Your support has made this growth possible.

And finally, thank you to the Allica team. Your ambition and hard work made 2025 our strongest year yet – and led to Allica being named Britain's most recommended business bank.

But we're only getting started.

Because until established businesses get the backing they need, there is still more to do.

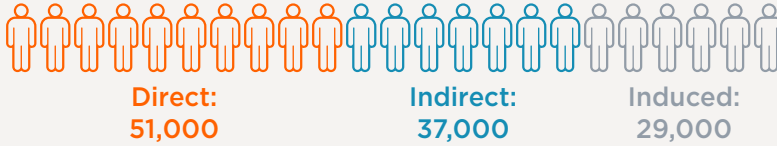


**Richard Davies**  
CEO at Allica Bank

# THE ECONOMIC FOOTPRINT OF ALLICA BANK'S LENDING IN 2025



**118,000 jobs** supported by Allica Bank's lending.



**40%** growth from 2024.



**£8.4 billion** contribution to UK GDP.



**44%** growth from 2024.



**£2.1 billion** in tax revenues.

**42%** growth from 2024.

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



**£2.6 million** to UK GDP



**36 jobs**



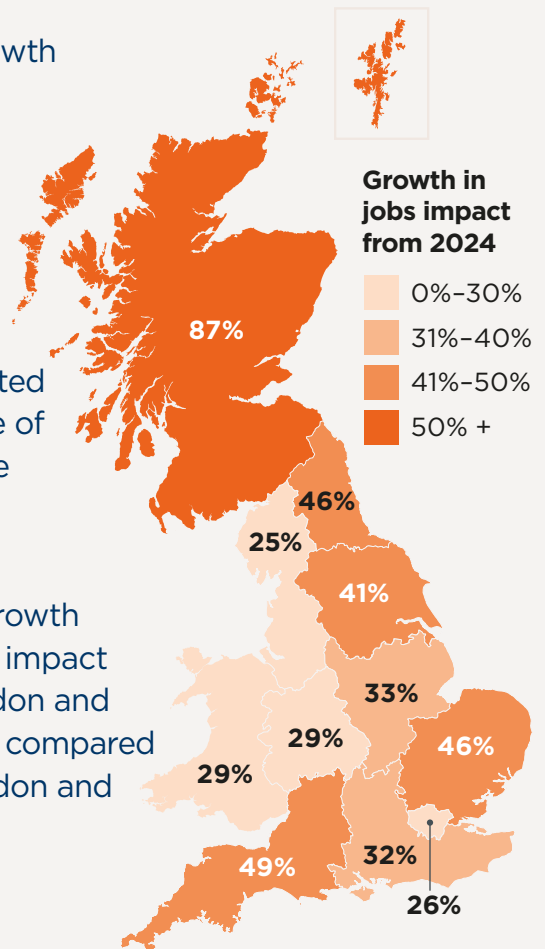
**£0.7 million** in tax revenue

**80%**

of the jobs supported located in areas outside of London and the South East.

**40%**

growth in employment impact outside of London and the South East, compared to **29%** in London and the South East.



# EXECUTIVE SUMMARY

Small and medium-sized enterprises (SMEs) are the backbone of the UK economy. Within this group, **Established SMEs (ESMEs)—firms employing between five and 249 people—serve as the main drivers of SME economic activity.** They make a particularly significant contribution to employment in the devolved nations and rural communities, supporting nearly one in every two private-sector jobs in each of these areas.

Access to finance is essential for SMEs to invest, grow, and innovate—yet a structural lending gap persists, estimated by Allica Bank to be **£65 billion compared with historic trends.** Challenger and specialist banks are crucial in addressing this gap, accounting for 60% of all gross bank lending to SMEs in 2025.

## ALLICA BANK SUPPORTS ECONOMIC ACTIVITY ACROSS THE UK

In 2025, Allica Bank's **£3.3 billion** in organic lending enabled an estimated **£8.4 billion** total contribution to UK GDP, supported **118,000 jobs**, and stimulated **£2.1 billion** in tax revenues. Put another way, every **£1 million** lent by Allica Bank enabled an estimated **£2.6 million** in GDP, supported **36 jobs**, and contributed **£0.7 million** in tax revenues.



Total contribution to UK GDP supported by Allica Bank's lending in 2025.



Total employment supported by Allica Bank's lending in 2025.



Powering established SME growth:  
the economic footprint of Allica Bank's lending

**This economic footprint was primarily enabled through SMEs outside London and the South East.** Some 78% of the GDP contribution and 80% of the employment impact supported by Allica Bank's lending in 2025 occurred outside these two regions. Moreover, relative to the size of the regional economies, Allica Bank's enabled GDP and employment contributions were highest in the North East and Wales.

### **GROWTH IN ALLICA BANK'S ENABLED FOOTPRINT DRIVEN OUTSIDE OF THE CAPITAL**

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**Allica Bank's enabled 2025 economic footprint expanded strongly compared with 2024, supporting the UK Government's growth mission.** This was primarily driven by a 35% rise in lending included in the analysis, and also the SME customers generating more turnover relative to every pound borrowed.<sup>1</sup> Overall, the total enabled contribution to GDP rose 44% relative to 2024, with employment and tax contributions increasing by 40% and 42%, respectively.

**The footprint grew most rapidly in Scotland, where the GDP contribution rose 87% compared with 2024—almost twice the UK-wide growth rate.** Strong growth was also seen in the South West (56%) and the North East (49%), while London recorded the slowest increase at 29%.



**Growth in jobs supported compared to 2024.**

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<sup>1</sup> The total turnover per £1 million lending among Allica Bank's SME customers was 6.2% higher in 2025 relative to 2024.

# SECTION 1: ESTABLISHED UK SMES

Small-and medium-sized enterprises (SMEs) play a vital role in the UK economy, generating over half of private-sector turnover and around 60% of private-sector jobs. Access to external finance is an essential ingredient for these businesses to invest and grow.

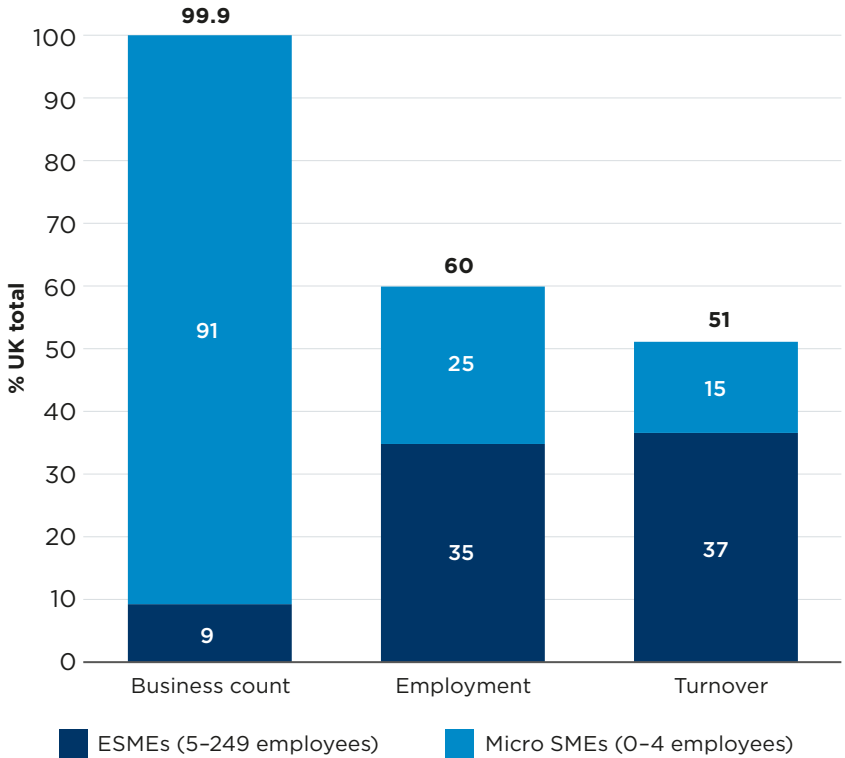


## 1.1 THE IMPORTANCE OF ESTABLISHED SMES TO THE UK ECONOMY

**Established SMEs (ESMEs)—firms employing between five and 249 workers—are the primary drivers of economic activity within the UK’s SME population.** Although they represent a minority of SME businesses by number, they accounted for more than half of SME employment and nearly three-quarters of SME turnover in 2025 (Fig. 1).<sup>2</sup>

**ESMEs play an outsized role in the devolved nations.** In 2025, they accounted for 46% of private sector employment in Northern Ireland, 44% in Wales, and 39% in Scotland—well above the UK average of 35% (Fig. 2). By contrast, London has the lowest reliance on ESMEs, at just 30% of private sector employment.

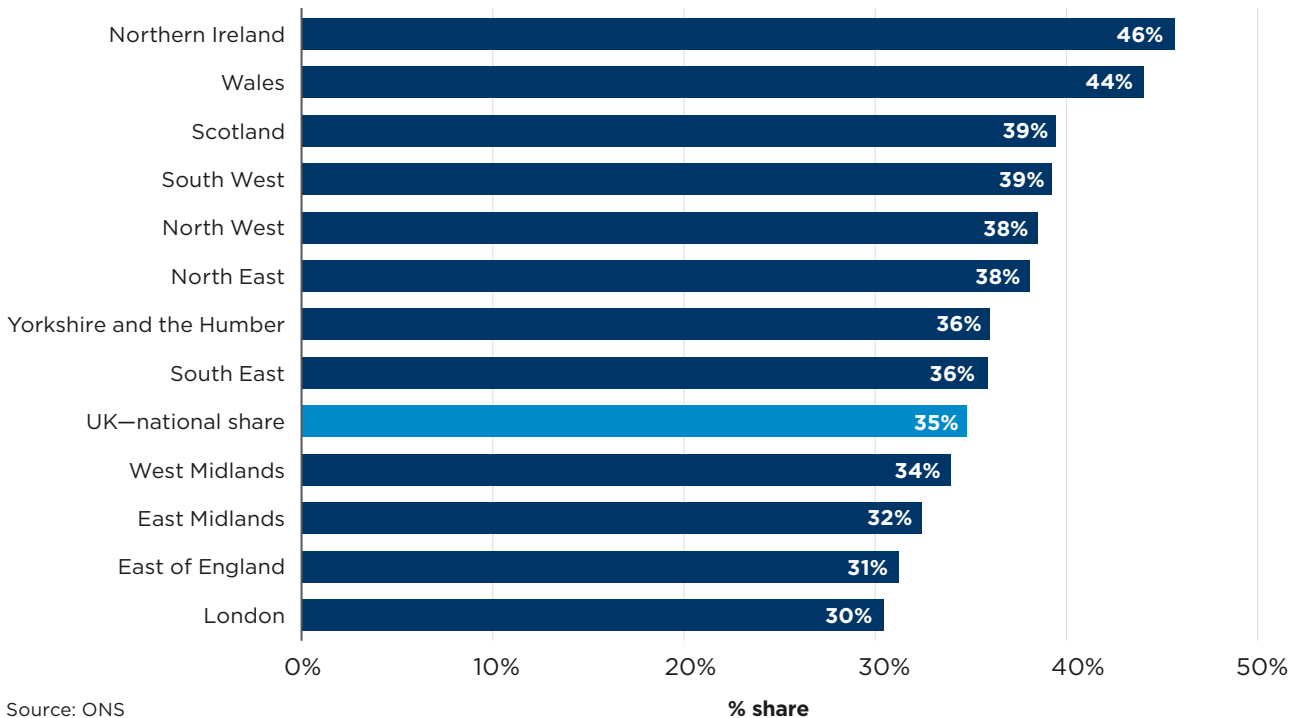
Fig. 1: SMEs’ share of UK economic activity in 2025 split by SME type



Source: Oxford Economics

Note: totals may not sum due to rounding.

Fig. 2: ESMEs’ share of total employment across the UK’s regions in 2025



Source: ONS

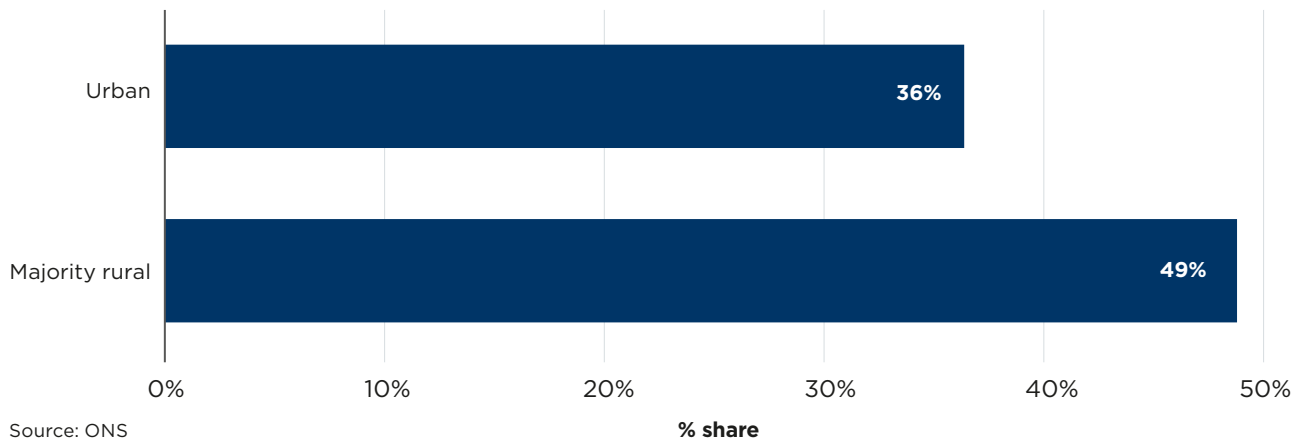
2 ONS, [Business population estimates for the UK and regions 2025](#), accessed March 2026.

**ESMEs accounted for one in every two jobs in the private sector in rural areas, compared with around one in three jobs in urban centres (Fig. 3).<sup>3</sup>**  
 This shows ESMEs are key to sustaining rural communities and local livelihoods.



**of employment in rural areas across the UK was with Established SMEs.**

**Fig. 3: ESMEs' share of total employment in rural and urban areas in 2025**



## 1.2 ESTABLISHED SME FINANCING ACROSS THE UK

### 1.2.1 The SME financing landscape

**Given their vital role to the UK economy, ensuring that SMEs can access appropriate finance is an economic priority**—both for the businesses themselves and for the lenders and policymakers seeking to support sustainable growth and innovation.

**But established SMEs continue to face challenges accessing finance.** Evidence points to the existence of a gap between the finance SMEs need and what they can secure, known as a lending gap. According to the British Business Bank (BBB), 84% of financial intermediaries believe there is an undersupply of finance for SMEs.<sup>4</sup> Research from Allica Bank estimates this lending shortfall at £65 billion, accumulated over

the past 25 years. This funding gap is restricting the finance and working capital established SMEs need to invest, boost productivity, and expand.<sup>5</sup>

**Challenger and specialist banks continue to be the main source of finance to SMEs.** In 2025, they accounted for 60% of total gross lending to SMEs (Fig. 4).<sup>6</sup>



**Estimated SME Credit gap compared with the historic trend, according to research from Allica Bank.**

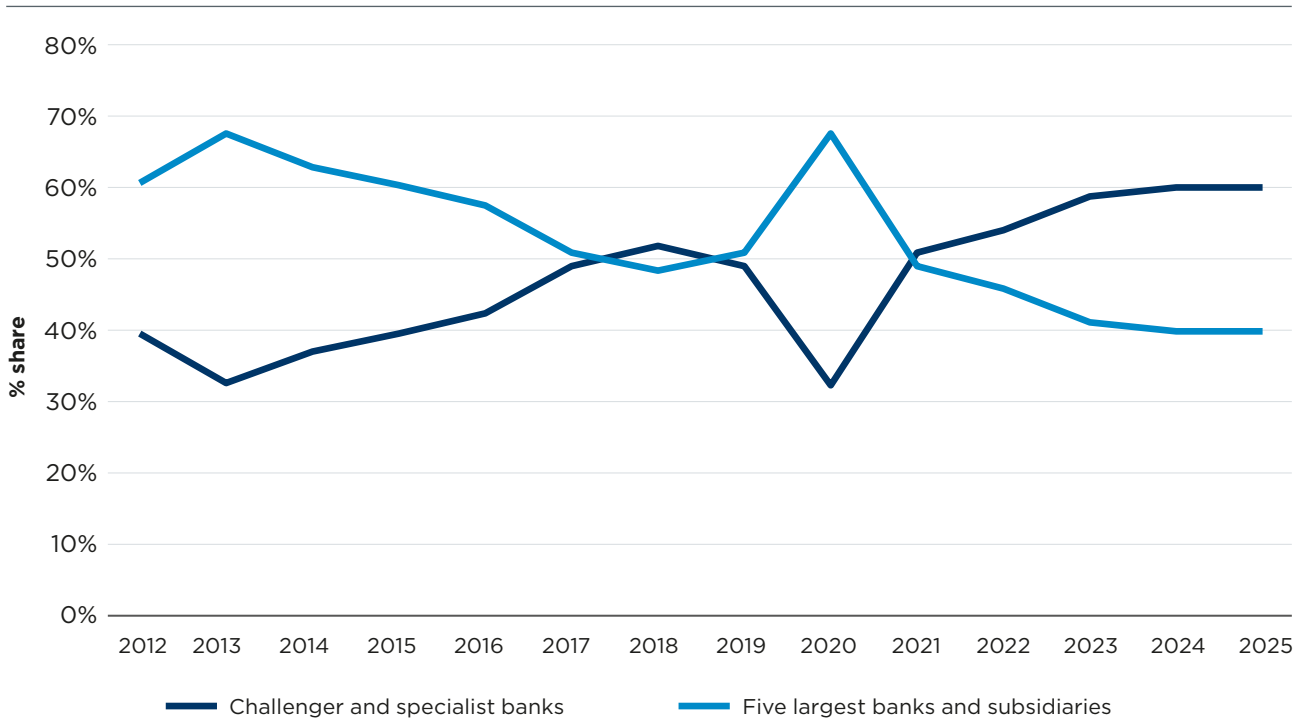
<sup>3</sup> Our analysis cross-references data on ESME employment by UK Parliamentary Constituencies with Office for National Statistics (ONS) rural-urban classifications, which define each area on two scales: rural to urban, and nearer to or further from major towns or cities. The data show ESMEs made up 48% of private sector employment in areas further from a major town or city, compared with 39% in areas nearer to a major town or city. Source: ONS, [Rural/urban classifications](#), accessed March 2026.

<sup>4</sup> British Business Bank, [SME Intermediary Survey 2024](#), accessed March 2026.

<sup>5</sup> Allica Bank, [Rebooting SME Finance to Unlock Growth](#), accessed March 2026.

<sup>6</sup> British Business Bank, [Small Business Finance Markets 2025/26](#), accessed March 2026. The five largest banks include HSBC, Barclays, Lloyds Banking Group, NatWest Group, and Santander UK and their subsidiaries.

Fig. 4: Share of annual gross bank lending to UK SMEs

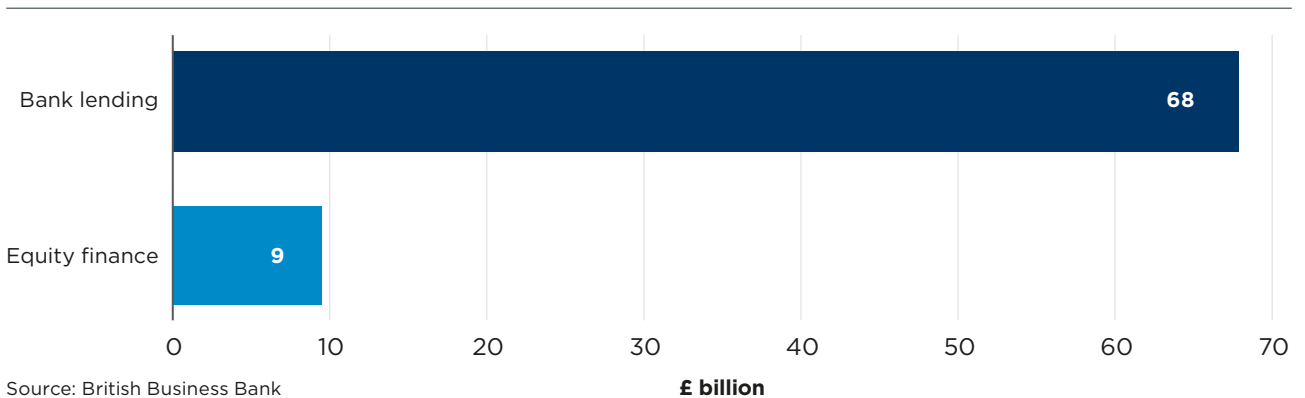


Source: British Business Bank

**The majority of SME lending is from bank lending rather than equity finance (Fig. 5).** Moreover, equity financing is heavily concentrated. All companies absorbed 41% of the total in 2025, while SMEs in London attracted 46%—a distribution that raises questions about the accessibility of equity finance for businesses outside the capital and beyond the technology sector.

Further evidence from the Office for National Statistics (ONS) underscores the centrality of banking relationships to SME finance. Some 37% of SMEs reported using a bank overdraft facility in the past 12 months, and 36% had taken out a loan from a financial institution.<sup>7</sup> By contrast, only 1% had drawn on equity finance.

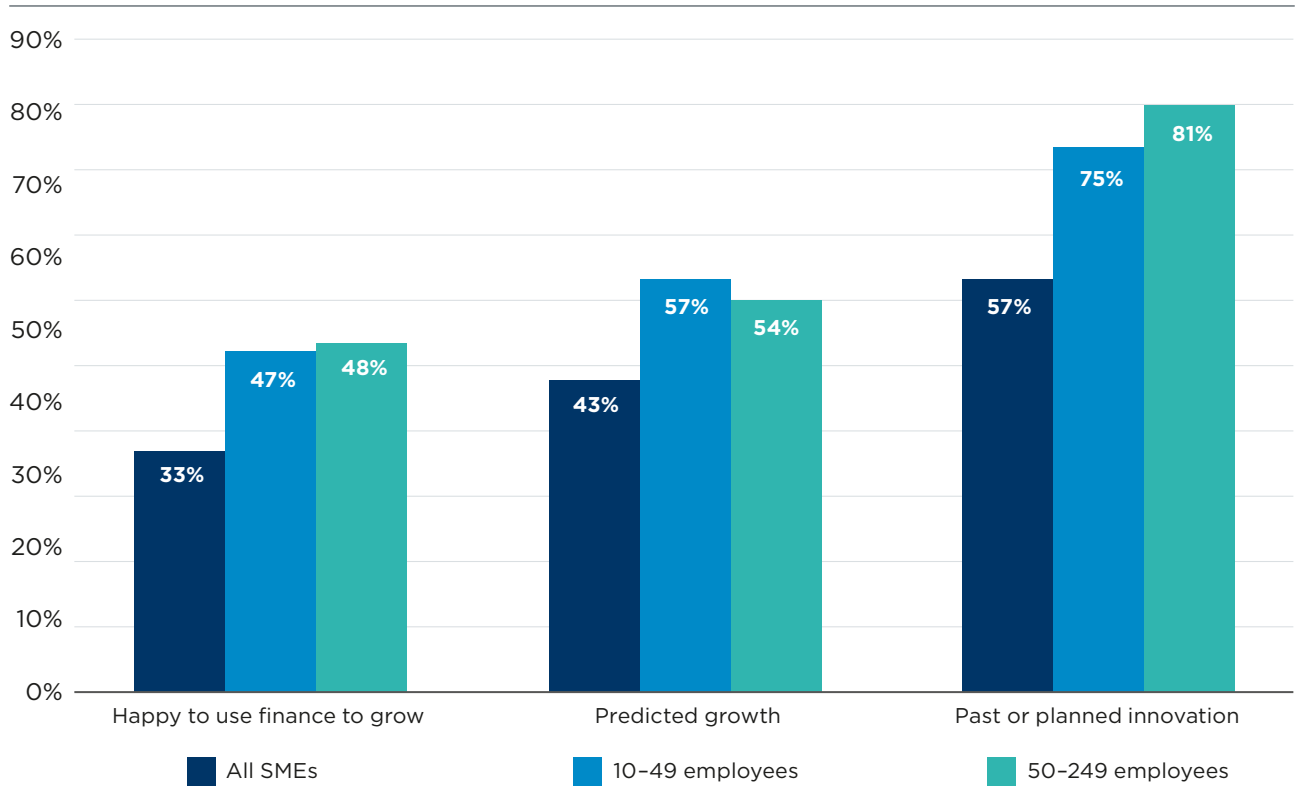
Fig. 5: UK SME finance in 2025



Source: British Business Bank

<sup>7</sup> ONS, [Small Business Survey 2024: businesses with employees](#), accessed March 2026.

Fig. 6: SMEs' plans and expectations by firm size in 2025



Source: BVA BDRC

### 1.2.2 Finance for growth and innovation

**SMEs need finance to support their growth and innovation, and these ambitions rise with firm size.** Larger SMEs—those with 10 or more employees—are more likely than the SME population overall to be willing to use external finance to grow and innovate (Fig. 6).<sup>8</sup>

<sup>8</sup> Ipsos, *SME Finance Monitor*, accessed March 2026.

# CASE STUDY: SD WIND ENERGY, AYRSHIRE

SD Wind Energy, an Ayrshire turbine manufacturer, used a facility from Allica Bank to expand and upgrade its Stewarton site. The firm increased production capacity and efficiency, expanded its product range, and continues to develop new renewable energy technologies.

Founded in 1980, the business has installed more than 8,500 turbines in over 70 countries, from the shores of the Clyde to Antarctica.

This latest phase of growth was driven by a surge in demand from international customers, particularly those in North America. Toshiro Urushitani, the firm's CEO, sought to capitalise on this demand without sacrificing SD Wind's local roots, but needed the funds to do so.

The firm's expansion has supported skilled job creation in East Ayrshire, strengthening the local workforce and benefiting the community.

“

We've always had the technical knowledge and ambition to grow... What we needed to unlock this next step was investment to modernise the business and move it forward. Allica was the catalyst - without their support, we simply wouldn't have been able to think strategically about the future.

*Toshiro Urushitani, CEO of SD Wind Energy*

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

Allica Bank provides loans to SMEs across the UK, helping them fund day-to-day operations as they develop, produce, and sell goods and services. These SMEs further contribute to the wider economy through their supply chain spending and the wages they pay to employees. A portion of these activities are potentially attributable to the SMEs' Allica Bank loan through the business activity it enables. This section quantifies the enabled economic footprint of Allica Bank's SME lending, measuring its contribution to GDP, employment, and tax revenues.

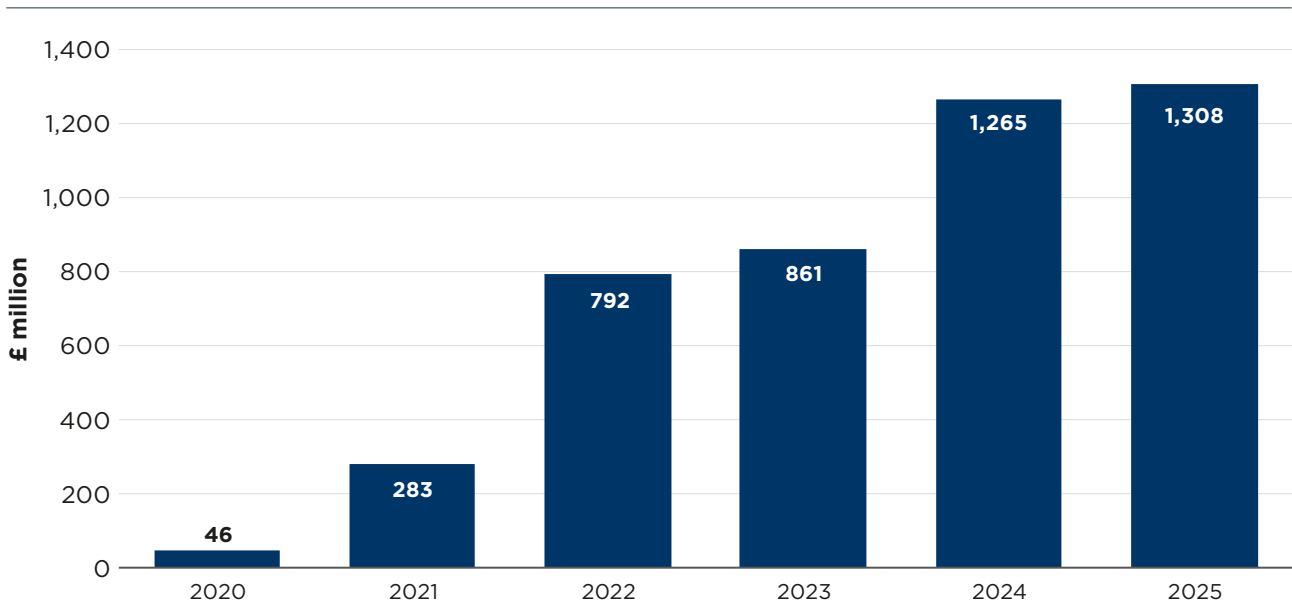


## 2.1 ALLICA BANK'S LENDING

Allica Bank's lending has continued to grow strongly. Total lending reached £3.7 billion at the end of 2025. Fig. 7 highlights the continued growth of Allica Bank's lending, from the issue of its first loans in March 2020, to originating £1.3 billion of loans to SMEs in 2025.

The majority (60%) of Allica Bank's lending was to ESMEs (firms with five to 249 employees). As outlined in Section 1, ESMEs are key drivers of local economic activity.

Fig. 7: New loans and advances issued by Allica Bank each year



Source: Allica Bank

## 2.2 HOW WE MEASURE THE ECONOMIC FOOTPRINT OF ALLICA BANK'S LENDING

Using a consistent economic framework to our 2025 [study](#) for Allica Bank, we measure the GDP, employment, and tax footprint of Allica Bank's SME customers that is potentially enabled by Allica Bank's lending. This is measured across three channels of impact:

- **Direct impact:** Relating to the SMEs' own UK operations.
- **Indirect impact:** Capturing the activity sustained along the SMEs' UK supply chains.
- **Induced impact:** Accounting for the activity stimulated in the wider economy as workers employed by the SMEs and their supply chains spend their earnings.

In our analysis, a proportion of each SME's total economic footprint is attributed to its Allica Bank loan, reflecting the role of finance in enabling the business to operate and grow. We used data from Allica Bank covering all originations of its three main organic lending products—business loans secured on property, commercial investment mortgages, and asset finance—combined with economic data from the ONS to undertake the modelling.

## 2.3 THE ECONOMIC FOOTPRINT OF ALLICA BANK'S LENDING: KEY HEADLINES

### 2.3.1 2025 Economic Footprint

In 2025, we estimate Allica Bank's £3.3 billion in outstanding lending enabled a total contribution to UK GDP of £8.4 billion. This accounted for 0.3% of all economic output in the UK.<sup>9</sup> For context, this was equivalent to Swansea's economy.

This economic activity enabled an estimated 118,000 jobs across the UK in the same year.

This equated to 0.3% of the UK's labour force and was similar in scale to overall employment in Portsmouth in the same year.<sup>10</sup> Finally, Allica Bank's lending supported an estimated £2.1 billion in tax revenues in 2025.

In other words, every £1 million in loans issued by Allica Bank enabled its SME customers to contribute an estimated £2.6 million to UK GDP.<sup>11</sup> In addition, each £1 million of lending supported an estimated 36 jobs and generated £0.7 million in tax revenues.

 118,000

Total jobs supported by Allica Bank's lending in 2025.

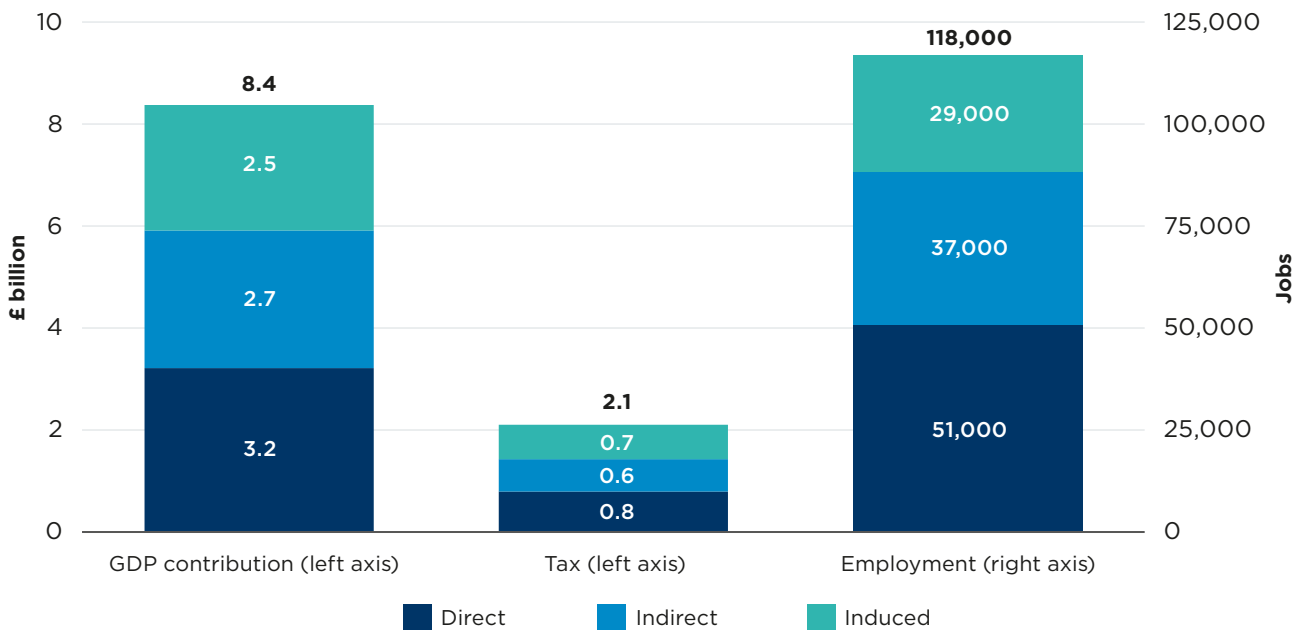
 Every **£1 million** in loans issued contributed

 **£2.6 million** to UK GDP;

 **36 jobs**; and,

 **£0.7 million** to tax revenues.

Fig. 8: Total economic footprint enabled by Allica Bank's lending in 2025



Source: Oxford Economics

Note: totals may not sum due to rounding

<sup>9</sup> ONS, *Gross Domestic Product (GDP)*, accessed March 2026.

<sup>10</sup> ONS, *Labour market overview*, accessed March 2026.

<sup>11</sup> This is calculated as the ratio of the total contribution to GDP supported by Allica Bank's lending (£8.4 billion) to the value of its loans outstanding captured in this analysis (£3.3 billion).

### 2.3.2 Growth since 2024

**Allica Bank's enabled economic footprint has grown strongly compared with 2024, supporting the UK Government's growth mission.**

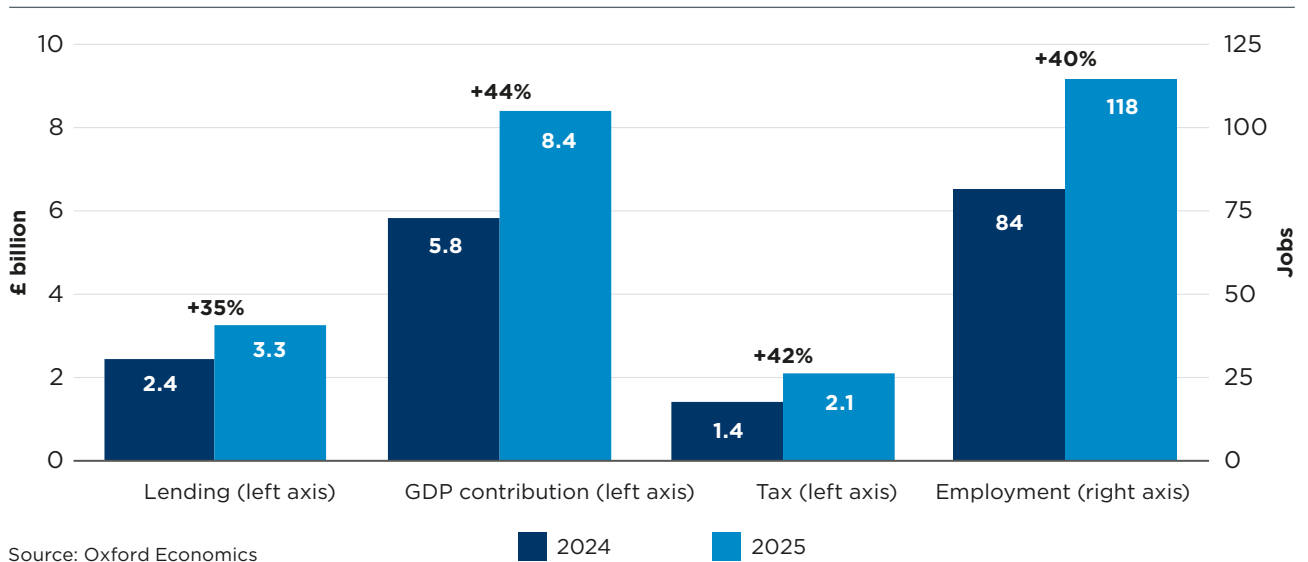
This was primarily driven by a 35% rise in lending across its three core products—business loans secured on property, commercial investment mortgages, and asset finance. It was also driven by the SME customers generating more turnover relative to every pound borrowed.<sup>12</sup>

Overall, we estimate the total enabled contribution to GDP rose 44% in 2025 relative to 2024. We calculate that employment and tax contributions increased by 40% and 42%, respectively.



**Growth in GDP contribution from 2024, and 40% growth in employment supported.**

Fig. 9: Total economic footprint enabled by Allica Bank's lending in 2024 and 2025



Source: Oxford Economics

## 2.4 ECONOMIC FOOTPRINT BY CHANNEL

### 2.4.1 Direct impact

Allica Bank's economic footprint begins with the business activities of its SME customers (**direct impact**). These businesses generate revenue, employ staff, and pay taxes. A proportion of these impacts are attributed to Allica Bank's lending, as its loans enable SMEs to operate, invest, and grow.<sup>13</sup>

**In 2025, we estimate Allica Bank's lending enabled these businesses to make a £3.2 billion direct**

**contribution to GDP, based on the portion of their annual turnover attributable to their loan that year.**

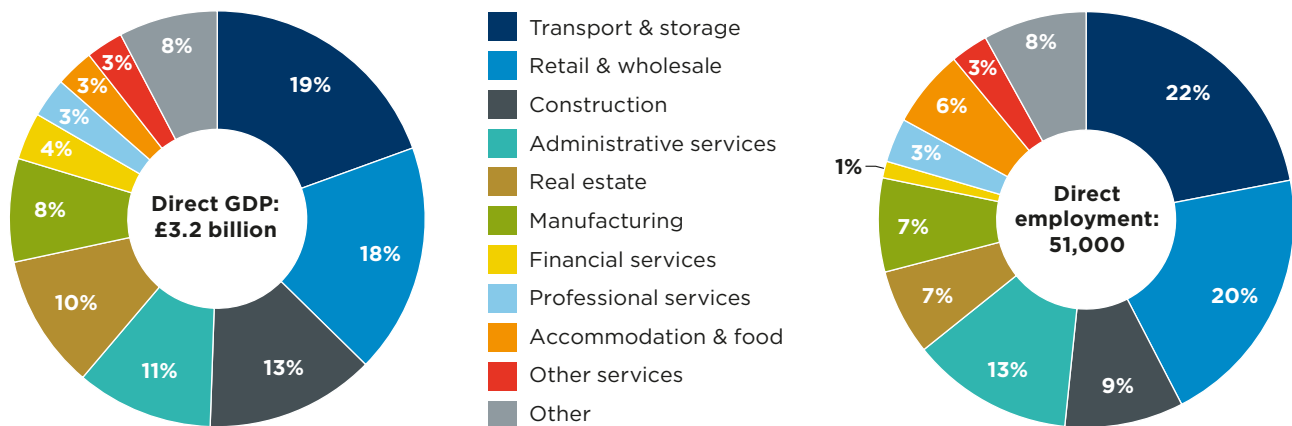
This was measured as the sum of the SMEs' estimated gross operating surplus, employment costs, and net taxes on production. To put this figure in context, it was equivalent to the GDP generated by the UK's clothes manufacturing sector in the same year.<sup>14</sup>

<sup>12</sup> The total turnover per £1 million in lending amongst Allica Bank's SME customers was 6.2% higher in 2025 relative to 2024. While the share of each SMEs' economic footprint attributed to their Allica Bank loan is determined also by the size of their balance sheet, this higher turnover per £1 million in lending feeds through to the uses of revenues which are captured in the modelling approach.

<sup>13</sup> 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. This analysis excludes Allica Bank's forward purchases of existing buy-to-let mortgages and portfolio acquisitions from other lenders—thus capturing the impact of £3.3 billion of Allica Bank's loans under management outstanding as of 31 December 2025.

<sup>14</sup> Defined using Standard Industrial Code 14, respectively. Data from the ONS.

Fig. 10: Direct contribution to GDP and employment by sector, 2025



Source: Oxford Economics

**An estimated 51,000 jobs were directly supported among Allica Bank's SME customers through its 2025 lending.** This was equivalent to the total employment of the UK's beverage manufacturing sector, or its TV, film, and music production sector.<sup>15</sup>

**This contribution is spread across a wide range of industries.** While Allica Bank lends most heavily to SMEs in the real estate sector—accounting for around 45% of its loan book—the economic impact of its lending is proportionately larger in sectors where SMEs generate higher turnover relative to their asset base. Transportation and storage had the largest direct footprint, contributing 19% of total supported GDP and 22% of employment. Retail and wholesale SMEs follow, accounting for 18% of GDP and 20% of employment. Construction ranks third in terms of GDP contribution, while administrative services rank third for employment, with both sectors each accounting for 13% of the total direct footprint.

**Allica Bank's lending directly supported an estimated £790 million in UK tax revenues.** This includes the estimated labour taxes, corporation taxes, taxes on business purchases, and taxes on production paid by its SME customers in 2025 that were attributable to their loans.

#### 2.4.2 Wider economic footprint

The total economic footprint of Allica Bank's lending extends beyond its direct impact. The **indirect** impact captures the economic activity generated when its SME customers' use their loans to purchase goods and services from suppliers across the UK. In turn, these initial purchases stimulate additional economic activity across those businesses' UK supply chains. **We estimate the attributable share of this supply chain spending supported a £2.7 billion indirect contribution to GDP across the UK in 2025.** In addition, this spending sustained an estimated 37,000 jobs and £640 million in tax revenues.

Allica Bank's lending also stimulates an additional wage-**induced** impact. This occurs when its SME customers' employees, and those within their supply chains, spend their wages across the consumer economy. **We estimate that Allica Bank's lending supported a £2.5 billion induced contribution to GDP in the UK.** This wage-induced impact also supported an estimated 29,000 jobs and £710 million in tax revenues in the same year.

<sup>15</sup> Defined using Standard Industrial Codes 11 and 59, respectively. Data from the ONS.

# CASE STUDY: BPM SFX, LANCASHIRE

Lancashire-based pyrotechnics, special effects and laser specialist BPM SFX secured a £2 million funding package from Allica Bank. The investment will allow it to expand its headquarters and create new skilled jobs in the region to meet soaring global demand for large-scale live event supplier services.

What began life in 2008 in East Lancashire as a three-person start-up has become one of the world's leading effects partners for some of the biggest events on stage – whether that's for F1 at Silverstone or an Oasis show.

The £2 million growth finance loan from Allica will fund a 14,000 sq. ft. expansion of BPM SFX's headquarters in Burnley, Lancashire. The additional space will allow the business to store a larger proportion of its multi-million-pound stock on site, supporting more full-time employee roles and further international growth.

“

Major artists want effects partners who can support them worldwide.

This funding strengthens our capability to deliver anywhere: Europe, the US, the Middle East – you name it. Reliability is everything in this industry.

*Adam Murray, Managing Director of BPM SFX*

”



# SECTION 3: ALLICA BANK'S FOOTPRINT ACROSS THE UK

This section shifts from the national totals presented in Section 2 to a regional breakdown of Allica Bank's economic footprint. The findings demonstrate Allica Bank's positive impact across all regions of the UK.

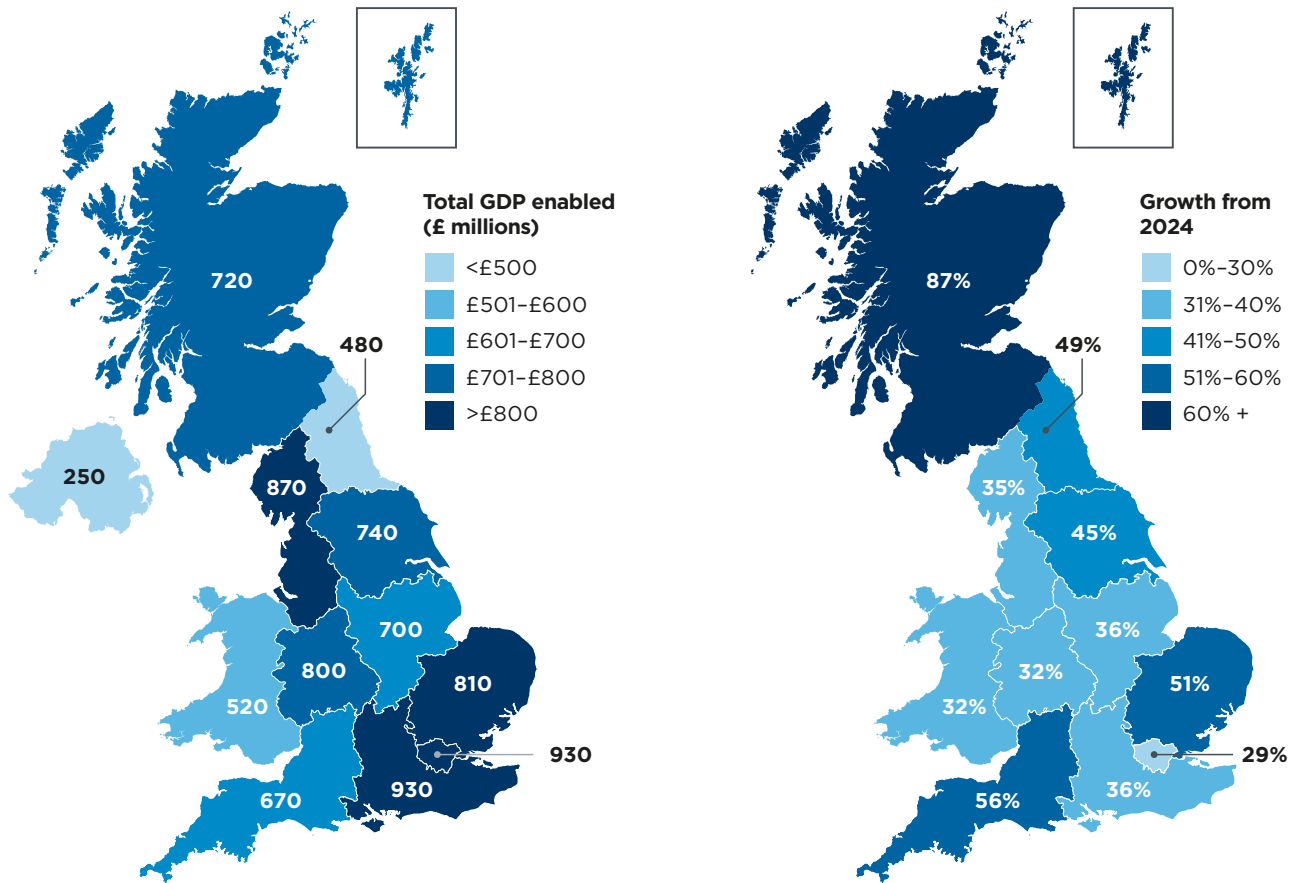


### 3.1 GDP FOOTPRINT BY REGION

Around two-thirds of Allica Bank's lending was to SMEs outside of London and the South East. As a result, while these two regions still represent the largest absolute GDP contributions enabled by Allica Bank (at £930 million each), 78% of the estimated enabled economic footprint was outside these regions.<sup>16</sup>

Compared with 2024, Allica Bank's enabled GDP contribution expanded most rapidly in Scotland, rising 87%—almost twice the UK-wide growth rate of 44%. This reflects strong growth in both commercial mortgage and asset finance loans. Strong growth was also recorded in the South West (56%) and the North East (49%), while London saw the slowest increase at 29% (Fig. 11).<sup>17</sup>

Fig. 11: The total GDP contribution enabled by Allica Bank's lending in each region in 2025



Source: Oxford Economics

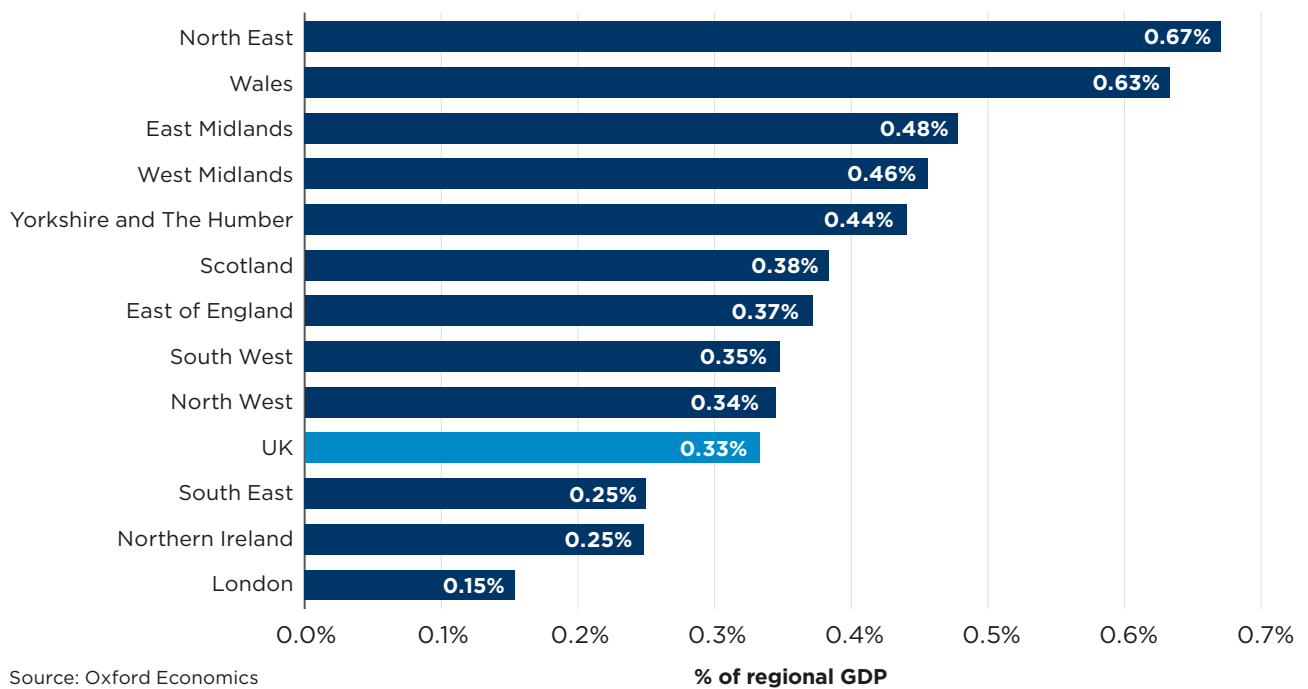
16 The distribution of Allica Bank's economic footprint differs from the distribution of its lending. This is because the economic footprint is determined by the individual characteristics of its SME customers and varies for SMEs in different sectors and with different types of loan, such as its commercial mortgage and asset finance loans.

17 Though Allica Bank has only just started lending to SMEs in Northern Ireland and totals are negligible, 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. The impact in Northern Ireland has increased due to growth among its core trading partners (such as Scotland, the North West, and East Midlands).

Moreover, relative to the size of the regional economies, Allica Bank's enabled GDP contribution was most significant in the North East and Wales. Allica Bank's enabled GDP contribution was 0.67% and 0.63% of their

respective regional economies, double the enabled share of the UK economy (0.33%). This was followed by the East and West Midlands at 0.48% and 0.46%, respectively.

Fig. 12: Total GDP enabled as a share of regional GDP in 2025



### 3.2 EMPLOYMENT FOOTPRINT BY REGION

Further penetration of lending in regions outside London and the South East means that an estimated 80% of supported jobs in 2025 were located outside these regions. Compared with 2024, the employment impact has grown by 40% in areas outside of London and the South East, compared with 29% in London and the South East itself (Fig. 13).<sup>18</sup>

Scotland, Yorkshire and the Humber, the East Midlands, and the East of England all recorded strong year-on-year growth, with each region accounting for more than 10,000 jobs in 2025. As a result, all four regions moved ahead of London in terms of total employment impact, having ranked below it in 2024.

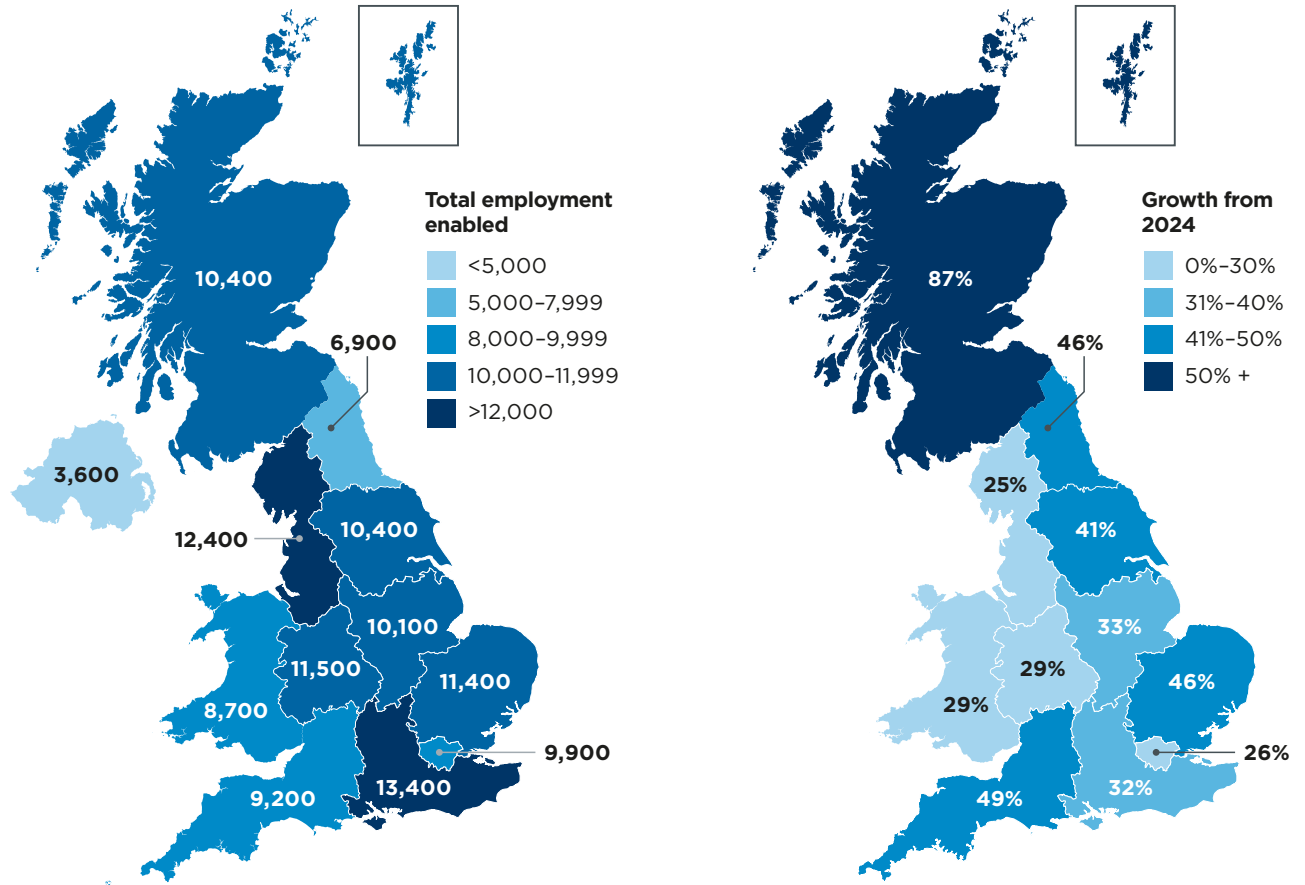
Like the pattern of the contribution to GDP, we estimate that as a proportion of regional totals, Allica Bank's lending supported the largest share of employment in Wales (0.61%), followed by the North East (0.55%) and the East Midlands (0.43%).



**40%**  
Growth in employment impact outside of London and the South East, compared to 29% in London and the South East.

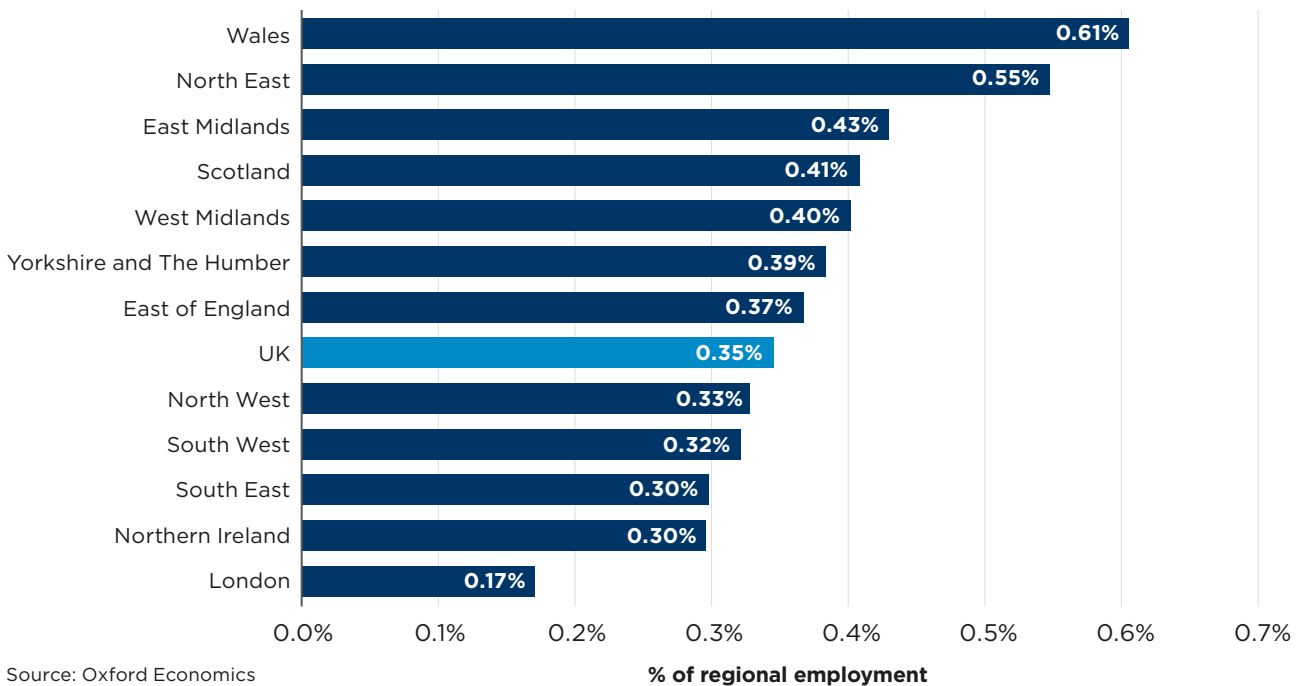
<sup>18</sup> The 40% figure excludes Northern Ireland, where only spillover impacts were experienced.

Fig. 13: Total employment enabled by Allica Bank's lending in each region in 2025



Source: Oxford Economics

Fig. 14: Total employment enabled as a share of regional employment in 2025



Source: Oxford Economics

# CASE STUDY: DALES BIKE CENTRE, YORKSHIRE

Dales Bike Centre, based in the Yorkshire Dales, is already a go-to destination and, thanks to backing from Allica Bank, the family-run business is preparing to offer glamping accommodation alongside its ride, eat and stay experiences.

Owned and run by husband-and-wife team Stu and Brenda Price, the centre has been part of the Swaledale community since 2009. The couple's vision – to create a welcoming, sustainable base for cyclists to enjoy the beauty of the Dales – has grown into a thriving local hub with a strong reputation across Yorkshire and the entire UK.

The centre employs staff from around ten local families, many of whom have been with the business since its early days. And Stu and Brenda have prioritised sustainability from the start – repurposing original buildings and working with local suppliers for everything from food to building materials. The new glamping accommodation marks the next step for the business.

“

Allica really understood what we're about – it's not just a business; it's our life's work. This next chapter wouldn't be happening without them.

*Brenda Price, Owner of Dales  
Bike Centre*

”



# CASE STUDY: THE WORKSHOP, HAMPSHIRE

The Workshop in Alton funded its acquisition of esteemed Land Rover specialist Keith Gott Partners by refinancing several short-term debts. The loan was originated by Allica Bank with support from the Growth Guarantee Scheme.

This deal consolidated The Workshop's position as a regional specialist for Land Rover, Range Rover and INEOS Grenadier vehicles. Having a combined 50 years of heritage with a modern approach to technology and training, the business' cofounders report new customers travelling from across the entire south of England.

Since being founded in 2019, the Hampshire-based vehicle service and repair business has trebled its turnover to £1.2 million and employed 28 staff across two sites. Now, with deeper capacity, The Workshop has ambitions to quadruple its turnover.

The GGS-backed loan allowed The Workshop to replace expensive, short-term borrowing with more long-term funding. As a result, they unlocked sustainable growth for the business and region.

“

It's the first time in six years of running a business in the UK that I've worked with a bank that truly listens. Having the modern way and flexibility of a digital bank, but with the personal approach of traditional banking, proved truly invaluable to us.

*Tyrone Gericke, Co-founder of The Workshop*

”



A photograph of a man with grey hair, seen from the back, working on the engine of a dark-colored car. The car's hood is open, and the man is wearing a dark jacket. The scene is lit with dramatic, low-key lighting, highlighting the man's hands and the engine components. The background is dark and out of focus.

## SECTION 4: THE GROWTH GUARANTEE SCHEME

Research from the Bank of England shows that high-growth-potential SMEs are key drivers of economic growth, yet they depend more heavily on external finance.<sup>19</sup> However, these firms often struggle to secure the finance they need—especially when they fall into the “missing middle”, the gap between early-stage funding and larger follow-on investment. Limited access to finance restricts their ability to navigate growth-related pressures, such as maintaining cash flow.<sup>20</sup>

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<sup>19</sup> Bank of England, [Unlocking growth: what can the literature tell us about what’s holding back high-growth firms?](#), accessed March 2026.

<sup>20</sup> Department for Business and Trade, [UK Government’s Small Business Plan](#), accessed March 2026.

Administered by the BBB, the Growth Guarantee Scheme (GGS) is intended to support SMEs' ambitions for investment and growth. The GGS enables SMEs to apply for loans of up to £2 million, with lenders receiving a 70%

government-backed guarantee in return for a 1.5% fee. As of the end of 2025, the GGS has supported around 19,300 government-backed SME loans, totalling £3.3 billion, with 67% of funds going to regions outside of London and the South East.<sup>21</sup>

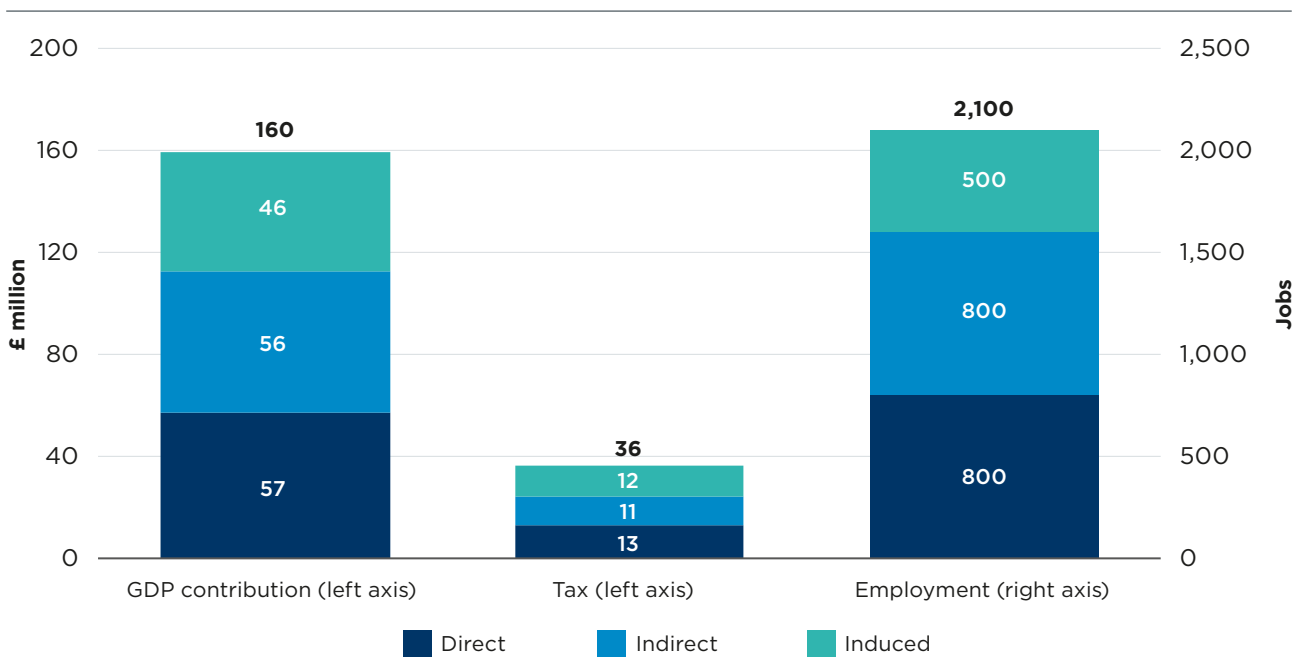
#### 4.1 ECONOMIC FOOTPRINT OF THE GOVERNMENT LOAN SCHEME LENDING

Allica Bank's lending through government loan schemes enabled an estimated **£160 million contribution to UK GDP in 2025**.<sup>22</sup> It also sustained around 2,100 jobs across the country and £36 million in tax revenues.

**the South East.** Reflective of the geographic distribution of its lending. Our analysis finds that 80% of the total GDP impact and 82% of the total employment impact supported through Allica Bank's scheme lending occurred outside these two regions.

Like Allica Bank's overall economic footprint outlined in Section 3, its scheme lending also has a notable footprint outside London and

Fig. 15: Total economic footprint enabled by Allica Bank's scheme lending in 2025



Source: Oxford Economics

Note: totals may not sum due to rounding

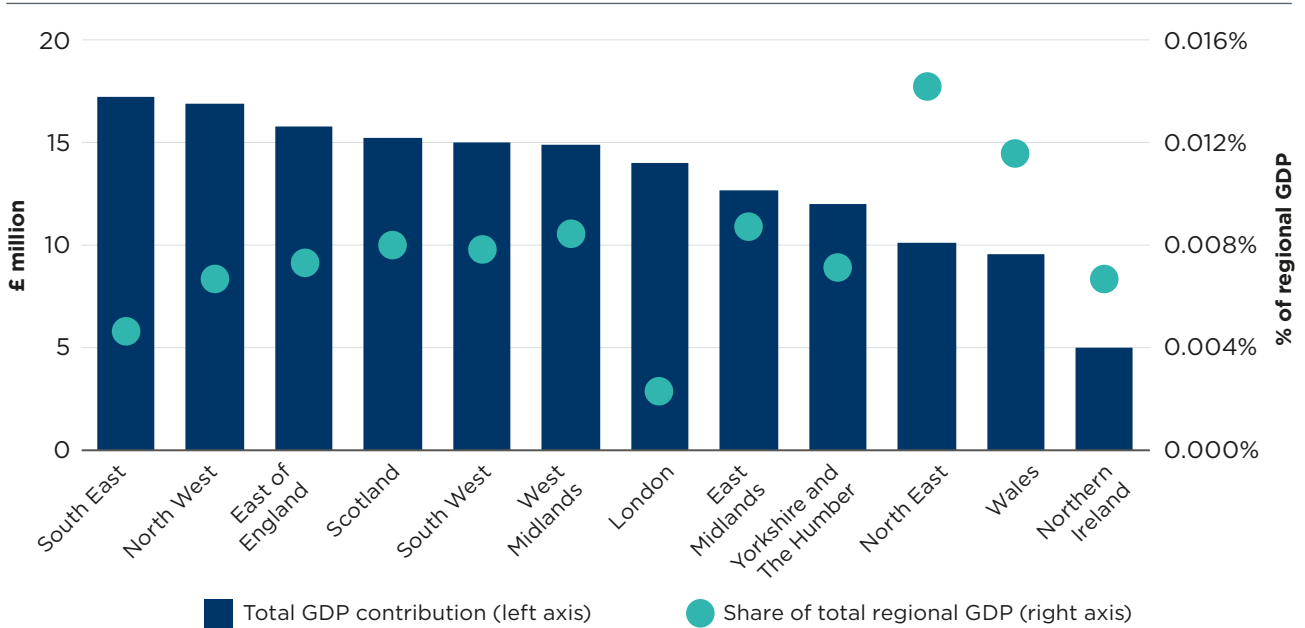
In absolute terms, the South East and the North West each supported the highest total GDP contribution in 2025, at £17 million. The share of the total GDP contribution of Allica Bank's lending that was accounted for by this scheme lending was highest in the South West (2.1%) and lowest in London (1.5%).

However, when considered relative to the size of each region's economy, the contribution was highest in the North East and Wales, followed by the East Midlands and West Midlands (Fig. 16).

21 British Business Bank, [GGS \(including RLS iteration 3\) Performance Data \(31 December 2025\)](#), accessed March 2026.

22 This includes Allica Bank's lending through the GGS and its predecessor, the Recovery Loan Scheme through which it still has some lending outstanding.

Fig. 16: The total GDP supported by Allica Bank's scheme lending in 2025 by region

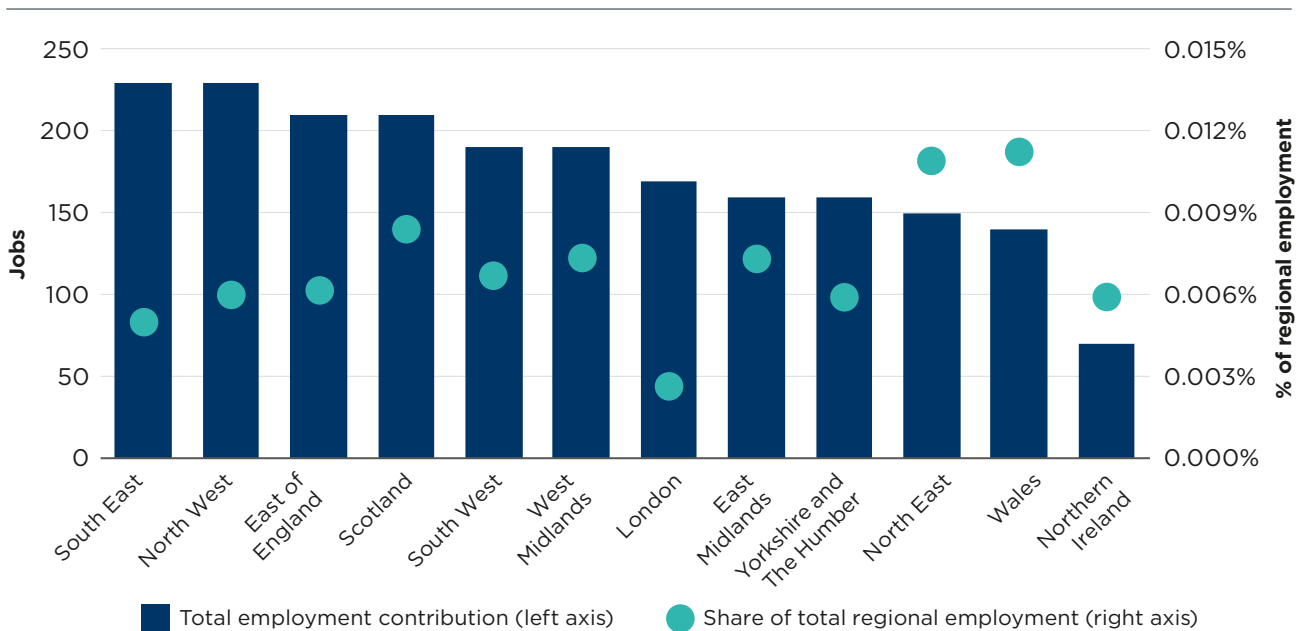


Source: Oxford Economics

The South East and North West recorded the highest absolute employment totals in 2025, each supporting 230 jobs, followed by the East of England and Scotland with 210 jobs each. The share of the total employment supported by Allica Bank's lending that was attributable to its scheme lending was highest in the South West and Scotland (2.1%) and lowest in London (1.5%).

When viewed relative to the size of each region's total employment, the contribution was highest in Wales and the North East, followed by Scotland (Fig. 17).

Fig. 17: The total employment supported by Allica Bank's scheme lending in 2025 by region



Source: Oxford Economics



## REPORT CONCLUSION

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Overall, this report highlights the vital role that established SMEs play in the UK economy and how critical it is that they get the support they need to thrive.

It also showcases how Allica Bank is financing established UK SMEs and, in turn, supporting economic activity across the country. This includes lending delivered through government-backed schemes.

However, Allica Bank operates within a broader ecosystem of challenger banks serving the SME market. In 2025, its lending accounted for approximately 3.3% of the £40 billion in SME lending provided by challenger banks. While this funding varies in type, purpose, and geographic distribution, it underscores the significant and growing contribution of challenger banks in supporting the UK economy.

# 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, and Allica Bank has lent over £3.7 billion to UK businesses and raised £5.7 billion in deposits.

Allica Bank recently featured in the Financial Times' FT1000: Europe's Fastest-Growing Companies (a ranking of Europe's fastest growing companies)—placing 58th, making Allica Bank the UK's fastest-growing fintech.<sup>23</sup> This latest recognition comes after Allica Bank was named the second-fastest growing company in Europe in 2025, and the UK's fastest-growing private company in 2024.<sup>24</sup> Allica Bank also previously topped the table of Deloitte's UK Technology Fast 50 awards, a ranking of the UK's 50 fastest-growing technology companies, recording 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 won four awards, including Commercial Finance Lender of the Year and Commercial Mortgage Lender of the Year at the 2025 National Association of Commercial Finance Brokers Lender Awards.<sup>25</sup> It also won Bank of the Year 2025 at the City AM awards.<sup>26</sup>

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23 Financial Times, [FT1000: Europe's Fastest-Growing Companies 2026 ranking](#), accessed March 2026.

24 Allica Bank, [100 fastest-growing companies in Britain 2024 revealed](#), accessed March 2026.

25 NACFB, [NACFB Commercial Lender Awards 2025 winners revealed](#), accessed March 2026.

26 City AM, [Revealed: The 2025 City AM Awards Winners](#), accessed March 2026.



# APPENDIX: METHODOLOGY

## DATA PROVIDED

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To enable Oxford Economics to conduct 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

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To measure the direct contribution to GDP of the SMEs, their 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 two-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 calculated using sectoral ratios from the ONS's Annual Business Survey, giving the average share of output which was 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 was 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 was calculated using ONS data on GDP and employment in each of these sectors. The SMEs' direct contribution to GDP was 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. This share, which averaged 8.1% across the data received, was then applied to each of the above metrics to get the share that could be attributed to their Allica Bank loan.

Data were provided for all Allica Bank's Asset Finance and Commercial Investment Mortgages and Business Loans Secured on Property loan originations. 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 2025, to capture the full population, totalling £3.3 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 £3.7 billion of loans under management at this date.

## INDIRECT AND INDUCED IMPACTS

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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 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 was built using the Flegg and Webber approach to constructing subnational 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 supported by Allica Bank's lending, which was 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 incorporated 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 2025, based on all loans under its management as of 31 December 2025. 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 Allica Bank's economic footprint could otherwise be productively diverted to.

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