

# Business Finance Update



Release date : 26 June 2018

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## UK Finance: Business Finance Update for May 2018

### Key data highlights:

- Lending to manufacturers grew by 5.1 per cent in the last 12 months, in contrast to a wider 2.5 per cent contraction overall in UK business borrowing.
- UK business deposits grew by 3.1 per cent in the last 12 months with total deposits for non-financial companies 5.2 per cent higher compared to May 2017.

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

“There has been steady growth in lending to manufacturing, with the finance industry continuing to support investment in this important sector of the economy.

“However overall appetite for finance amongst UK businesses remains low, as ongoing economic uncertainty weighs on long-term investment decisions.

“Growth in deposits has also slowed amid less buoyant business conditions, as many firms’ margins are squeezed by rising input costs.”

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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 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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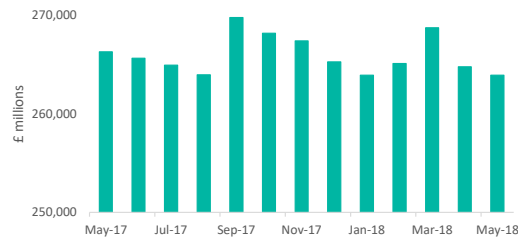


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### Loans & overdrafts

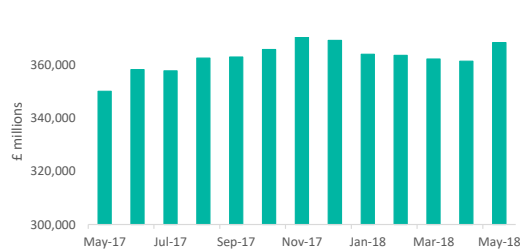
Sterling loan & overdraft lending amounts outstanding on non-financial business accounts with high street banks



Latest (May 2018) Annual growth rate  
High street banks **£263.9 bn** **-2.5%**

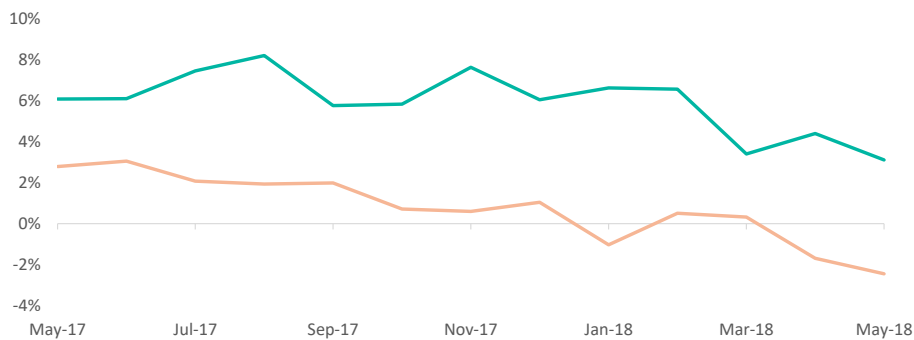
### Business deposits

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



Latest (May 2018) Annual growth rate  
High street banks **£368.3 bn** **3.1%**

### Annual growth rates



deposits

loans & overdrafts

	lending outstanding	annual growth rate	deposits level	annual growth rate
agriculture, hunting & forestry	£14.9 bn	1.0%	£6.5 bn	11.5%
fishing	£0.2 bn	-1.7%	£0.2 bn	3.4%
mining & quarrying	£1.1 bn	-2.1%	£1.7 bn	2.1%
manufacturing	£17.6 bn	5.1%	£29.1 bn	3.8%
electricity, gas & water	£7.7 bn	5.4%	£7.3 bn	-3.9%
construction	£20.4 bn	-6.6%	£34.7 bn	5.3%
wholesale & retail trade	£27.1 bn	-2.1%	£33.7 bn	0.4%
accommodation & food services	£18.7 bn	1.5%	£8.5 bn	5.2%
transport, storage & communications	£10.7 bn	-2.0%	£32.0 bn	6.8%
real estate & professional services	£110.6 bn	-6.0%	£137.3 bn	7.6%
public admin & defence	£7.0 bn	-4.2%	£14.2 bn	-27.5%
education	£7.8 bn	-4.5%	£19.0 bn	1.0%
health & social work	£14.6 bn	-1.1%	£18.1 bn	2.0%
recreation & personal services	£5.7 bn	-8.2%	£26.0 bn	2.0%
<b>total financial company sectors</b>	<b>£263.9 bn</b>		<b>£368.3 bn</b>	

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## Loans & overdrafts amounts outstanding

		May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	
		266,301	265,645	264,947	263,957	269,771	268,174	267,404	265,276	263,931	265,099	268,739	264,782	263,931	O/S
non-financial companies (£mns)	High street banks	23	-657	-698	-990	-299	-1,597	-770	-2,128	-995	1,168	3,272	-4,678	-851	Net
		2.8%	3.1%	2.1%	1.9%	2.0%	0.7%	0.6%	1.0%	-1.0%	0.5%	0.3%	-1.7%	-2.5%	Growth
other financial companies (£mns)	High street banks	239,038	250,890	246,226	256,261	270,308	262,489	263,705	266,258	267,897	265,047	269,710	264,710	253,783	O/S
		-1,135	11,852	-4,664	10,035	8,495	-7,819	1,216	2,553	2,259	-2,850	4,461	-5,000	-10,927	Net

## Deposits

		May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	
		350,001	358,149	357,668	362,431	362,866	365,670	371,973	369,092	363,882	363,500	362,149	361,283	368,307	O/S
non-financial companies (£mns)	High street banks	11,138	8,148	-481	4,763	-5,717	2,804	6,303	-2,881	-6,240	-382	-1,350	-866	7,024	Net
		6.1%	6.1%	7.5%	8.2%	5.8%	5.8%	7.6%	6.1%	6.6%	6.6%	3.4%	4.4%	3.1%	Growth
other financial companies (£mns)	High street banks	298,560	291,431	297,770	301,669	308,054	314,955	312,405	302,873	319,652	318,815	295,621	300,271	291,485	O/S
		-8,015	-7,130	6,339	3,899	835	6,900	-2,550	-9,531	17,839	-1,432	-23,194	4,641	-8,787	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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