



Publication of additional data relating to monetary financial institutions' lending to businesses

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The Bank of England currently publishes data on UK monetary financial institutions' lending to UK non-financial businesses, by size of business in *Bankstats* Table A8.1. This article provides details on additional data to be published on lending to businesses by size and by industry.

Introduction

The Bank of England currently publishes a number of series on monetary financial institutions' (MFIs') lending to UK non-financial businesses. This includes a split of gross lending, repayments, and loan and overdraft balances by business size; for small and medium-sized enterprises (SMEs) and large businesses.¹ These data are published on a monthly frequency in *Bankstats* Table A8.1,² and are available from April 2011.

The collection underlying these series also includes data on lending to UK non-financial businesses by major industrial sector. These data were previewed in the Bank of England's *Credit Conditions Review*.³ Going forward, these data will be available on a monthly basis from the next publication of *Bankstats*, in Table A8.1, with series starting in April 2011.

Furthermore, following a regular review of the Bank of England's statistical Form LN, new series were introduced from January 2016 to provide additional granularity of these data, including a further industrial breakdown by business size. These data will also be available from the January 2017 *Bankstats* publication, within tables A8.1.1 (SMEs), and A8.1.2 (large businesses). Key aspects of these series are provided below.

Industrial analysis of lending to non-financial businesses.

Gross lending flows to all non-financial businesses has increased in recent years and was £234 billion in 2016 (**Chart A**). Within this, the real estate and distribution sectors accounted for around £42 billion.

Gross lending to SMEs was £59 billion in 2016 (**Chart B**). Based on the data collected from January 2016, lending to the real estate sector accounted for around a quarter of this.

Gross lending to large businesses was more broadly spread in 2016. The distribution sector accounted for 18%, and the real estate and manufacturing sectors each accounted for around 15% (**Chart C**).

Cumulative net bank lending (excluding overdrafts) in 2016 was higher than in previous years across business sizes (**Chart D**). Within this, cumulative net lending to the professional and other services sector contributed £4.3 billion. The annual growth rate in the stock of lending to UK businesses increased to 3.6% in December 2016.⁴

The real estate sector accounted for a significant proportion of the stock of loans outstanding across business sizes as at December 2016, but had a small share within the stock of overdrafts (**Chart E**).

¹ SMEs are those businesses with annual debit account turnover on the main business account less than £25 million and large businesses are those with annual debit account turnover on the main business account over £25 million.

² Available at:

www.bankofengland.co.uk/statistics/Pages/bankstats/current/default.aspx.

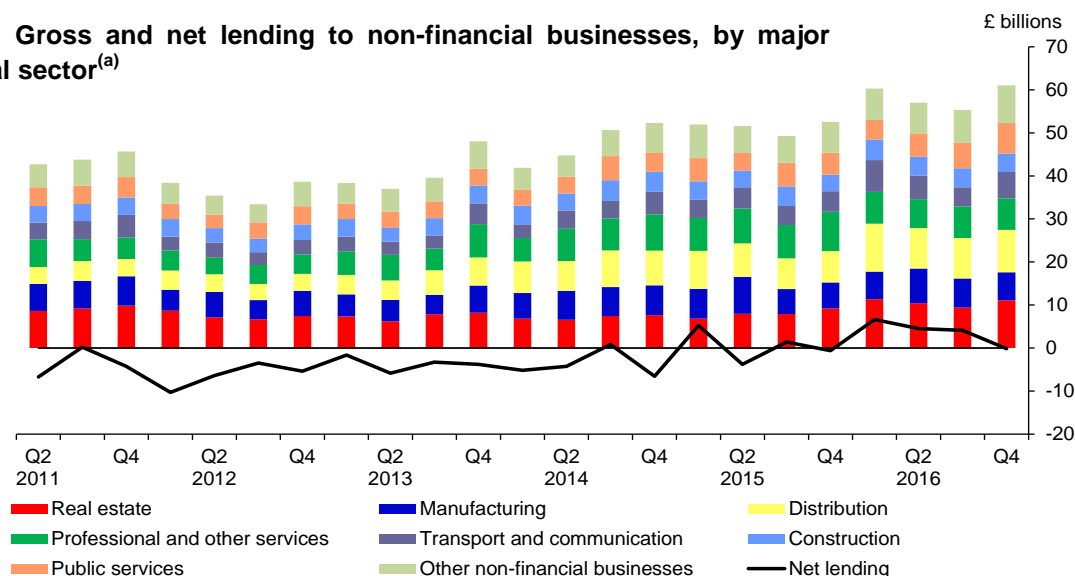
³ See Charts B and C in the box in the 2016 Q1 *Credit Conditions Review*, available at

www.bankofengland.co.uk/publications/Pages/creditconditionsreview/default.aspx

⁴ For more details on growth rates in the stock of lending by size of business, see Chart 11 in the *Money and Credit* Statistical Release; available at www.bankofengland.co.uk/statistics/Pages/default.aspx.

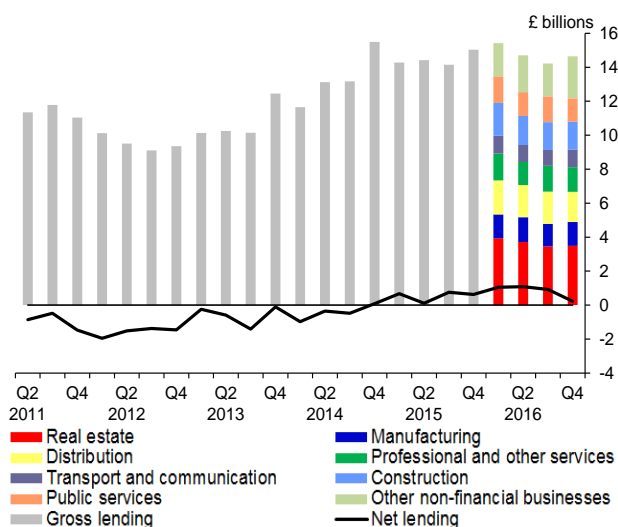
Overdrafts,⁵ which are generally used as a form of working capital for businesses, accounted for 8% of the amounts outstanding of loans to UK businesses as at December 2016. This proportion was broadly the same across business sizes.

Chart A: Gross and net lending to non-financial businesses, by major industrial sector^(a)



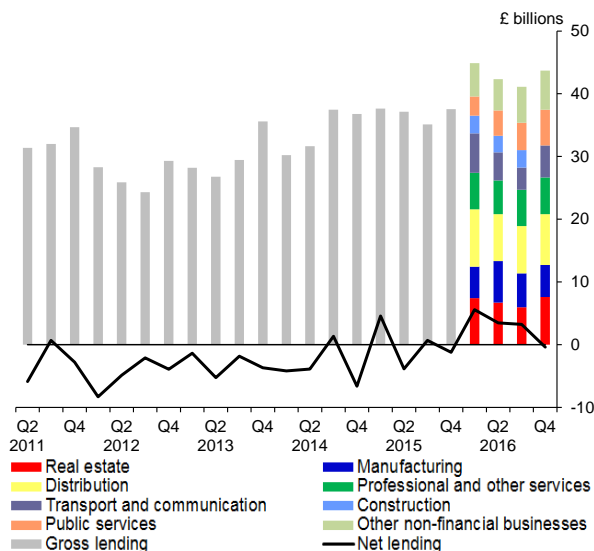
(a) Loans by UK MFIs to non-financial businesses. Net lending is defined as gross lending minus repayments. Further details on the series included are available in **Annex 1**. Data exclude overdrafts and cover lending in sterling and foreign currency, expressed in sterling. Non seasonally adjusted.

Chart B: Gross and net lending to SMEs, by major industrial sector^(a)



(a) See footnote (1) and footnote (a) in **Chart A**.

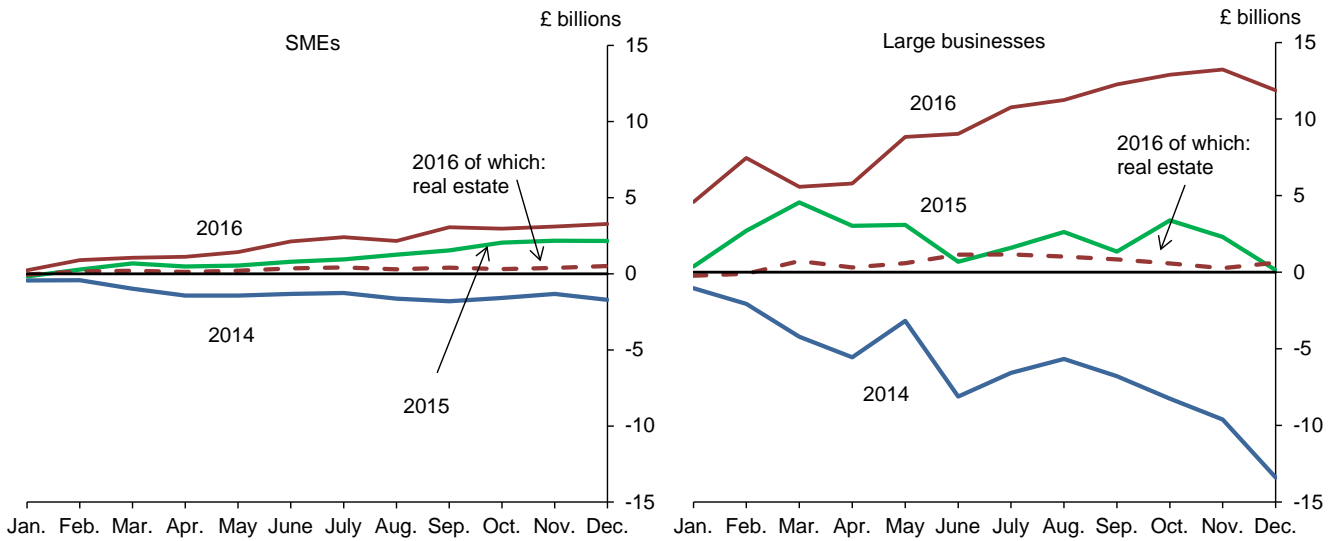
Chart C: Gross and net lending to large businesses, by major industrial sector^(a)



(a) See footnote (1) and footnote (a) in **Chart A**.

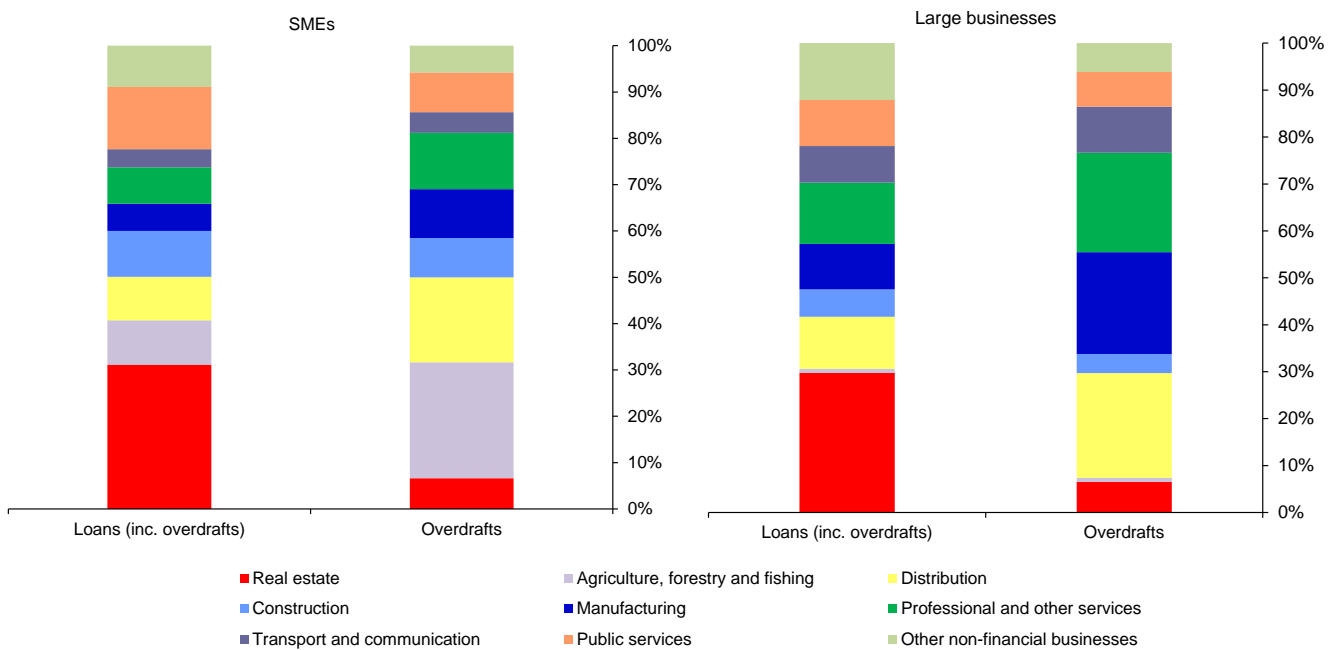
⁵ Overdrafts are defined as debit balances on accounts which, if in credit, would be classed as deposits. Facilities which involve a high frequency of advance and repayment of credit are also included.

Chart D: Cumulative net lending to SMEs and large businesses^(a)



(a) See footnote (1) and footnote (a) in **Chart A**.

Chart E: Loans and overdrafts to SMEs and large businesses, by major industrial sector^(a)



(a) Data are as at December 2016. Data cover lending in sterling and foreign currency, expressed in sterling. Further details on the series included are available in **Annex 1**. See footnote (1). Non seasonally adjusted.

Annex 1 – Additional industrial details

Major industrial sector	ONS SIC codes and notes⁶
Accommodation and food services	I
Agriculture, forestry and fishing	A
Construction	F
Distribution	All of G Some of S: covers repair of computers and personal and household goods
Manufacturing	C
Professional and other services	All of M, N Some of L: includes real estate activities on a fee or contract basis between 2011 and 2015
Public Services	All of O, P, Q, R. most of S: excludes repair of computers and personal and household goods
Real Estate	L. Excludes real estate activities on a fee or contract basis between 2011 and 2015.
Transport, storage and communication	H, J
Other non-financial businesses	A, B, D, E, I

⁶ SIC 2007 codes are available at www.ons.gov.uk/methodology/classificationsandstandards/ukstandardindustrialclassificationofeconomicactivities/uksic2007