



# Statistics

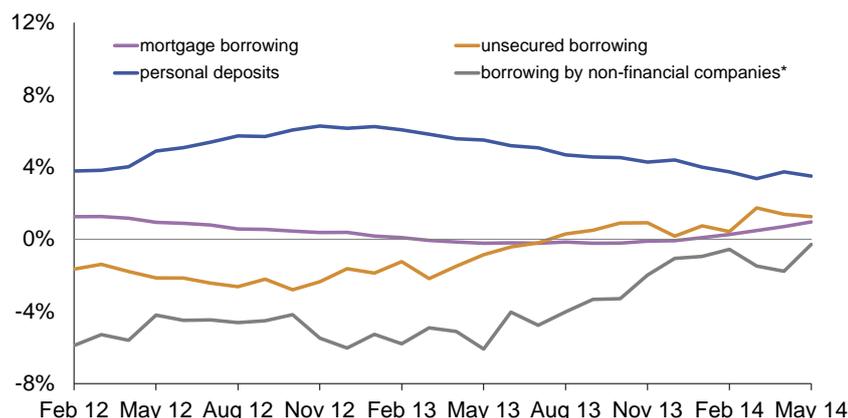
## High Street Banking - May 2014

embargoed until 9.30am on Tuesday, 24<sup>th</sup> June 2014

Press Office T: +44 (0)20 7216 8989

- Mortgage approval volumes have weakened further in May. The slowdown, possibly due to the new mortgage rules, appears to have impacted more on re-mortgaging and other secured loans rather than house purchase.
- Business borrowing (exc. real estate) is trending upwards and is only 0.3% below its level a year ago. Borrowing was boosted in May by funding infrastructure in the energy sector.
- ISA deposits have been much lower in this year's 'saving season' than in the equivalent time last year, possibly reflecting the greater savings flexibility announced in the budget.

**annual growth rates**



Personal deposits are growing by 3.5% annually, although there has been a lower take-up of ISAs this year with £5.3bn being deposited with high street banks during March to May compared with £9.0bn in the same months of 2013.

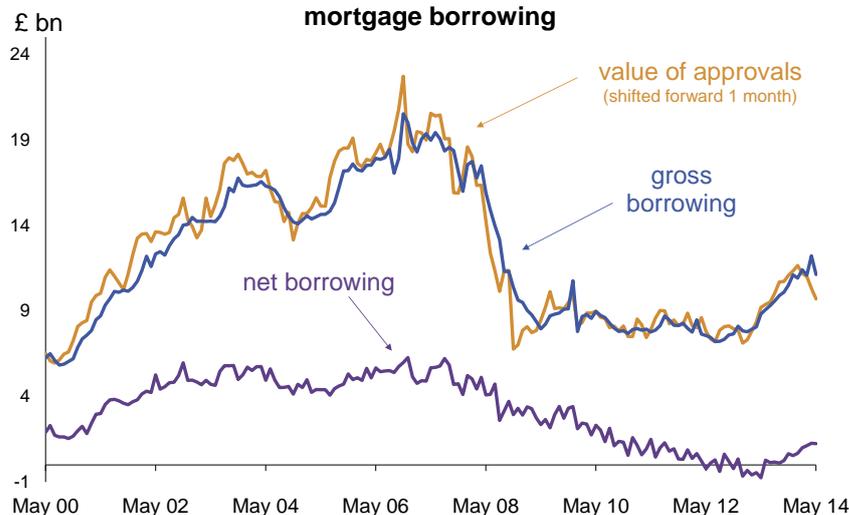
Unsecured borrowing has grown by 1.2% over the past year. Within this, card borrowing grew by 2.7% although borrowing on personal loans and overdrafts was 0.1% lower.

*\*excluding real estate*

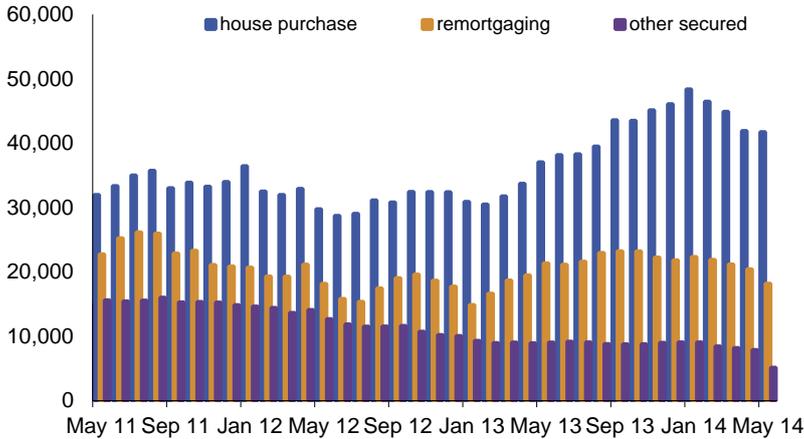
Gross mortgage borrowing of £11.1bn was 26% higher than in May last year.

Since the turn of the year, the overall mortgage stock has started to rise as higher demand feeds through and is 1.0% higher than a year earlier. This contrasts with much of 2013 when new monthly borrowing was more than offset by elevated capital repayment (in part reflecting homeowners switching lenders).

**mortgage borrowing**



### number of approvals



After seeing first-time buyer and housing activity generally helped through the latter months of 2013 by government schemes, approval numbers have moderated since the turn of year and in the introduction of the new application regime.

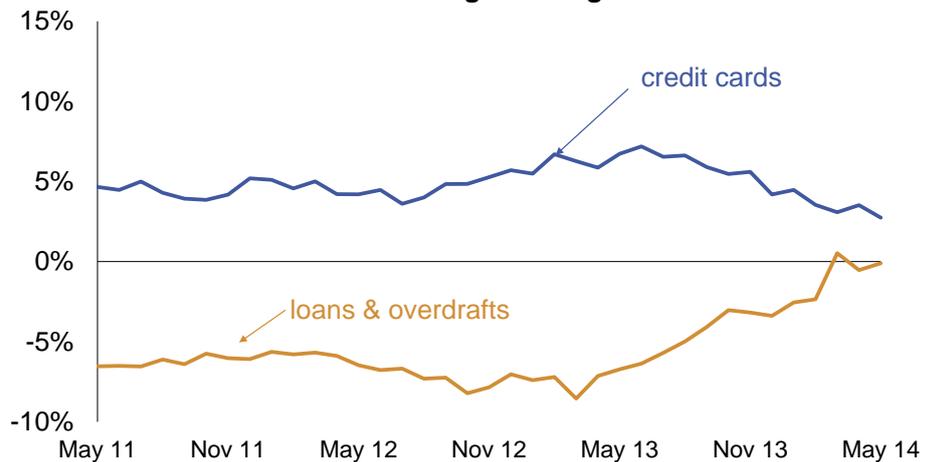
Compared to the same time a year earlier, approvals in May 2014 were:

House purchase	+ 13%
Remortgaging	- 15%
Other	- 43%

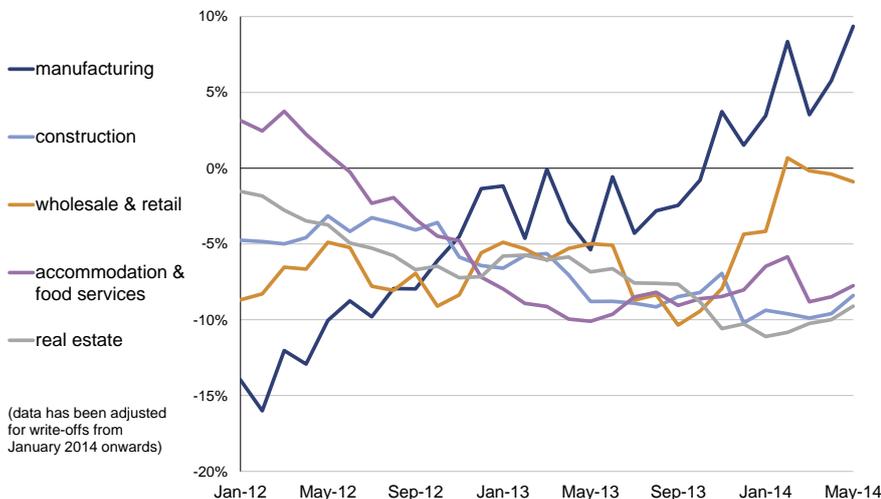
### unsecured borrowing annual growth rates

Spending of £8.4bn on credit cards was some 6.8% more than in May a year earlier.

Higher loan demand continues to reflect rising consumer confidence and an improving economy. Net borrowing on personal loans and overdrafts is now edging towards expansion after contracting for a long period.



### business borrowing annual growth rates



Borrowing by non-financial companies declined in the year to May by £9.2bn but much of this was within the real estate sector, where companies have deleveraged their bank borrowing.

With real estate extracted from the annual growth rate for the real economy, that rate has improved from -6.1% in May last year to -0.3% now, with positive growth in manufacturing.

Borrowing by the energy sector was boosted by infrastructure funding.

All figures are seasonally adjusted unless otherwise specified as (nsa)	May 2014	Apr 2014	average of six months prior to May 2014	amounts outstanding (nsa)
<b>Mortgages (secured)</b>				
net mortgage borrowing	+ £ 1.2 bn	+ £ 1.3 bn	+ £ 0.9 bn	£ 786.4 bn
gross mortgage borrowing	£ 11.1 bn	£ 12.2 bn	£ 11.2 bn	
repayment of capital	£ 9.5 bn	£ 10.0 bn	£ 10.1 bn	
value of mortgage approvals	£ 9.7 bn	£ 10.3 bn	£ 11.1 bn	
house purchase	£ 6.7 bn	£ 6.8 bn	£ 7.4 bn	
re-mortgage	£ 2.8 bn	£ 3.2 bn	£ 3.3 bn	
other secured borrowing	£ 0.3 bn	£ 0.3 bn	£ 0.4 bn	
number of mortgage approvals	65,132	70,294	75,817	
house purchase	41,757	41,934	45,502	
re-mortgage	18,206	20,448	21,674	
other secured borrowing	5,168	7,913	8,641	
average approval value (nsa)				
house purchase	£ 163,500	£ 164,500	£ 160,000	
re-mortgage	£ 156,500	£ 156,100	£ 152,000	
other secured borrowing	£ 49,300	£ 43,300	£ 45,000	
<b>Consumer credit</b>				
net consumer credit borrowing	+ £ 0.1 bn	- £ 0.0 bn	+ £ 0.1 bn	£ 78.5 bn
<b>credit cards</b>				
net credit card borrowing	+ £ 0.1 bn	+ £ 0.1 bn	+ £ 0.1 bn	£ 37.9 bn
new spending	£ 8.4 bn	£ 8.1 bn	£ 8.2 bn	
repayments	£ 8.6 bn	£ 8.1 bn	£ 8.2 bn	
number of purchases	130.5 mn	127.8 mn	126.7 mn	
<b>loans &amp; overdrafts</b>				
net loans & overdraft borrowing	- £ 0.0 bn	- £ 0.1 bn	+ £ 0.0 bn	£ 40.6 bn
new loans	£ 1.5 bn	£ 1.6 bn	£ 1.5 bn	£ 33.5 bn
net overdraft borrowing (nsa)	- £ 0.2 bn	- £ 0.1 bn	- £ 0.1 bn	£ 7.1 bn
<b>Personal deposit &amp; savings</b>				
personal deposit net change	+ £ 2.5 bn	+ £ 4.2 bn	+ £ 1.9 bn	£ 751.8 bn
<b>Net borrowing by businesses (nsa)</b>				
by non-financial businesses	+ £ 1.0 bn	- £ 2.2 bn	- £ 1.4 bn	£ 276.1 bn
by financial businesses	- £ 5.1 bn	- £ 13.4 bn	- £ 11.2 bn	£ 266.7 bn

## Notes to editors

1. Data included in this release relate to the UK activity of 21 institutions across the banking groups of Barclays, HSBC Bank, Lloyds Banking Group, Royal Bank of Scotland Group, Santander UK and Virgin Money.
2. Following a change in statistical reporting in January 2010, securitised loan assets held within special purpose vehicles became included in their parent banks' reported lending. The impact of this change was adjusted out of earlier flows.
3. The BBA is the leading UK banking association, representing members from 50 countries on domestic and international issues. Members provide the full range of banking and financial services, operating some 150 million accounts in the UK and making up the world's largest international banking centre.
4. A note explaining lending terms is available from the BBA website at <http://www.bba.org.uk/statistics/article/lending-terminology>.
5. The introduction of the revised Standard Industrial Classification (SIC2007) in national statistics was reflected in the banks' statistical reporting at end-January 2011 and impacts on some of the industry-level data covered by this release, where counterparties have been re-classified between sectors. Where possible, estimates of underlying movements have been made to continue consistent time-series trends.

### Release dates:

<b>Data for the month of:</b>	<b>BBA 'high street banking'</b>	<b>Bank of England information on monetary aggregates, sectoral deposits/borrowing and lending to individuals</b>
May 2014	24 Jun 2014	30 Jun 2014
Jun 2014	23 Jul 2014	29 Jul 2014
Jul 2014	26 Aug 2014	1 Sep 2014
Aug 2014	23 Sep 2014	29 Sep 2014
Sep 2014	23 Oct 2014	29 Oct 2014
Oct 2014	25 Nov 2014	1 Dec 2014
Nov 2014	23 Dec 2014	2 Jan 2015
Dec 2014	26 Jan 2015	30 Jan 2015