

Statistics Release

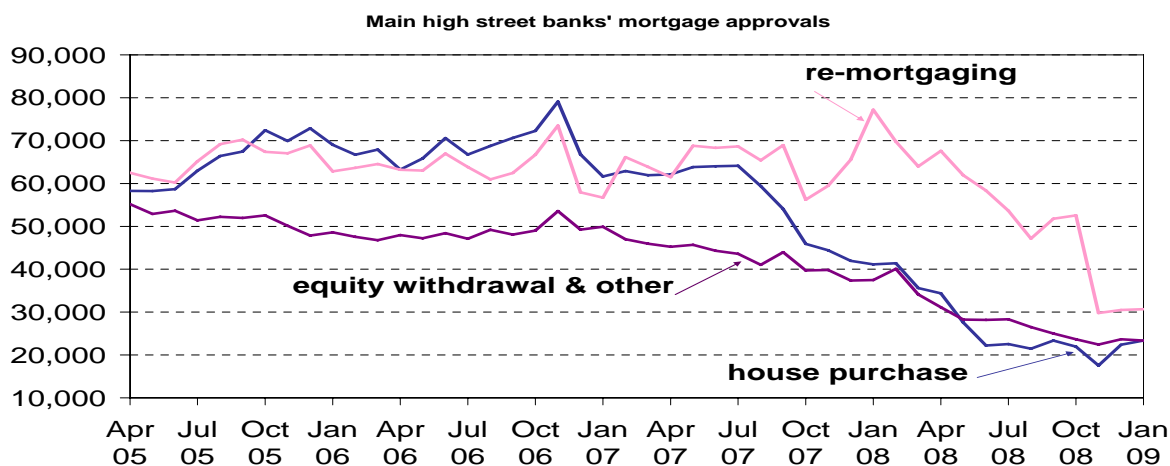
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January figures for the main high street banks

In January, net mortgage lending rose by £2.9 billion, consumer credit rose in line with the recent average and overall company finance increased by £14.1 billion, reversing the previous month's fall. Personal deposits fell by £2.3 billion as spending drained cash and savers sought alternative deposit products.

<i>seasonally adjusted data</i>	mortgage lending	consumer credit	personal deposits	company finance
January net change	+ £ 2.9 bn	+ £ 0.1 bn	- £ 2.3 bn	+ £ 14.1 bn
<i>(previous month)</i>	<i>+ £ 3.3 bn</i>	<i>- £ 0.3 bn</i>	<i>+ £ 4.2 bn</i>	<i>- £ 13.9 bn</i>
average of previous six months	+ £ 3.4 bn	+ £ 0.1 bn	+ £ 1.6 bn	+ £ 13.7 bn
annual growth	+ 10.0 %	+ 2.4 %	+ 3.6 %	+ 24.6 %
amounts outstanding nsa	£ 497.1 bn	£ 97.3 bn	£ 568.2 bn	£ 843.2 bn



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

“The high street banks’ mortgage lending is still seeing double-digit annual growth, albeit in a much slower market. Lower borrowing costs and falling property prices have underpinned demand at these lenders, who are providing over two-thirds of all new mortgage lending. There is only limited demand from households for unsecured credit, while a fall in their deposits in January reflects a tendency to draw on cash or to move into alternative financial products.”

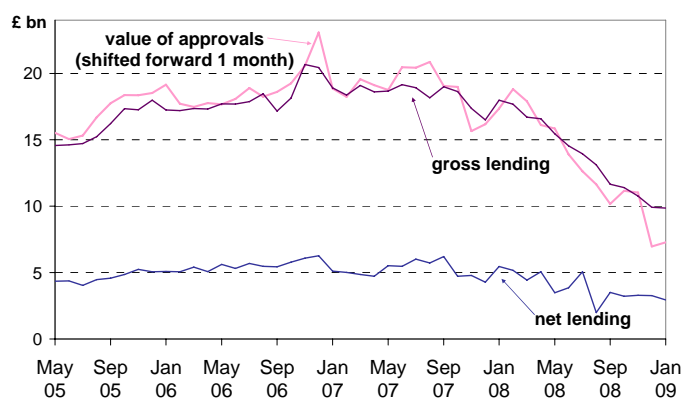
“Lending to non-financial companies rose after two monthly falls, with modest increases in several industrial categories, while finance for other financial companies reversed the year-end fall in lending.”

British Bankers’ Association

Next publication date: 24 March 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
January	£ 9.9 bn	£ 7.6 bn	£ 2.9 bn
(<i>previous month</i>)	£ 9.9 bn	£ 7.3 bn	£ 2.7 bn
average of previous six months	£ 11.8 bn	£ 9.7 bn	£ 2.8 bn
compared with a year earlier	- 45.2 %	- 59.4 %	- 56.1 %

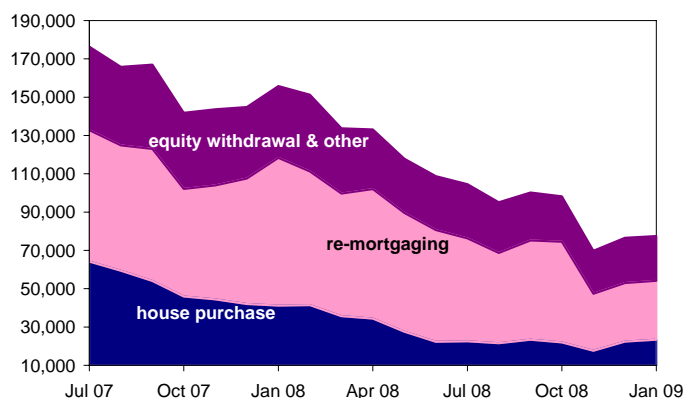


The annual growth rate for net mortgage lending continued in double digits in January.

January's approval activity, both in volume and value, was marginally above December, but continues to be at a very low level.

Section 2: Number of mortgages approved

<i>seasonally adjusted data</i>	house purchase	re-mortgaging	equity withdrawal & other purposes
January	23,376	30,710	23,395
(<i>previous month</i>)	22,416	30,500	23,684
average of previous six months	21,559	44,247	24,947
compared with a year earlier	- 43.2%	- 60.2 %	- 37.6 %
average value nsa	£119,200	£131,200	£26,800
annual change in average value (nsa)	- 22.8 %	- 7.1 %	- 10.5 %



Approvals for house purchase rose slightly in January though were still some 43% lower than in 2008.

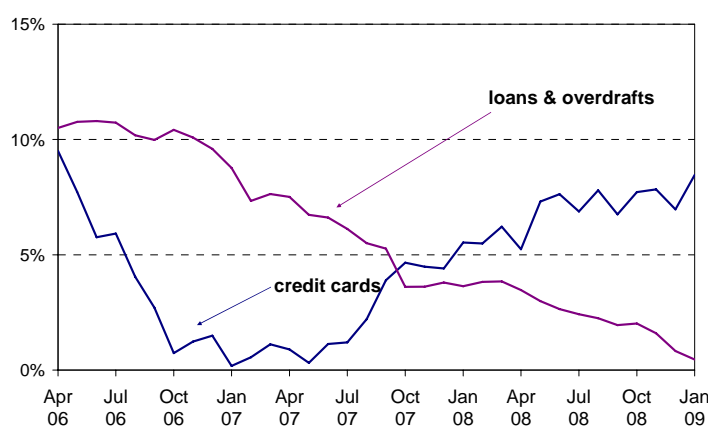
Remortgaging approvals, though slightly higher than December, are still well below the recent average.

Loans for equity withdrawal and other purposes are some 38% lower than at the same time in 2008.

Section 3: Consumer credit - credit cards

<i>seasonally adjusted data</i>	new spending	repayments	net lending	number of purchases
January	£ 6.1 bn	£ 6.3 bn	+ £ 0.3 bn	93.0 mn
(<i>previous month*</i>)	£ 6.1 bn*	£ 6.5 bn*	– £ 0.2 bn	92.1 mn*
average of previous six months	£ 6.3 bn*	£ 6.6 bn*	+ £ 0.1 bn	93.9 mn*
compared with a year earlier	– 10.1%	– 7.8 %		+ 2.4 %
annual growth			+ 8.5 %	
amounts outstanding nsa			£ 25.2bn	

* Previous months' data have been estimated for comparative purposes, to reflect a change in coverage from January



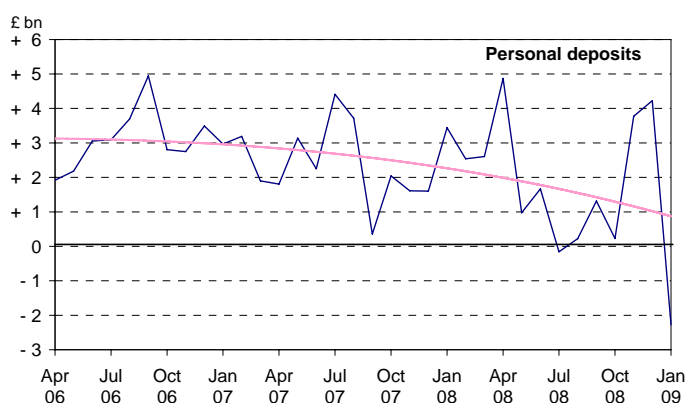
Credit card lending rose by £0.3bn after declining in December and the annual growth rate rose to 8.5%.

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
January	£ 1.7 bn	– £ 0.3 bn	– £ 0.1 bn
(<i>previous month</i>)	£ 1.7 bn	–	–
average of previous six months	£ 2.0 bn	–	–
compared with a year earlier	– 36.1 %		
annual growth			+ 0.5 %
amounts outstanding nsa	£ 62.3 bn	£ 9.7 bn	£ 72.1 bn

Section 5: Personal deposits & savings



Personal deposits in January fell by £2.2bn, partly reflecting consumer spending and partly due to savers moving funds into alternative, higher yielding assets in the face of reductions in deposit rates. The annual rate of growth declined from 4.7% to 3.6%.

Section 6: Company finance

<i>seasonally adjusted data</i>		January	average of previous six months	amounts outstanding
Non-financial companies		+ £ 1.9 bn	+ £ 0.5bn	£ 349 bn
of which	Manufacturing	+ £ 0.4 bn	–	£ 21 bn
	Construction	– £ 0.4 bn	+ £ 0.1 bn	£ 23 bn
	Wholesale & retail trade	+ £ 0.3 bn	– £ 0.1 bn	£ 30 bn
	Hotels & restaurants	– £ 0.1 bn	+ £ 0.2 bn	£ 23 bn
	Transport, storage & communications	+ £ 0.1 bn	+ £ 0.1 bn	£ 11 bn
	Real estate	+ £ 1.1 bn	+ £ 1.1 bn	£ 149 bn
	Renting machinery & equipment	+ £ 0.1 bn	– £ 0.1 bn	£ 7 bn
	Electricity, gas & water	+ £ 0.4 bn	– £ 0.1 bn	£ 5 bn
Financial companies		+ £ 12.2 bn	+ £ 13.3 bn	£ 495 bn
of which	Financial intermediation	– £ 8.0 bn	+ £ 10.6 bn	£ 382 bn
	Financial auxiliaries	+ £ 21.2 bn	+ £ 2.3 bn	£ 99 bn
	Insurance & pension funds	– £ 1.0 bn	+ £ 0.4 bn	£ 14 bn

Lending to non-financial companies increased by £1.9bn after declining in the last two months. The main growth sector was lending to real estate which rose in line with its long-term average. Lending to construction fell by £0.4bn after rising by £0.8bn last month. Lending to financial companies rose by £12.2bn in line with the recent average as other financial companies reversed December's reduction.

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 2 March 2009.*

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