

Statistics Release

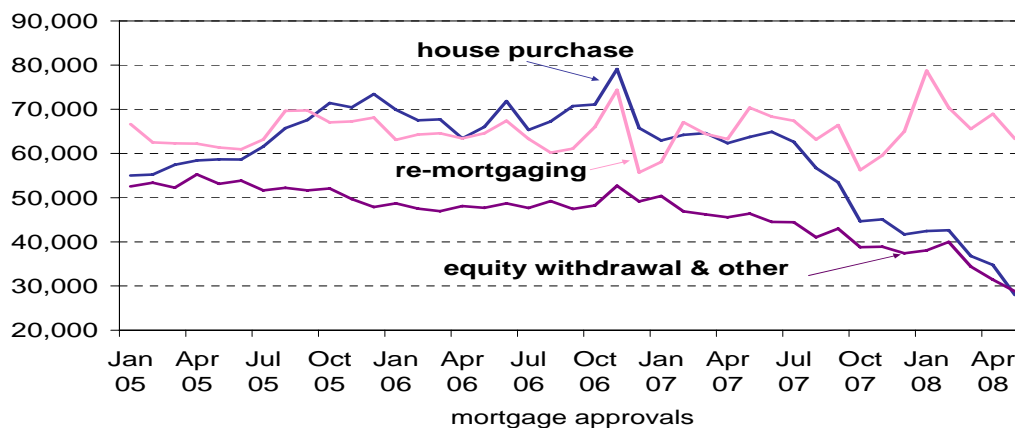
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May figures for the main high street banks

May's mortgage lending was much weaker than April and a record low number of house purchase approvals means the subdued picture will continue. Consumer credit rose, largely reflecting lower credit card repayments and, after April's strong inflow, personal deposit growth was weaker in May.

<i>seasonally adjusted data</i>	mortgage lending	consumer credit	personal deposits	company finance
May net change	+ £ 4.0 bn	+ £ 0.5 bn	+ £ 1.3 bn	+ £ 4.9 bn
<i>(previous month)</i>	<i>+ £ 5.2 bn</i>	<i>- £ 0.1 bn</i>	<i>+ £ 6.2 bn</i>	<i>+ £ 22.8 bn</i>
average of previous six months	+ £ 5.0 bn	+ £ 0.4 bn	+ £ 3.1 bn	+ £ 15.2 bn
annual growth	+ 12.3 %	+ 4.3 %	+ 5.7 %	+ 24.0 %
amounts outstanding nsa	£ 556.3 bn	£ 108.5 bn	£ 571.4 bn	£ 737.2bn

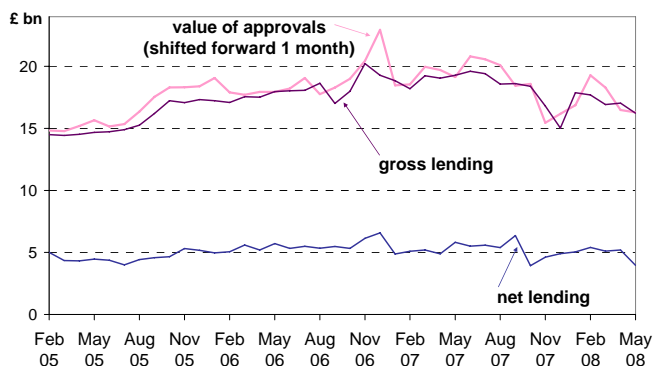


BBA statistics director, David Dooks, said of the latest data:

"Measures of mortgage activity were lower in May as a result of tighter lending criteria and economic pressures on households. Only remortgaging business is holding up, where people need or want to take advantage of deals with other lenders. People spent more on credit cards, but repayment levels were lower than expected in May and after April's busy month with people putting money into ISAs, personal deposits were not as strong."

Section 1: Mortgage lending & value of mortgages approved

<i>seasonally adjusted data</i>	gross mortgage lending	all mortgage loans approved	house purchase loans approved
May	£ 16.2 bn	£ 14.3 bn	£ 4.3 bn
(previous month)	£ 17.0 bn	£ 16.3 bn	£ 5.4 bn
average of previous six months	£ 16.9 bn	£ 17.2 bn	£ 6.4 bn
compared with a year earlier	- 15.9 %	- 31.4 %	- 56.8 %

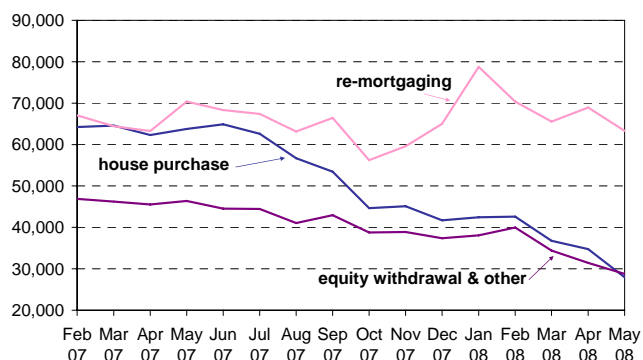


Declining approval activity during April and May gave rise to gross lending in May some 16% lower than a year earlier.

Net mortgage lending was weaker than trend in May and the smallest monthly rise (apart from last October) since 2002.

Section 2: Number of mortgages approved

<i>seasonally adjusted data</i>	house purchase	re-mortgaging	equity withdrawal & other purposes
May	27,968	63,303	28,766
(previous month, REVISED)	34,752	68,971	31,443
average of previous six months	40,570	68,042	36,702
compared with a year earlier	- 56.1 %	- 10.0 %	- 38.0 %
average value nsa	£ 155,000	£ 144,000	£ 29,000
annual change in average value (nsa)	- 1.2 %	+ 6.3 %	- 3.1 %

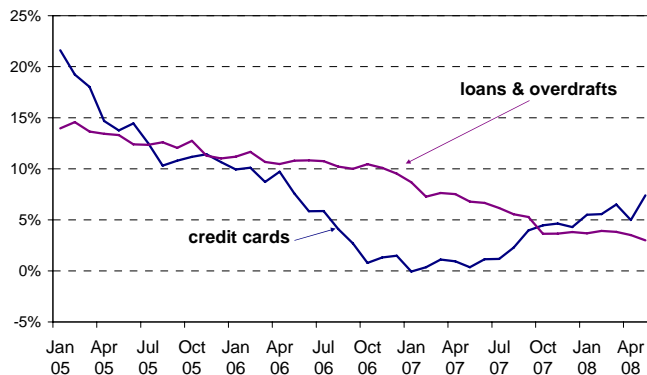


Approvals for remortgaging held up in May and remortgaging was a record 53% of all mortgages approved.

Approvals for house purchase hit a record low as they continued to be well down on the same period last year. Approvals for equity withdrawal & other purposes also continued to decline.

Section 3: Consumer credit - credit cards

<i>seasonally adjusted data</i>	new spending	repayments	net lending	number of purchases
May	£ 7.5 bn	£ 7.5 bn	+ £ 0.5 bn	105.1 mn
(previous month)	£ 7.3 bn	£ 7.6 bn	- £ 0.3 bn	104.9 mn
average of previous six months	£ 7.4 bn	£ 7.6 bn	+ £ 0.1 bn	104.7 mn
compared with a year earlier	+ 4.8 %	+ 2.7 %		+ 1.6 %
annual growth			+ 7.4 %	
amounts outstanding nsa			£ 32.4 bn	



Annual growth in credit card borrowing increased to + 7.4% and with repayments (unusually, over the last 18 months) not exceeding spending, net lending increased sharply, after allowing for write-offs.

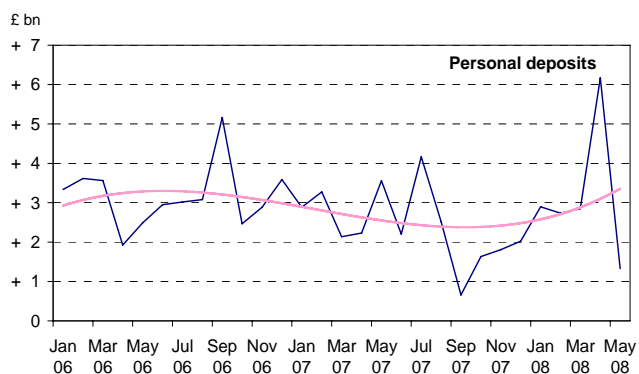
Annual growth in loans and overdrafts fell marginally to + 3.0%.

N.B. Consumer credit series allow for the effects of write-offs, in line with similar figures published by the Bank of England.

Section 4: Consumer credit - personal loans and overdrafts

<i>seasonally adjusted data</i>	new loans	overdrafts nsa	net lending
May	£ 2.4 bn	- £ 0.1 bn	-
(previous month)	£ 2.4 bn	-	+ £ 0.2 bn
average of previous six months	£ 2.6 bn	-	+ £ 0.2 bn
compared with a year earlier	- 13.7 %		
annual growth			+ 3.0 %
amounts outstanding nsa	£ 66.6 bn	£ 9.5 bn	£ 76.1 bn

Section 5: Personal deposits & savings



Personal deposits rose, but less so in May, slightly below the six-month average. This appears to be a reaction in seasonally adjusted terms after the very strong April rise, so the average of both months (+ £ 3.7bn) is a better indication of current trends.

Section 6: Company finance

<i>seasonally adjusted data</i>		May	average of previous six months	amounts outstanding
Non-financial companies		+ £ 0.2 bn	+ £ 5.3 bn	£ 345 bn
of which	Manufacturing	+ £ 0.1 bn	+ £ 0.1 bn	£ 21 bn
	Construction	–	+ £ 0.4 bn	£ 23 bn
	Wholesale & retail trade	- £ 0.1 bn	+ £ 0.4 bn	£ 31 bn
	Hotels & restaurants	- £ 0.1 bn	+ £ 0.4 bn	£ 22 bn
	Transport, storage & communications	+ £ 0.3 bn	–	£ 10 bn
	Real estate	+ £ 1.2 bn	+ £ 1.9 bn	£ 139 bn
	Business services	- £ 0.6 bn	+ £ 0.3 bn	£ 29 bn
Financial companies		+ £ 4.7 bn	+ £ 9.9 bn	£ 392 bn
of which	Financial intermediation	+ £ 5.5 bn	+ £ 4.8 bn	£ 319 bn
	Financial auxiliaries	- £ 0.8 bn	+ £ 4.9 bn	£ 60 bn
	Insurance & pension funds	–	+ £ 0.2 bn	£ 14 bn

Lending to non-financial companies was, as usual, dominated by lending to real estate companies, though the rise in May was only about half the long-term average. There was a net repayment of borrowing from the business services sector.

Notes to Editors

1. *The BBA is the leading UK banking and financial services trade association and represents its members, from 60 countries, on domestic and international issues. Our members provide the full range of banking and financial services, operate some 150 million personal accounts, contribute £50bn to the economy and together make up the world's largest international banking centre.*
2. *The Major British Banking Groups (MBBG) account for some two-thirds of all UK mortgage lending outstanding, provide over half of all consumer credit and, within that, some 70% of all card credit. They include the nine largest retail lenders in the UK: Abbey, Alliance & Leicester, Barclays, Bradford & Bingley, HBOS, HSBC Bank, LloydsTSB, Northern Rock and Royal Bank of Scotland.*
3. *Net changes in amounts outstanding are consistent with Table A4.3 of the Bank of England's Monetary & Financial Statistics and the comprehensive data for lending to individuals by all lenders due to be released by the Bank of England on 30 June 2008.*

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