



BANK OF ENGLAND

News release

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Trends in Lending - April 2009

The Bank of England today publishes its first Trends in Lending report, a new monthly publication that presents the Bank's assessment of lending to the UK economy. This first report provides a longer-term perspective and is therefore more comprehensive than will be the case for future editions, which will focus more on the data reported month-by-month.

The report draws on a range of data sources, including the existing monetary and financial statistics collected by the Bank and data from six major UK lenders that participate on the Lending Panel established by the Chancellor in November 2008. The report also draws on intelligence gathered by the Bank's regional Agents and market contacts, as well as the results of other surveys. Lending Panel data are provided on a 'best endeavours' basis and this, together with their relative timeliness, means they may not be as accurate as established data collections.

The main findings of the report are:

- Growth in the stock of lending to UK businesses slowed markedly during 2008 but looking ahead, some lenders expect the overall availability of credit to the corporate sector to increase over the next three months.
- Growth in the stock of mortgage lending to individuals has slowed sharply since the start of the financial crisis as credit availability declined. Lenders expect the demand for secured credit to remain weak in coming months.
- The availability of unsecured credit has tightened over the past year and weak demand for unsecured lending is expected to continue over the coming months.

Notes to Editors

The Lending Panel comprises Government; lenders represented by Banco Santander, Barclays, HSBC,

Lloyds Banking Group, Nationwide and Royal Bank of Scotland; consumer, debt advice and trade bodies; regulators and the Bank of England: see http://www.hm-treasury.gov.uk/press_126_08.htm

Membership of the group of major UK lenders is based on the provision of credit to UK-resident companies and individuals, regardless of the country of ownership.

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<http://www.bankofengland.co.uk/publications/Documents/other/monetary/trendsapril09.pdf>