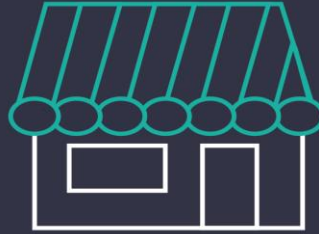


SME Finance Update



Release Date : 8 June 2018

SME Finance Update - Quarter 1, 2018

Number of new loans to SMEs increases in Q1 2018

Key data highlights:

- There were 73,971 new loan approvals to SMEs across the UK in Q1 2018, a slight increase from 72,272 in the first quarter of 2017.
- The number of new loan approvals in the production and manufacturing industries increased to 23,707, up from 22,868 in the same quarter last year.
- Total net deposits in the SME sector amount to £173bn, exceeding outstanding borrowing of £95bn.
- There was little net change in the stock of SME lending in the first quarter, as amounts of both new lending and repayments were more than 10 per cent lower than in the same quarter a year earlier.

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

"The number of new approved loans to SMEs grew slightly in the first quarter of the year, driven in part by increased demand in the manufacturing and production industries.

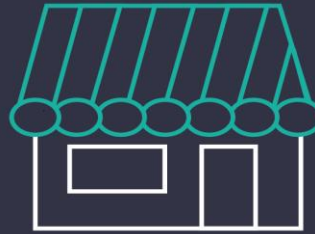
"SMEs should feel confident about applying for credit to grow and expand, with banks continuing to approve eight in 10 applications for finance."

Notes to Editor

- 1 For more information please call the UK Finance press office on 020 7416 6750 or mail press@ukfinance.org.uk.
- 2 UK Finance is a 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 new 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 This update relates to the business of mainstream SME financing banks in Great Britain and Northern Ireland, representing around 60 per cent of all debt finance for SMEs in the UK.
- 4 Small and Medium-sized enterprises are identified by banks notionally as those businesses with under £25million turnover, although other business metrics may determine reporting coverage such that data in this update reflects the SME sector.

Next update: 31 August 2018

SME Finance Update

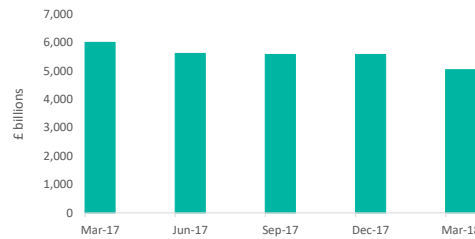


Release Date : 8 June 2018

Gross Lending

Total outstanding amounts of lending to SMEs through loans and overdrafts in the UK was **£95bn** at the end of Q1 2018.

Total of deposits held by SMEs in business current and deposit accounts in the UK was **£173bn** (£107bn in immediate access accounts and £66bn in time or notice accounts) at the end of Q1 2018

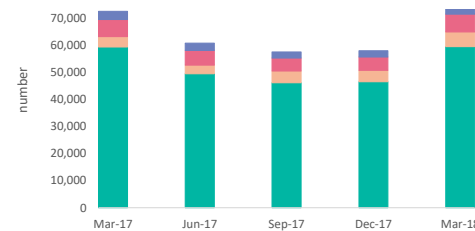


Taskforce banks' quarterly gross lending to SMEs in Great Britain (loans only)

Latest (Mar 18)	Y-o-Y comparison
£5.0 bn	-16.1%

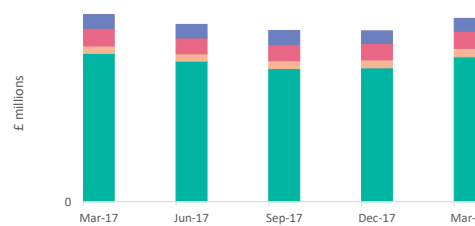
Approvals (Regional)

Quarterly number of new loans approved for SMEs in the UK



Region	Latest (Mar 18)	Y-o-Y comparison
Northern Ireland	2,642	-11.5%
Scotland	6,532	2.8%
Wales	5,425	42.2%
England	59,373	0.3%

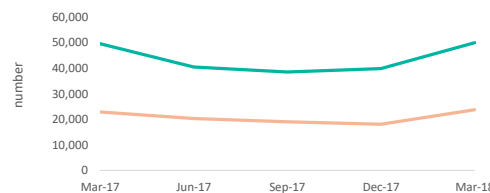
Quarterly value of new loans approved for SMEs in the UK



Region	Latest (Mar 18)	Y-o-Y comparison
Northern Ireland	£390 mn	-5.1%
Scotland	£518 mn	-3.2%
Wales	£255 mn	14.2%
England	£4,389 mn	-2.4%

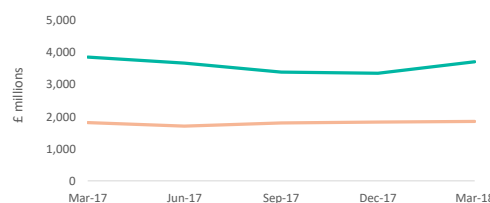
Approvals (industry type)

Quarterly number of new loans approved for SMEs in the UK



Industry Type	Latest (Mar 18)	Y-o-Y comparison
Service industries	49,898	0.8%
Production & manufacturing industries	23,707	3.7%

Quarterly value of new loans approved for SMEs in the UK

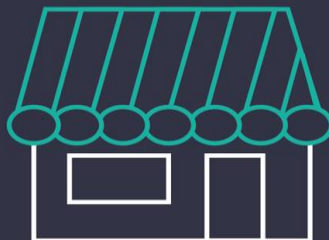


Industry Type	Latest (Mar 18)	Y-o-Y comparison
Service Industries	£3.7 bn	-3.8%
Production & manufacturing industries	£1.8 bn	1.9%

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31 August 2018

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Release Date : 8 June 2018

		Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Source
Gross lending							
Great Britain	£bn	6,000	5,609	5,571	5,575	5,036	GB data
New loan approvals across countries of the UK							
England	Number	59,220	49,348	46,043	46,433	59,373	GB data
	£mn	4,495	4,260	4,033	4,053	4,389	GB data
Scotland	Number	6,351	5,381	4,809	4,909	6,532	GB data
	£mn	535	486	487	500	518	GB data
Wales	Number	3,816	3,215	4,336	4,227	5,425	GB data
	£mn	223	215	234	238	255	GB data
Northern Ireland	Number	2,985	2,701	2,235	2,245	2,642	NI data
	£mn	411	405	427	383	390	NI data
New loan approvals within standard industrial categories (SIC) of the UK							
Agriculture, Hunting & Forestry	Number	8,330	8,647	7,795	6,599	7,573	GB/NI data
	£mn	896	919	855	853	844	GB/NI data
Fishing	Number	191	148	182	207	205	GB/NI data
	£mn	24	8	24	31	16	GB/NI data
Mining & Quarrying	Number	79	33	76	76	68	GB/NI data
	£mn	40	6	53	28	7	GB/NI data
Manufacturing	Number	4,854	3,883	3,661	3,899	5,124	GB/NI data
	£mn	457	402	481	414	460	GB/NI data
Electricity, gas & water supply	Number	314	224	233	255	335	GB/NI data
	£mn	42	37	60	28	29	GB/NI data
Construction	Number	9,100	7,319	7,016	7,010	10,403	GB/NI data
	£mn	356	329	328	474	492	GB/NI data
Total production & manufacturing industries (total of SICs above)	Number	22,868	20,255	18,964	18,046	23,707	GB/NI data
	£mn	1,814	1,702	1,801	1,828	1,849	GB/NI data

New loan approvals across standard industrial categories (SIC) of the UK

Wholesale and retail trade	Number	13,551	10,999	10,651	11,066	13,886	GB/NI data	
	£mn	839	893	769	736	903	GB/NI data	
Accommodation & food service activities	Number	5,607	4,121	3,826	4,508	5,831	GB/NI data	
	£mn	566	462	463	590	524	GB/NI data	
Transport, storage & communication	Number	5,257	4,432	4,033	4,019	5,180	GB/NI data	
	£mn	235	268	198	200	288	GB/NI data	
Real estate, professional services & support activities	Number	14,783	12,574	11,594	11,717	14,899	GB/NI data	
	£mn	1,351	1,205	1,179	1,081	1,238	GB/NI data	
Within SIC above, property-related companies buying, selling & renting own or leased real estate	Number	3,100	2,713	2,340	2,239	2,772	GB/NI data	
	£mn	651	627	536	509	567	GB/NI data	
Public administration & defence	Number	50	60	65	77	86	GB/NI data	
	£mn	5	10	1	2	9	GB/NI data	
Education	Number	1,135	941	1,166	1,030	1,055	GB/NI data	
	£mn	157	114	125	88	87	GB/NI data	
Human health & social work	Number	3,501	2,911	2,703	2,742	3,155	GB/NI data	
	£mn	487	491	417	398	432	GB/NI data	
Recreational, personal & community service activities	Number	5,614	4,346	4,418	4,610	5,806	GB/NI data	
	£mn	208	221	230	250	221	GB/NI data	
Total service industries (total of SICs above)	Number	49,497	40,385	38,455	39,770	49,898	GB/NI data	
	£mn	3,850	3,663	3,382	3,347	3,702	GB/NI data	
Deposits	Sight deposits	£mn	110,638	108,016	110,872	112,019	107,090	GB/NI data
	Time deposits	£mn	68,112	67,398	67,890	65,767	66,011	GB/NI data

Technical notes

Series referred to as 'GB' data reflect the SME business of Barclays, Clydesdale/Yorkshire banks, The Co-operative Bank, Lloyds Banking Group, HSBC Bank, RBS Group and Santander UK.

Series referred to as 'NI' data reflect the SME business of Bank of Ireland, Danske Bank, First Trust and Ulster Bank, plus the SME business of Barclays, HSBC Bank, RBS and Santander UK banking groups for Northern Ireland customers.

Year on year percentage changes compare the latest quarter's figure with the same quarter in the previous year, adjusted to exclude the effects of population changes, write-offs and sales/purchases of loan books to reflect underlying business trends.

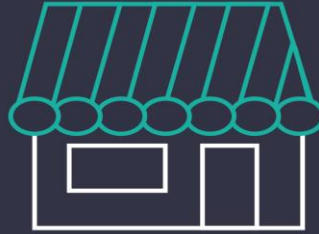
More detailed data tables (eg with distinctions between small-sized and medium-sized enterprises, loans and overdrafts, etc) are available from www.ukfinance.org.uk/statistics/

For information or media enquiries, please contact press@ukfinance.org.uk

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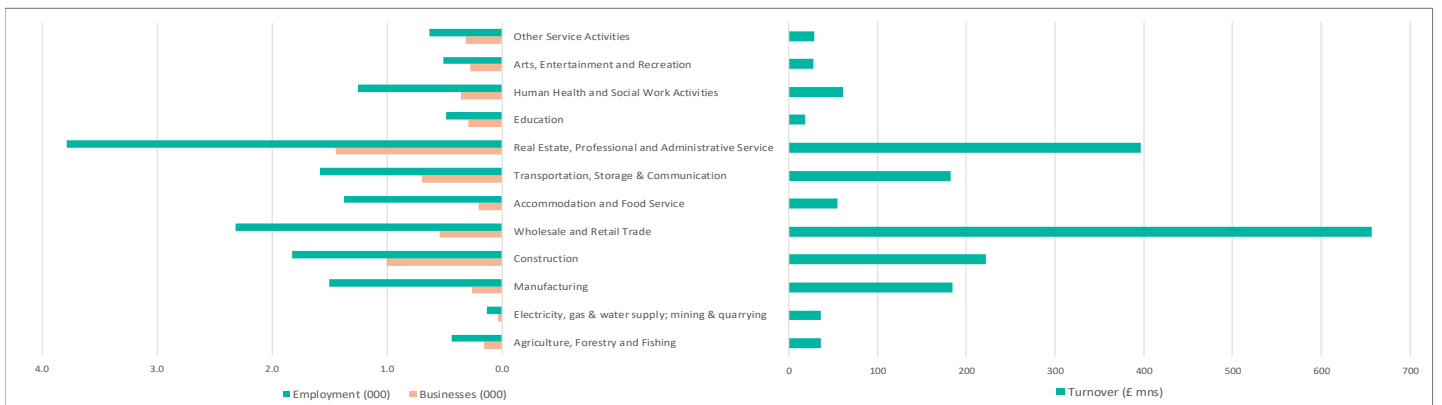
There are 5.6 million small and medium sized enterprises across the UK providing employment for 15.9 million people, generating annual turnover of £1.9bn within regions or sectors where all sizes of businesses contribute £1.7bn to economic output. The charts below show the distribution of SMEs across regions and within industrial sectors, together with comparable economic contributions.

Regional profile of SMEs as at 2016



Source: Department for BEIS, ONS

Industry sector profile of SMEs as at 2016



Source: Dept for BEIS

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