

Statistics Release

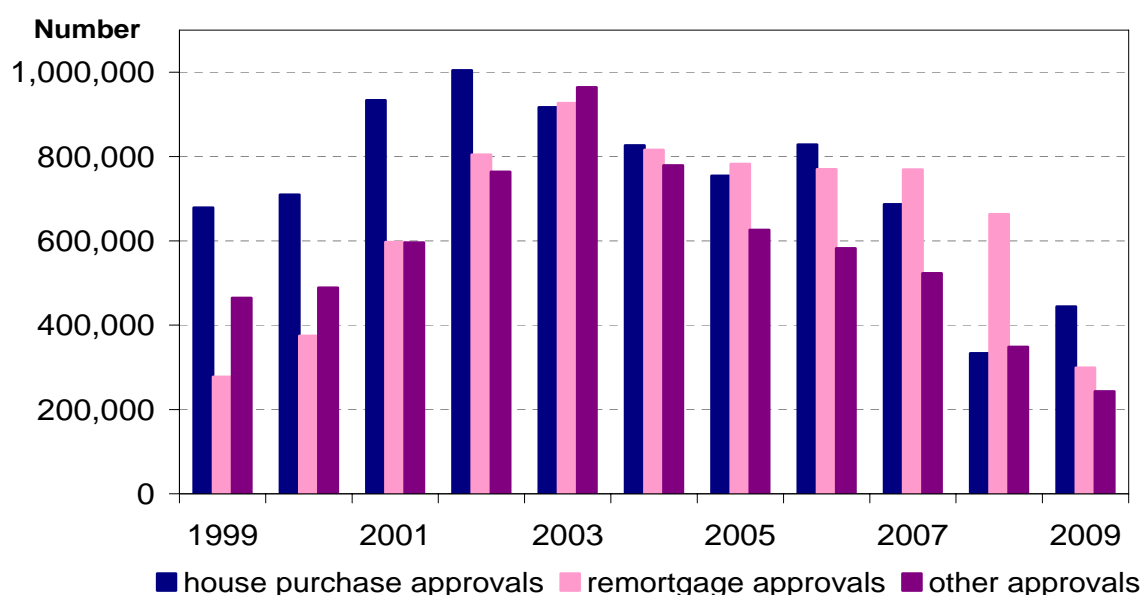
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December figures for the main high street banks

Mortgage lending strengthened slightly in December, with gross lending inflated by some borrowers pushing through purchases ahead of the end of stamp duty relief. Consumer credit was weak, in line with weak retail sales volumes, but savings recovered from a weak November figure, to an above-trend rise.

<i>seasonally adjusted data</i>	mortgage lending	consumer credit	personal deposits
December net change	+ £ 3.5 bn	- £ 0.3 bn	+ £ 3.6 bn
<i>(previous month)</i>	+ £ 3.4 bn	- £ 0.3 bn	+ £ 1.4 bn
average of previous six months	+ £ 2.9 bn	- £ 0.2 bn	+ £ 2.8 bn
annual growth	+ 4.6 %	- 2.2 %	+ 4.0 %
amounts outstanding nsa	£ 626.4 bn	£ 92.7 bn	£ 595.0 bn



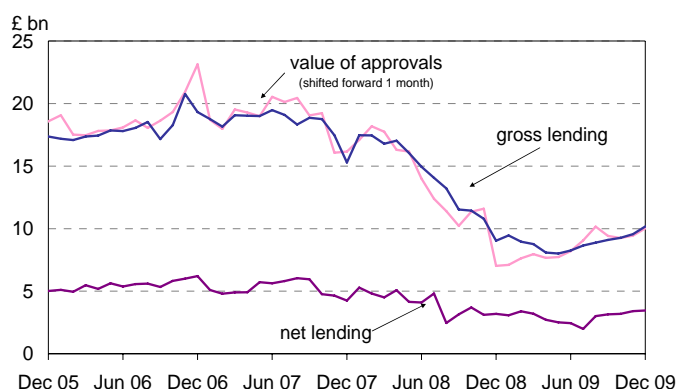
BBA statistics director, David Dooks, said of the latest data:

"The high street banks continued to lend substantial amounts in the weaker mortgage market of 2009 approving more than 440,000 loans for house purchase. Their share of gross lending went up from a historical level of about two-thirds to three-quarters, due to specialist lenders largely withdrawing from the market and building society finance contracting.

"Households' unsecured borrowing contracted throughout the year, particularly on personal loans. After paying down debt, people sought to build up their savings."

Section 1: Mortgage lending & value of mortgages approved

<i>seasonally adjusted data</i>	gross mortgage lending	all mortgage loans approved	house purchase loans approved
December	£ 10.2 bn	£ 10.2 bn	£ 6.5 bn
<i>(previous month)</i>	£ 9.6 bn	£ 10.0 bn	£ 6.6 bn
average of previous six months	£ 9.0 bn	£ 9.6 bn	£ 5.9 bn
compared with a year earlier	+12.5 %	+ 43.7 %	+ 144.5 %

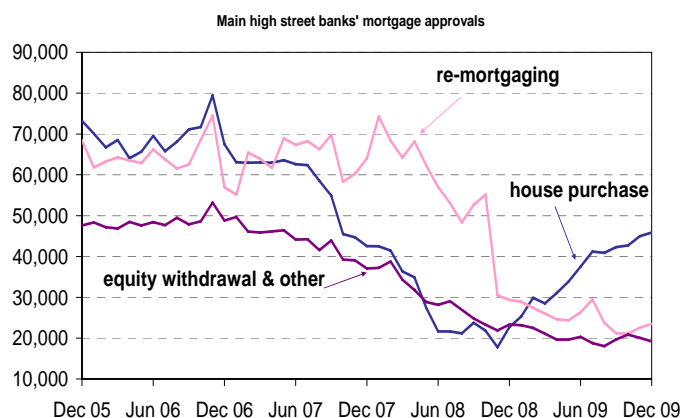


Gross mortgage lending rose in December to be some 12% higher than a year ago and was boosted by borrowers bringing loans forward prior to stamp duty relief ending.

The banks' annual growth rate of 4.6% in net mortgage lending substantially exceeds growth of just 0.9% for November across the market as a whole.

Section 2: Number of mortgages approved

<i>seasonally adjusted data</i>	house purchase	re-mortgaging	equity withdrawal & other purposes
December	45,897	23,480	19,237
<i>(previous month)</i>	44,965	22,567	20,081
average of previous six months	41,602	24,082	19,633
compared with a year earlier	+ 102.2%	- 20.0 %	- 17.6 %
compared with 2 years earlier	+ 7.9 %	- 63.3 %	- 48.1 %
average value nsa	£141,100	£133,300	£28,500
annual change in average value (nsa)	+ 21.5 %	+ 3.6 %	+ 7.6%



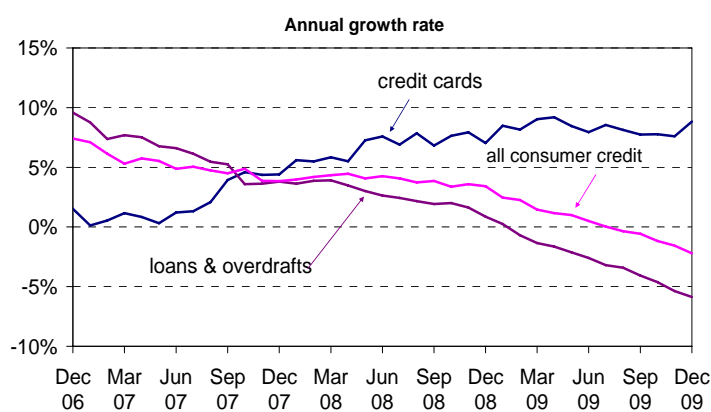
Overall approvals in 2009 were 980,000. This was some 27% lower than 2008 and the lowest since these data became available in September 1997.

While approvals for house purchase in 2009 have recovered somewhat since the low levels last year, the sharp decline in remortgaging reflects borrowers moving to lower standard variable rates when fixed deals expire and having little incentive to look for other lenders when rates are stable.

Section 3: Consumer credit - credit cards

<i>seasonally adjusted data</i>	new spending	repayments	net lending	number of purchases
December	£ 5.8 bn	£ 5.9 bn	+ £ 0.1 bn	90.8 mn
(previous month)	£ 5.8 bn	£ 5.9 bn	+ £ 0.2 bn	91.2 mn
average of previous six months	£ 5.7 bn	£ 6.0 bn	+ £ 0.2 bn	90.8 mn
compared with a year earlier*	- 5.2 %	- 10.0 %		- 1.5 %
annual growth			+ 8.8 %	
amounts outstanding nsa			£ 25.5 bn	

* Coverage changed in January 2009, but figures shown are comparable with current basis.



New spending and repayments on credit cards in 2009 were both down on last year by 9.9% and 9.2% respectively though after interest accrued to accounts, lending was 8.8% higher over the year.

Demand for personal loans was particularly weak and balances fell by £3.9bn over the course of 2009.

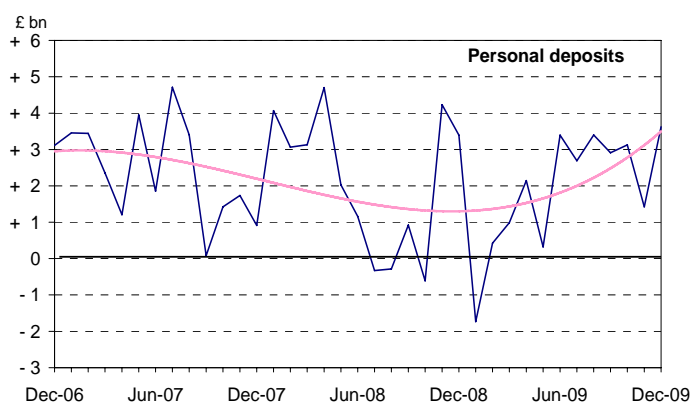
Total consumer credit has contracted by 2.2% over the last year.

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
December	£ 1.1 bn	+ £ 0.1 bn	- £ 0.5 bn
(previous month)	£ 1.1 bn	+ £ 0.1 bn	- £ 0.6 bn
average of previous six months	£ 1.3 bn	-	- £ 0.4 bn
compared with a year earlier	- 34.6 %		
annual growth			- 5.9 %
amounts outstanding nsa	£ 57.4 bn	£ 9.8 bn	£ 67.2 bn

Section 5: Personal deposits & savings



In 2009, personal deposits increased by £23bn compared with £25bn in 2008 and £28bn in 2007. Savings were weaker than previous years because people were using cash to pay off debt. Nevertheless savings in 2009 were still substantial.

Section 6: Company finance

<i>seasonally adjusted data</i>	December net change	<i>previous month</i>	average of previous six months	amounts outstanding
Non-financial companies	- £ 1.5 bn	+ £ 0.1 bn	- £ 1.5 bn	£ 340 bn
of which Manufacturing	- £ 0.4 bn	- £ 0.1 bn	- £ 0.3 bn	£ 18 bn
Construction	- £ 0.4 bn	- £ 0.4 bn	- £ 0.4 bn	£ 18 bn
Wholesale & retail trade	-	- £ 0.1 bn	- £ 0.2 bn	£ 30 bn
Real estate, renting & other business services	- £ 0.4 bn	+ £ 0.5 bn	- £ 0.5 bn	£ 185 bn
Hotels & restaurants	-	- £ 0.2 bn	-	£ 23 bn
Public admin & defence	+ £ 1.1 bn	-	- £ 0.1 bn	£ 7 bn
Transport, storage & communications	- £ 0.8 bn	+ £ 0.5 bn	-	£ 10 bn
Financial companies	- £ 20.0 bn	- £ 6.7 bn	-	£ 413 bn
of which Financial intermediation	- £ 18.6 bn	- £ 0.4 bn	+ £ 1.0 bn	£ 320 bn
Financial auxiliaries	- £ 1.4 bn	- £ 7.4 bn	- £ 1.0 bn	£ 82 bn
Insurance & pension funds	-	+ £ 1.1 bn	-	£ 11 bn
Total company finance	- £ 21.5 bn	- £ 6.6 bn	- £ 1.5 bn	£ 753 bn

Lending to non-financial companies decreased in December and in the six months to November, lending to all non-financial companies contracted on average by £1.5bn a month. The main area of growth was in public administration & defence. Over the year lending to non-financial companies fell by 3.4%.

Lending to financial companies fell sharply in December, in part due to recent temporary financial transactions running off.

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 February 2010.*

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