



Statistics

High Street Banking – March 2015

embargoed until 9.30am on Tuesday, 28 April 2015

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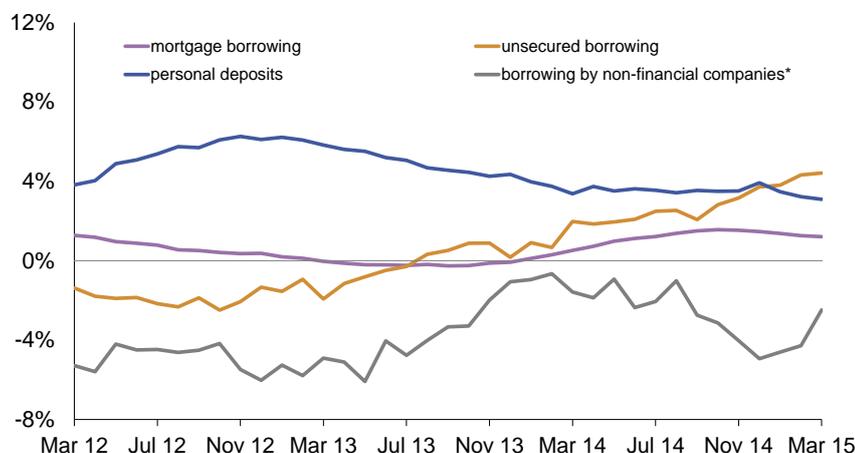
Richard Woolhouse, Chief Economist at the BBA, said:

“We’re starting to see signs that businesses from many sectors are starting to borrow more from their bank. While it’s still too early to predict, these figures and the latest data from the Bank of England suggest that business borrowing has turned a corner.

“Savvy savers appear to be continuing to take advantage of good deals, such as pensioner bonds, which is why we’re seeing weaker bank deposits.”

- Borrowing by businesses has been positive in two of the last three months and lending has improved across many sectors
- Deposits with high street banks weakened further in March, in large part reflecting investment into pensioner bonds
- House purchase approvals are trending upwards, as consumers take advantage of competitive prices in the mortgage market, although lending activity is still down on this time last year
- Unsecured borrowing stands at its highest annual growth rate since autumn 2010, reflecting improved consumer confidence

annual growth rates



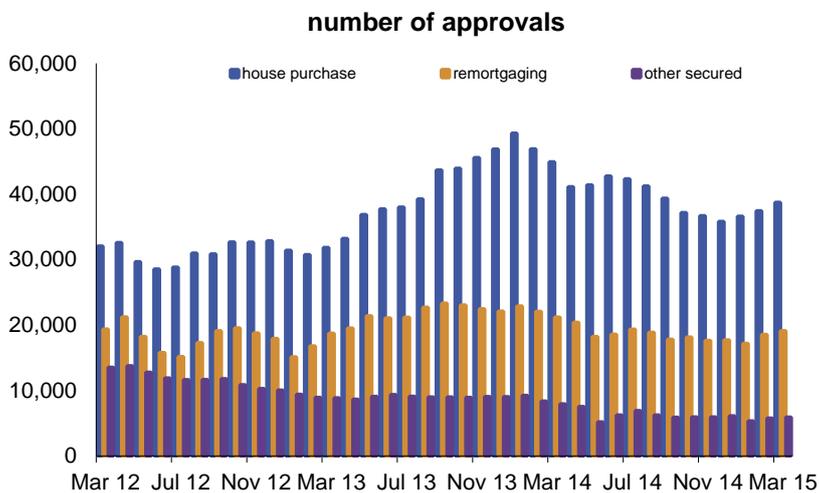
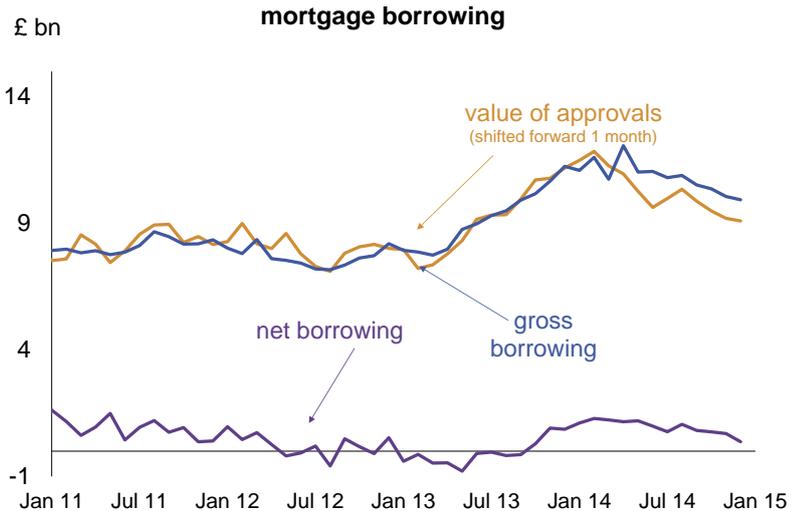
Deposits with high street banks weakened further in March, in large part reflecting alternative investment into pensioner bonds.

Annual growth in unsecured borrowing, at 4.4%, is at its highest since autumn 2010.

*excluding real estate

Gross mortgage borrowing in March was £10.1 billion – 6% lower than in the same month last year.

Despite slower demand in the second half of 2014, the overall mortgage stock is 1.1% higher than a year ago.



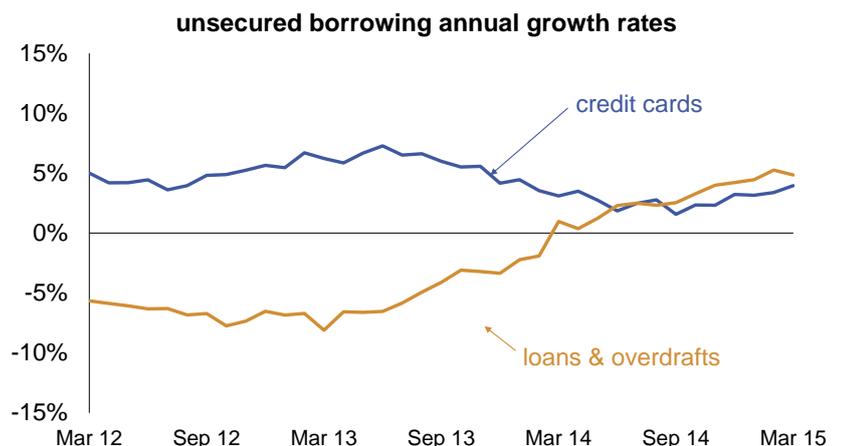
House purchase approvals are trending upwards. Though March was 14% lower than last year, the first quarter of 2015 has seen higher demand.

Remortgaging and other approvals also increased in March, albeit some 10% and 26% lower respectively than a year ago.

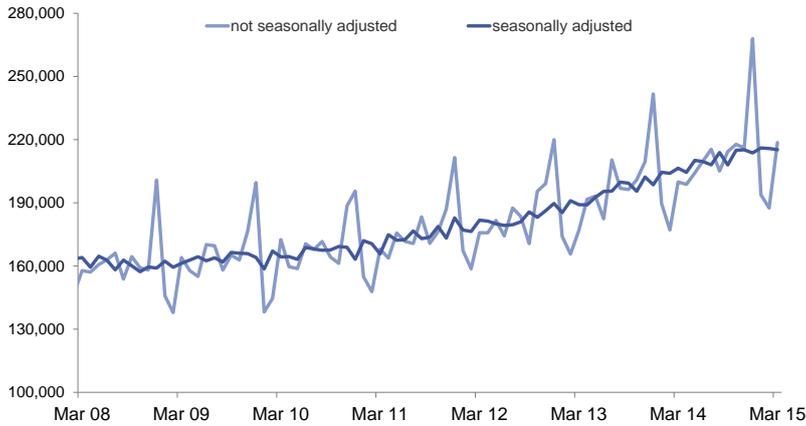
Approvals overall were therefore slightly higher than in February, but some 14% lower than the same time a year ago.

Stronger demand for personal loans continues to reflect improved credit availability and stronger household finances. Over the past two years, net borrowing through personal loans has been rising and expanded notably over the last twelve months.

Annual growth in high street banks' credit card borrowing stabilized at 4.0% in March. The wider (all issuers) credit card market continues to be stronger, at 5.1%.



number of credit card purchases



Credit card use continues to rise. In the wide (all issuers) market, there were 219 million purchases in March, with a total value of £12.7 billion. This spending volume was 9% higher than in March 2014, and its aggregate value was some 7% higher.

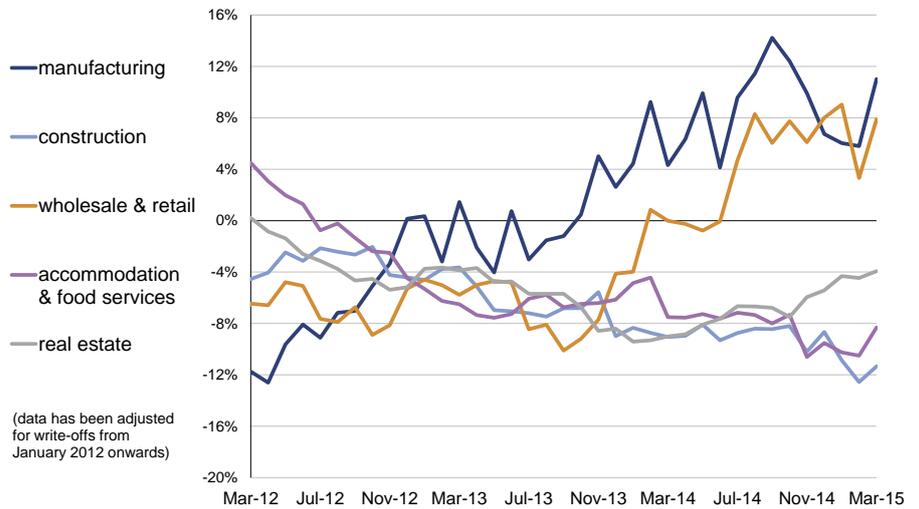
59 million credit cards are in issue, relating to 51 million accounts, of which 67% were active at end-March (i.e. carrying a balance relating to card spending and extended credit).

Some 41% of all account balances incur no interest.

Larger companies have been making use of capital market finance in preference to bank borrowing, while the real estate sector, which has been actively reducing bank borrowing over the past 3 years appears to be stabilising.

Companies' net borrowing rose in March with contributions from wholesale and retail trade (+£1.1 billion), transport, storage and communication (+£0.5 billion) and manufacturing (+£0.4 billion),

business borrowing annual growth rates



High Street Banks

All figures are seasonally adjusted unless otherwise specified as (nsa)	March 2015	February 2015	average of six months prior to Mar 2015	amounts outstanding (nsa)
Mortgages (secured)				
net mortgage borrowing	+ £ 0.8 bn	+ £ 0.5 bn	+ £ 0.6 bn	£ 792.1 bn
gross mortgage borrowing	£ 10.1 bn	£ 9.7 bn	£ 10.1 bn	
repayment of capital	£ 9.7 bn	£ 9.5 bn	£ 9.8 bn	
value of mortgage approvals	£ 10.2 bn	£ 9.7 bn	£ 9.3 bn	
house purchase	£ 6.5 bn	£ 6.3 bn	£ 6.1 bn	
re-mortgage	£ 3.3 bn	£ 3.1 bn	£ 2.9 bn	
other secured borrowing	£ 0.4 bn	£ 0.3 bn	£ 0.3 bn	
number of mortgage approvals	63,778	61,768	60,859	
house purchase	38,751	37,453	37,192	
re-mortgage	19,120	18,550	17,839	
other secured borrowing	5,907	5,765	5,828	
average approval value (nsa)				
house purchase	£ 167,700	£ 164,600	£ 162,000	
re-mortgage	£ 168,800	£ 160,500	£ 158,000	
other secured borrowing	£ 69,100	£ 54,200	£ 57,000	
Consumer credit				
net consumer credit borrowing	+ £ 0.4 bn	+ £ 0.3 bn	+ £ 0.3 bn	£ 83.3 bn
credit cards				
net credit card borrowing	+ £ 0.2 bn	+ £ 0.1 bn	+ £ 0.1 bn	£ 40.5 bn
new spending	£ 9.0 bn	£ 9.1 bn	£ 8.9 bn	
repayments	£ 8.9 bn	£ 9.1 bn	£ 8.8 bn	
number of purchases	151.0 mn	150.2 mn	145.2 mn	
loans & overdrafts				
net loans & overdraft borrowing	+ £ 0.3 bn	+ £ 0.2 bn	+ £ 0.2 bn	£ 42.7 bn
new loans	£ 1.7 bn	£ 1.6 bn	£ 1.7 bn	£ 35.6 bn
net overdraft borrowing (nsa)	+ £ 0.4 bn	- £ 0.2 bn	- £ 0.1 bn	£ 7.1 bn
Personal deposit & savings				
personal deposit net change	- £ 0.8 bn	+ £ 0.6 bn	+ £ 1.9 bn	£ 765.4 bn
Net borrowing by businesses (nsa)				
by non-financial businesses	+ £ 1.6 bn	- £ 0.3 bn	- £ 1.3 bn	£ 267.7 bn
by financial businesses	+ £ 8.5 bn	+ £ 0.5 bn	- £ 4.2 bn	£ 242.7 bn

*see editors' note 6

Notes to editors

1. Figures referred to as 'High Street Banks' 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. Figures referred to as the 'wider credit card market' (reflecting all Visa, Mastercard and Amex-affiliated banks and building societies) in this release are based on a previously separate BBA credit card data release which is now integrated here.
3. Time series data tables are available at <https://www.bba.org.uk/news/statistics/high-street-banking/>
4. 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.
5. A note explaining lending terms is available from the BBA website at <http://www.bba.org.uk/statistics/article/lending-terminology>.
6. 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.
7. The inclusion of a credit card book, previously structured outside the banking operations by one group, resulted in an increase in credit balances of around £2bn in October 2014; the net change shown to reflects underlying growth, while the higher spending, repayments and transactions data compared to previous months largely reflect the inclusion of this card operation.
8. 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.

Future release dates:

Data for the month of:	BBA High Street Banking	Bank of England information on monetary aggregates, sectoral deposits/borrowing and lending to individuals
Mar 2015	28 Apr 2015	1 May 2015
Apr 2015	28 May 2015	2 Jun 2015
May 2015	24 Jun 2015	29 Jun 2015
Jun 2015	23 Jul 2015	29 Jul 2015
Jul 2015	25 Aug 2015	1 Sep 2015