

Statistics Release

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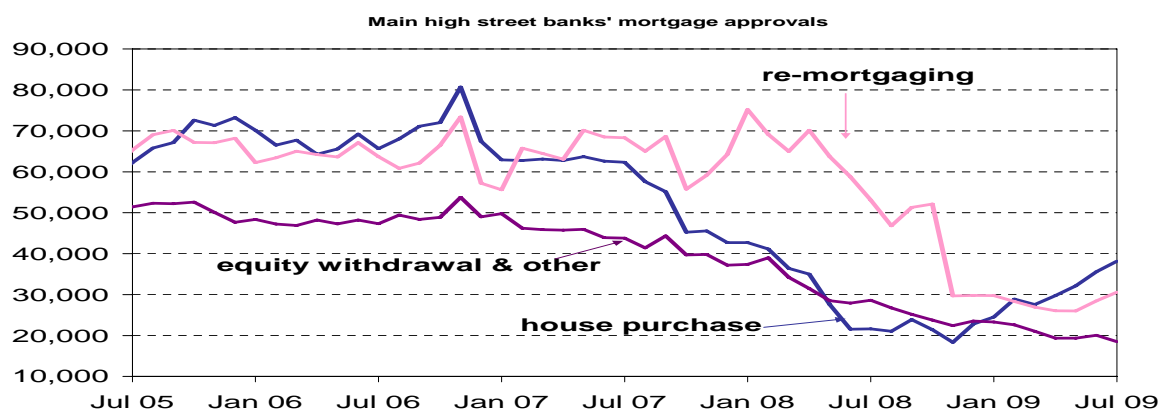
Serial no. 034/09

July figures for the main high street banks

The July figures show increases in the number of mortgage approvals and the amount of new lending, though this was below seasonal expectations. Offsetting repayments gave rise to a net mortgage lending figure which was the lowest since October 2000. Unsecured lending has continued to be weak and the trend in deposit levels appears to be improving.

<i>seasonally adjusted data</i>	mortgage lending	consumer credit	personal deposits
July net change	+ £ 1.6 bn	- £ 0.2 bn	+ £ 2.5 bn
<i>(previous month)</i>	+ £ 2.2 bn	- £ 0.1 bn	+ £ 3.3 bn
average of previous six months	+ £ 2.9 bn	-	+ £ 0.7 bn
annual growth	+ 4.5 %*	- 0.3 %	+ 2.8 %
amounts outstanding nsa	£ 606.2 bn*	£ 93.7 bn	£ 583.3 bn

* Following a change in the reporting of covered bonds in April, associated mortgage assets held in special purpose subsidiaries are included in mortgage lending outstanding and the annual growth figure allows for this change.



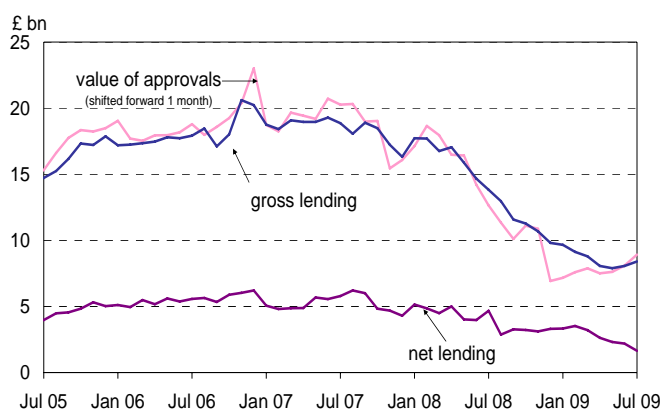
BBA statistics director, David Dooks, said of the latest data:

"The numbers of mortgages approved for house purchase each month by the high street banks have continued to recover from last November's low point, but new lending is largely being offset by repayments, so that net rises remain relatively weak. Unsecured borrowing is subdued, with households focused on managing their personal finances and building up deposits.

"Lending to non-financial companies has contracted over the last year, as would be expected given both the recession and large corporates using the capital markets to raise funds, but amounts outstanding are only 3% lower than a year ago."

Section 1: Mortgage lending & value of mortgages approved

<i>seasonally adjusted data</i>	gross mortgage lending	all mortgage loans approved	house purchase loans approved
July	£ 8.4 bn	£ 9.7 bn	£ 5.2 bn
<i>(previous month)</i>	£ 8.1 bn	£ 8.9 bn	£ 4.7 bn
average of previous six months	£ 8.6 bn	£ 7.9 bn	£ 3.8 bn
compared with a year earlier	-39.2%	-14.7%	+ 79.1%

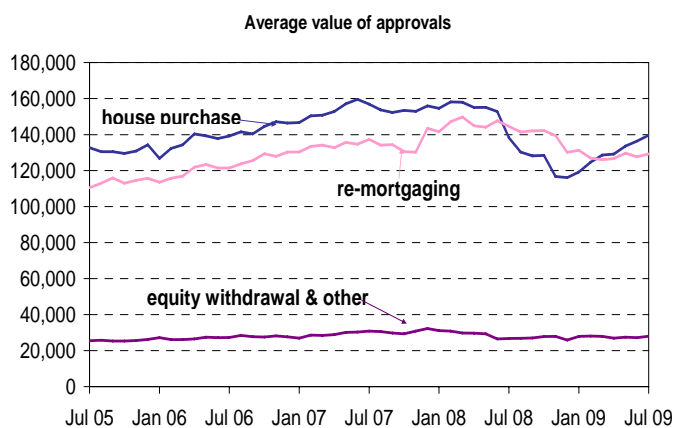


In July, gross lending ticked up from the previous month, as recent increases in approvals worked their way through into lending data.

Slower housing market activity means it is taking longer for house purchase approvals to work through to gross lending and subsequently higher net lending figures.

Section 2: Number of mortgages approved

<i>seasonally adjusted data</i>	house purchase	re-mortgaging	equity withdrawal & other purposes
July	38,181	30,600	18,509
<i>(previous month)</i>	35,564	28,454	20,084
average of previous six months	29,737	27,578	20,953
compared with a year earlier	76.7%	-42.3%	-35.3%
average value nsa	£139,700	£131,100	£27,700
annual change in average value (nsa)	1.0%	- 10.7%	+ 5.1%



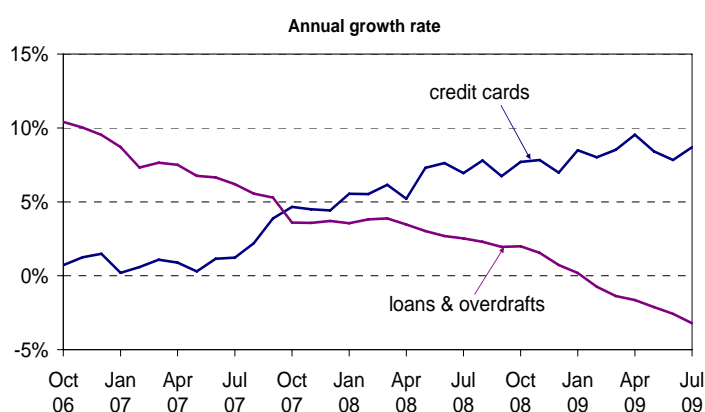
The numbers of house purchase approvals and their average value have risen steadily in the last seven months, reflecting an improvement in demand from borrowers and availability of loans.

Though numbers of approvals for remortgaging and other purposes are lower than a year earlier, the trends appear to be stabilising at current levels.

Section 3: Consumer credit - credit cards

<i>seasonally adjusted data</i>	new spending	repayments	net lending	number of purchases
July	£ 5.8 bn	£ 6.2bn	+ £ 0.1 bn	91.3 mn
(previous month)	£ 5.8 bn	£ 6.1 bn	+ £ 0.1 bn	90.0 mn
average of previous six months*	£ 6.0 bn	£ 6.2 bn	+ £ 0.2bn	91.4 mn
compared with a year earlier*	- 9.0 %	- 6.3 %		- 3.8 %
annual growth			+ 8.7 %	
amounts outstanding nsa			£ 24.7 bn	

* Coverage changed in January, but figures shown are comparable with current basis.



Spending on credit cards and repayments remain very stable and largely offset each other, so that growth in outstanding balances reflects interest accruals.

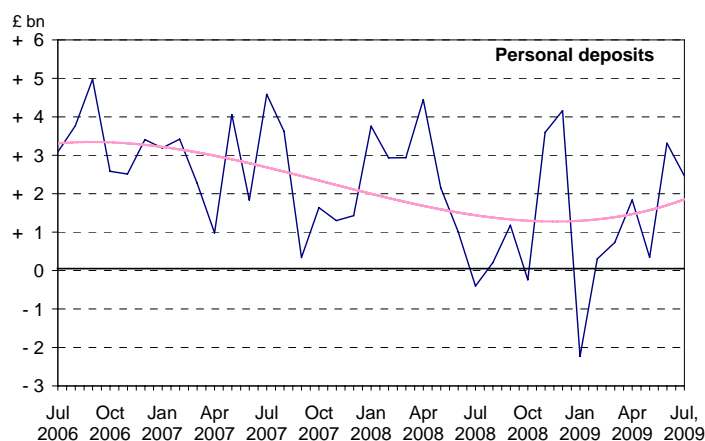
There is a significant weakness in demand for personal loans, which has fallen by £1.7bn in the first seven-months of 2009. With little change in overdraft balances the annual contraction rate for unsecured lending now stands at -3.2%.

n.b. Consumer credit data allow for the effects of write-offs, in line with the Bank of England.

Section 4: Consumer credit - personal loans and overdrafts

<i>seasonally adjusted data</i>	new loans	overdrafts nsa	net lending
July	£ 1.3 bn	- £ 0.3 bn	- £ 0.3 bn
(previous month)	£ 1.4 bn	+ £ 0.3 bn	- £ 0.2 bn
average of previous six months	£ 1.5 bn	-	- £ 0.2 bn
compared with a year earlier	- 38.8 %		
annual growth			-3.2 %
amounts outstanding nsa	£ 59.2 bn	£ 9.9 bn	£ 69.0 bn

Section 5: Personal deposits & savings



The trend in personal deposits has stabilised as individuals continue to bolster their financial position by building deposits or repaying borrowing.

Section 6: Company finance

<i>seasonally adjusted data</i>	July net change	<i>previous month</i>	average of previous six months	amounts outstanding
Non-financial companies	- £ 4.1 bn	- £ 0.3 bn	- £ 0.2 bn	£ 345 bn
of which Manufacturing	- £ 0.6 bn	- £ 0.4 bn	- £ 0.1 bn	£ 19 bn
Construction	- £ 0.3 bn	- £ 0.1 bn	- £ 0.3 bn	£ 20 bn
Wholesale & retail trade	- £ 0.2 bn	- £ 0.4 bn	- £ 0.2 bn	£ 29 bn
Real estate	- £ 0.1 bn	+ £ 0.1 bn	+ £ 0.3 bn	£ 153 bn
Business Services	+ £ 0.1 bn	- £ 0.3 bn	- £ 0.2 bn	£ 28 bn
Public admin & defence	- £ 2.2 bn	+ £ 1.5 bn	+ £ 0.4 bn	£ 6 bn
Transport, storage & communications	- £ 0.7 bn	- £ 0.2 bn	-	£ 10 bn
Financial companies	- £ 15.7 bn	+ £ 1.1 bn	+ £ 4.5 bn	£ 423 bn
of which Financial intermediation	- £ 2.3 bn	+ £ 3.4 bn	+ £ 3.2 bn	£ 335 bn
Financial auxiliaries	- £ 12.2 bn	- £ 1.6 bn	+ £ 1.6 bn	£ 75 bn
Insurance & pension funds	- £ 1.2 bn	- £ 0.6 bn	- £ 0.1 bn	£ 12 bn
Total company finance	- £ 19.9 bn	+ £ 0.9 bn	+ £ 4.4 bn	£ 768 bn

Lending to non-financial companies fell by £4.1bn in July, having fallen by £0.3bn in June, but more than half of the movement reflected the unwinding of short-term positions within the Public administration & defence sector. Large companies continue to refinance borrowing with funds raised on capital markets and demand is subdued across most industries.

There was a net repayment of borrowing from financial companies of £15.7bn in July, reflecting internal group transactions and reversing some of the significant increase in short-term funding provided between September and February.

Notes to Editors

1. *The BBA is the leading UK banking and financial services trade association and represents its members, from 50 countries, on domestic and international issues. Our members provide the full range of banking and financial services, operating some 150 million accounts in the UK and making up the world's largest international banking centre.*
2. *The main high street banking groups (MBBG) account for some two-thirds of all UK mortgage lending outstanding, provide around half of all consumer credit and, within that, some 60% of all new card credit. They include the seven largest retail lending groups in the UK: Abbey (inc Alliance & Leicester and Bradford & Bingley deposits), Barclays, Bradford & Bingley lending, HSBC Bank, Lloyds Banking Group, Northern Rock and Royal Bank of Scotland.*
3. *Following a change in the reporting of covered bonds from April 2009, the mortgage assets held within such special purpose vehicles, are included in their parent banks' reported mortgage lending. These movements have been adjusted out of flows.*
4. *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 2009.*

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