

## Statistics Release

embargoed until 09:30 on Tuesday, 23 July, 2008

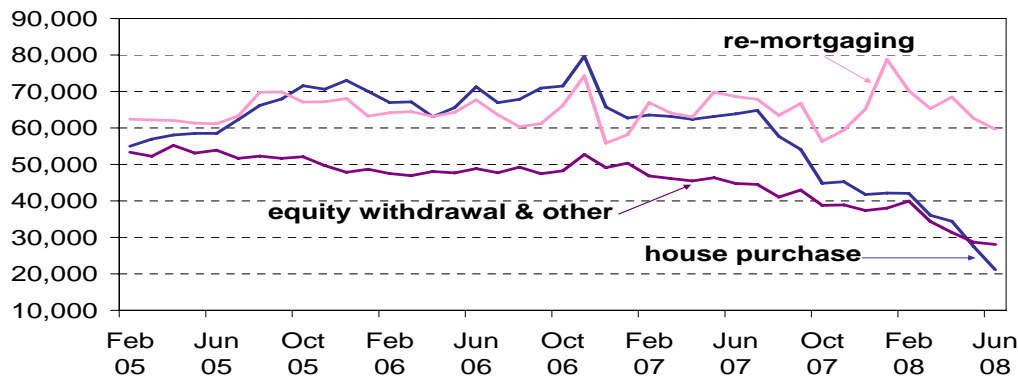
Serial no. 050/08

### June figures for the main high street banks

June's mortgage lending, rising by £3.8 billion, was weaker than in May. There was again a record low number of house purchase approvals, though levels of remortgaging were similar to the previous month. Consumer credit rose in line with the recent trend and personal deposit growth picked up in June after a weak month in May.

<i>seasonally adjusted data</i>	mortgage lending	consumer credit	personal deposits	company finance
<b>June net change</b>	<b>+ £ 3.8 bn</b>	<b>+ £ 0.3 bn</b>	<b>+ £ 2.2 bn</b>	<b>+ £ 11.7 bn</b>
<i>( previous month )</i>	<i>+ £ 4.5 bn</i>	<i>+ £ 0.4 bn</i>	<i>+ £ 1.2 bn</i>	<i>+ £ 5.0 bn</i>
average of previous six months	+ £ 5.0 bn	+ £ 0.3 bn	+ £ 3.0 bn	+ £ 15.6 bn
annual growth	+ 11.9 %	+ 3.8 %	+ 5.7 %	+ 24.1 %
amounts outstanding nsa	£ 559.5 bn	£ 108.7 bn	£ 571.6 bn	£ 747.8 bn

mortgage approvals



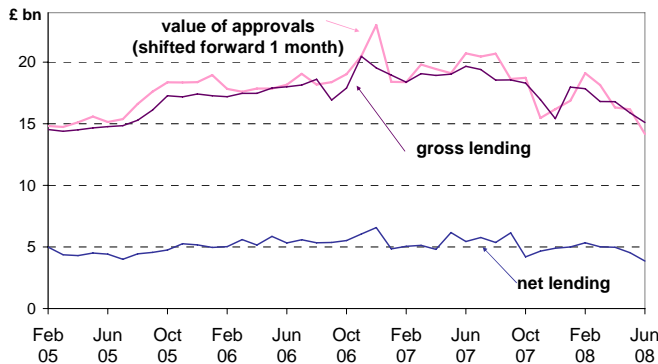
#### BBA statistics director, David Dooks, said of the latest data:

*“Another record low number of mortgages approved by the banks for house purchase means that the whole market is likely to be at its least active since the early 1990’s. However, even in this rapidly slowing market, net lending has still grown by 12% over the past year and there continue to be significant numbers of people remortgaging with the banks.*

*The pressure on household finances is being reflected in subdued consumer borrowing, with spending on cards lower than of late and borrowing on personal loans and overdrafts being comparatively weak.”*

## Section 1: Mortgage lending & value of mortgages approved

<i>seasonally adjusted data</i>	gross mortgage lending	all mortgage loans approved	house purchase loans approved
<b>June</b>	<b>£ 15.1 bn</b>	<b>£ 12.8 bn</b>	<b>£ 3.3 bn</b>
<i>( previous month )</i>	£ 15.9 bn	£ 14.2 bn	£ 4.2 bn
average of previous six months	£ 16.8 bn	£ 16.8 bn	£ 5.9 bn
compared with a year earlier	- 23.2 %	- 37.2 %	- 66.4 %

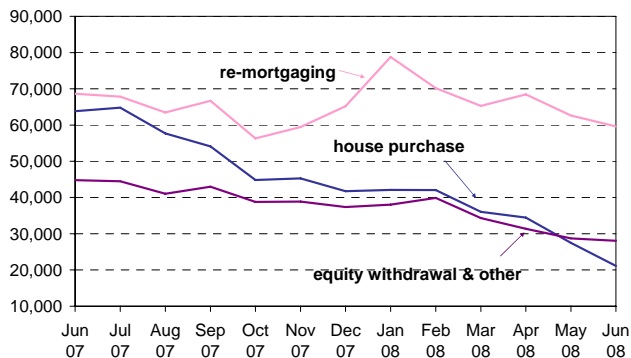


Approval activity continued to decline during June, particularly for house purchase and gross lending in the month was 5% lower than in May and 23% lower than a year earlier.

Net mortgage lending in June was weaker than the recent trend and 29% lower than the rise of £5.4 billion a year earlier.

## Section 2: Number of mortgages approved

<i>seasonally adjusted data</i>	house purchase	re-mortgaging	equity withdrawal & other purposes
<b>June</b>	<b>21,118</b>	<b>59,637</b>	<b>28,075</b>
<i>( previous month )</i>	27,499	62,637	28,693
average of previous six months	37,322	68,420	34,955
compared with a year earlier	- 66.9 %	- 13.1 %	- 37.3 %
average value nsa	£160,000	£147,000	£27,000
annual change in average value (nsa)	+ 0.4 %	+ 8.8 %	- 10.4 %

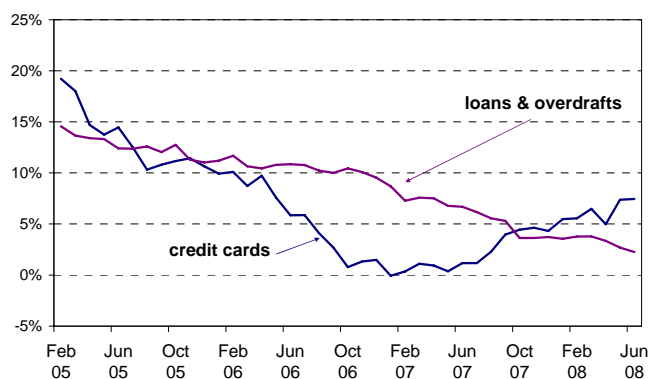


Approvals for remortgaging in June accounted for a record 55% of all mortgages approved compared to just 19% for house purchase.

Approvals for house purchase again fell to a record low and they continued to be well down on the same period a year earlier. Approvals for equity withdrawal & other purposes remained similar to the previous month.

### Section 3: Consumer credit - credit cards

<i>seasonally adjusted data</i>	new spending	repayments	net lending	number of purchases
<b>June</b>	<b>£ 7.3 bn</b>	<b>£ 7.6 bn</b>	<b>+ £ 0.2 bn</b>	<b>102.8 mn</b>
<i>( previous month )</i>	<i>£ 7.5 bn</i>	<i>£ 7.6 bn</i>	<i>+ £ 0.5 bn</i>	<i>104.6 mn</i>
average of previous six months	£ 7.4 bn	£ 7.6 bn	+ £ 0.2 bn	104.5 mn
compared with a year earlier	+ 2.0 %	+ 1.9 %		- 1.3 %
annual growth			+ 7.5 %	
amounts outstanding nsa			£ 32.7 bn	



Annual growth in credit card borrowing increased slightly to + 7.5%. New spending was 2% higher than a year ago but lower than in May, reflecting the lowest number of purchases since last July. Repayment levels remained steady.

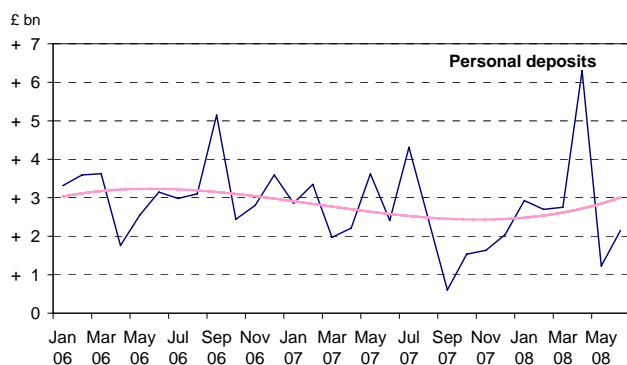
Compared to a year earlier, borrowing on overdraft was lower for the ninth consecutive month. Gross unsecured loans remained subdued.

**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
<b>June</b>	<b>£ 2.4 bn</b>	<b>+ £ 0.2 bn</b>	<b>+ £ 0.1 bn</b>
<i>( previous month )</i>	<i>£ 2.4 bn</i>	<i>- £ 0.1 bn</i>	<i>- £ 0.1 bn</i>
average of previous six months	£ 2.6 bn	-	+ £ 0.2 bn
compared with a year earlier	- 15.2 %		
annual growth			+ 2.3 %
amounts outstanding nsa	£ 66.4 bn		£ 76.1 bn

## Section 5: Personal deposits & savings



The rise in personal deposits was stronger than in May but still below the six month average with the annual growth rate remaining the same at 5.7%.

## Section 6: Company finance

<i>seasonally adjusted data</i>		<b>June</b>	average of previous six months	amounts outstanding
Non-financial companies		<b>+ £ 0.7 bn</b>	+ £ 4.8 bn	£ 345 bn
of which	Manufacturing	<b>− £ 0.3 bn</b>	+ £ 0.2 bn	£ 21 bn
	Construction	<b>+ £ 0.5 bn</b>	+ £ 0.3 bn	£ 22 bn
	Wholesale & retail trade	–	+ £ 0.3 bn	£ 31 bn
	Hotels & restaurants	<b>− £ 0.2 bn</b>	+ £ 0.4 bn	£ 22 bn
	Transport, storage & communications	–	–	£ 10 bn
	Real estate	<b>+ £ 2.1 bn</b>	+ £ 1.8 bn	£ 141 bn
	Business services	<b>+ £ 2.3 bn</b>	+ £ 0.1 bn	£ 31 bn
Financial companies		<b>+ £ 11.1 bn</b>	+ £ 10.8 bn	£ 402.8 bn
of which	Financial intermediation	<b>+ £ 7.6 bn</b>	+ £ 6.9 bn	£ 326 bn
	Financial auxiliaries	<b>+ £ 4.1 bn</b>	+ £ 3.7 bn	£ 64 bn
	Insurance & pension funds	<b>− £ 0.7 bn</b>	+ £ 0.2 bn	£ 13 bn

Lending to non-financial companies was dominated by lending to business services (legal, accountancy, consultancy) and real estate. There was a net repayment of borrowing from the insurance & pension funds 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 29 July 2008.*

For information:

**BBA Newsroom: [www.bba.org.uk](http://www.bba.org.uk)**

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**INVITATION**

Next Wednesday, the BBA launches its 25th annual Abstract of Banking Statistics (known as the Orange Book).

To mark the occasion and to take a first look at the figures behind the UK's banking industry, the BBA is holding a breakfast briefing for interested journalists on **Wednesday 30th July at 9am** at the **BBA Conference Suite, Pinner's Hall, 105-108 Old Broad Street, London EC2N 1EX**. (Breakfast is served from **8.30am**)

BBA Statistics Director, David Dooks will give a short presentation and provide an opportunity for you to ask questions.

Pre-event registration is required: please contact Brian Mairs in the BBA Communications team (phone **020 7216 8873** or email [brian.mairs@bba.org.uk](mailto:brian.mairs@bba.org.uk)) if you would like to attend.