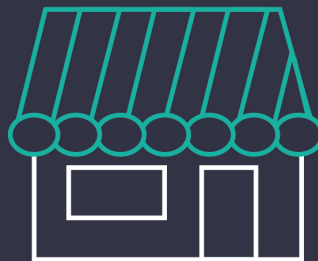


SME Finance Update



Release Date : 31 August 2018

SME Finance Update - Quarter 2, 2018

SME loan approval rates remain high

Key data highlights:

- There were 69,300 new loans approved to SMEs across the UK for a value of £7.1bn in Q2 2018.
- Banks approved eight out of 10 applications for SME finance.
- SMEs continue to be net depositors (cash held in current and deposit accounts exceed borrowing through loans and overdrafts).
- The second quarter showed an improved demand for credit from SMEs.

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

“Banks approved almost 70,000 loans to SMEs this quarter and success rates remain high, with eight out of 10 applications getting the green light.

“Demand for finance amongst SMEs has increased, particularly among production and manufacturing industries.

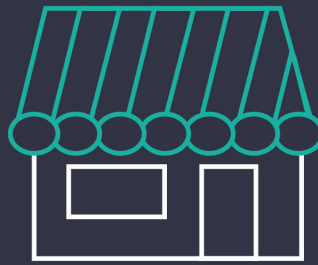
“SMEs also increased cash balances and paid down existing lending, leaving outstanding borrowing little changed overall.”

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 250 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 £25 million turnover, although other business metrics may determine reporting coverage such that data in this update reflects the SME sector.
- 5 Quarterly figures may not be directly comparable between years due to a re-segmentation of businesses.

Next update: 30 November 2018

SME Finance Update

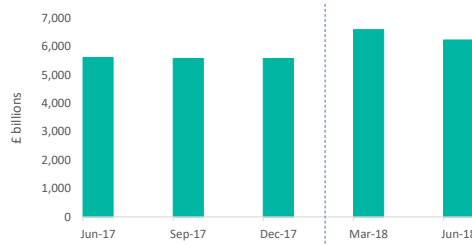


Release Date : 31 August 2018

Gross Lending

Total outstanding amounts of lending to SMEs through loans and overdrafts in the UK was **£102bn** at the end of Q2 2018.

Total of deposits held by SMEs in business current and deposit accounts in the UK was **£199bn** (£115bn in immediate access accounts and £84bn in time or notice accounts) at the end of Q2 2018

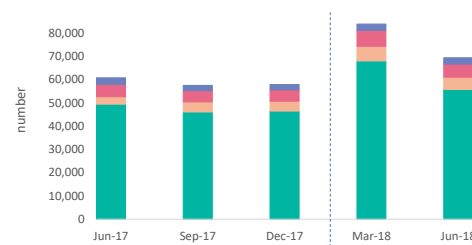


Taskforce banks' quarterly gross lending to SMEs in Great Britain (loans only)

Latest (Jun 18)	Y-o-Y comparison
£6.2 bn	n/a

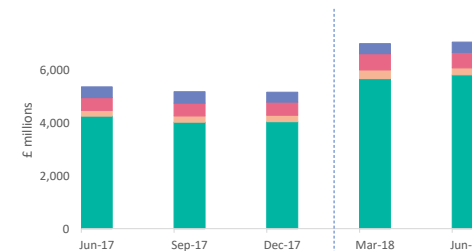
Approvals (Regional)

Quarterly number of new loans approved for SMEs in the UK



Region	Latest (Jun 18)	Y-o-Y comparison
Northern Ireland	2,672	n/a
Scotland	5,697	n/a
Wales	5,255	n/a
England	55,675	n/a

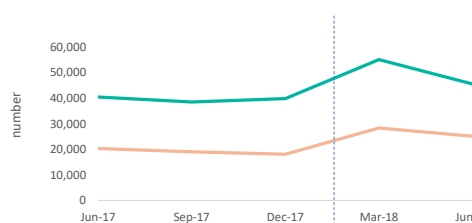
Quarterly value of new loans approved for SMEs in the UK



Region	Latest (Jun 18)	Y-o-Y comparison
Northern Ireland	£384 mn	n/a
Scotland	£590 mn	n/a
Wales	£262 mn	n/a
England	£5,827 mn	n/a

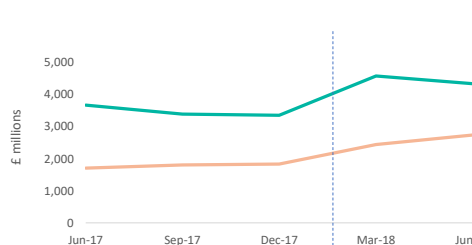
Approvals (industry type)

Quarterly number of new loans approved for SMEs in the UK



Industry Type	Latest (Jun 18)	Y-o-Y comparison
Service industries	45,432	n/a
Production & manufacturing industries	25,065	n/a

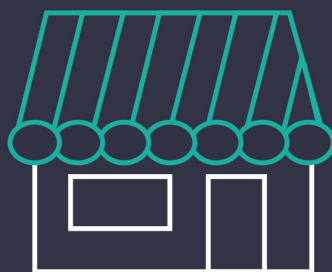
Quarterly value of new loans approved for SMEs in the UK



Industry Type	Latest (Jun 18)	Y-o-Y comparison
Service Industries	£4.3 bn	n/a
Production & manufacturing industries	£2.7 bn	n/a

Next update: 30 November 2018

SME Finance Update



Release Date : 31 August 2018

		Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Source
Gross lending							
Great Britain	£mn	5,609	5,571	5,575	6,589	6,223	GB data
New loan approvals across countries of the UK							
England	Number	49,348	46,043	46,433	67,948	55,675	GB data
	£mn	4,260	4,033	4,053	5,679	5,827	GB data
Scotland	Number	5,381	4,809	4,909	6,878	5,697	GB data
	£mn	486	487	500	611	590	GB data
Wales	Number	3,215	4,336	4,227	6,259	5,255	GB data
	£mn	215	234	238	332	262	GB data
Northern Ireland	Number	2,701	2,235	2,233	2,666	2,672	NI data
	£mn	405	427	372	384	384	NI data
New loan approvals within standard industrial categories (SIC) of the UK							
Agriculture, Hunting & Forestry	Number	8,647	7,795	6,599	11,003	10,849	GB/NI data
	£mn	919	855	853	1,372	1,370	GB/NI data
Fishing	Number	148	182	207	215	256	GB/NI data
	£mn	8	24	31	16	70	GB/NI data
Mining & Quarrying	Number	33	76	76	79	94	GB/NI data
	£mn	6	53	28	9	8	GB/NI data
Manufacturing	Number	3,883	3,661	3,899	5,747	4,783	GB/NI data
	£mn	402	481	414	495	683	GB/NI data
Electricity, gas & water supply	Number	224	233	255	406	310	GB/NI data
	£mn	37	60	28	35	45	GB/NI data
Construction	Number	7,319	7,016	7,010	10,844	8,772	GB/NI data
	£mn	329	328	474	511	556	GB/NI data
Total production & manufacturing industries (total of SICs above)	Number	20,255	18,964	18,046	28,294	25,065	GB/NI data
	£mn	1,702	1,801	1,828	2,437	2,732	GB/NI data

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

Wholesale and retail trade	Number	10,999	10,651	11,066	15,316	12,744	GB/NI data	
	£mn	893	769	736	1,027	944	GB/NI data	
Accommodation & food service activities	Number	4,121	3,826	4,508	6,326	4,784	GB/NI data	
	£mn	462	463	590	619	532	GB/NI data	
Transport, storage & communication	Number	4,432	4,033	4,019	5,623	4,786	GB/NI data	
	£mn	268	198	200	326	273	GB/NI data	
Real estate, professional services & support activities	Number	12,574	11,594	11,717	16,756	14,126	GB/NI data	
	£mn	1,205	1,179	1,081	1,731	1,812	GB/NI data	
Within SIC above, property-related companies buying, selling & renting own or leased real estate	Number	2,713	2,340	2,239	3,450	2,904	GB/NI data	
	£mn	627	536	509	779	762	GB/NI data	
Public administration & defence	Number	60	65	77	83	106	GB/NI data	
	£mn	10	1	2	8	5	GB/NI data	
Education	Number	941	1,166	1,030	1,158	1,028	GB/NI data	
	£mn	114	125	88	86	104	GB/NI data	
Human health & social work	Number	2,911	2,703	2,739	3,524	2,974	GB/NI data	
	£mn	491	417	398	490	398	GB/NI data	
Recreational, personal & community service activities	Number	4,346	4,418	4,610	6,229	4,886	GB/NI data	
	£mn	221	230	250	282	261	GB/NI data	
Total service industries (total of SICs above)	Number	40,385	38,455	39,767	55,016	45,432	GB/NI data	
	£mn	3,663	3,382	3,346	4,569	4,328	GB/NI data	
Deposits	Sight deposits	£mn	108,016	110,872	112,019	112,311	114,949	GB/NI data
	Time deposits	£mn	67,398	67,890	65,767	78,516	83,942	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.

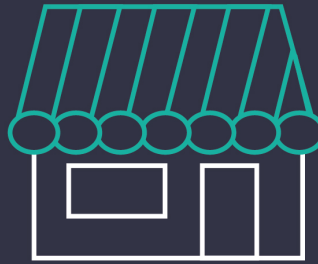
More detailed data tables (eg with distinctions between small-sized and medium-sized enterprises, loans and overdrafts, etc) are available from www.ukfinance.org.uk/statistics/

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

Next update:

30 November 2018

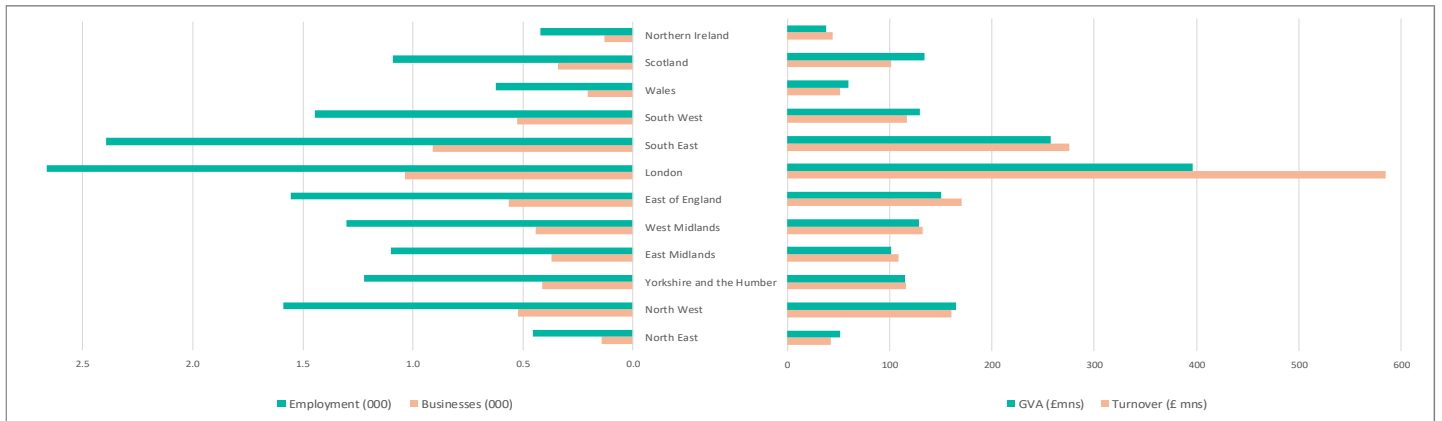
SME Finance Update



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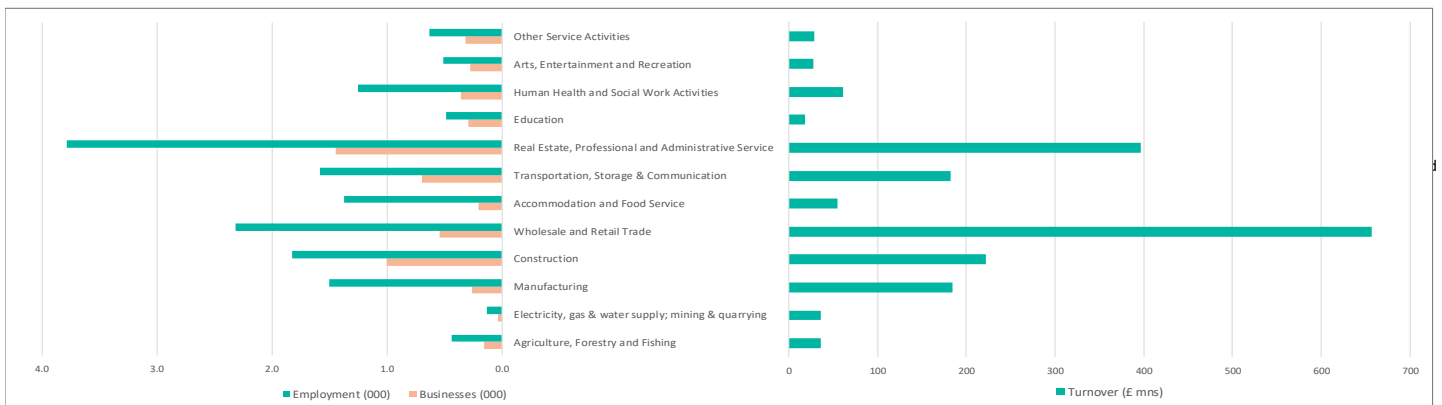
There are 5.6 million small and medium sized enterprises across the UK providing employment for 15.9 million people, generating annual turnover of £1.9bn within regions or sectors where all sizes of businesses contribute £1.7bn to economic output. The charts below show the distribution of SMEs across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

Regional profile of SMEs as at 2016



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Industry sector profile of SMEs as at 2016



Source: Dept for BEIS

Next update:

31 May 2018