

Statistics Release

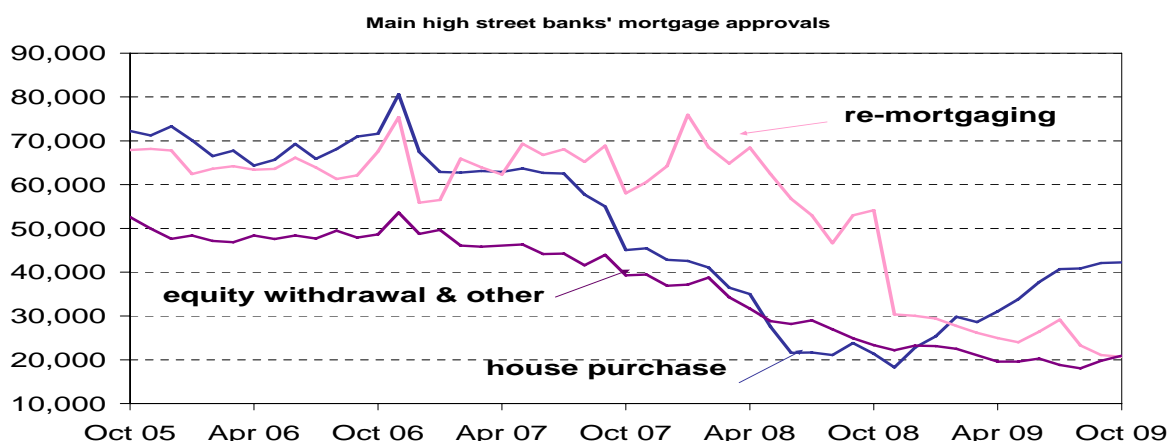
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October figures for the main high street banks

New mortgage lending and house purchase approvals increased slightly as mortgage lending continued to grow from the low levels at the end of 2008. In contrast, consumer credit continued to be weak and lending to non-financial corporates fell.

<i>seasonally adjusted data</i>	mortgage lending	consumer credit	personal deposits
October net change	+ £ 3.1 bn	- £ 0.1 bn	+ £ 3.2 bn
<i>(previous month)</i>	+ £ 3.1 bn	- £ 0.4 bn	+ £ 3.1 bn
average of previous six months	+ £ 2.7 bn	- £ 0.2 bn	+ £ 2.5 bn
annual growth	+ 4.6 %	- 1.6 %	+ 4.5 %
amounts outstanding nsa	£ 614.8 bn	£ 91.5 bn	£ 591.1 bn



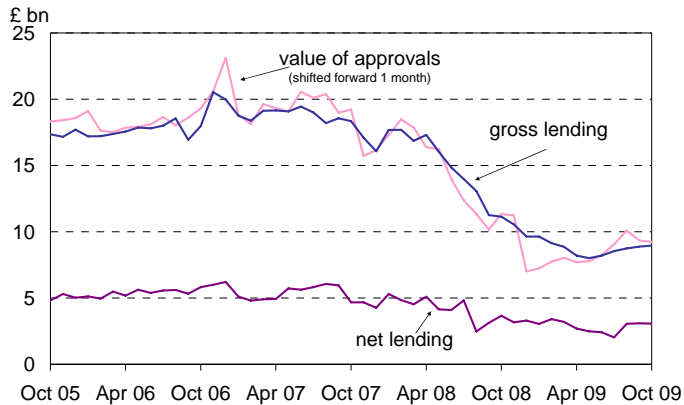
BBA statistics director, David Dooks, said of the latest data:

"The longer it takes to emerge from recession, the longer we will see households and businesses continue to borrow with caution. The banks' mortgage lending, still growing by more than 4% a year, shows one aspect of consumer behaviour but unsecured borrowing is subdued and people are building up deposits."

"A mixture of lower business demand, alternative corporate funding and tighter lending conditions, all giving rise to the on-going contraction in lending to non-financial companies, is a reflection of current market conditions."

Section 1: Mortgage lending & value of mortgages approved

<i>seasonally adjusted data</i>	gross mortgage lending	all mortgage loans approved	house purchase loans approved
October	£ 9.0 bn	£ 9.3 bn	£ 6.1 bn
(<i>previous month</i>)	£ 8.9 bn	£ 9.2 bn	£ 6.0 bn
average of previous six months	£ 8.4 bn	£ 9.0 bn	£ 5.2 bn
compared with a year earlier	- 19.5 %	- 17.3 %	+ 118.3 %



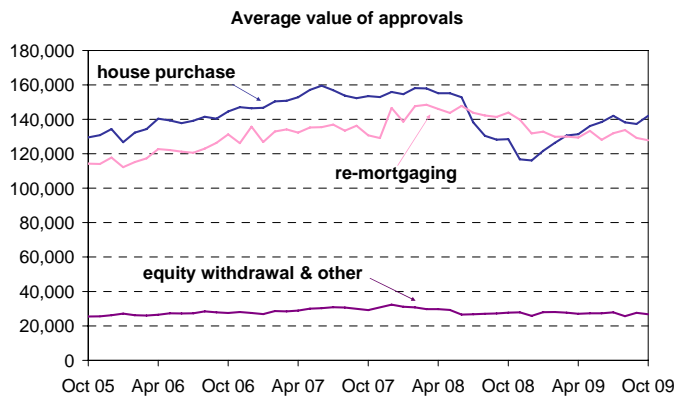
Gross mortgage lending in October was slightly higher than last month, though some 20% lower than a year ago.

Gross lending will continue to be weak in the absence of increased remortgaging activity.

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

Section 2: Number of mortgages approved

<i>seasonally adjusted data</i>	house purchase	re-mortgaging	equity withdrawal & other purposes
October	42,238	20,685	20,917
(<i>previous month</i>)	42,073	21,054	19,775
average of previous six months	37,705	24,811	19,347
compared with a year earlier	97.7%	-- 61.8 %	-- 10.5 %
compared with 2 years earlier	-- 6.3 %	-- 64.3 %	-- 46.7 %
average value nsa	£142,000	£131,600	£27,200
annual change in average value (nsa)	10.6 %	-- 10.7 %	-- 4.3%



The number of house purchase approvals has risen steadily throughout most of 2009 and the average value is now some 11% higher than a year earlier.

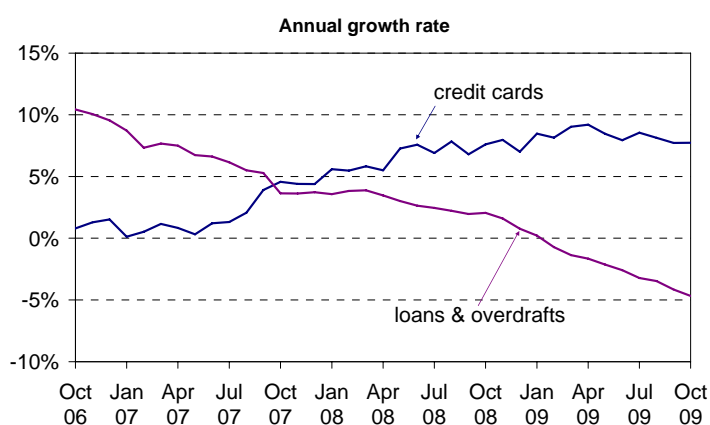
Approvals for remortgaging continue to be at one third of the level seen in the last few years.

Approvals for equity withdrawal ticked up again slightly in October.

Section 3: Consumer credit - credit cards

<i>seasonally adjusted data</i>	new spending	repayments	net lending	number of purchases
October	£ 5.7 bn	£ 6.0 bn	+ £ 0.2 bn	92.6 mn
<i>(previous month)</i>	<i>£ 5.7 bn</i>	<i>£ 6.0 bn</i>	<i>+ £ 0.1 bn</i>	<i>94.1 mn</i>
average of previous six months	£ 5.8 bn	£ 6.1 bn	+ £ 0.1 bn	90.7 mn
compared with a year earlier*	- 8.2 %	- 6.3 %		+ 1.0 %
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 are both down on last year and the annual growth in lending balances at nearly 8% has weakened slightly in the last few months.

Demand for personal loans is particularly weak and balances have fallen by £2.9bn in the first three quarters of 2009.

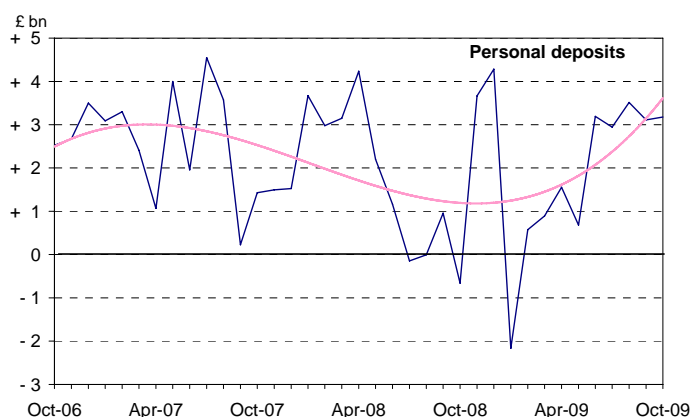
Personal loans and overdrafts have contracted by 4.2% over the last year.

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
October	£ 1.2 bn	- £ 0.3 bn	- £ 0.3 bn
<i>(previous month)</i>	<i>£ 1.2 bn</i>	<i>+ £ 0.2 bn</i>	<i>- £ 0.4 bn</i>
average of previous six months	£ 1.4 bn	-	- £ 0.3 bn
compared with a year earlier	- 36.0 %		
annual growth			- 4.2 %
amounts outstanding nsa	£ 56.9 bn	£ 9.7 bn	£ 66.7 bn

Section 5: Personal deposits & savings



Personal deposits have held up well in 2009 and so far this year deposits have increased by over £17bn.

Section 6: Company finance

<i>seasonally adjusted data</i>	October net change	<i>previous month</i>	average of previous six months	amounts outstanding
Non-financial companies	– £ 0.8 bn	– £ 3.9bn	– £ 1.7 bn	£ 341 bn
of which Manufacturing	– £ 0.2 bn	–	– £ 0.2 bn	£ 19 bn
Construction	– £ 0.2 bn	– £ 0.4 bn	– £ 0.4 bn	£ 20 bn
Wholesale & retail trade	– £ 0.1 bn	– £ 0.7 bn	– £ 0.4 bn	£ 28 bn
Real estate, renting & other business services	– £ 1.1 bn	– £ 2.1 bn	– £ 0.5 bn	£ 186 bn
Hotels & restaurants	– £ 0.2 bn	– £ 0.1 bn	–	£ 22 bn
Public admin & defence	+ £ 0.1 bn	– £ 0.3 bn	+ £ 0.2 bn	£ 6 bn
Transport, storage & communications	+ £ 0.5 bn	+ £ 0.1 bn	– £ 0.1 bn	£ 11 bn
Financial companies	+ £ 8.9 bn	+ £ 5.0 bn	– £ 2.3 bn	£ 445 bn
of which Financial intermediation	+ £ 6.0 bn	– £ 1.7 bn	– £ 0.4 bn	£ 341 bn
Financial auxiliaries	+ £ 3.0 bn	+ £ 5.5 bn	– £ 1.6 bn	£ 91 bn
Insurance & pension funds	– £ 0.1 bn	+ £ 1.2 bn	– £ 0.3 bn	£ 13 bn
Total company finance	+ £ 8.1 bn	+ £ 1.1 bn	– £ 4.0 bn	£ 786 bn

Lending to non-financial companies declined further in October, with the real estate, renting & other business services sector in particular seeing reduced borrowing levels. In the six months to September, lending to all non-financial companies contracted on average by £1.7bn a month.

Lending to financial companies increased in October, having fallen on average over the previous six months by £2.3bn 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 30 November 2009.*

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