

Business Finance Update



Release date : 25 May 2018

Business Finance Update - April 2018

Latest update on business finance by UK Finance

Key data highlights:

- UK business borrowing contracted slightly by 1.7 per cent in the last 12 months. However within industry sectors there was a mixed picture with manufacturing maintaining strong growth at 8 per cent while construction contracted by 6.3 per cent in the year.
- UK business deposits grew by 4.4 per cent in the last 12 months down on the previous six month average of 6 per cent.

Commenting on the data, [Stephen Pegge, Managing Director, Commercial Finance at UK Finance](#) said:

“Overall demand for finance amongst businesses remains subdued. There has been some fluctuations in business borrowing, particularly in the construction and real-estate sectors.

“This reflects ongoing economic uncertainty, as firms continue to build their deposits and carefully consider long-term investment decisions.”

Notes to Editors

- 1 For more information please call the [UK Finance Press Office on 020 7416 6750](#) or e-mail press@ukfinance.org.uk.
- 2 UK Finance is the trade association formed on 1 July 2017 to represent the finance and banking industry operating in the UK. It represents around 300 firms in the UK providing credit, banking, markets and payment-related services. The organisation brings together most of the activities previously carried out by the Asset Based Finance Association, the British Bankers' Association, the Council of Mortgage Lenders, Financial Fraud Action UK, Payments UK and the UK Cards Association.
- 3 Data in this update reflect lending and deposit activity conducted by UK large, medium and small businesses with the main high street banks. This coverage reflects around three-quarters of UK business finance provided by all banks and building societies.

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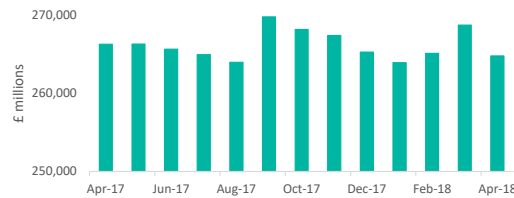
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Business finance

Latest (April 2018) Annual growth rate

Loans & overdrafts

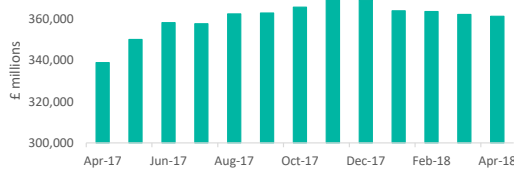
Sterling loan & overdraft lending amounts outstanding on non-financial business accounts with high street banks



High street banks **£264.8 bn** **-1.7%**

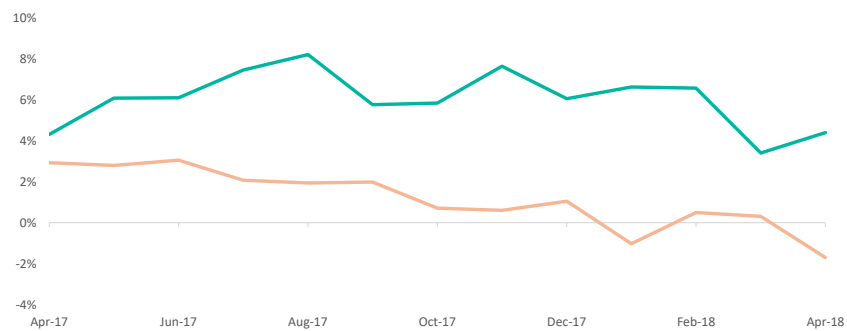
Business deposits

Total sterling deposits held in UK non-financial business accounts with high street banks



High street banks **£361.3 bn** **4.4%**

Annual growth rates



deposits

loans & overdrafts

	lending outstanding	annual growth rate	deposits level	annual growth rate
agriculture, hunting & forestry	£14.8 bn	1.0%	£6.4 bn	10.7%
fishing	£0.2 bn	-1.3%	£0.2 bn	3.7%
mining & quarrying	£1.2 bn	6.1%	£1.8 bn	11.1%
manufacturing	£17.5 bn	8.0%	£28.4 bn	3.7%
electricity, gas & water	£7.4 bn	0.6%	£6.9 bn	-5.1%
construction	£20.4 bn	-6.3%	£34.6 bn	6.4%
wholesale & retail trade	£27.5 bn	-0.9%	£32.4 bn	-0.7%
accommodation & food services	£18.8 bn	1.6%	£7.9 bn	-1.9%
transport, storage & communications	£10.9 bn	0.9%	£30.7 bn	4.2%
real estate & professional services	£110.6 bn	-6.2%	£135.6 bn	9.3%
public admin & defence	£7.4 bn	-1.3%	£15.1 bn	-13.0%
education	£7.9 bn	-5.1%	£17.1 bn	-0.8%
health & social work	£14.7 bn	-1.3%	£17.8 bn	2.3%
recreation & personal services	£5.7 bn	-7.7%	£26.2 bn	5.0%
total financial company sectors	£264.8 bn		£361.3 bn	

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Loans & overdrafts amounts outstanding

		Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	
		266,279	266,301	265,645	264,947	263,957	269,771	268,174	267,404	265,276	263,931	265,099	268,739	264,782	O/S
non-financial companies (£mns)	High street banks	-587	23	-657	-698	-990	-299	-1,597	-770	-2,128	-995	1,168	3,272	-4,678	Net
		2.9%	2.8%	3.1%	2.1%	1.9%	2.0%	0.7%	0.6%	1.0%	-1.0%	0.5%	0.3%	-1.7%	Growth
other financial companies (£mns)	High street banks	240,173	239,038	250,890	246,226	256,261	270,308	262,489	263,705	266,258	267,897	265,047	269,429	264,710	O/S
		-906	-1,135	11,852	-4,664	10,035	8,495	-7,819	1,216	2,553	2,259	-2,850	4,179	-4,719	Net

Deposits

		Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	
		338,862	350,001	358,149	357,668	362,431	362,866	365,670	371,973	369,092	363,882	363,500	362,149	361,283	O/S
non-financial companies (£mns)	High street banks	-4,175	11,138	8,148	-481	4,763	-5,717	2,804	6,303	-2,881	-6,240	-382	-1,350	-866	Net
		4.3%	6.1%	6.1%	7.5%	8.2%	5.8%	5.8%	7.6%	6.1%	6.6%	6.6%	3.4%	4.4%	Growth
other financial companies (£mns)	High street banks	306,575	298,560	291,431	297,770	301,669	308,054	314,955	312,405	302,873	319,652	318,815	294,776	300,271	O/S
		3,111	-8,015	-7,130	6,339	3,899	835	6,900	-2,550	-9,531	17,839	-1,432	-24,039	5,486	Net

Data included in this update relate to business conducted with the banking groups of Barclays, Lloyds, HSBC, RBS, Santander UK, TSB and Virgin Money.

Annual growth rates are adjusted to exclude the effects of population changes, write-offs, sales/purchases of loan books and reporting definition changes, to reflect underlying economic trends where appropriate and are based on seasonally adjusted data, while all other data series are non-seasonally adjusted.

Year-on-year percentage changes compare the latest month's figure with the same month's figure in the previous year.

Data series for UK business lending or deposits relate to sterling business only.

Other financial companies covers businesses which are engaged principally in financial activities, e.g. insurance brokers and non-bank credit grantors, but excludes banks and building societies.

Extended data tables are available from our website www.ukfinance.org.uk/statistics/

For more information please call the UK Finance Press Office on 020 7416 6750 or e-mail press@ukfinance.org.uk

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