



Statistics

High Street Banking – June 2015

embargoed until 9.30am on Friday, 24 July 2015

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Richard Woolhouse, Chief Economist at the BBA, said:

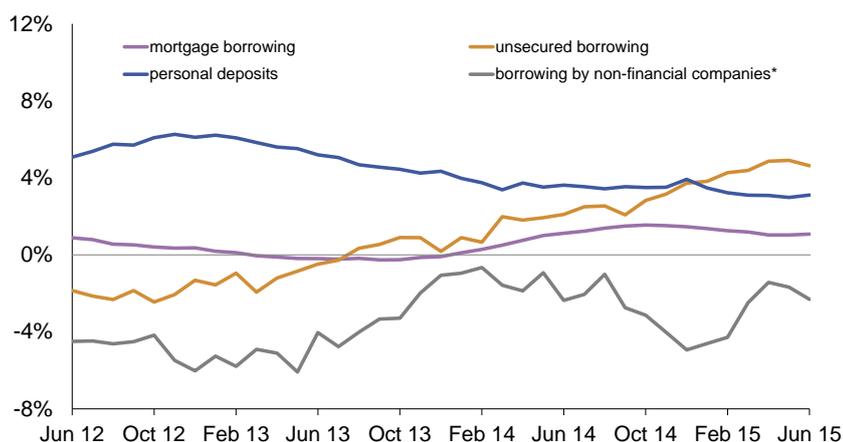
“The housing market is beginning to hot up again, as we’ve seen a pick-up in the number of mortgage approvals for the last month. Interestingly, we’ve also seen an increase in the number of people remortgaging, which could be down to savvy borrowers taking advantage of competitive deals on fixed rate mortgages ahead of a possible rise in interest rates.

“Lending to some business sectors continues to show good results, although in the case of real estate banks are being cautious as they try to refinance bad loans.

“It’s good news that savings deposits are also up this month, as consumers put away a little something extra for a rainy day.”

- Mortgage approvals were around 8% higher in June than at the same time last year (after allowing for the effects of the change in mortgage rules). Within that, remortgaging was some 20% higher, probably reflecting borrowers’ appetite to lock in to current fixed rates and gain certainty over their future outgoings.
- Lending to larger companies continues to be subdued, as alternative capital market finance grew by some £8.9 billion in the first half of 2015.
- The proportion of active credit card accounts is at its highest for 4 years.

annual growth rates



Deposits into ISAs fell by over £0.4bn in June 2015 compared with a fall of £0.5bn in June last year.

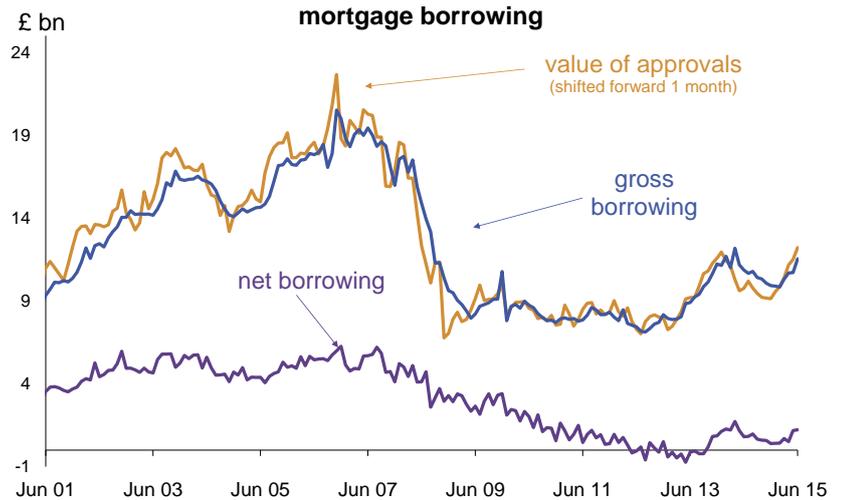
Overall personal deposits grew at an annual rate of 3.1%

Annual growth in unsecured borrowing is at 4.6% with both credit card and other unsecured borrowing (personal loans and overdrafts) growing at similar rates.

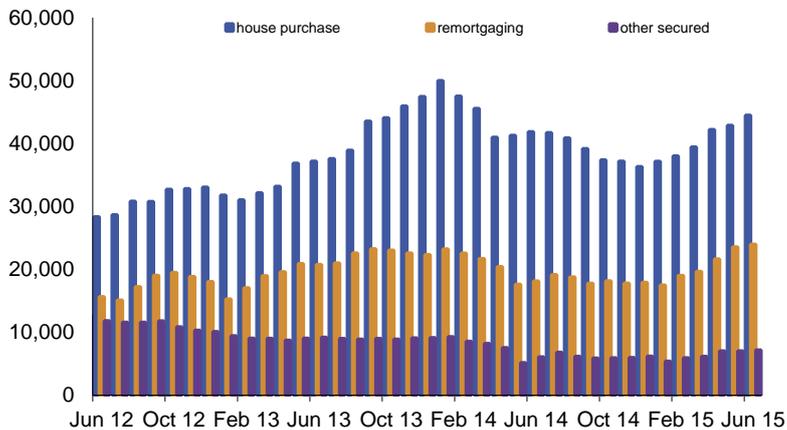
*excluding real estate

Gross mortgage borrowing in June was £11.5 bn, 6% higher than in the same month last year.

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



number of approvals



Allowing for the effect of the new mortgage rules which slowed down the processing of applications in May/June 2014, approvals overall were approximately 8% higher, year-on-year.

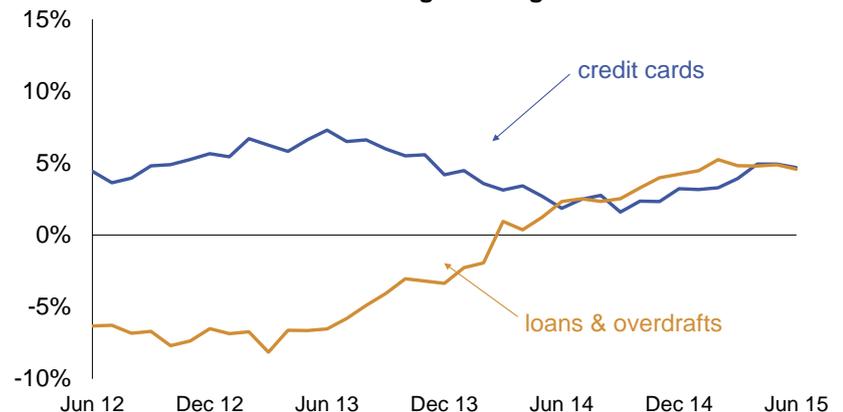
For house purchase approvals, the annual comparison, adjusted for the effect of the new rules, suggests a year-on-year comparison of +6%.

Similarly for remortgage approvals, the adjusted year-on-year comparison was around +20% and for other approvals, the adjusted comparison was about +7%.

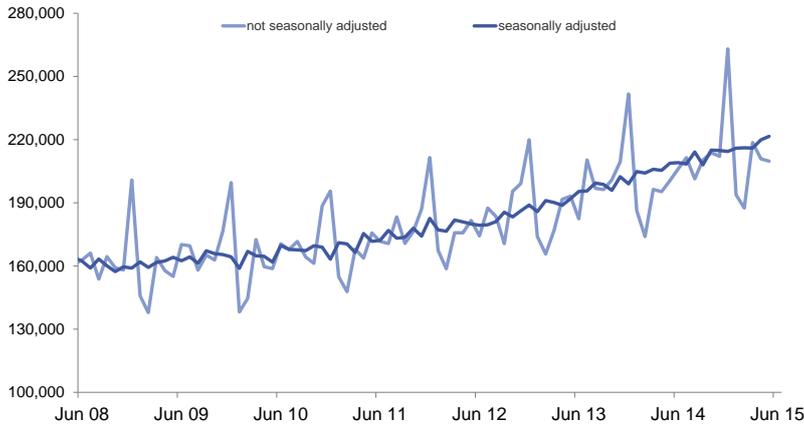
Stronger demand for personal loans continues to reflect improved credit availability and stronger household finances. Over the past two years, net borrowing through personal loans has been rising and has expanded notably over the past two years.

Annual growth in high street banks' credit card borrowing fell slightly to 4.7% in June and was largely in line with the wider (all issuers) credit card market which grew at an annual rate of 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 231 million purchases in June, with a total value of £13.1 billion. This spending volume was 12% higher than in June 2014, and its aggregate value was some 8% higher.

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

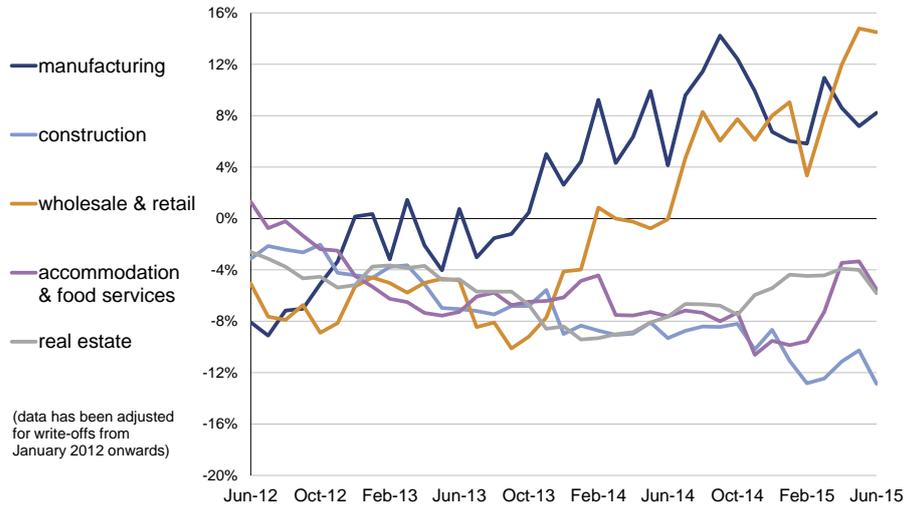
Some 42% of all balances in aggregate incur no interest at all.

Larger companies continue to make use of capital market finance in preference to bank borrowing raising some £8.9 billion in the first half 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 by £4.8bn in June (leaving a net fall of £2.7bn in the first half of 2015). The sectors which showed lower borrowing were; Real Estate (-£1.9bn), Construction (-£1.8bn) and Mining & Quarrying (-£0.7bn).

business borrowing annual growth rates



High Street Banks

All figures are seasonally adjusted unless otherwise specified as (nsa)	Jun 2015	May 2015	average of six months prior to June 2015	amounts outstanding (nsa)
Mortgages (secured)				
net mortgage borrowing	+ £ 1.2 bn	+ £ 1.2 bn	+ £ 0.6 bn	£ 795.7 bn
gross mortgage borrowing	£ 11.5 bn	£ 10.7 bn	£ 10.2 bn	
repayment of capital	£ 10.1 bn	£ 9.6 bn	£ 9.7 bn	
value of mortgage approvals	£ 12.2 bn	£ 11.5 bn	£ 10.3 bn	
house purchase	£ 7.7 bn	£ 7.2 bn	£ 6.6 bn	
re-mortgage	£ 4.0 bn	£ 3.9 bn	£ 3.3 bn	
other secured borrowing	£ 0.5 bn	£ 0.5 bn	£ 0.4 bn	
number of mortgage approvals	75,636	73,438	65,488	
house purchase	44,488	42,876	39,340	
re-mortgage	23,985	23,557	19,877	
other secured borrowing	7,162	7,005	6,271	
average approval value (nsa)				
house purchase	£ 176,200	£ 169,800	£ 166,000	
re-mortgage	£ 167,600	£ 168,500	£ 165,000	
other secured borrowing	£ 66,000	£ 67,300	£ 63,000	
Consumer credit				
net consumer credit borrowing	+ £ 0.2 bn	+ £ 0.2 bn	+ £ 0.4 bn	£ 84.2 bn
credit cards				
net credit card borrowing	+ £ 0.0 bn	+ £ 0.1 bn	+ £ 0.2 bn	£ 41.2 bn
new spending	£ 9.3 bn	£ 9.4 bn	£ 9.2 bn	
repayments	£ 9.3 bn	£ 9.4 bn	£ 9.1 bn	
number of purchases	156.5 mn	156.0 mn	151.9 mn	
loans & overdrafts				
net loans & overdraft borrowing	+ £ 0.1 bn	+ £ 0.1 bn	+ £ 0.2 bn	£ 43.0 bn
new loans	£ 1.6 bn	£ 1.6 bn	£ 1.6 bn	£ 36.0 bn
net overdraft borrowing (nsa)	+ £ 0.2 bn	- £ 0.1 bn	- £ 0.0 bn	£ 7.0 bn
Personal deposit & savings				
personal deposit net change	+ £ 3.0 bn	+ £ 1.9 bn	+ £ 1.6 bn	£ 773.8 bn
Net borrowing by businesses (nsa)				
by non-financial businesses	- £ 4.8 bn	- £ 0.7 bn	- £ 0.1 bn	£ 258.7 bn
by financial businesses	- £ 6.5 bn	+ £ 5.2 bn	+ £ 1.1 bn	£ 243.2 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
Jun 2015	24 Jul 2015	29 Jul 2015
Jul 2015	26 Aug 2015	1 Sep 2015
Aug 2015	24 Sep 2015	29 Sep 2015
Sep 2015	26 Oct 2015	29 Oct 2015
Oct 2015	25 Nov 2015	30 Nov 2015
Nov 2015	24 Dec 2015	4 Jan 2016