

Business Finance Update



Release date : 26 November 2018

UK Finance: Business Finance Update for October 2018

Key data highlights:

- Lending to manufacturers grew by 6.9 per cent over the last twelve months, in contrast to a 1.9 per cent contraction in overall UK business borrowing. There was also annual growth in borrowing by the agriculture and accommodation sectors.
- Deposits held by UK non-financial companies grew by 3.4 per cent over the last twelve months with annual growth in transport, electricity, gas and water above the overall growth.

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

“Appetite for finance amongst business remains subdued with overall borrowing down slightly from the same period last year.

“However, lending to the manufacturing, agriculture and accommodation sectors has increased.

“Business deposits also continue to grow, which suggests firms are stockpiling cash in the face of an uncertain economic climate.”

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 banking and finance industry operating in the UK. It represents more than 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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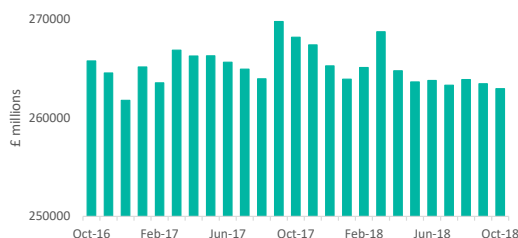
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Business finance

Loans & overdrafts

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



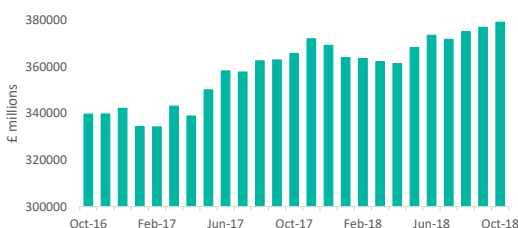
Latest
(October 2018)

Annual
growth
rate

High street banks **£263.0 bn** **-1.9%**

Business deposits

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

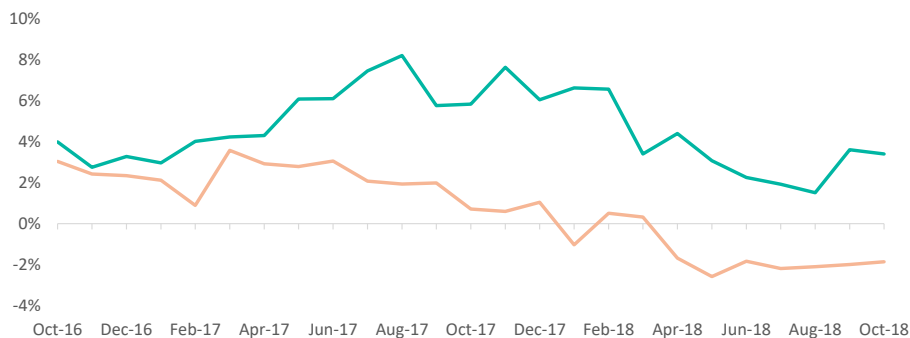


Latest
(October 2018)

Annual
growth
rate

High street banks **£379.1 bn** **3.4%**

Annual growth rates



deposits

loans & overdrafts

Amounts outstanding

lending annual growth rate

deposits annual growth rate

Amounts outstanding	lending	annual growth rate	deposits	annual growth rate
agriculture, hunting & forestry	£15.1 bn	2.0%	£6.4 bn	4.5%
fishing	£0.2 bn	4.7%	£0.2 bn	-10.3%
mining & quarrying	£1.2 bn	18.8%	£1.6 bn	-19.8%
manufacturing	£18.2 bn	6.9%	£29.5 bn	1.2%
electricity, gas & water	£6.8 bn	6.7%	£8.0 bn	21.3%
construction	£19.9 bn	-3.7%	£37.1 bn	3.3%
wholesale & retail trade	£27.5 bn	-1.7%	£33.9 bn	3.0%
accommodation & food services	£18.7 bn	1.3%	£8.9 bn	-0.2%
transport, storage & communications	£11.0 bn	-2.3%	£33.4 bn	11.9%
real estate & professional services	£109.5 bn	-3.3%	£141.4 bn	6.4%
public admin & defence	£7.1 bn	-3.5%	£14.9 bn	-26.1%
education	£7.6 bn	-5.6%	£19.1 bn	4.0%
health & social work	£14.6 bn	-1.3%	£18.6 bn	2.4%
recreation & personal services	£5.6 bn	-4.5%	£26.1 bn	3.1%

total non-financial company sectors

£263.0 bn

£379.1 bn

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Loans & overdrafts amounts outstanding

		Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	
		268,174	267,404	265,276	263,931	265,099	268,739	264,775	263,636	263,787	263,318	263,891	263,466	262,955	O/S
non-financial companies (£mns)	High street banks	-1,597	-770	-2,128	-995	1,168	3,272	-4,684	-1,140	151	98	573	597	-511	Net
		0.7%	0.6%	1.0%	-1.0%	0.5%	0.3%	-1.7%	-2.6%	-1.8%	-2.2%	-2.1%	-2.0%	-1.9%	Growth
other financial companies (£mns)	High street banks	262,489	263,705	266,258	267,897	265,047	269,710	264,710	255,495	273,648	283,818	289,726	299,964	293,953	O/S
		-7,819	1,216	2,553	2,259	-2,850	4,461	-5,000	-9,215	18,153	9,743	5,908	10,238	-6,011	Net

Deposits

		Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	
		365,670	371,973	369,092	363,882	363,500	362,149	361,283	368,173	373,453	371,736	375,063	376,901	379,053	O/S
non-financial companies (£mns)	High street banks	2,804	6,303	-2,881	-6,240	-382	-1,350	-866	6,890	5,412	-1,717	3,327	1,838	2,151	Net
		5.8%	7.6%	6.1%	6.6%	6.6%	3.4%	4.4%	3.1%	2.3%	1.9%	1.5%	3.6%	3.4%	Growth
other financial companies (£mns)	High street banks	314,955	312,405	302,873	319,652	318,815	295,621	300,271	293,746	289,531	290,224	292,082	294,440	303,113	O/S
		6,900	-2,550	-9,531	17,839	-1,432	-23,194	4,641	-6,525	-4,349	693	1,858	2,358	8,673	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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