

Statistics Release

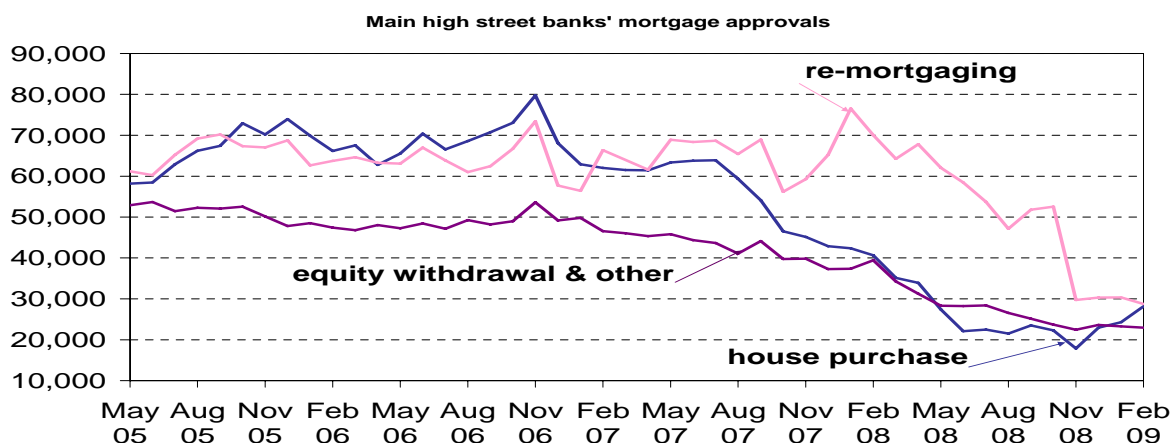
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February figures for the main high street banks

The banks' mortgage lending trend was stronger in February, with a net rise of £3.9 bn, while finance for non-financial companies rose by £1.1bn. Personal deposits fell for the second successive month (partly reversing the £8bn increase over the final months of last year) and there was a small net repayment of consumer credit.

<i>seasonally adjusted data</i>	mortgage lending	consumer credit	personal deposits
February net change	+ £ 3.9 bn	- £ 0.2 bn	- £ 0.1 bn
<i>(previous month)</i>	<i>+ £ 3.4 bn</i>	<i>+ £ 0.1 bn</i>	<i>- £ 2.0 bn</i>
average of previous six months	+ £ 3.3 bn	+ £ 0.1 bn	+ £ 1.2 bn
annual growth	+ 9.8 %	+ 1.4 %	+ 3.1 %
amounts outstanding nsa	£ 499.6 bn	£ 96.3 bn	£ 569.5 bn



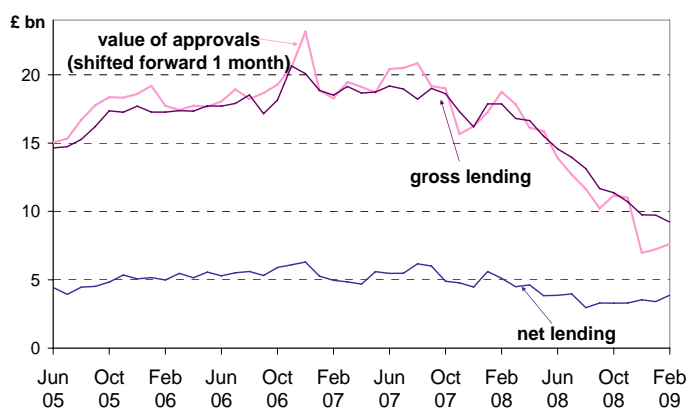
BBA statistics director, David Dooks, said of the latest data:

"Most new mortgage lending is being done by the high street banks but demand is, of course, being moderated by the impacts of the recession. Remortgaging activity has slowed in recent months, while higher numbers of loans approved for house purchase simply reflect the banks' greater market share. In the wider consumer market, unsecured credit is very subdued and individuals' deposits are also weak, as people respond to the current interest rate climate.

Within company financing, consumer-facing sectors were the only significant borrowers in February."

Section 1: Mortgage lending & value of mortgages approved

<i>seasonally adjusted data</i>	gross mortgage lending	all mortgage loans approved	house purchase loans approved
February	£ 9.2 bn	£ 7.8 bn	£ 3.5 bn
<i>(previous month)</i>	£ 9.7 bn	£ 7.6 bn	£ 2.9 bn
average of previous six months	£ 11.1 bn	£ 9.0 bn	£ 2.8 bn
compared with a year earlier	- 48.4 %	- 56.5 %	- 45.3 %



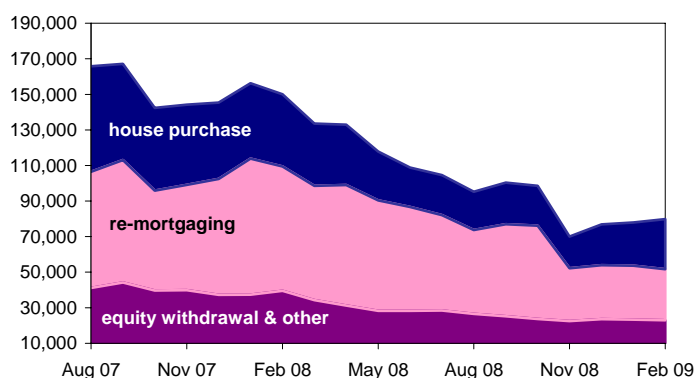
The annual growth rate for net mortgage lending moved into single digits for the first time since September 2001.

Gross mortgage lending, at £9.2bn, was its lowest since June 2001.

February's approval activity, both in volume and value, was marginally above January, but continues to be at a very low level.

Section 2: Number of mortgages approved

<i>seasonally adjusted data</i>	house purchase	re-mortgaging	equity withdrawal & other purposes
February	28,179	28,746	22,946
<i>(previous month)</i>	24,278	30,336	23,288
average of previous six months	22,068	40,315	24,129
compared with a year earlier	- 30.6%	- 59.0 %	- 41.8 %
average value nsa	£124,700	£122,600	£28,100
annual change in average value (nsa)	- 21.1 %	- 13.6 %	- 8.7 %



Approvals for house purchase rose in February though were still some 31% lower than in February 2008.

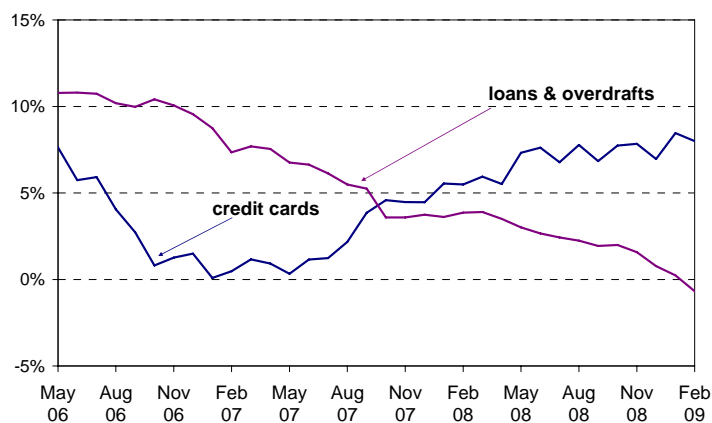
Remortgaging approvals declined slightly as borrowers reverted to standard variable rates rather than moving to new fixed rate products.

Loans for equity withdrawal and other purposes were some 42% lower than at February 2008.

Section 3: Consumer credit - credit cards

<i>seasonally adjusted data</i>	new spending	repayments	net lending	number of purchases
February	£ 5.9 bn	£ 6.2 bn	+ £ 0.1 bn	92.2 mn
(<i>previous month*</i>)	£ 6.1 bn*	£ 6.3 bn*	+ £ 0.2 bn	92.9 mn*
average of previous six months	£ 6.2 bn*	£ 6.5 bn*	+ £ 0.1 bn	93.5 mn*
compared with a year earlier	- 12.1%	- 10.6 %		+ 0.6 %
annual growth			+ 8.0 %	
amounts outstanding nsa			£ 25.0bn	

* Previous months' data have been estimated for comparative purposes, to reflect a change in coverage from January.



Credit card lending rose by £0.1bn but the annual growth rate fell to 8.0%. Both credit card gross lending and repayments were at a low level in February.

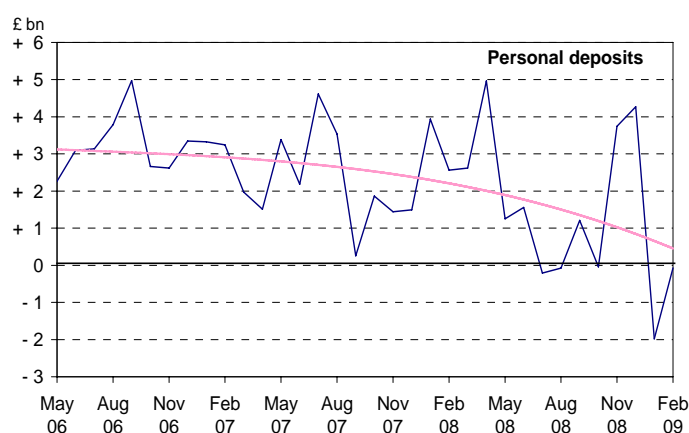
Annual growth in personal loans & overdrafts has turned negative (ie a net contraction in amounts outstanding).

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

Section 4: Consumer credit - personal loans and overdrafts

<i>seasonally adjusted data</i>	new loans	overdrafts nsa	net lending
February	£ 1.5 bn	- £ 0.3 bn	- £ 0.3 bn
(<i>previous month</i>)	£ 1.6 bn	- £ 0.3 bn	- £ 0.2 bn
average of previous six months	£ 1.9 bn	-	- £ 0.1 bn
compared with a year earlier	- 42.7 %		
annual growth			- 0.7 %
amounts outstanding nsa	£ 61.8 bn	£ 9.4 bn	£ 71.2 bn

Section 5: Personal deposits & savings



Following strong inflows in November and December, personal deposits fell in February by £0.1bn, after falling by £2.0bn in January. The annual rate of growth declined from 3.6% to 3.1%.

Section 6: Company finance

<i>seasonally adjusted data</i>	February	<i>previous month</i>	average of previous six months	amounts outstanding
Non-financial companies	+ £ 1.1 bn	+ £ 2.1 bn	– £ 0.1 bn	£ 350 bn
of which Manufacturing	– £ 0.4 bn	+ £ 0.4 bn	–	£ 20 bn
Construction	– £ 0.3 bn	– £ 0.5 bn	–	£ 23 bn
Wholesale & retail trade	+ £ 1.3 bn	+ £ 0.4 bn	–	£ 31 bn
Hotels & restaurants	–	– £ 0.1 bn	+ £ 0.1 bn	£ 23 bn
Transport, storage & comms.	– £ 0.2 bn	+ £ 0.1 bn	+ £ 0.1 bn	£ 10 bn
Real estate	+ £ 0.5 bn	+ £ 1.1 bn	+ £ 1.0 bn	£ 149 bn
Renting machinery & equip.	– £ 0.2 bn	+ £ 0.1 bn	– £ 0.1 bn	£ 6 bn
Electricity, gas & water	– £ 0.5 bn	+ £ 0.4 bn	–	£ 4 bn
Financial companies	+ £ 26.0 bn	+ £ 12.2 bn	+ £ 14.1 bn	£ 522 bn
of which Financial intermediation	+ £ 6.2 bn	– £ 8.0 bn	+ £ 8.4 bn	£ 390 bn
Financial auxiliaries	+ £ 19.9 bn	+ £ 21.2 bn	+ £ 5.7 bn	£ 119 bn
Insurance & pension funds	– £ 0.2 bn	– £ 1.0 bn	–	£ 14 bn
Total company finance	+ £ 27.1 bn	+ £ 14.2 bn	+ £ 14.0 bn	£ 873 bn

The main growth sector was lending to wholesale and retail trade which was boosted by takeover finance. Lending to real estate was half its recent average rise, but was the only other sector seeing a rise in February. Lending to construction fell by £0.3bn after falling by £0.5bn last month.

High volumes in financial sector transactions of a short-term nature with clearing counterparties resulted in an increased position for lending to financial companies, although much of this was matched by a corresponding rise in deposits on the other side of the banks' balance sheet.

Notes to Editors

- 1. The BBA is the leading UK banking and financial services trade association and represents its members, from 60 countries, on domestic and international issues. Our members provide the full range of banking and financial services, operate some 150 million personal accounts, contribute £50bn to the economy and together make up the world's largest international banking centre.*
- 2. The Major British Banking Groups (MBBG) account for some two-thirds of all UK mortgage lending outstanding, provide over half of all consumer credit and, within that, some 70% of all card credit. They include the eight largest retail lenders in the UK: Abbey, Alliance & Leicester, Barclays, Bradford & Bingley, HSBC Bank, Lloyds Banking Group, Northern Rock and Royal Bank of Scotland.*
- 3. 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 March 2009.*

For information:

BBA Newsroom: www.bba.org.uk

Brian Capon
Assistant Director, Media
Tel: 020 7216 8810
brian.capon@bba.org.uk

David Dooks
Statistics Director
Tel: 020 7216 8837
david.dooks@bba.org.uk