

## Statistics Release

embargoed until 09:30 on Tuesday, 26 August, 2008

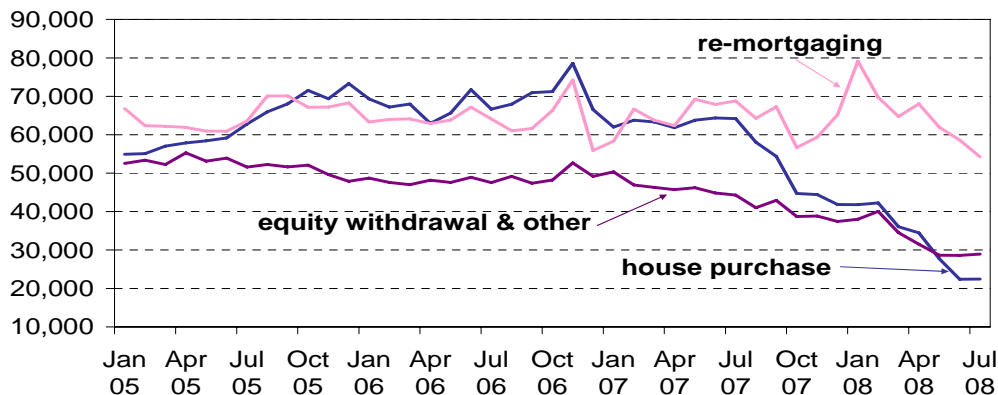
Serial no. 054/08

### July figures for the main high street banks

In July, mortgage lending rose by £4.3 billion; the same as in June. The number of house purchase approvals continues to be very low while those for remortgaging have fallen. Consumer credit rose by £0.1bn in July and was below the previous 6 month average of £0.3bn. Personal deposit growth was weak and consequently the annual growth rate declined by 0.8% to 4.8%.

<i>seasonally adjusted data</i>	mortgage lending	consumer credit	personal deposits	company finance
<b>July net change</b>	<b>+ £ 4.3 bn</b>	<b>+ £ 0.1 bn</b>	<b>+ £ 0.8 bn</b>	<b>+ £ 18.4 bn</b>
<i>( previous month )</i>	<i>+ £ 4.3 bn</i>	<i>+ £ 0.3 bn</i>	<i>+ £ 2.0 bn</i>	<i>+ £ 11.8 bn</i>
average of previous six months	+ £ 4.8 bn	+ £ 0.3 bn	+ £ 2.8 bn	+ £ 15.7 bn
annual growth	+ 12.0 %	+ 3.4 %	+ 4.8 %	+ 26.6 %
amounts outstanding nsa	£ 546.1 bn	£ 108.6 bn	£ 569.0 bn	£ 766.0 bn

mortgage approvals

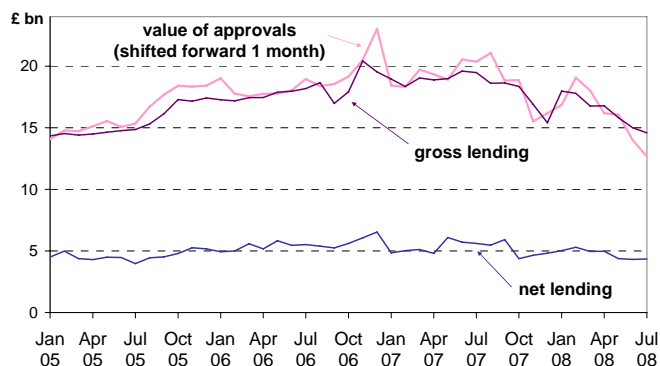


#### BBA statistics director, David Dooks, said of the latest data:

*“The monthly numbers of approvals for house purchase, which have fallen by some two-thirds over the last year, levelled off in July. It would, however, be premature to think that the housing market will now start to recover, because overall approval activity continues to be very low. The pressures on household budgets are reflected in the relatively weak rise in individuals’ deposits and, with consumer borrowing growing only slowly it seems that consumers are acting prudently.”*

## 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>July</b>	<b>£ 14.6 bn</b>	<b>£ 11.8 bn</b>	<b>£ 3.2 bn</b>
( previous month )	£ 15.0 bn	£ 12.7 bn	£ 3.3 bn
average of previous six months	£ 16.7 bn	£ 16.0 bn	£ 5.3 bn
compared with a year earlier	- 25.2 %	- 44.2 %	- 69.2 %

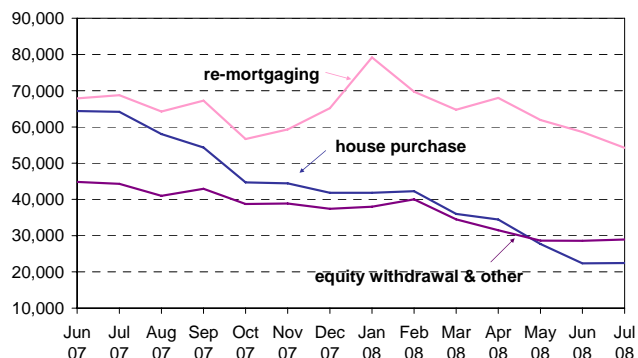


Net mortgage lending in July was similar to both May and June, maintaining an annual growth rate of 12.0%.

Approval activity continued to decline during July, particularly for remortgaging and gross lending in the month was 3% lower than in June and 25% lower than a year earlier.

## Section 2: Number of mortgages approved

<i>seasonally adjusted data</i>	house purchase	re-mortgaging	equity withdrawal & other purposes
<b>July</b>	<b>22,448</b>	<b>54,232</b>	<b>28,930</b>
( previous month )	22,369	58,624	28,597
average of previous six months	34,104	67,034	33,545
compared with a year earlier	- 65.0 %	- 21.2 %	- 34.7 %
average value nsa	£138,000	£147,000	£26,000
annual change in average value (nsa)	- 11.9 %	+ 6.2 %	- 13.5 %

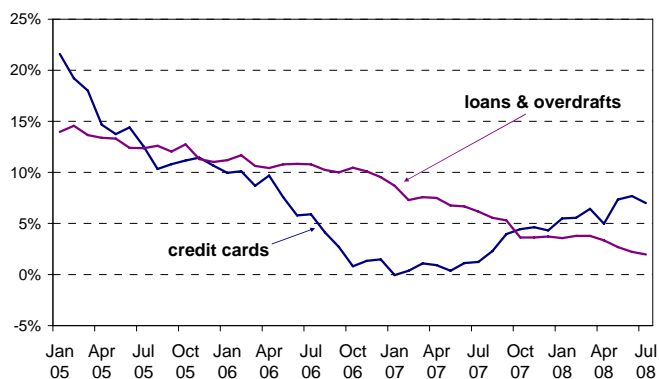


Approvals for house purchase may be stabilising, at a very low level in July, some 65% lower than a year ago.

Approvals for remortgaging in July were 21% lower than last year but were still around 50% of all approvals. Approvals for equity withdrawal & other purposes shaded upwards in July.

### Section 3: Consumer credit - credit cards

<i>seasonally adjusted data</i>	new spending	repayments	net lending	number of purchases
<b>July</b>	<b>£ 7.1 bn</b>	<b>£ 7.4 bn</b>	–	<b>102.3 mn</b>
( <i>previous month</i> )	£ 7.3 bn	£ 7.5 bn	+ £ 0.2 bn	102.7 mn
average of previous six months	£ 7.4 bn	£ 7.6 bn	+ £ 0.2 bn	104.2 mn
compared with a year earlier	– 2.0 %	– 1.0 %		– 0.8 %
annual growth			+ 7.0 %	
amounts outstanding nsa			£ 32.5 bn	



Annual growth in credit card borrowing decreased slightly to + 7.0%. New spending was 2% lower than a year ago and the lowest figure since June 2007. Repayment levels were also at their lowest level for over a year.

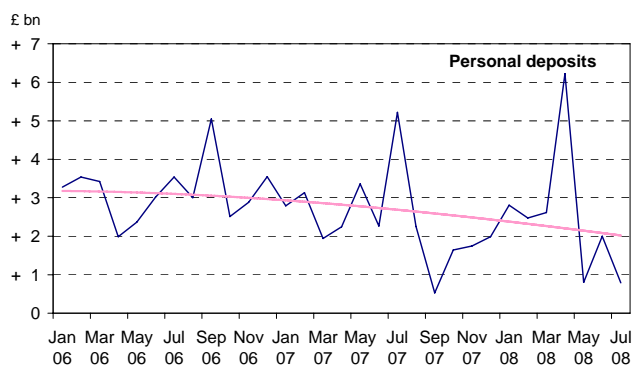
Borrowing on overdraft rose slightly but gross unsecured loans remained subdued.

**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>July</b>	<b>£ 2.3 bn</b>	+ £ 0.1 bn	+ £ 0.1 bn
( <i>previous month</i> )	£ 2.3 bn	+ £ 0.2 bn	+ £ 0.1 bn
average of previous six months	£ 2.5 bn	–	+ £ 0.1 bn
compared with a year earlier	– 16.7 %		
annual growth			+ 2.0 %
amounts outstanding nsa	£ 66.3 bn	£ 9.7 bn	£ 76.1 bn

## Section 5: Personal deposits & savings



Personal deposits rose by £0.8bn in July to continue the pattern of weaker deposits seen in the last few months. The annual growth rate fell to 4.8%.

## Section 6: Company finance

<i>seasonally adjusted data</i>		<b>July</b>	average of previous six months	amounts outstanding
<b>Non-financial companies</b>		<b>+ £ 5.1 bn</b>	+ £ 3.8 bn	£ 350 bn
of which	Manufacturing	<b>+ £ 0.1 bn</b>	+ £ 0.1 bn	£ 21 bn
	Construction	<b>+ £ 0.2 bn</b>	+ £ 0.3 bn	£ 23 bn
	Wholesale & retail trade	<b>+ £ 0.6 bn</b>	+ £ 0.3 bn	£ 31 bn
	Hotels & restaurants	<b>+ £ 0.4 bn</b>	+ £ 0.2 bn	£ 22 bn
	Transport, storage & communications	<b>- £ 0.1 bn</b>	+ £ 0.1 bn	£ 10 bn
	Real estate	<b>+ £ 1.3 bn</b>	+ £ 1.9 bn	£ 142 bn
	Business services	<b>- £ 0.4 bn</b>	+ £ 0.4 bn	£ 31 bn
<b>Financial companies</b>		<b>+ £ 13.3 bn</b>	+ £ 11.9 bn	£ 416 bn
of which	Financial intermediation	<b>+ £ 10.9 bn</b>	+ £ 7.9 bn	£ 337 bn
	Financial auxiliaries	<b>+ £ 1.2 bn</b>	+ £ 4.1 bn	£ 65 bn
	Insurance & pension funds	<b>+ £ 1.2 bn</b>	- £ 0.1 bn	£ 14 bn

Lending to non-financial companies was dominated by real estate and wholesale & retail trade. There was a net repayment of borrowing from business services sector (legal, accountancy & consultancy).

*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 1 September 2008.*

For information:

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