

Statistics Release

embargoed until 09:30 on Thursday, 23 October, 2008

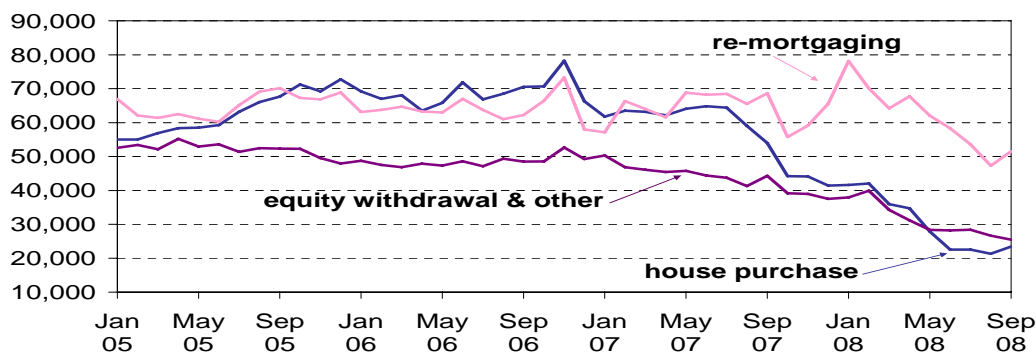
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September figures for the main high street banks

In September, net mortgage lending rose by £3.6 billion; more than in August but below the average for the previous six months. The number of approvals for house purchase remained low but those for remortgaging were slightly higher. Consumer credit was subdued, rising by just £0.1bn, and personal deposit growth was stable.

<i>seasonally adjusted data</i>	mortgage lending	consumer credit	personal deposits	company finance
September net change	+ £ 3.6 bn	+ £ 0.1 bn	+ £ 1.1 bn	+ £ 21.8 bn
(previous month)	+ £ 2.1 bn	+ £ 0.4 bn	+ £ 0.1 bn	+ £ 9.2 bn
average of previous six months	+ £ 4.1 bn	+ £ 0.2 bn	+ £ 1.8 bn	+ £ 13.7 bn
annual growth	+ 10.7 %	+ 3.0 %	+ 4.1 %	+ 26.4 %
amounts outstanding nsa	£ 535.1 bn	£ 109.3 bn	£ 568.2 bn	£ 797.2 bn

Main high street banks' mortgage approvals



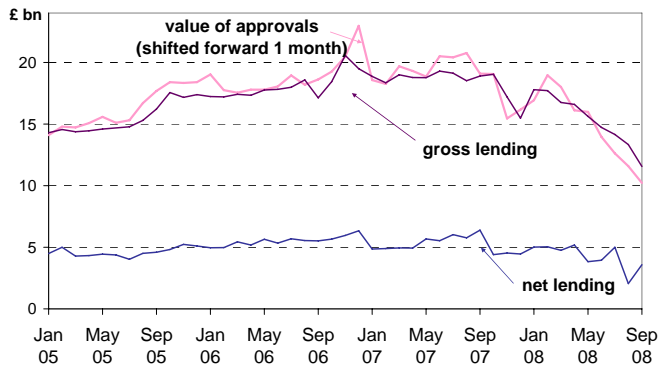
BBA statistics director, David Dooks, said of the latest data:

"It was not surprising to see continued low levels of mortgage lending and approvals in September, ahead of the Government's banking support announcements. Compared to a year ago, the mortgage environment has changed significantly, with supply restricted as a consequence of the situation in financial markets and demand at a much reduced level. But in a mortgage market that is becoming more concentrated, the high street banks provide more than two-thirds of all new lending.

"Pressure on household budgets, the slowing economy and fragile consumer confidence are suppressing consumer appetite for unsecured borrowing, but personal deposits across the high street banks held up."

Section 1: Mortgage lending & value of mortgages approved

<i>seasonally adjusted data</i>	gross mortgage lending	all mortgage loans approved	house purchase loans approved
September	£ 11.6 bn	£ 11.2 bn	£ 3.2 bn
(previous month)	£ 13.3 bn	£ 10.2 bn	£ 2.8 bn
average of previous six months	£ 15.2 bn	£ 13.4 bn	£ 4.1 bn
compared with a year earlier	- 38.9 %	- 41.5 %	- 62.6 %



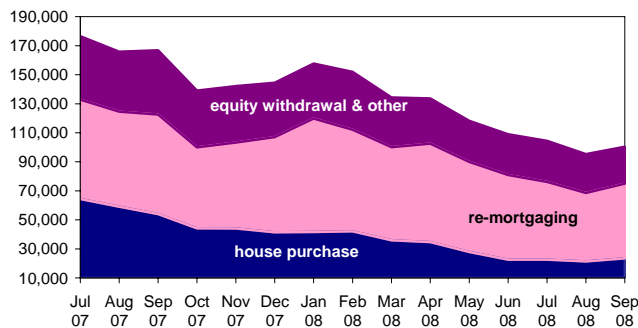
Net mortgage lending increased in September after much weaker growth in August; however the annual growth rate again declined from 11.3% to 10.7%.

Gross lending in the month was 13% lower than in August and 39% lower than a year earlier.

Approval activity increased slightly during September, but was below the average of the previous six months.

Section 2: Number of mortgages approved

<i>seasonally adjusted data</i>	house purchase	re-mortgaging	equity withdrawal & other purposes
September	23,422	51,523	25,468
(previous month)	21,342	47,260	26,661
average of previous six months	27,481	58,858	29,514
compared with a year earlier	- 56.6 %	- 24.9 %	- 42.5 %
average value nsa	£128,000	£141,000	£27,000
annual change in average value (nsa)	- 15.8 %	+ 5.0 %	- 10.7 %



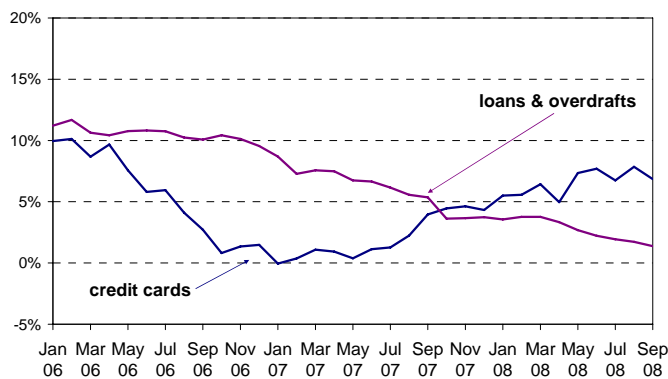
Approvals for house purchase in September were slightly higher than in the last two months though still, some 15% lower than the average of the last 6 months.

Approvals for remortgaging in September were 9% higher than last month but lower than the recent average.

Approvals for equity withdrawal & other purposes were 4% lower than in August.

Section 3: Consumer credit - credit cards

<i>seasonally adjusted data</i>	new spending	repayments	net lending	number of purchases
September	£ 7.1 bn	£ 7.5 bn	+ £ 0.1 bn	102.7 mn
<i>(previous month)</i>	<i>£ 7.3 bn</i>	<i>£ 7.4 bn</i>	<i>+ £ 0.4 bn</i>	<i>103.2 mn</i>
average of previous six months	£ 7.3 bn	£ 7.5 bn	+ £ 0.2 bn	103.7 mn
compared with a year earlier	- 1.9 %	+ 1.9 %		- 1.1 %
annual growth			+ 6.8 %	
amounts outstanding nsa			£ 33.6 bn	



Growth in credit card borrowing was weaker than recently and the annual growth rate declined from 8.2% to 6.8%.

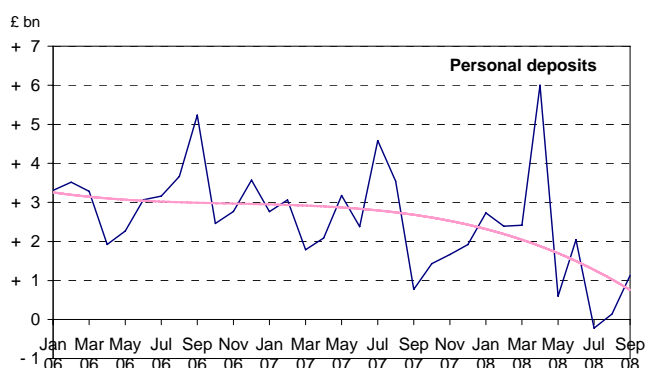
Although borrowing on overdraft rose slightly, overall unsecured borrowing remained very subdued.

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
September	£ 2.1 bn	+ £ 0.2 bn	-
<i>(previous month)</i>	<i>£ 2.1 bn</i>	<i>- £ 0.1 bn</i>	<i>-</i>
average of previous six months	£ 2.3 bn	-	-
compared with a year earlier	- 19.7 %		
annual growth			+ 1.4 %
amounts outstanding nsa	£ 65.8bn	£ 9.8 bn	£ 75.7 bn

Section 5: Personal deposits & savings



Personal deposits rose by just £1.1bn in September after a small rise in August to continue the pattern of weaker deposits seen in the last few months. However the annual growth rate rose slightly to 4.1%.

Section 6: Company finance

<i>seasonally adjusted data</i>		September	average of previous six months	amounts outstanding
Non-financial companies		+ £ 1.0 bn	+ £ 3.2 bn	£ 352 bn
of which	Manufacturing	- £ 0.1 bn	+ £ 0.1 bn	£ 21 bn
	Construction	-	+ £ 0.2 bn	£ 23 bn
	Wholesale & retail trade	- £ 0.3 bn	+ £ 0.2 bn	£ 31 bn
	Hotels & restaurants	+ £ 0.2 bn	+ £ 0.2 bn	£ 22 bn
	Transport, storage & communications	- £ 0.4 bn	+ £ 0.2 bn	£ 10 bn
	Real estate	+ £ 2.6 bn	+ £ 1.8 bn	£ 146 bn
	Business services	- £ 0.9 bn	-	£ 29 bn
Financial companies		+ £ 20.8 bn	+ £ 10.4 bn	£ 445 bn
of which	Financial intermediation	+ £ 9.3 bn	+ £ 7.2 bn	£ 351 bn
	Financial auxiliaries	+ £ 11.1 bn	+ £ 3.0 bn	£ 79 bn
	Insurance & pension funds	+ £ 0.4 bn	+ £ 0.2 bn	£ 15 bn

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

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 October 2008.*

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