

## Statistics Release

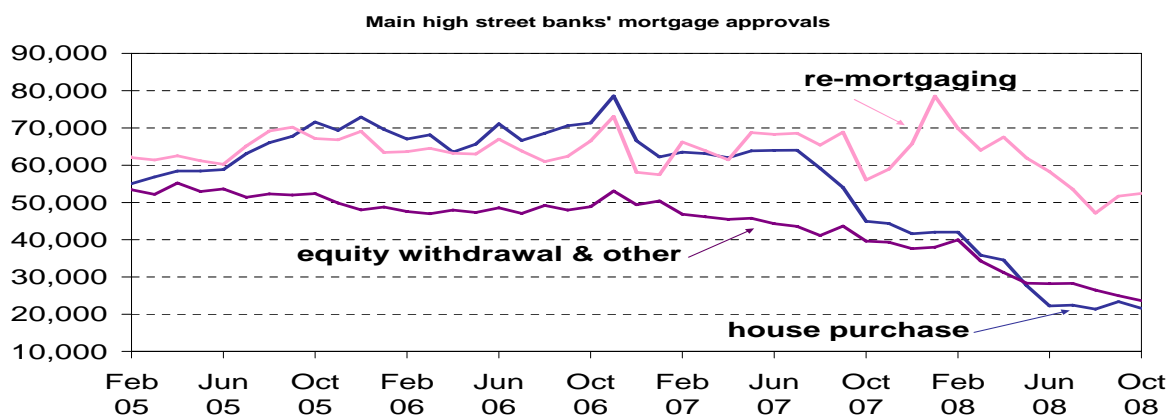
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### October figures for the main high street banks

In October, net mortgage lending rose by £2.9 billion; less than in September and below the average for the previous six months. The number of approvals for house purchase remained low while those for other purposes were similar to September. Consumer credit was subdued, rising by just £0.3bn, and personal deposits were flat.

<i>seasonally adjusted data</i>	mortgage lending	consumer credit	personal deposits	company finance
<b>October net change</b>	<b>+ £ 2.9 bn</b>	<b>+ £ 0.3 bn</b>	–	<b>+ £ 51.1 bn</b>
<i>( previous month )</i>	+ £ 3.5 bn	+ £ 0.1 bn	+ £ 1.1 bn	+ £ 24.5 bn
average of previous six months	+ £ 3.9 bn	+ £ 0.2 bn	+ £ 1.6 bn	+ £ 15.3 bn
annual growth	+ 10.5 %	+ 3.2 %	+ 3.8 %	+ 33.1 %
amounts outstanding nsa	£ 525.7 bn	£ 106.5 bn	£ 568.7 bn	£ 850.8 bn

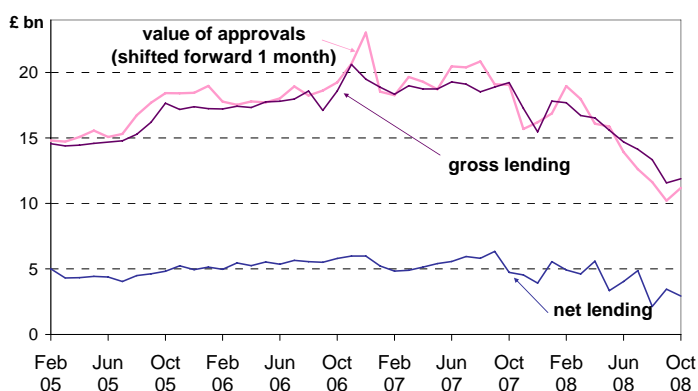


#### BBA statistics director, David Dooks, said of the latest data:

*“The high street banks provided almost £12bn, or two-thirds of all new mortgages, in October. They also increased lending to non-financial companies by £1.4bn and heavily supported financial intermediaries (at the time Government was announcing its financial support for the banking industry). That support, together with lower interest rates, will feed through to lending and yesterday’s Pre-Budget Report measures will help consumer demand. Comparison of current lending levels with last year is obscured by the very different economic conditions that exist now, reflecting a much reduced appetite for borrowing. Mortgage approvals remained low, consumer credit was subdued and people used their deposits to fund spending in October.”*

## 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>October</b>	<b>£ 11.9 bn</b>	<b>£ 11.2 bn</b>	<b>£ 2.8 bn</b>
( <i>previous month</i> )	£ 11.6 bn	£ 11.2 bn	£ 3.1 bn
average of previous six months	£ 14.3 bn	£ 12.6 bn	£ 3.6 bn
compared with a year earlier	- 38.2 %	- 28.9 %	- 59.9 %



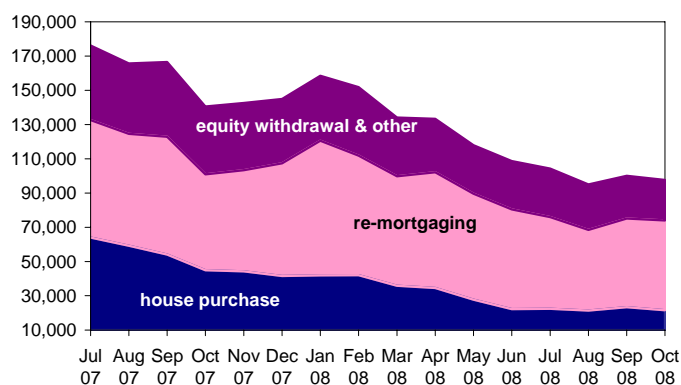
Net mortgage lending dropped in October as the annual growth rate declined from 10.7% to 10.5%.

Gross lending in the month was 3% higher than in September and 38% lower than a year earlier.

Approval activity decreased slightly during October.

## Section 2: Number of mortgages approved

<i>seasonally adjusted data</i>	house purchase	re-mortgaging	equity withdrawal & other purposes
<b>October</b>	<b>21,584</b>	<b>52,425</b>	<b>23,645</b>
( <i>previous month</i> )	23,383	51,707	24,960
average of previous six months	25,272	56,689	27,902
compared with a year earlier	- 52.0 %	- 6.4 %	- 40.3 %
average value nsa	£128,000	£147,000	£28,000
annual change in average value (nsa)	- 16.3 %	+ 9.1 %	- 4.1 %



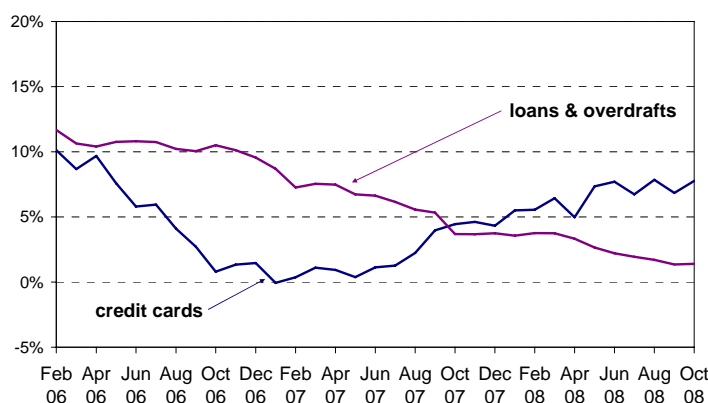
Approvals for house purchase in October were slightly lower than the previous month.

Approvals for remortgaging in October were 1% higher than last month but still lower than the recent average.

Approvals for equity withdrawal & other purposes were 5% lower than in September.

### Section 3: Consumer credit - credit cards

<i>seasonally adjusted data</i>	new spending	repayments	net lending	number of purchases
<b>October</b>	<b>£ 7.1 bn</b>	<b>£ 7.3 bn</b>	<b>+ £ 0.2 bn</b>	<b>103.3 mn</b>
( <i>previous month</i> )	£ 7.1 bn	£ 7.4 bn	+ £ 0.1 bn	102.8 mn
average of previous six months	£ 7.3 bn	£ 7.5 bn	+ £ 0.2 bn	103.4 mn
compared with a year earlier	- 2.2 %	- 2.0 %		- 0.2 %
annual growth			+ 7.8 %	
amounts outstanding nsa			£ 31.3 bn	



Growth in credit card borrowing was in line with the recent average and the annual rate increased from 6.8% to 7.8%.

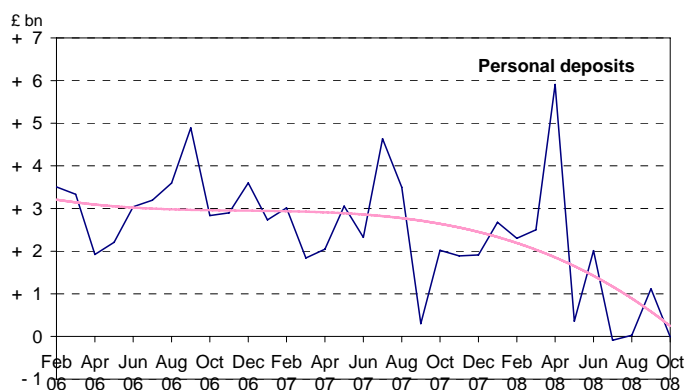
However, borrowing on overdraft dropped slightly and personal loan demand was weak so that overall unsecured lending remained very subdued.

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
<b>October</b>	<b>£ 1.9 bn</b>	- £ 0.1 bn	-
( <i>previous month</i> )	£ 2.1 bn	+ £ 0.2 bn	-
average of previous six months	£ 2.2 bn	-	-
compared with a year earlier	- 26.3 %		
annual growth			+ 1.4 %
amounts outstanding nsa	£ 65.5 bn	£ 9.7 bn	£ 75.2 bn

## Section 5: Personal deposits & savings



Personal deposits dropped slightly in October after a small rise in September to continue the pattern of weaker deposits seen in recent months. The annual growth rate dropped slightly to 3.8%.

## Section 6: Company finance

<i>seasonally adjusted data</i>		<b>October</b>	average of previous six months	amounts outstanding
<b>Non-financial companies</b>		<b>+ £ 1.4 bn</b>	+ £ 2.1 bn	£ 353 bn
of which	Manufacturing	<b>- £ 0.1 bn</b>	-	£ 21 bn
	Construction	<b>+ £ 0.1 bn</b>	+ £ 0.1 bn	£ 23 bn
	Wholesale & retail trade	-	+ £ 0.1 bn	£ 31 bn
	Hotels & restaurants	<b>+ £ 0.3 bn</b>	+ £ 0.2 bn	£ 22 bn
	Transport, storage & communications	<b>+ £ 0.3 bn</b>	-	£ 11 bn
	Real estate	<b>+ £ 0.7 bn</b>	+ £ 1.6 bn	£ 147 bn
	Business services	<b>+ £ 0.5 bn</b>	-	£ 30 bn
<b>Financial companies</b>		<b>+ £ 49.7 bn</b>	+ £ 13.2 bn	£ 498 bn
of which	Financial intermediation	<b>+ £ 50.2 bn</b>	+ £ 9.4 bn	£ 404 bn
	Financial auxiliaries	<b>+ £ 0.2 bn</b>	+ £ 3.6 bn	£ 79 bn
	Insurance & pension funds	<b>- £ 0.7 bn</b>	+ £ 0.2 bn	£ 14 bn

Lending to non-financial companies was slightly lower than of late, with real estate seeing its smallest rise since January 2007. In the 'other financial' sector, the increase in lending to financial intermediation largely reflected intra-group lending as the banks supported their group activities.

*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 December 2008.*

For information:

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