

Statistics Release

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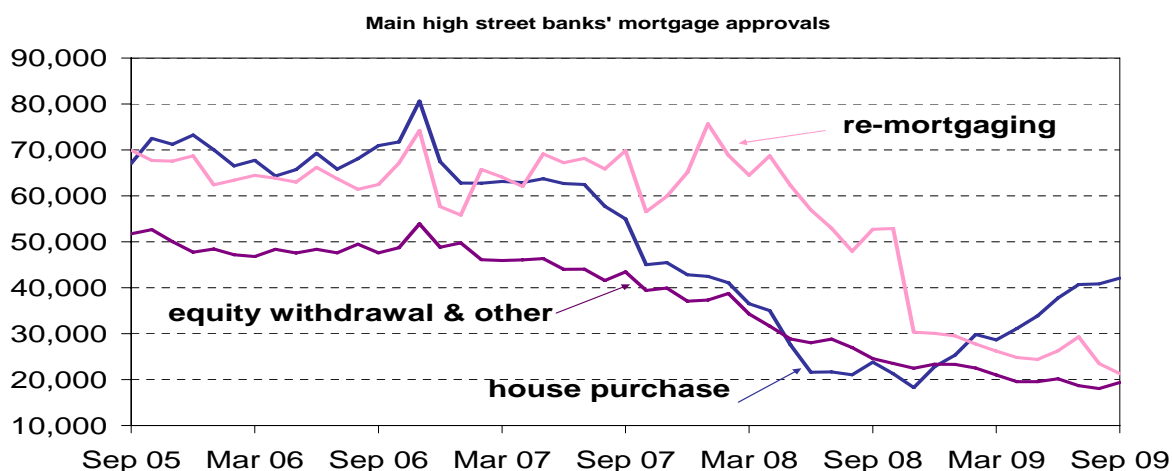
Serial no. 046/09

September figures for the main high street banks

Numbers of loans approved for house purchase are back to levels last seen at the end of 2007 and that increased activity is feeding through to increased mortgage lending. Other mortgage approvals remain subdued and households are generally cautious continuing to reduce their borrowing and build up deposits.

<i>seasonally adjusted data</i>	mortgage lending	consumer credit	personal deposits
September net change	+ £ 3.1 bn	- £ 0.3 bn	+ £ 3.0 bn
<i>(previous month)</i>	+ £3.0 bn	-	+ £ 3.4 bn
average of previous six months	+ £ 2.7 bn	- £ 0.1 bn	+ £ 2.1 bn
annual growth	+ 4.6 % *	- 1.3 %	+ 3.8 %
amounts outstanding nsa	£ 610.1 bn*	£ 92.6 bn	£ 586.0 bn

* Following a change in the reporting of covered bonds in April 2009, 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:

"Mortgage lending by the high street banks is continuing to improve from the lows seen earlier this year and the number of house purchase approvals continues to recover. Housing market activity will depend, however, on more properties coming on to the market. Apart from property decisions, further symptoms of subdued consumer confidence are a reduced appetite for unsecured borrowing and more saving.

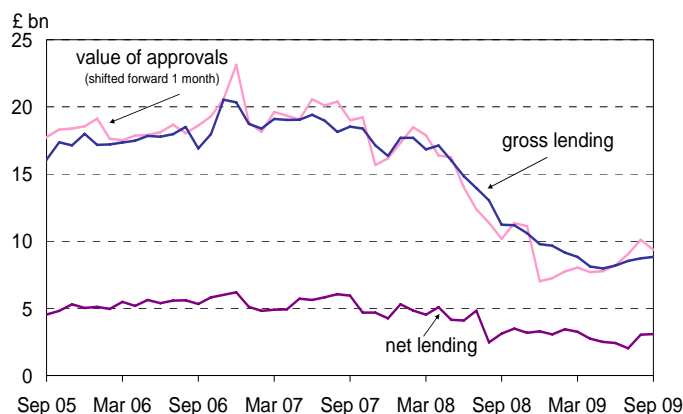
"Lending to companies continues to be affected by current trading conditions. In perhaps the hardest-hit sectors, related to commercial property and construction, lending levels continue to fall and company borrowing in general remains subdued."

British Bankers' Association

Next publication date: 24 November 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
September	£ 8.8 bn	£ 9.2 bn	£ 5.9 bn
(<i>previous month</i>)	£ 8.7 bn	£ 9.4 bn	£ 5.8 bn
average of previous six months	£ 8.4 bn	£ 8.7 bn	£ 4.8 bn
compared with a year earlier	- 21.3 %	-18.8 %	+ 88.1 %

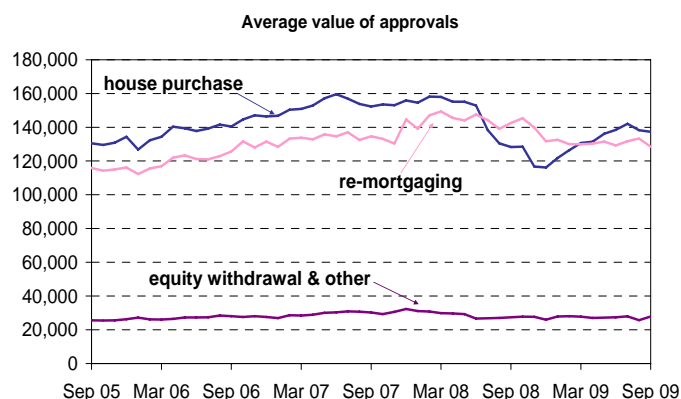


Gross lending of £26.1bn in the third quarter of 2009 was 7% higher than in the second quarter but was still 32% lower than in the same quarter of 2008. Gross lending is understandably lower now, because of significantly reduced remortgaging activity.

The annual growth rate of 4.6% in the banks' mortgage lending substantially exceeds growth of just 0.8% across the whole market.

Section 2: Number of mortgages approved

<i>seasonally adjusted data</i>	house purchase	re-mortgaging	equity withdrawal & other purposes
September	42,088	21,282	19,375
(<i>previous month</i>)	40,841	23,506	18,065
average of previous six months	35,486	25,749	19,508
compared with a year earlier	76.8 %	- 59.6 %	- 21.1 %
compared with 2 years earlier	-- 23.5 %	-- 69.5 %	-- 55.4 %
average value nsa	£137,300	£127,300	£27,900
annual change in average value (nsa)	7.1 %	- 9.9 %	3.2 %



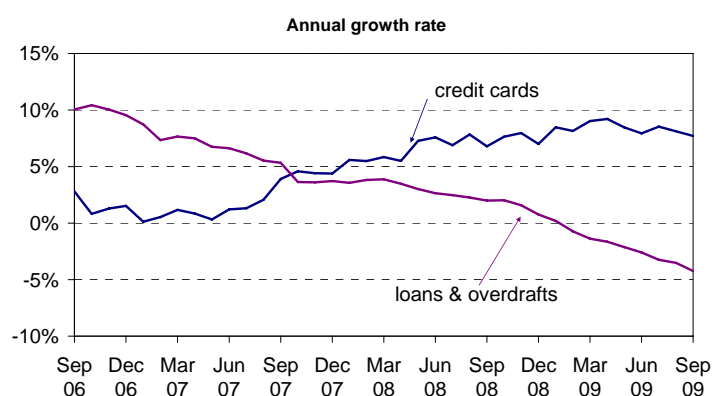
The number of house purchase approvals has risen steadily in the last eight months with an average value some 7% higher than a year earlier.

Remortgaging is less likely in the current environment, where reverting to standard variable rates may be more attractive than alternative deals. Approvals for equity withdrawal ticked up slightly in September.

Section 3: Consumer credit - credit cards

<i>seasonally adjusted data</i>	new spending	repayments	net lending	number of purchases
September	£ 5.6 bn	£ 6.1 bn	+ £ 0.1 bn	94.3 mn
(previous month)	£ 5.6 bn	£ 5.8 bn	+ £ 0.2 bn	86.4 mn
average of previous six months*	£ 5.8 bn	£ 6.1 bn	+ £ 0.2 bn	90.4 mn
compared with a year earlier*	- 20.1 %	- 18.4 %		- 13.7 %
annual growth			+ 7.7 %	
amounts outstanding nsa			£ 24.8 bn	

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



Spending on credit cards and repayments both continue to be well down on last year, though the annual growth in lending balances continued to be nearly 8%.

Demand for personal loans is particularly weak and balances have fallen by £2.5bn in the first three quarters of 2009.

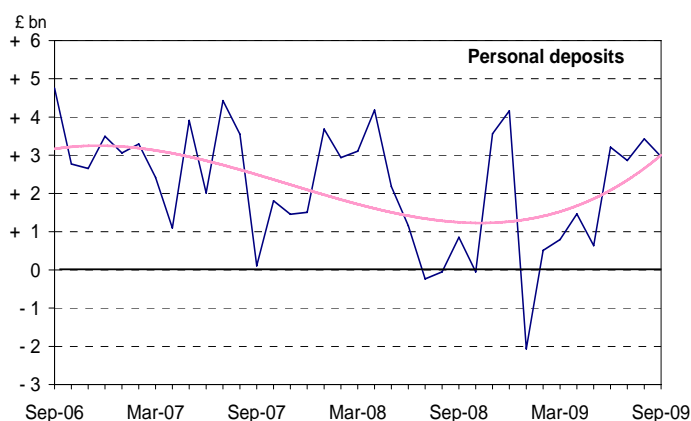
Unsecured lending has contracted by 4.2% over the last year.

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
September	£ 1.2 bn	+ £ 0.2 bn	- £ 0.4 bn
(previous month)	£ 1.3 bn	-	- £ 0.2 bn
average of previous six months	£ 1.4 bn	+ £ 0.1 bn	- £ 0.3 bn
compared with a year earlier	- 40.9 %		
annual growth			- 4.2 %
amounts outstanding nsa	£ 57.8 bn	£ 10.1 bn	£ 67.8 bn

Section 5: Personal deposits & savings



Personal deposits held up well in the third quarter of 2009 and so far this year deposits have risen by nearly £14bn compared with an increase of £25bn in the whole of 2008.

Section 6: Company finance

<i>seasonally adjusted data</i>	September net change	<i>previous month</i>	average of previous six months	amounts outstanding
Non-financial companies	- £ 3.9 bn	+ £ 0.7 bn	- £ 1.2 bn	£ 342 bn
of which Manufacturing	-	- £ 0.1 bn	- £ 0.2 bn	£ 19 bn
Construction	- £ 0.5 bn	- £ 0.5 bn	- £ 0.3 bn	£ 20 bn
Wholesale & retail trade	- £ 0.7 bn	+ £ 0.2 bn	- £ 0.5 bn	£ 29 bn
Real estate, renting & other business services	- £ 2.1 bn	+ £ 0.5 bn	- £ 0.3 bn	£ 151 bn
Hotels & restaurants	- £ 0.1 bn	+ £ 0.3 bn	+ £ 0.1 bn	£ 22 bn
Public admin & defence	- £ 0.3 bn	+ £ 0.3 bn	+ £ 0.1 bn	£ 6 bn
Transport, storage & communications	+ £ 0.1 bn	-	- £ 0.1 bn	£ 10 bn
Financial companies	+ £ 5.0 bn	+ £ 7.3 bn	- £ 3.2 bn	£ 436 bn
of which Financial intermediation	- £ 1.7 bn	+ £ 1.4 bn	+ £ 3.3 bn	£ 336 bn
Financial auxiliaries	+ £ 5.5 bn	+ £ 6.2 bn	- £ 6.2 bn	£ 87 bn
Insurance & pension funds	+ £ 1.2 bn	- £ 0.3 bn	- £ 0.3 bn	£ 13 bn
Total company finance	+ £ 1.1 bn	+ £ 7.9 bn	- £ 4.5 bn	£ 778 bn

Lending to non-financial companies declined in September, with the real estate, renting & other business services sector in particular seeing reduced borrowing levels. In the six months to August, lending to all non-financial companies contracted on average by £1.2bn a month. Borrowing by the wholesale & retail trade sector contracted most, reflecting the recessionary impacts on the high street.

Lending to financial companies increased in September, having fallen on average over the previous six months by £3.2bn a month.

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 29 October 2009.*

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