



# Statistics

## High Street Banking – January 2016

embargoed until 9.30am on Wednesday, 24 February 2016

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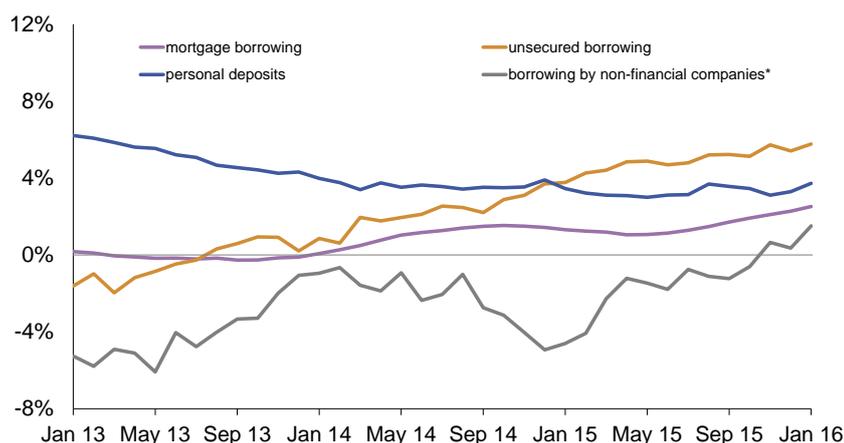
### Richard Woolhouse, Chief Economist at the BBA, said:

“The start of the year has seen a significant rise in mortgage borrowing. It seems that this has been driven, in part, by borrowers looking to get ahead of the increases in stamp duty for buy-to-let and second home buyers scheduled to come into effect in April.

“Net lending to non-financial companies saw the biggest monthly jump since July 2008 as businesses take advantage of record low interest rates. Demand from the transport, storage and communication and construction sectors was particularly strong.”

- Gross mortgage borrowing of £13.6 billion in January was 38% higher than a year ago and the highest since mid-2008.
- The number of mortgage approvals in January was 33% higher than a year ago, with remortgaging up 42% and house purchase up 27%.
- Borrowing by non-financial companies increased fairly strongly in January, after declining in December, particularly in the transport, storage and communication and construction sectors.

**annual growth rates**



\*excluding real estate

Overall personal deposits are growing at an annual rate of 3.7%.

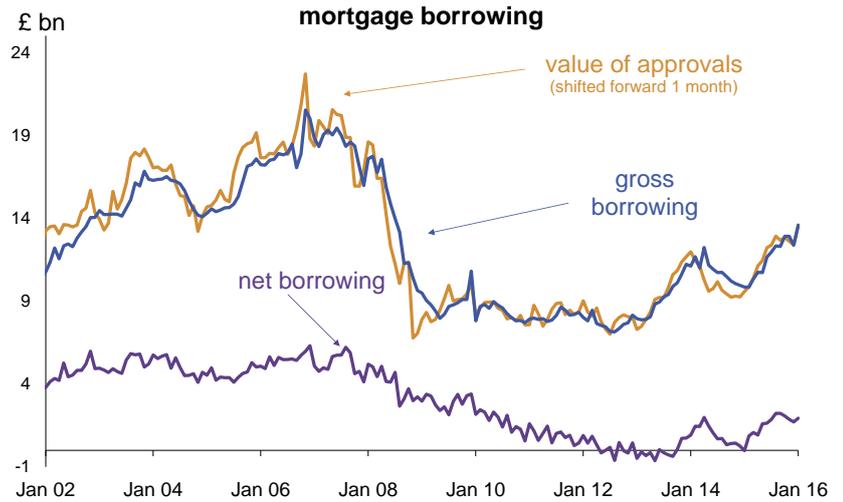
ISA deposits saw a net outflow of £531million in January.

Annual growth in unsecured borrowing is at 5.8% with credit card borrowing growing by 6.0% and other unsecured borrowing (personal loans and overdrafts) by 5.6%.

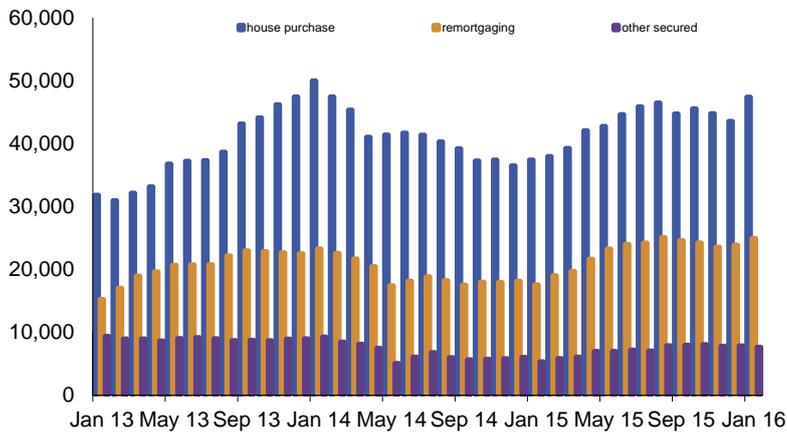
Non-financial companies (excluding real estate) saw fairly strong borrowing in January with annual growth rising to 1.5%.

Gross mortgage borrowing was £13.6 billion in January, 38% higher than in the same month last year. This was the highest monthly increase since July 2008.

The overall mortgage stock is now 2.5% higher than a year ago.



### number of approvals



There were 27% more approvals for house purchase in January than in the same month of 2015. Reports suggest this is, in part, due to buy-to-let and second-home buyers seeking to complete purchases ahead of the increase in stamp duty in April.

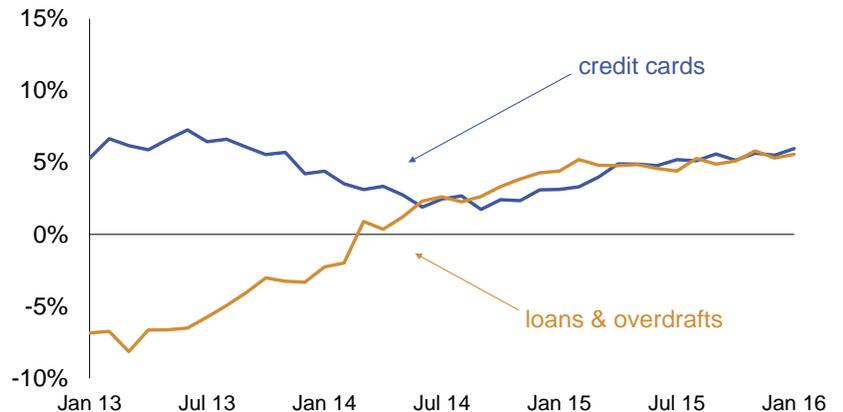
Remortgaging approvals increased in January and were some 42% higher than January 2015 while other approvals were 43% higher than a year ago.

Approvals overall were 33% higher than at the same time a year earlier.

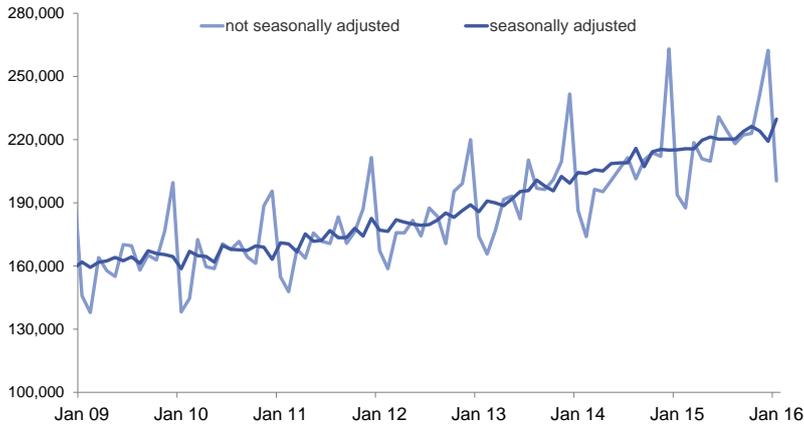
Over the past year, net borrowing through personal loans has been rising at an annual rate of over 5%. Increased demand for personal loans continues to reflect better credit availability, low interest rates and stronger household finances.

Annual growth in high street banks' credit card borrowing was 6% in January; exceeding growth in the wider (all issuers) credit card market which grew at an annual rate of 4.3%.

### 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 200 million purchases in January, with a total value of £11.4 billion. This spending volume was slightly higher than in January 2015, with an aggregate value slightly lower.

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

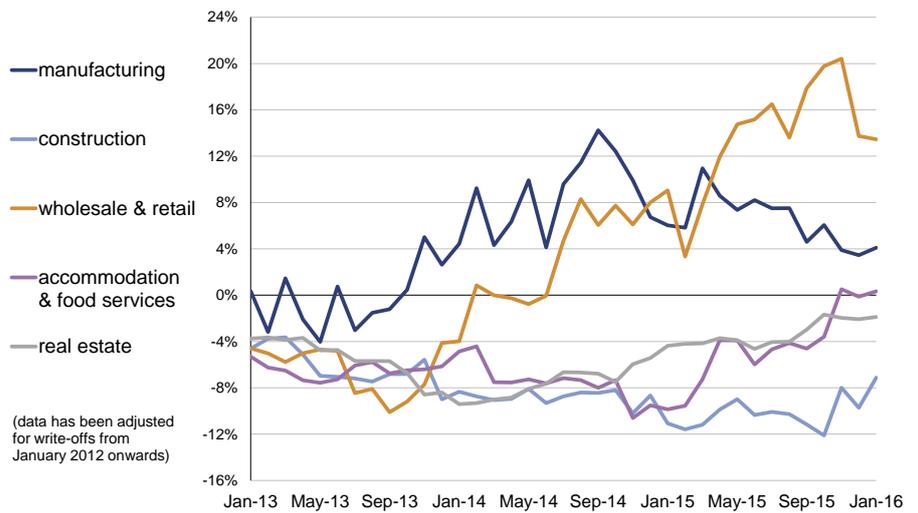
About 42% of all balances in aggregate incur no interest at all.

Larger companies continue to make use of capital market finance as an alternative to loan and overdraft borrowing from banks. They raised £23.0 billion in the year to January 2016.

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

Companies' net borrowing rose by £3.4 billion in January with transport, storage & communication increasing by £1.5 billion, construction by £1.1 billion, and wholesale trade by £0.6 billion.

### business borrowing annual growth rates



(data has been adjusted for write-offs from January 2012 onwards)

# High Street Banks

| All figures are seasonally adjusted unless otherwise specified as (nsa) | Jan 2016   | Dec 2015   | average of six months prior to Jan 2016 | amounts outstanding (nsa) |
|---|------------|------------|---|---------------------------|
| <b>Mortgages (secured)</b>  |            |            |   |                           |
| net mortgage borrowing  | + £ 1.9 bn | + £ 1.7 bn | + £ 2.0 bn                              | £ 815.5 bn                |
| gross mortgage borrowing  | £ 13.6 bn  | £ 12.4 bn  | £ 12.5 bn                               |                           |
| repayment of capital  | £ 11.7 bn  | £ 10.5 bn  | £ 10.4 bn                               |                           |
| value of mortgage approvals   | £ 13.6 bn  | £ 12.4 bn  | £ 12.6 bn                               |                           |
| house purchase  | £ 8.6 bn   | £ 7.7 bn   | £ 8.0 bn                                |                           |
| re-mortgage   | £ 4.5 bn   | £ 4.2 bn   | £ 4.2 bn                                |                           |
| other secured borrowing   | £ 0.4 bn   | £ 0.4 bn   | £ 0.5 bn                                |                           |
| number of mortgage approvals  | 80,285     | 75,602     | 77,484                                  |                           |
| house purchase  | 47,509     | 43,660     | 45,261                                  |                           |
| re-mortgage   | 25,040     | 23,982     | 24,354                                  |                           |
| other secured borrowing   | 7,735      | 7,960      | 7,869                                   |                           |
| average approval value (nsa)  |            |            |   |                           |
| house purchase  | £ 178,900  | £ 177,000  | £ 175,000                               |                           |
| re-mortgage   | £ 181,800  | £ 178,700  | £ 173,000                               |                           |
| other secured borrowing   | £ 57,100   | £ 55,600   | £ 58,000                                |                           |
| <b>Consumer credit</b>  |            |            |   |                           |
| net consumer credit borrowing   | + £ 0.5 bn | + £ 0.1 bn | + £ 0.4 bn                              | £ 85.8 bn                 |
| <b>credit cards</b>   |            |            |   |                           |
| net credit card borrowing   | + £ 0.3 bn | + £ 0.1 bn | + £ 0.2 bn                              | £ 41.9 bn                 |
| new spending  | £ 9.6 bn   | £ 9.2 bn   | £ 9.4 bn                                |                           |
| repayments  | £ 9.4 bn   | £ 9.1 bn   | £ 9.2 bn                                |                           |
| number of purchases   | 162.5 mn   | 157.1 mn   | 158.3 mn                                |                           |
| <b>loans &amp; overdrafts</b>   |            |            |   |                           |
| net loans & overdraft borrowing   | + £ 0.2 bn | + £ 0.1 bn | + £ 0.2 bn                              | £ 43.9 bn                 |
| new loans   | £ 1.8 bn   | £ 1.8 bn   | £ 1.7 bn                                | £ 37.2 bn                 |
| net overdraft borrowing (nsa)   | - £ 0.3 bn | + £ 0.1 bn | + £ 0.0 bn                              | £ 6.7 bn                  |
| <b>Personal deposit &amp; savings</b>                                   |            |            |   |                           |
| personal deposit net change   | + £ 2.1 bn | + £ 5.6 bn | + £ 2.8 bn                              | £ 790.0 bn                |
| <b>Net borrowing by businesses (nsa)</b>                                |            |            |   |                           |
| by non-financial businesses   | + £ 3.4 bn | - £ 2.7 bn | - £ 0.2 bn                              | £ 261.3 bn                |
| by financial businesses   | - £ 1.9 bn | + £ 0.2 bn | - £ 2.8 bn                              | £ 223.7 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, TSB 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:

| <b>Data for<br/>the month of:</b> | <b>BBA High Street<br/>Banking</b> | <b>Bank of England information on monetary<br/>aggregates, sectoral deposits/borrowing<br/>and lending to individuals</b> |
|-----------------------------------|------------------------------------|---|
| Jan 2016                          | 24 Feb 2016                        | 29 Feb 2016   |
| Feb 2016                          | 24 Mar 2016                        | 31 Mar 2016   |
| Mar 2016                          | 26 Apr 2016                        | 29 Apr 2016   |
| Apr 2016                          | 26 May 2016                        | 1 Jun 2016  |
| May 2016                          | 24 Jun 2016                        | 29 Jun 2016   |
| Jun 2016                          | 26 Jul 2016                        | 29 Jul 2016   |