

Business Finance Update



UK
FINANCE

Release date : 24 October 2018

UK Finance: Business Finance Update for September 2018

Key data highlights:

- Lending to manufacturers grew by 4.9 per cent over the last twelve months. While there is annual growth in borrowing demand from manufacturers, agriculture and accommodation, those sectors are in marked contrast to a wider 2.0 per cent contraction in UK business borrowing overall.
- Deposits held by UK non-financial companies grew by 3.6 per cent over the last twelve months.

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

“Net lending to businesses grew for the fourth consecutive month in September, with total borrowing by non-financial companies increasing by £597m.

“Economic uncertainty continues to impact on businesses’ appetite for finance as overall lending remains slightly below the same period last year.

“However within sectors, the manufacturing, agriculture, accommodation and food services sectors have all seen lending grow year on year.

“Growth of business deposits has picked up slightly compared to recent months, suggesting firms are adopting a ‘wait and see’ approach to 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 almost 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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Business finance

Loans & overdrafts

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



Latest (September 2018) Annual growth rate
High street banks **£263.5 bn** **-2.0%**

Business deposits

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



Latest (September 2018) Annual growth rate
High street banks **£376.9 bn** **3.6%**

Annual growth rates



deposits

loans & overdrafts

Amounts outstanding	lending	annual growth rate	deposits	annual growth rate
agriculture, hunting & forestry	£15.2 bn	1.9%	£6.2 bn	5.3%
fishing	£0.2 bn	1.6%	£0.2 bn	-8.2%
mining & quarrying	£1.1 bn	-4.2%	£1.5 bn	-28.6%
manufacturing	£18.1 bn	4.9%	£29.1 bn	1.4%
electricity, gas & water	£6.9 bn	7.4%	£8.3 bn	21.4%
construction	£19.8 bn	-5.1%	£36.4 bn	4.3%
wholesale & retail trade	£27.6 bn	-1.5%	£33.8 bn	3.0%
accommodation & food services	£19.0 bn	3.7%	£8.7 bn	-0.1%
transport, storage & communications	£10.6 bn	-3.6%	£32.7 bn	7.4%
real estate & professional services	£110.4 bn	-3.4%	£142.7 bn	6.2%
public admin & defence	£6.9 bn	-6.6%	£14.7 bn	-17.1%
education	£7.8 bn	-6.0%	£18.1 bn	1.9%
health & social work	£14.4 bn	-2.4%	£18.6 bn	3.9%
recreation & personal services	£5.6 bn	-5.5%	£25.9 bn	1.9%
total non-financial company sectors	£263.5 bn		£376.9 bn	

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Loans & overdrafts amounts outstanding

	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	
	269,771	268,174	267,404	265,276	263,931	265,099	268,739	264,775	263,636	263,787	263,318	263,891	263,466	O/S
non-financial companies (£mns)														
High street banks	-299	-1,597	-770	-2,128	-995	1,168	3,272	-4,684	-1,140	151	98	573	597	Net
	2.0%	0.7%	0.6%	1.0%	-1.0%	0.5%	0.3%	-1.7%	-2.6%	-1.9%	-2.2%	-2.1%	-2.0%	Growth
other financial companies (£mns)														
High street banks	270,308	262,489	263,705	266,258	267,897	265,047	269,710	264,710	255,495	273,648	283,818	289,726	300,331	O/S
	8,495	-7,819	1,216	2,553	2,259	-2,850	4,461	-5,000	-9,215	18,153	9,743	5,908	10,605	Net

Deposits

	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	
	362,866	365,670	371,973	369,092	363,882	363,500	362,149	361,283	368,173	373,453	371,736	375,063	376,900	O/S
non-financial companies (£mns)														
High street banks	-5,717	2,804	6,303	-2,881	-6,240	-382	-1,350	-866	6,890	5,412	-1,717	3,327	1,837	Net
	5.8%	5.8%	7.6%	6.1%	6.6%	6.6%	3.4%	4.4%	3.1%	2.3%	1.9%	1.5%	3.6%	Growth
other financial companies (£mns)														
High street banks	308,054	314,955	312,405	302,873	319,652	318,815	295,621	300,271	293,746	289,531	290,224	292,082	292,338	O/S
	835	6,900	-2,550	-9,531	17,839	-1,432	-23,194	4,641	-6,525	-4,349	693	1,858	256	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/

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