

Statistics Release

embargoed until 09:30 on Tuesday, 23 June, 2009

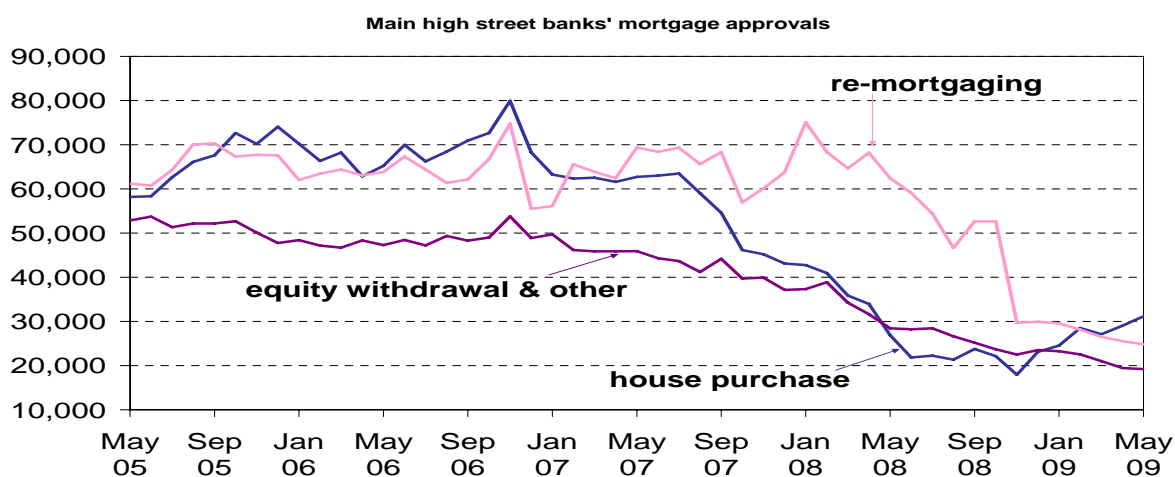
Serial no. 025/09

May figures for the main high street banks

The banks' net mortgage lending of £2.3bn was the weakest monthly rise since early 2001, although mortgage approvals continue to increase. Personal deposit inflows continue to be weak and consumer credit growth is minimal. Lending to financial companies rose marginally while lending to non-financial companies was little changed overall

<i>seasonally adjusted data</i>	mortgage lending	consumer credit	personal deposits
May net change	+ £ 2.3 bn	- £ 0.1 bn	+ £ 0.5 bn
<i>(previous month)</i>	+ £ 2.5 bn	-	+ £ 1.2 bn
average of previous six months	+ £ 3.2 bn	-	+ £ 1.3 bn
annual growth	+ 5.2 %*	+ 0.4 %	+ 1.8 %
amounts outstanding nsa	£ 597.8 bn*	£ 95.3 bn	£ 578.8 bn

* Following a change in the reporting of covered bonds in April, mortgage assets held in special purpose subsidiaries are included in mortgage lending outstanding. Monthly flows have been adjusted for this change.



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

"Steady monthly increases since last November have seen the number of loans approved for house purchase recover to levels seen in early 2008, although gross and net mortgage lending show a subdued wider mortgage picture. However, unlike much of the mortgage market, the high street banks are still seeing lending growth and improved mortgage availability is reflected in higher average loan approval values.

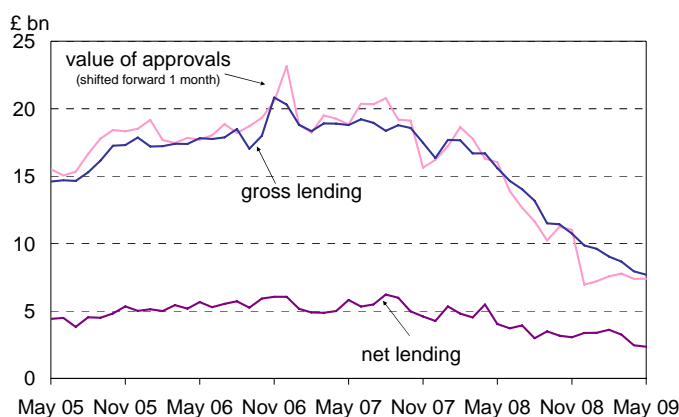
"Consumers' borrowing appetite remains weak, reflecting uncertainty over household circumstances, so credit growth is negligible and spending activity on credit cards is down on this time last year. Lending to non-financial companies was little changed overall in May."

British Bankers' Association

Next publication date: 23 July 2009

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	£ 7.7 bn	£ 7.8 bn	£ 4.0 bn
(previous month)	£ 7.9 bn	£ 7.4 bn	£ 3.6 bn
average of previous six months	£ 9.3 bn	£ 7.4 bn	£ 3.1 bn
compared with a year earlier	- 50.7 %	- 43.8 %	- 1.5 %

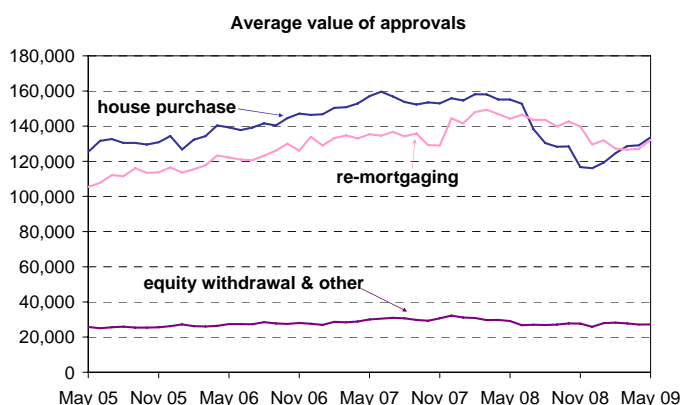


Largely because of much weaker remortgaging in recent months, gross lending dropped to its lowest monthly figure since February 2001. However, the value of loans approved for house purchase rose.

Net lending is running at a level which is nearly half the long-term monthly average before 2008.

Section 2: Number of mortgages approved

<i>seasonally adjusted data</i>	house purchase	re-mortgaging	equity withdrawal & other purposes
May	31,162	24,847	19,208
(previous month)	29,018	25,536	19,469
average of previous six months	25,032	28,234	22,055
compared with a year earlier	+ 15.8 %	- 60.2 %	- 32.4 %
average value nsa	£133,600	£129,600	£27,300
annual change in average value (nsa)	- 13.9 %	- 10.1 %	- 5.5 %



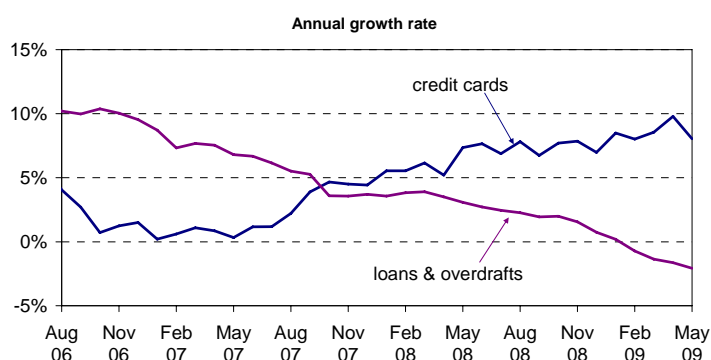
The number of house purchase approvals and their average value has risen steadily in the last six months, reflecting some improvement in lenders ability to lend.

Though numbers of approvals for remortgaging and other purposes are lower than a year earlier, the trends appears to be stabilising at current levels.

Section 3: Consumer credit - credit cards

<i>seasonally adjusted data</i>	new spending	repayments	net lending	number of purchases
May	£ 6.0 bn	£ 6.4 bn	+ £ 0.2 bn	91.1 mn
(<i>previous month</i>)	£ 6.1 bn	£ 6.2 bn	+ £ 0.1 bn	90.6 mn
average of previous six months*	£ 6.0 bn	£ 6.3 bn	+ £ 0.1 bn	91.7 mn
compared with a year earlier*	- 11.4 %	- 1.9 %		- 7.4 %
annual growth			+ 8.0 %	
amounts outstanding nsa			£ 25.6bn	

* Coverage changed in January, but figures shown are comparable with current basis..



New spending on credit cards and repayments remain very stable and largely offset each other, with growth in outstanding balances reflecting interest accruals.

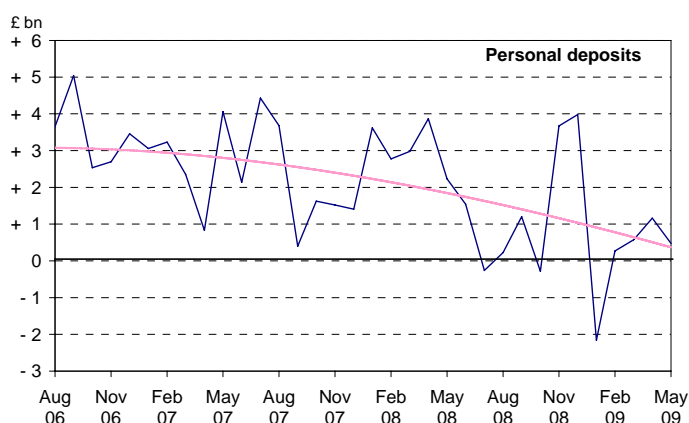
The significant weakness of personal loan demand and little change in overdraft balances continues to produce an annual contraction rate, now standing at -2.1%.

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
May	£ 1.4 bn	+ £ 0.1 bn	- £ 0.2 bn
(<i>previous month</i>)	£ 1.5 bn	- £ 0.1 bn	- £ 0.1 bn
average of previous six months	£ 1.6 bn	-	- £ 0.2 bn
compared with a year earlier	- 40.1 %		
annual growth			- 2.1 %
amounts outstanding nsa	£ 59.9 bn	£ 9.9 bn	£ 69.8 bn

Section 5: Personal deposits & savings



The overall trend in personal deposits continues to be weak, reflecting only small rises in the past four months.

Section 6: Company finance

<i>seasonally adjusted data</i>	May net change	<i>previous month</i>	average of previous six months	amounts outstanding
Non-financial companies	+ £ 0.1 bn	- £ 2.3 bn	- £ 1.0 bn	£ 351 bn
of which Manufacturing	-	- £ 0.3 bn	- £ 0.1 bn	£ 20 bn
Construction	- £ 0.5 bn	- £ 0.7 bn	- £ 0.2 bn	£ 21 bn
Wholesale & retail trade	-	- £ 1.2 bn	- £ 0.1 bn	£ 29 bn
Real estate	+ £ 0.2 bn	+ £ 0.2 bn	+ £ 0.4 bn	£ 153 bn
Business Services	- £ 0.2 bn	- £ 1.0 bn	- £ 0.2 bn	£ 28 bn
Public admin & defence	+ £ 0.3 bn	+ £ 1.3 bn	- £ 0.2 bn	£ 6 bn
Electricity, gas and water	+ £ 0.1 bn	- £ 0.3 bn	- £ 0.1 bn	£ 5 bn
Financial companies	+ £ 5.2 bn	- £ 21.6 bn	+ £ 1.4 bn	£ 439 bn
of which Financial intermediation	+ £ 0.8 bn	- £ 8.7 bn	+ £ 0.6 bn	£ 336 bn
Financial auxiliaries	+ £ 2.8 bn	- £ 10.6 bn	+ £ 1.1 bn	£ 89 bn
Insurance & pension funds	+ £ 1.6 bn	- £ 2.3 bn	- £ 0.3 bn	£ 14 bn
Total company finance	+ £ 5.3 bn	- £ 23.8 bn	+ £ 0.4 bn	£ 789 bn

Lending to non-financial companies increased by £ 0.1bn in May having fallen by £2.3bn in April. Public administration & defence was again the strongest growth sector, increasing by £0.3bn, while lending to the construction sector declined for the fifth successive month.

Lending to financial companies increased by £5.2bn, having fallen by £21.6bn in April as short-term borrowing unwound.

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 about half of all consumer credit and, within that, some 60% of all new card credit. They include the seven largest retail lending groups in the UK: Abbey (inc Alliance & Leicester and Bradford & Bingley deposits), Barclays, Bradford & Bingley lending, 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 29 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