



# SME Finance Update



Release date : 08 March 2019

## UK Finance: Business Finance Update for 2018 Q4

### Key data highlights:

- Lenders approved over 290,000 loans and overdrafts to small and medium-sized enterprises (SMEs) in 2018, offering aggregate borrowing facilities worth £28 billion.
- Within industry sectors, 100,000 approvals were made to production and manufacturing industries with a value of £10 billion. 190,000 approvals were made to service industries with a value of £18 billion.
- Outstanding lending to SMEs on loans and overdrafts stood at £100 billion at the year-end. Aggregate deposits in SME accounts has risen to £203.4 billion, with £120.2 billion held in immediate-access accounts and £83.2 billion held in notice accounts.

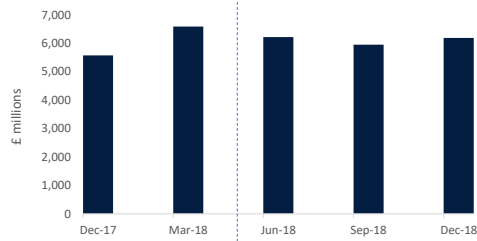
### Notes to Editors

- 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 collective voice for the banking and finance industry. Representing more than 250 firms across the industry, we act to enhance competitiveness, support customers and facilitate innovation
- 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.

## Gross Lending

Total outstanding amounts of lending to SMEs through loans and overdrafts in the UK was **£100bn** at the end of Q4 2018.

Total of deposits held by SMEs in business current and deposit accounts in the UK was **£203bn** (£120bn in immediate access accounts and **£83bn** in time or notice accounts) at the end of Q4 2018



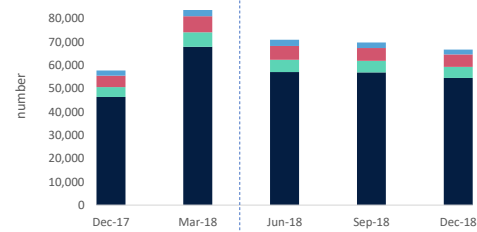
Taskforce banks' quarterly gross lending to SMEs in Great Britain (loans only)

Latest (Dec 18)	Y-o-Y comparison
<b>£6.2 bn</b>	<b>n/a</b>

During 2018, new

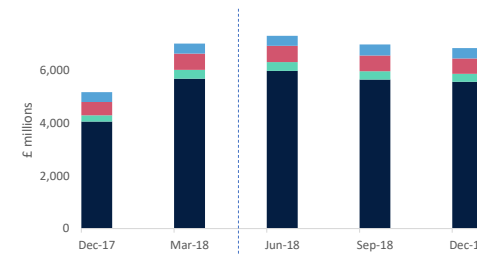
## Approvals (Regional)

Quarterly number of new loans approved for SMEs in the UK



Region	Latest (Dec 18)	Y-o-Y comparison
Northern Ireland	<b>2,075</b>	<b>n/a</b>
Scotland	<b>5,325</b>	<b>n/a</b>
Wales	<b>4,768</b>	<b>n/a</b>
England	<b>54,590</b>	<b>n/a</b>

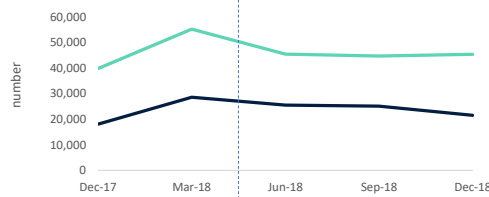
Quarterly value of new loans approved for SMEs in the UK



Region	Latest (Dec 18)	Y-o-Y comparison
Northern Ireland	<b>£394 mn</b>	<b>n/a</b>
Scotland	<b>£581 mn</b>	<b>n/a</b>
Wales	<b>£301 mn</b>	<b>n/a</b>
England	<b>£5,559 mn</b>	<b>n/a</b>

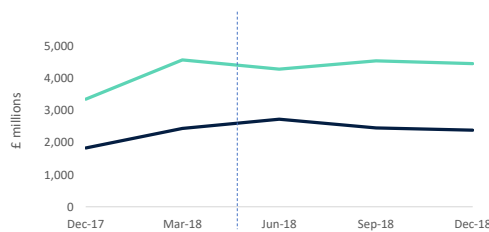
## Approvals (industry type)

Quarterly number of new loans approved for SMEs in the UK



Industry Type	Latest (Dec 18)	Y-o-Y comparison
Service industries	<b>45,308</b>	<b>n/a</b>
Production & manufacturing industries	<b>21,514</b>	<b>n/a</b>

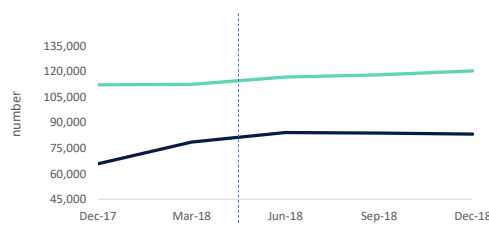
Quarterly value of new loans approved for SMEs in the UK



Industry Type	Latest (Dec 18)	Y-o-Y comparison
Service Industries	<b>£4.5 bn</b>	<b>n/a</b>
Production & manufacturing industries	<b>£2.4 bn</b>	<b>n/a</b>

## Deposits

Quarterly number of new loans approved for SMEs in the UK



Deposit Type	Latest (Dec 18)	Y-o-Y comparison
Sight Deposits	<b>£120.2 bn</b>	<b>n/a</b>
Time Deposits	<b>£83.2 bn</b>	<b>n/a</b>

			Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Source	
<b>Gross lending</b>	Great Britain	£mn	5,575	6,589	6,222	5,955	6,187	GB data	
<b>New loan &amp; overdraft approvals across countries of the UK</b>	England	Number	46,433	67,948	57,131	56,954	54,590	GB data	
		£mn	4,053	5,679	5,970	5,641	5,559	GB data	
	Scotland	Number	4,909	6,878	5,925	5,494	5,325	GB data	
		£mn	500	611	611	597	581	GB data	
	Wales	Number	4,227	6,259	5,263	4,944	4,768	GB data	
		£mn	238	332	337	318	301	GB data	
	Northern Ireland	Number	2,219	2,652	2,644	2,431	2,075	NI data	
		£mn	372	383	383	414	394	NI data	
	<b>New loan &amp; overdraft approvals within standard industrial categories (SIC) of the UK</b>	Agriculture, Hunting & Forestry	Number	6,599	11,198	11,243	11,368	9,372	GB/NI data
			£mn	853	1,372	1,389	1,357	1,240	GB/NI data
Fishing		Number	207	214	254	164	148	GB/NI data	
		£mn	31	16	41	19	34	GB/NI data	
Mining & Quarrying		Number	76	77	93	67	86	GB/NI data	
		£mn	28	9	11	34	57	GB/NI data	
Manufacturing		Number	3,899	5,772	4,815	4,724	4,647	GB/NI data	
		£mn	414	494	684	567	547	GB/NI data	
Electricity, gas & water supply		Number	255	396	284	300	274	GB/NI data	
		£mn	28	35	39	57	27	GB/NI data	
Construction		Number	7,010	10,907	8,799	8,470	6,988	GB/NI data	
		£mn	474	511	558	420	479	GB/NI data	
Total production & manufacturing industries (total of SICs above)		Number	18,046	28,564	25,489	25,094	21,514	GB/NI data	
		£mn	1,828	2,437	2,723	2,453	2,383	GB/NI data	
<b>New loan &amp; overdraft approvals across standard industrial categories (SIC) of the UK</b>		Wholesale and retail trade	Number	11,066	15,398	12,734	12,033	11,751	GB/NI data
			£mn	736	1,027	939	1,010	967	GB/NI data
		Accommodation & food service activities	Number	4,508	6,335	4,781	4,368	4,327	GB/NI data
			£mn	590	618	526	518	586	GB/NI data
		Transport, storage &	Number	4,019	5,630	4,785	5,000	5,246	GB/NI data

	communication	£mn	200	326	256	270	275	GB/NI data
		Number	11,717	16,762	14,088	13,938	14,345	GB/NI data
	Real estate, professional services & support activities	£mn	1,081	1,730	1,785	1,889	1,752	GB/NI data
		Number	2,239	3,450	2,904	2,700	2,656	GB/NI data
	Within SIC above, property-related companies buying, selling & renting own or leased real estate	£mn	509	779	763	913	887	GB/NI data
		Number	77	88	107	74	42	GB/NI data
	Public administration & defence	£mn	2	8	5	4	20	GB/NI data
		Number	1,030	1,165	1,028	1,248	1,198	GB/NI data
	Education	£mn	88	86	104	124	122	GB/NI data
		Number	2,739	3,537	2,960	3,021	2,944	GB/NI data
	Human health & social work	£mn	398	490	393	429	439	GB/NI data
		Number	4,610	6,250	4,935	4,990	5,455	GB/NI data
	Recreational, personal & community service activities	£mn	250	282	272	295	295	GB/NI data
		Number	39,767	55,164	45,418	44,672	45,308	GB/NI data
	<b>Total service industries (total of SICs above)</b>	£mn	3,346	4,568	4,279	4,537	4,455	GB/NI data
Deposits	Sight deposits	£mn	112,019	112,319	116,564	117,890	120,207	GB/NI data
	Time deposits	£mn	65,767	78,523	84,075	83,803	83,152	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.

For your information, we're changing the way we produce and distribute 2019 data. Long-run tables are no longer publicly available. Those interested in receiving the latest statistics releases can register on the UK Finance website.

For information or media enquiries, please contact [press@ukfinance.org.uk](mailto:press@ukfinance.org.uk)

There are 5.7 million small and medium-sized enterprises across the UK providing employment for 16.2 million people, generating annual turnover of £2.0 billion within regions or sectors where all sizes of businesses contribute £1.7 billion to economic output. The charts below show the distribution of SMEs across regions and within industrial sectors, together with comparable economic contributions.

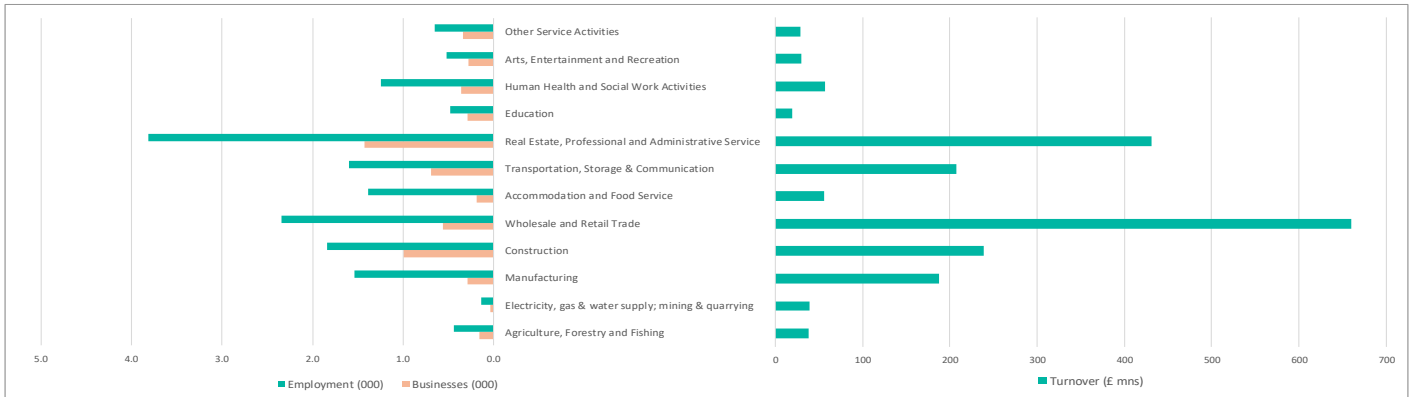
### Regional profile of SMEs as at 2017



Source: Department for BEIS, ONS

### Industry sector profile of SMEs as at 2017

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.



Source: Dept for BEIS