



Statistics

High Street Banking – May 2015

embargoed until 9.30am on Wednesday, 24 June 2015

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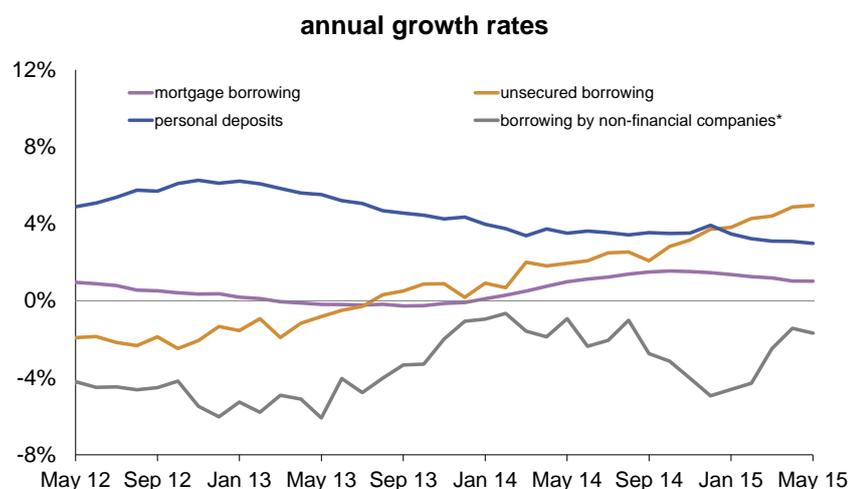
Richard Woolhouse, Chief Economist at the BBA, said:

“Household borrowing remains robust and this is indicative of the wider recovery we’re seeing in the economy.

“The increase in mortgage approvals this month is consistent with the trend we’ve seen since the start of the year. The numbers show that the property market remains buoyant after the general election. Fierce competition between lenders means that there are some great mortgage deals available from the high street banks.

“Personal borrowing by British families also seems to be strong – the uptake of personal loans and credit card borrowing is further proof of consumers’ confidence.”

- Mortgage approvals have been steadily improving over the past five months, and the number of house purchases in May is very similar to the underlying trend a year ago.
- Unsecured borrowing is growing at an annual rate of 5%. This is its highest rate since autumn 2010, reflecting strong consumer confidence.
- Net borrowing by businesses has been positive in three of the last five months.



*excluding real estate

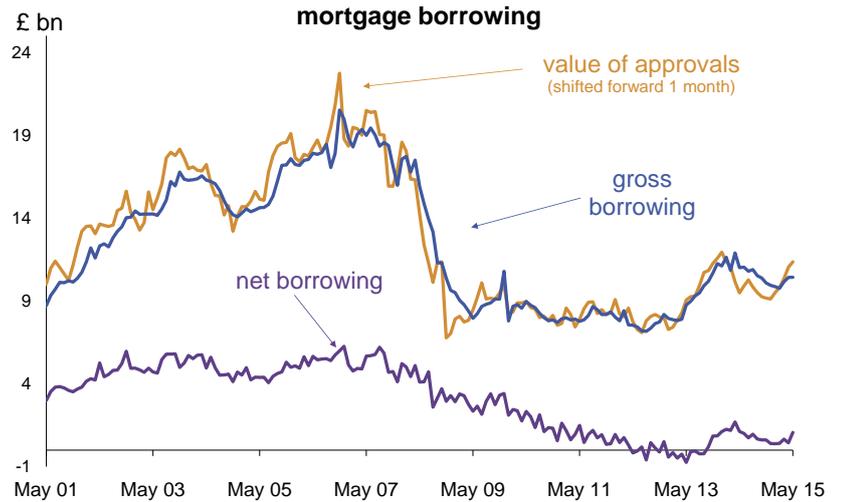
Deposits into NISAs were only just over £0.1bn in May 2015 compared with £0.5bn in May last year. This relatively low inflow for May was possibly due to alternative investment in Pensioner Bonds ahead of their withdrawal by NS&I on 15 May.

Overall personal deposits grew at an annual rate of 3.0%

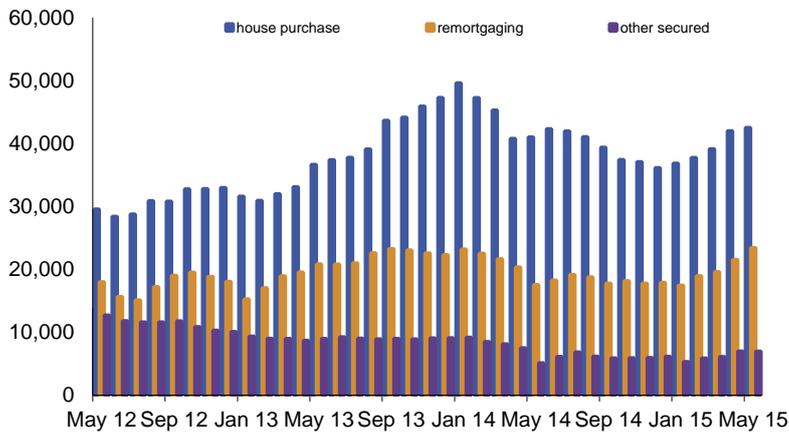
Annual growth in unsecured borrowing, at 5.0%, is at its highest rate since autumn 2010 with both credit card and other unsecured borrowing (personal loans and overdrafts) growing at similar rates.

Gross mortgage borrowing in May was £10.4 billion – similar to April but 5% lower than in the same month last year.

After seeing slower demand in the second half of 2014, the overall mortgage stock is now 1.0% higher than a year ago.



number of approvals



Allowing for the effect of the new mortgage rules which slowed down the processing of applications last May, approvals overall were approximately 2% higher, year-on-year.

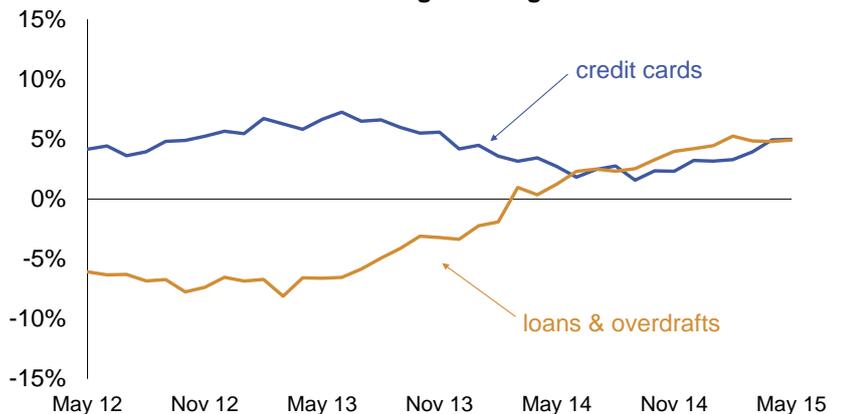
For house purchase approvals, the annual comparison, adjusted for the effect of the new rules, suggests a year-on-year comparison of -3%.

Similarly for remortgage approvals, the adjusted year-on-year comparison was around +14% and for other approvals, the adjusted comparison was about -2%.

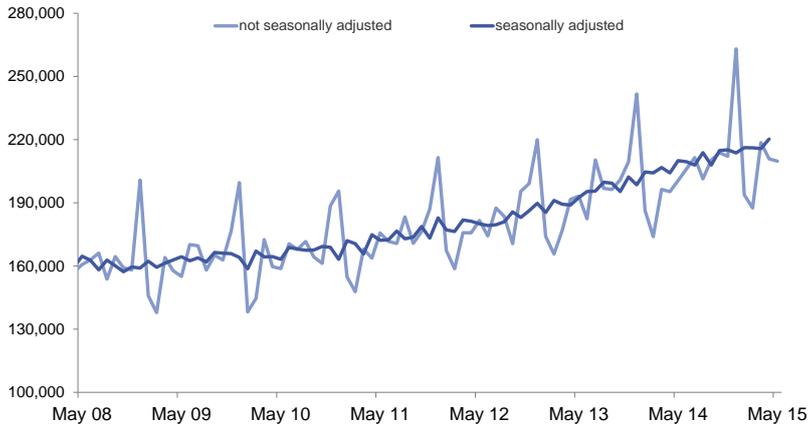
Stronger demand for personal loans continues to reflect improved credit availability and stronger household finances. Over the past two years, net borrowing through personal loans has been rising and has expanded notably over the past twelve months.

Annual growth in high street banks' credit card borrowing continued at 5.0% in May and was largely in line with the wider (all issuers) credit card market which grew at an annual rate of at 5.2%.

unsecured borrowing annual growth rates



number of credit card purchases



In the wider (all issuers) credit card market, card use continues to rise. There were 210 million purchases in May, with a total value of £12.0 billion. This spending volume was 5% higher than in May 2014, and its aggregate value was some 3% higher.

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

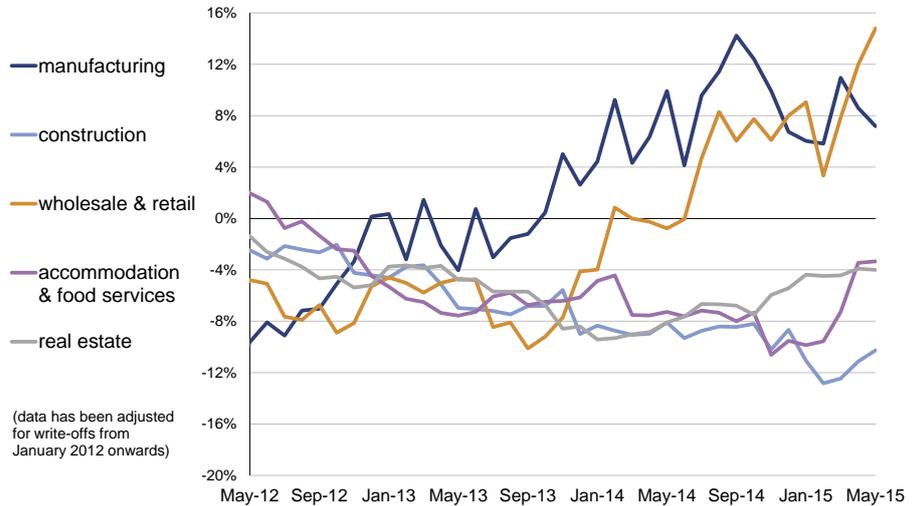
Some 41% of all balances in aggregate incur no interest at all.

Larger companies continue to make use of capital market finance in preference to bank borrowing raising some £8.6 billion in the first five months of 2015.

The real estate sector has been actively reducing bank borrowing over the past 3 years and lenders have active programmes to dispose of property loans.

Companies' net borrowing reduced a little in May (leaving a net rise of £2.0bn in 2015 so far).

business borrowing annual growth rates



High Street Banks

All figures are seasonally adjusted unless otherwise specified as (nsa)	May 2015	April 2015	average of six months prior to May 2015	amounts outstanding (nsa)
Mortgages (secured)				
net mortgage borrowing	+ £ 1.1 bn	+ £ 0.4 bn	+ £ 0.5 bn	£ 793.6 bn
gross mortgage borrowing	£ 10.4 bn	£ 10.4 bn	£ 10.0 bn	
repayment of capital	£ 9.5 bn	£ 9.6 bn	£ 9.6 bn	
value of mortgage approvals	£ 11.4 bn	£ 11.0 bn	£ 9.8 bn	
house purchase	£ 7.0 bn	£ 7.0 bn	£ 6.4 bn	
re-mortgage	£ 3.9 bn	£ 3.6 bn	£ 3.1 bn	
other secured borrowing	£ 0.5 bn	£ 0.5 bn	£ 0.4 bn	
number of mortgage approvals	72,932	70,572	63,127	
house purchase	42,530	42,020	38,175	
re-mortgage	23,438	21,553	18,885	
other secured borrowing	6,964	6,999	6,067	
average approval value (nsa)				
house purchase	£ 169,900	£ 168,100	£ 165,000	
re-mortgage	£ 168,800	£ 166,800	£ 163,000	
other secured borrowing	£ 69,700	£ 65,100	£ 61,000	
Consumer credit				
net consumer credit borrowing	+ £ 0.3 bn	+ £ 0.5 bn	+ £ 0.4 bn	£ 83.5 bn
credit cards				
net credit card borrowing	+ £ 0.1 bn	+ £ 0.4 bn	+ £ 0.2 bn	£ 41.0 bn
new spending	£ 9.4 bn	£ 9.3 bn	£ 9.1 bn	
repayments	£ 9.5 bn	£ 9.1 bn	£ 9.0 bn	
number of purchases	156.0 mn	154.9 mn	150.4 mn	
loans & overdrafts				
net loans & overdraft borrowing	+ £ 0.1 bn	+ £ 0.2 bn	+ £ 0.2 bn	£ 42.6 bn
new loans	£ 1.6 bn	£ 1.6 bn	£ 1.7 bn	£ 35.8 bn
net overdraft borrowing (nsa)	- £ 0.1 bn	- £ 0.2 bn	- £ 0.0 bn	£ 6.8 bn
Personal deposit & savings				
personal deposit net change	+ £ 1.9 bn	+ £ 4.2 bn	+ £ 1.6 bn	£ 774.5 bn
Net borrowing by businesses (nsa)				
by non-financial businesses	- £ 0.7 bn	+ £ 0.3 bn	- £ 0.4 bn	£ 263.4 bn
by financial businesses	+ £ 5.2 bn	+ £ 1.8 bn	- £ 0.8 bn	£ 249.7 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
May 2015	24 Jun 2015	29 Jun 2015
Jun 2015	23 Jul 2015	29 Jul 2015
Jul 2015	25 Aug 2015	1 Sep 2015
Aug 2015	23 Sep 2015	29 Sep 2015
Sep 2015	23 Oct 2015	29 Oct 2015