

Statistics Release

embargoed until 09:30 on Wednesday, 27 May, 2009

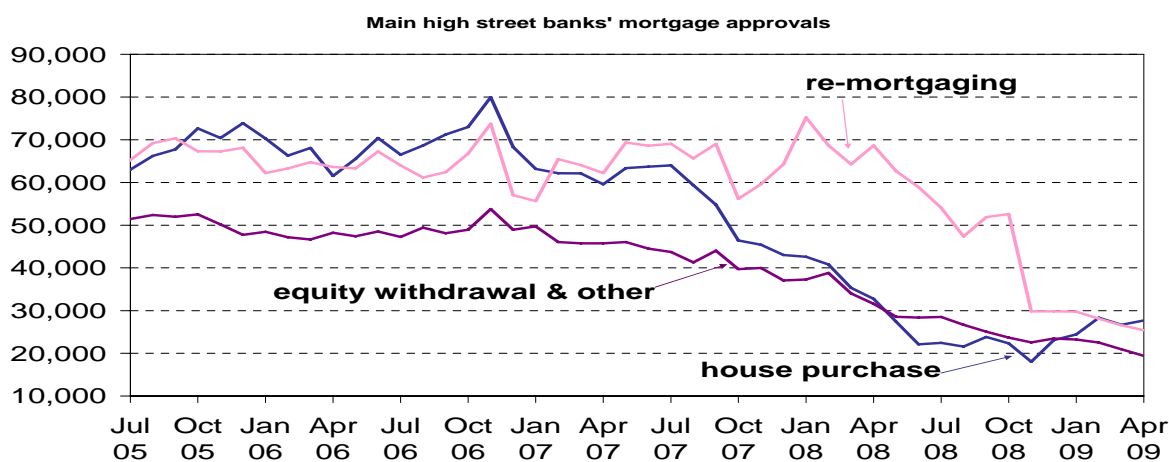
Serial no. 023/09

April figures for the main high street banks

The high street banks' net mortgage lending of £2.7bn has not been as low for some eight years and consequently, the trend edged lower. Personal deposits rose for the third successive month but the savings trend in bank accounts remains subdued. Lending to financial companies decreased as recent short-term lending unwound and there was a net repayment from non-financial companies.

<i>seasonally adjusted data</i>	mortgage lending	consumer credit	personal deposits
April net change	+ £ 2.7 bn	+ £ 0.1 bn	+ £ 1.8 bn
<i>(previous month)</i>	+ £ 3.4 bn	+ £ 0.1 bn	+ £ 0.7 bn
average of previous six months	+ £ 3.4 bn	–	+ £ 1.1 bn
annual growth	+ 7.6 %*	+ 1.2 %	+ 2.2 %
amounts outstanding nsa	£ 580.4 bn*	£ 95.5 bn	£ 576.0 bn

* Following a change in the reporting of covered bonds, the mortgage assets, held within such special purpose vehicles, have been added back into their parent banks' reported mortgage lending. These movements have been adjusted out of flows.

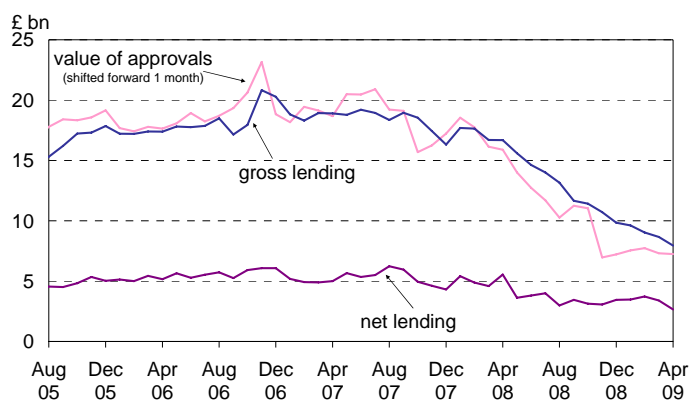


BBA statistics director, David Dooks, said of the latest data:

"The house purchase part of the mortgage market appears to have stabilised, with slightly more approvals coming through, although April's weak net mortgage lending reflects the lower number of approvals in previous months. Households' uncertain financial circumstances not surprisingly continue to dictate consumer behaviour, both in the housing market and in generating only low demand for new personal loans. Company borrowing also reflects the economic backdrop, with most non-financial sectors seeing net repayments, although short-term finance for other financial companies unwound in the month, suggesting that their financing needs may be easing."

Section 1: Mortgage lending & value of mortgages approved

<i>seasonally adjusted data</i>	gross mortgage lending	all mortgage loans approved	house purchase loans approved
April	£ 7.9 bn	£ 7.2 bn	£ 3.5 bn
(<i>previous month</i>)	£ 8.7 bn	£ 7.3 bn	£ 3.4 bn
average of previous six months	£ 9.9 bn	£ 8.0 bn	£ 2.9 bn
compared with a year earlier	- 52.4 %	- 54.4 %	- 29.7 %

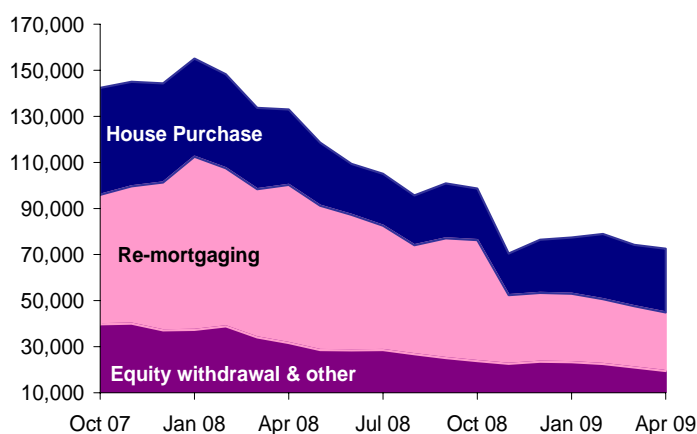


Both gross and net mortgage lending reflected weak approvals in recent months to reach the lowest monthly figures since March 2001.

The number and value of house purchase approvals increased slightly suggesting that this part of the market may have stabilised.

Section 2: Number of mortgages approved

<i>seasonally adjusted data</i>	house purchase	re-mortgaging	equity withdrawal & other purposes
April	27,685	25,418	19,409
(<i>previous month</i>)	26,671	26,595	20,941
average of previous six months	23,812	32,788	22,729
compared with a year earlier	- 15.5 %	- 63.0 %	- 38.6 %
average value nsa	£129,100	£125,000	£27,100
annual change in average value (nsa)	- 16.7 %	- 13.5 %	- 9.7 %



Average values of all approvals demonstrate the weakness of the housing market compared to a year ago, despite small increases in recent months.

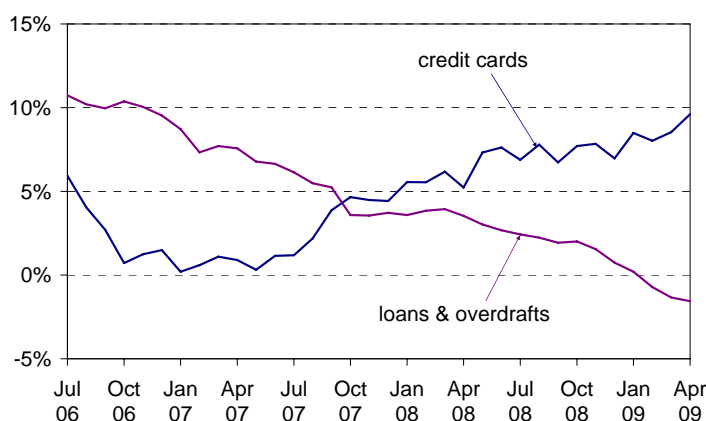
Numbers of re-mortgaging approvals have not been as low since December 1999.

Loans for equity withdrawal and other purposes continued to decline.

Section 3: Consumer credit - credit cards

<i>seasonally adjusted data</i>	new spending	repayments	net lending	number of purchases
April	£ 6.1 bn	£ 6.1 bn	+ £ 0.2 bn	90.7 mn
(previous month)	£ 6.1 bn	£ 6.1 bn	+ £ 0.3 bn	92.0 mn
average of previous six months*	£ 6.0 bn	£ 6.4 bn	+ £ 0.2 bn	92.6 mn
compared with a year earlier*	- 10.8 %	- 14.9 %		- 6.5 %
annual growth			+ 9.8 %	
amounts outstanding nsa			£ 25.2bn	

* Previous months' data have been estimated for comparative purposes, to reflect a change in coverage from January.



Credit card borrowing continued to edge upwards, although overall activity was somewhat lower.

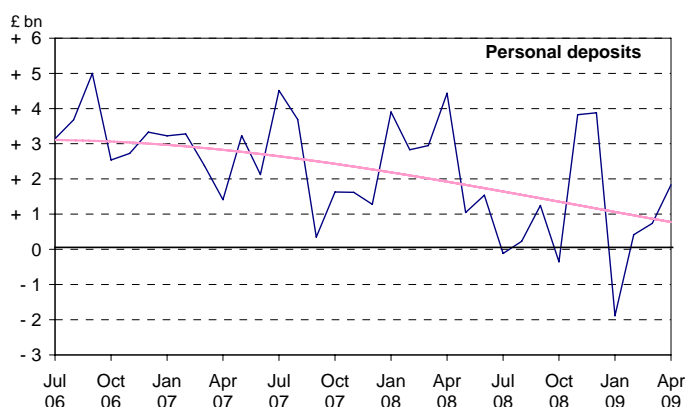
The contraction in other loans and advances continued as demand for personal loans remained very weak compared to a year ago.

n.b. Consumer credit allows for the effects of write-offs, in line with Bank of England data.

Section 4: Consumer credit - personal loans and overdrafts

<i>seasonally adjusted data</i>	new loans	overdrafts nsa	net lending
April	£ 1.5 bn	- £ 0.1 bn	- £ 0.1 bn
(previous month)	£ 1.5 bn	+ £ 0.5 bn	- £ 0.2 bn
average of previous six months	£ 1.7 bn	-	- £ 0.2 bn
compared with a year earlier	- 39.3 %		
annual growth			- 1.6 %
amounts outstanding nsa	£ 60.5 bn	£ 9.8 bn	£ 70.3 bn

Section 5: Personal deposits & savings



Personal deposits rose in April by more than the recent average and for the third month running, but the overall trend continues to decline.

Section 6: Company finance

<i>seasonally adjusted data</i>	April net change	<i>previous month</i>	average of previous six months	amounts outstanding
Non-financial companies	- £ 2.3 bn	- £ 1.2 bn	- £ 0.4 bn	£ 350 bn
of which Manufacturing	- £ 0.3 bn	- £ 0.1 bn	- £ 0.1 bn	£ 20 bn
Construction	- £ 0.8 bn	- £ 0.1 bn	- £ 0.1 bn	£ 22 bn
Wholesale & retail trade	- £ 1.2 bn	- £ 0.9 bn	+ £ 0.1 bn	£ 30 bn
Real estate	+ £ 0.2 bn	- £ 0.2 bn	+ £ 0.5 bn	£ 152 bn
Business Services	- £ 1.0 bn	- £ 0.6 bn	+ £ 0.1 bn	£ 29 bn
Public admin & defence	+ £ 1.3 bn	- £ 0.3 bn	- £ 0.8 bn	£ 6 bn
Financial companies	- £ 17.6 bn	- £ 0.5 bn	+ £ 13.3 bn	£ 419 bn
of which Financial intermediation	- £ 4.7 bn	+ £ 20.8 bn	+ £ 10.3 bn	£ 321 bn
Financial auxiliaries	- £ 10.6 bn	- £ 22.2 bn	+ £ 2.9 bn	£ 86 bn
Insurance & pension funds	- £ 2.3 bn	+ £ 0.8 bn	-	£ 12 bn
Total company finance	- £ 19.9 bn	- £ 1.8 bn	+ £ 12.8 bn	£ 769 bn

Overall lending to non-financial companies declined in April with the only growth being in public administration & defence and in lending to real estate which continued to grow, but only marginally. Lending to wholesale and retail trade, business services and construction were weak as companies' borrowing contracted with net repayments.

Unwinding recent short-term borrowing by other financial intermediaries and auxiliaries was the reason for a monthly fall of nearly £20bn, as dependency on bank finance reduced.

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 main high street 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 six largest retail lending groups in the UK: Abbey (inc Alliance & Leicester), Barclays, HSBC Bank, Lloyds Banking Group, Northern Rock and Royal Bank of Scotland.*
3. *Following a change in the reporting of covered bonds from April 2009, the mortgage assets, held within such special purpose vehicles, have been added back into their parent banks' reported mortgage lending. These movements have been adjusted out of flows.*
4. *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 2 June 2009.*

For information:

BBA Newsroom: www.bba.org.uk

Brian Capon
Assistant Director, Media
Tel: 020 7216 8810
brian.capon@bba.org.uk

David Dooks
Statistics Director
Tel: 020 7216 8837
david.dooks@bba.org.uk