

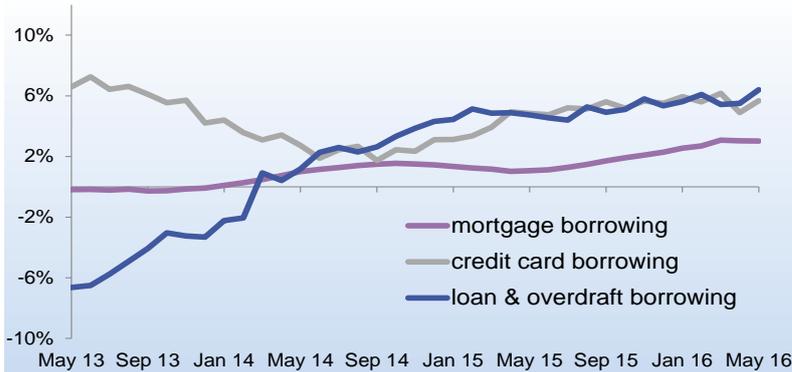
High Street Banking – May 2016

embargoed until 9.30am on Friday, 24 June 2016



The voice of banking

Annual borrowing growth rates



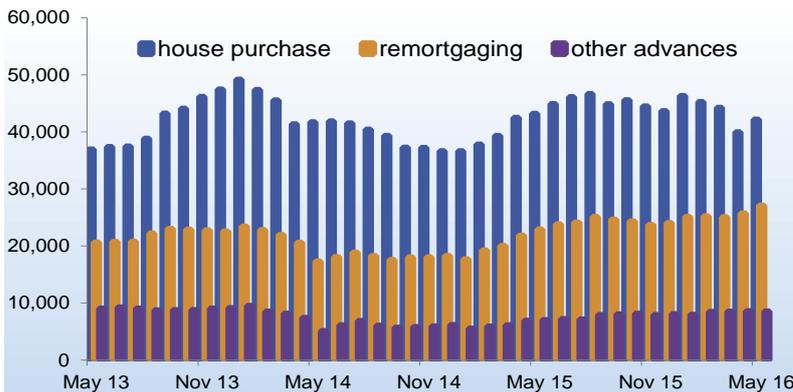
Household borrowing

Gross mortgage borrowing of £12bn in the month was 10% higher than in May 2015. Borrowing in the first 5 months of 2016 was £67.5bn compared with £51.7 in the same period of 2015.

Net mortgage borrowing is 3% higher than a year ago.

Consumer credit continues to show annual growth of about 6% reflecting uncertainty and in the case of personal loans and overdrafts favourable interest rates.

Number of approvals



Mortgage approvals

House purchase approval numbers have bounced back a little from the low numbers seen in April (following the surge in the first few months of 2016) but are still some 2% lower than in May 2015.

Remortgaging approvals were 18% higher than in May 2015 and at their highest level since February 2011.

Other advances were 22% higher than a year ago.

Business borrowing annual growth rates



Borrowing by non-financial companies

Borrowing by non-financial companies increased by £228mn in May. This was similar to the growth in March and April and was the fifth consecutive month to show an increase.

Capital market issues by non-financial companies increased by £2.8bn in May and in the year to May, a total of £23.2bn (net) has been raised. This alternative finance compares with an increase in bank borrowing of £0.7bn (net) over the same period.

Trends in net deposits



Deposits

Personal deposits have been growing more strongly in recent months and annual growth has risen to 4.8%; the strongest growth rate since July 2013.

Cash ISA deposits fell by £600mn in May.

Non-financial companies deposits increased by an average of around £2-3bn a month in 2015 but have fallen back in 2016, taking their annual growth rate down from around 10% in 2015 to about 5% now.