

## Statistics Release

embargoed until 09:30 on Tuesday, 23 February, 2010

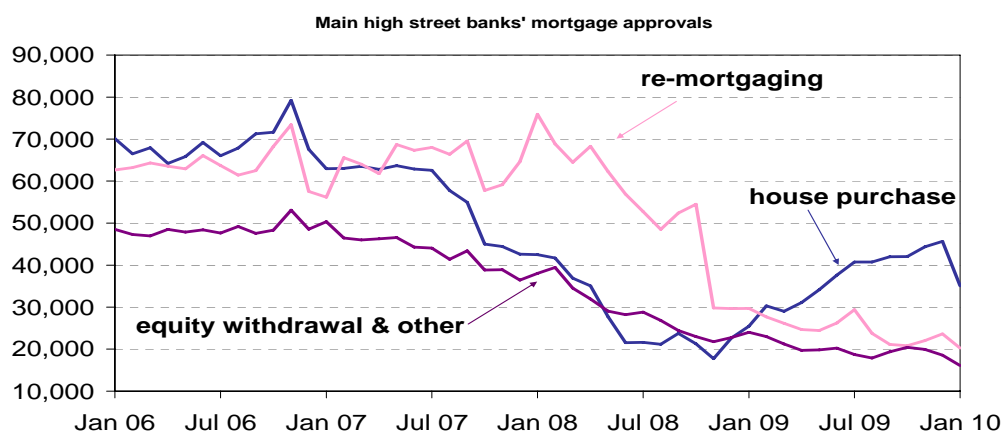
Serial no. 003/10

### January figures for the main high street banks

Mortgage lending in January was relatively weak, showing a reaction to the inflated December market and the adverse weather conditions which impacted on activity. Consumer credit declined further but personal deposits held up.

<i>seasonally adjusted data</i>	mortgage lending	consumer credit	personal deposits
<b>January net change</b>	<b>+ £ 2.7 bn</b>	<b>- £ 0.3 bn</b>	<b>+ £ 2.5 bn</b>
<i>( previous month )</i>	+ £ 3.3 bn	- £ 0.4 bn	+ £ 3.5 bn
average of previous six months	+ £ 2.9 bn	- £ 0.2 bn	+ £ 2.9 bn
annual growth	+ 4.8 %	- 1.8 %	+ 4.7 %
amounts outstanding nsa	£ 758.5 bn	£ 95.2 bn	£ 595.3 bn

*Changed bank reporting practice, whereby previously securitised assets have been brought back onto statistical balance sheets, and the reorganisation of Northern Rock, raised difficulties in measuring transactions in January; consequently, monthly changes may be less robust than usual.*



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

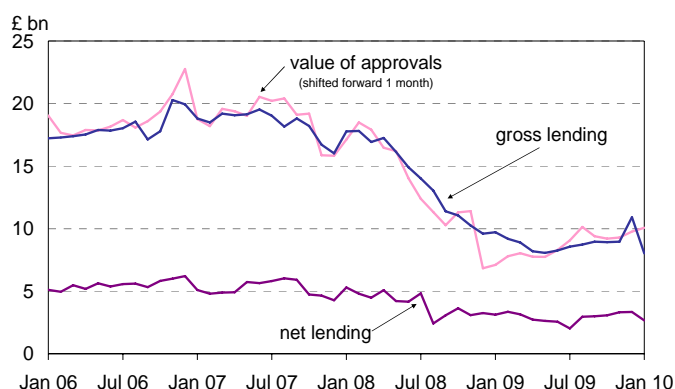
*"It was no surprise to see the January mortgage figures falling back from December, when transactions were being pushed through to beat the end of stamp duty relief. There was a natural reaction in the January figures and the bad weather further suppressed market activity.*

*"After the Christmas period, demand for consumer credit was weaker in January, as people shied away, or were discouraged by the weather, from retail spending and held on to their deposits.*

*"The total amount lent to non-financial companies of £340bn continues to contract, as demand for finance remains subdued and trading conditions are still adversely impacting on business sentiment."*

## Section 1: Mortgage lending & value of mortgages approved

<i>seasonally adjusted data</i>	gross mortgage lending	all mortgage loans approved	house purchase loans approved
<b>January</b>	<b>£ 8.0 bn</b>	<b>£ 8.1 bn</b>	<b>£ 5.0 bn</b>
( <i>previous month</i> )	£ 10.9 bn	£ 10.1 bn	£ 6.4 bn
average of previous six months	£ 9.2 bn	£ 9.6 bn	£ 6.0 bn
compared with a year earlier	-17.5 %	+ 3.9 %	+ 57.1 %

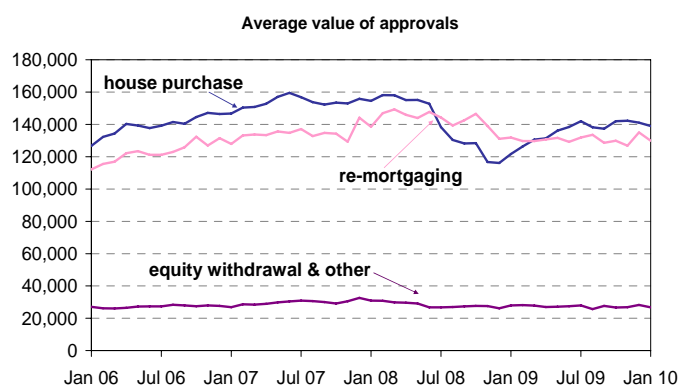


Gross mortgage lending was much weaker in January; some 17.5% lower than a year ago, following the boost last month as borrowers pushed through transactions ahead of the removal of stamp duty relief.

The banks' annual growth rate of 4.8% in net mortgage lending substantially exceeds growth of just 0.9% for December 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
<b>January</b>	<b>35,083</b>	<b>20,252</b>	<b>16,087</b>
( <i>previous month</i> )	45,650	23,609	18,549
average of previous six months	42,582	23,451	19,153
compared with a year earlier	+ 37.8 %	- 31.8 %	- 33.0 %
compared with 2 years earlier	-17.5 %	- 73.3 %	- 57.7 %
average value nsa	£139,000	£132,800	£26,000
annual change in average value (nsa)	+ 14.2 %	- 1.9 %	- 2.7 %

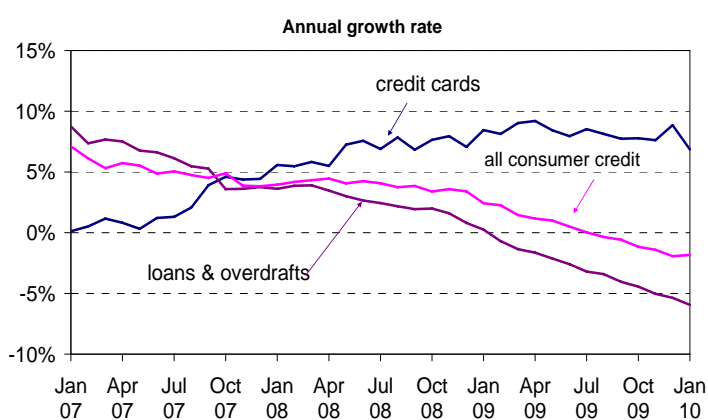


House purchase approvals fell sharply in January after being boosted in December ahead of the removal of stamp duty relief, though the average of December and January together of about 40,000 is still down on the recent average, possibly reflecting the adverse weather conditions in January.

Both remortgaging and equity withdrawal loan volumes were lower than a year earlier.

### Section 3: Consumer credit - credit cards

<i>seasonally adjusted data</i>	new spending	repayments	net lending	number of purchases
<b>January</b>	<b>£ 5.6 bn</b>	<b>£ 5.9 bn</b>	<b>+ £ 0.3 bn</b>	<b>90.2 mn</b>
<i>( previous month )</i>	<i>£ 5.7 bn</i>	<i>£ 5.9 bn</i>	<i>+ £ 0.2 bn</i>	<i>90.7 mn</i>
average of previous six months	£ 5.7 bn	£ 6.0 bn	+ £ 0.2 bn	90.9 mn
compared with a year earlier	- 8.3 %	- 7.8 %		- 3.7 %
annual growth			+ 6.9 %	
amounts outstanding nsa			£ 33.2 bn	



Growth rates for consumer credit have been affected by changes to reporting processes resulting in credit card growth shifting down by 2% and growth in personal loans and overdrafts shifting up by 0.5%.

New credit card spending continued to decline in January, being some 3.7% lower than a year earlier.

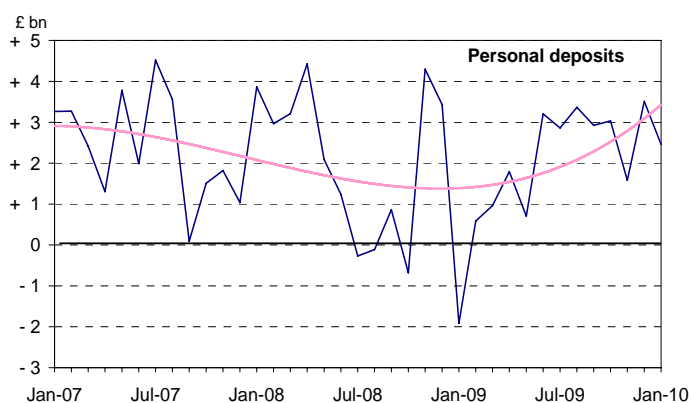
Total consumer credit has contracted by 1.8% over the last year.

**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
<b>January</b>	<b>+ £ 1.2 bn</b>	<b>- £ 0.2 bn</b>	<b>- £ 0.3 bn</b>
<i>( previous month )</i>	<i>+ £ 1.1 bn</i>	<i>+ £ 0.1 bn</i>	<i>- £ 0.4 bn</i>
average of previous six months	+ £ 1.2 bn	-	- £ 0.2 bn
compared with a year earlier	- 29.2 %		
annual growth			- 5.9 %
amounts outstanding nsa	£ 52.4 bn	£ 9.6 bn	£ 62.0 bn

## Section 5: Personal deposits & savings



Personal deposits held up well in January and were some 4.7% higher than a year earlier.

## Section 6: Company finance

<i>seasonally adjusted data</i>	<b>January net change</b>	<i>previous month</i>	average of previous six months	amounts outstanding
<b>Non-financial companies</b>	<b>– £ 3.9 bn</b>	<i>– £ 1.7 bn</i>	– £ 1.7 bn	£ 338 bn
of which Manufacturing	<b>– £ 0.4 bn</b>	<i>– £ 0.4 bn</i>	– £ 0.2 bn	£ 18 bn
Construction	<b>– £ 0.5 bn</b>	<i>– £ 0.4 bn</i>	– £ 0.4 bn	£ 18 bn
Wholesale & retail trade	–	<i>– £ 0.1 bn</i>	– £ 0.2 bn	£ 30 bn
Real estate, renting & other business services	<b>– £ 0.8 bn</b>	<i>– £ 0.4 bn</i>	– £ 0.5 bn	£ 184 bn
Hotels & restaurants	<b>– £ 0.6 bn</b>	<i>– £ 0.2 bn</i>	– £ 0.1 bn	£ 23 bn
Public admin & defence	<b>– £ 1.4 bn</b>	<i>+ £ 1.1 bn</i>	– £ 0.1 bn	£ 6 bn
Transport, storage & communications	<b>– £ 0.3 bn</b>	<i>+ £ 0.8 bn</i>	– £ 0.1 bn	£ 10 bn
<b>Financial companies</b>	<b>– £ 9.0 bn</b>	<i>– £ 15.9 bn</i>	– £ 2.3 bn	£ 405 bn
of which Financial intermediation	<b>– £ 13.3 bn</b>	<i>– £ 14.6 bn</i>	– £ 2.0 bn	£ 307 bn
Financial auxiliaries	<b>+ £ 4.2 bn</b>	<i>– £ 1.4 bn</i>	– £ 1.0 bn	£ 86 bn
Insurance & pension funds	–	–	–	£ 11 bn
<b>Total company finance</b>	<b>– £ 12.9 bn</b>	<i>– £ 17.6 bn</i>	– £ 4.6 bn	£ 742 bn

Lending to non-financial companies decreased further in January. In the six months to December, lending to all non-financial companies contracted on average by £1.7bn a month. Over the year lending to non-financial companies fell by 5.0%, to stand at just under £340bn.

Lending to financial companies fell again in January.

### 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: Santander UK (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 statistical reporting in January 2010, the loan assets held within special purpose vehicles, are now included in their parent banks' reported lending. The impact of this change has 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 March 2010.*

For information:

**BBA Newsroom: [www.bba.org.uk](http://www.bba.org.uk)**

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