

# Business Finance Update



Release date : 24 August 2018

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## UK Finance: Business Finance Update for July 2018

### Key data highlights:

- Lending to manufacturers grew by 7.1 per cent in the last 12 months, in contrast to a wider 2.2 per cent contraction overall in UK business borrowing.
- UK business deposits for non-financial companies grew by 1.9 per cent in the last 12 months.

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

"Lending to businesses saw modest net positive growth for the second month in a row, driven largely by increased borrowing in the manufacturing sector.

"However, overall demand for finance remains subdued amid ongoing economic uncertainty.

"Growth in business deposits has also slowed, suggesting firms are seeing their margins squeezed by inflationary pressures."

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### 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](mailto: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 250 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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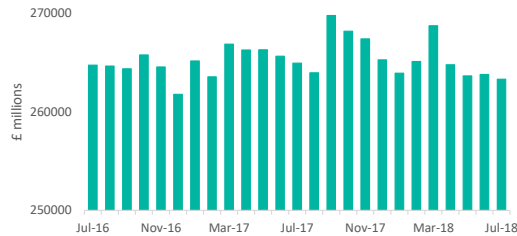


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## Business finance

### Loans & overdrafts

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



Latest (July 2018)

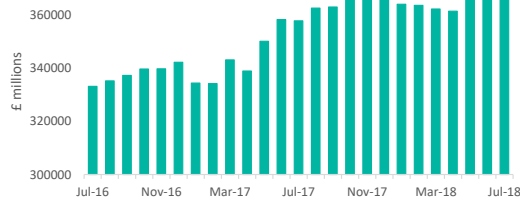
Annual growth rate

High street banks **£263.3 bn** **-2.2%**

### Lending to

### Business deposits

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

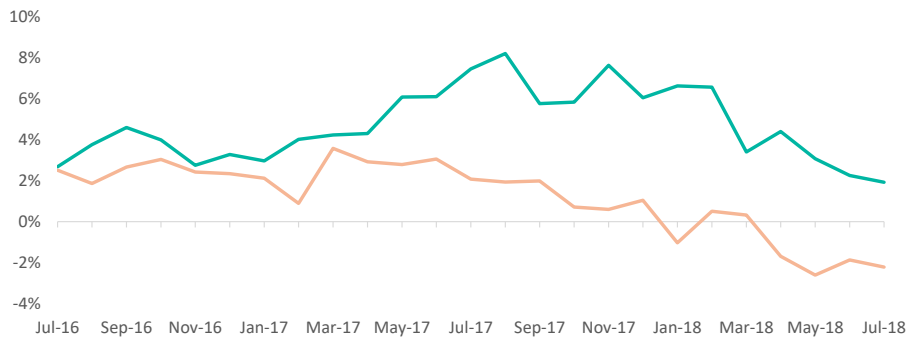


Latest (July 2018)

Annual growth rate

High street banks **£371.7 bn** **1.9%**

### Annual growth rates



deposits

loans & overdrafts

	lending outstanding		deposits level	
	annual growth rate	annual growth rate	annual growth rate	annual growth rate
agriculture, hunting & forestry	£15.1 bn	1.0%	£6.3 bn	7.5%
fishing	£0.2 bn	-2.8%	£0.3 bn	4.4%
mining & quarrying	£1.1 bn	2.7%	£1.7 bn	-2.8%
manufacturing	£18.1 bn	7.1%	£29.3 bn	5.6%
electricity, gas & water	£7.4 bn	-0.2%	£7.3 bn	-2.7%
construction	£19.7 bn	-6.9%	£36.1 bn	6.3%
wholesale & retail trade	£26.7 bn	-2.2%	£34.6 bn	3.8%
accommodation & food services	£19.0 bn	3.6%	£8.8 bn	3.5%
transport, storage & communications	£10.8 bn	-1.4%	£32.7 bn	8.7%
real estate & professional services	£109.8 bn	-5.4%	£138.4 bn	4.5%
public admin & defence	£7.1 bn	-5.5%	£14.3 bn	-37.3%
education	£8.0 bn	-3.4%	£17.7 bn	3.9%
health & social work	£14.6 bn	-2.2%	£18.3 bn	1.8%
recreation & personal services	£5.7 bn	-3.5%	£26.0 bn	1.7%
<b>total financial company sectors</b>	<b>£263.3 bn</b>		<b>£371.7 bn</b>	

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## Loans & overdrafts amounts outstanding

		Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	
		264,947	263,957	269,771	268,174	267,404	265,276	263,931	265,099	268,739	264,775	263,636	263,787	263,314	O/S
non-financial companies (£mns)	High street banks	-698	-990	-299	-1,597	-770	-2,128	-995	1,168	3,272	-4,684	-1,140	151	95	Net
		2.1%	1.9%	2.0%	0.7%	0.6%	1.0%	-1.0%	0.5%	0.3%	-1.7%	-2.6%	-1.9%	-2.2%	Growth
other financial companies (£mns)	High street banks	246,226	256,261	270,308	262,489	263,705	266,258	267,897	265,047	269,710	264,710	255,495	273,648	283,975	O/S
		-4,664	10,035	8,495	-7,819	1,216	2,553	2,259	-2,850	4,461	-5,000	-9,215	18,153	9,900	Net

## Deposits

		Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	
		357,668	362,431	362,866	365,670	371,973	369,092	363,882	363,500	362,149	361,283	368,173	373,453	371,735	O/S
non-financial companies (£mns)	High street banks	-481	4,763	-5,717	2,804	6,303	-2,881	-6,240	-382	-1,350	-866	6,890	5,412	-1,717	Net
		7.5%	8.2%	5.8%	5.8%	7.6%	6.1%	6.6%	6.6%	3.4%	4.4%	3.1%	2.3%	1.9%	Growth
other financial companies (£mns)	High street banks	297,770	301,669	308,054	314,955	312,405	302,873	319,652	318,815	295,621	300,271	293,746	289,531	290,290	O/S
		6,339	3,899	835	6,900	-2,550	-9,531	17,839	-1,432	-23,194	4,641	-6,525	-4,349	760	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/](http://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](mailto:press@ukfinance.org.uk)

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