



BBA Statistics – embargoed for release at 09:30 on Monday, 27 June 2005

Stable outlook for personal lending

Following last week's release of MBBG net lending figures for **May**, further information now available on lending to individuals shows that:

- Gross mortgage lending was £14.3bn in May. This was 2% higher than April but 8% lower than May 2004.
- Seasonally adjusted net mortgage lending (gross lending minus repayments) rose by £4.3bn, compared with £4.0bn in April and £4.9bn in May 2004. This compares with an average of £4.5bn in the previous six months.
- There were 186,442 mortgage approvals (for all purposes) in May, with a total value of £16.5bn. The number of approvals was 3% lower than April and 17% weaker than May 2004. The average approval for house purchase was £125,400.
- Lending on loans and overdrafts (£0.7bn, seasonally adjusted) was stronger than both April and the recent monthly average of £0.6bn. Borrowing on credit cards, at +£0.1bn, was marginally weaker than the average over the previous six months.

David Dooks, BBA director of statistics, said:

"Whilst mortgage lending was slightly stronger in May, it is noticeable that all measures were below comparable data a year earlier, when May was a relatively weak month. Levels of loan approvals fluctuate with seasonal patterns, but the volumes we are seeing suggest that a fairly stable lending picture will continue in the near term.

Credit card lending continued to be weak, reflecting the subdued retail sales environment, though lending on personal loans and overdrafts was slightly higher than the recent monthly average."

Mortgage Lending

- May's gross lending of £14,339mn was slightly higher than April's total (£14,120mn) but still 8% lower than the relatively weak £15,533mn in May 2004.
- Net mortgage lending rose by £4,309mn, compared with £3,971mn in April. The May rise was lower than the average of £4,452mn in the previous six months and the annual growth rate consequently declined slightly to 12.5%; the lowest growth rate since February 2002.
- Compared to the same month a year earlier, May's approvals of house purchase loans were 24% lower by number and 17% lower by value; remortgaging loans were 5% lower by number but 6% higher by value; and equity withdrawal loans were 20% lower by number and 12% lower by value.

Consumer Credit

- New borrowing on credit cards totalled £7,643mn in May. This was slightly up on the average of the previous six months and, although repayments were also higher, there was a small rise in seasonally adjusted net lending of £117mn compared with recent average growth of £148mn a month.
- New lending on personal loans and overdrafts, at £3,388mn, was well up on both April and the average for the previous six months (£2,918mn). After seasonal adjustment, the rise in net lending of £723mn was considerably higher than the average rise of £597mn over the previous six months.

Notes to Editors

1. *The Major British Banking Groups (MBBG) account for some two-thirds of all mortgage lending outstanding and around 70% of gross lending. Additionally, they provide over half of all consumer credit outstanding and, within that, some 70% of all card credit. They include twelve of the fifteen largest mortgage lenders in the UK: Abbey National, Alliance & Leicester, Barclays and Woolwich, Bradford & Bingley, HBOS (through Halifax and Bank of Scotland), HSBC Bank, LloydsTSB (through Cheltenham & Gloucester), Northern Rock, Royal Bank of Scotland and National Westminster.*
2. *Statistical releases relating to the business of the MBBG are available on the internet in the 'News Room' area of the BBA website at www.bba.org.uk*
3. *Figures shown for net changes in amounts outstanding are consistent with Table A4.3 of the Bank of England's Monetary & Financial Statistics, which shows lending to individuals by banks and building societies excluding the effects of securitisations and loan transfers. However from January 2005 the series are also adjusted to remove fluctuations arising from regular intra-group transactions between banks and their non-bank subsidiaries, thus providing a better indication of underlying trends in mortgage lending. This has resulted in a restatement of series published previously. Other figures are consistent with the comprehensive data for lending to individuals by all lenders due to be released by the Bank of England on 29 June 2005.*

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MAJOR BRITISH BANKING GROUPS' LENDING SECURED ON DWELLINGS ^(a)

Date	Lending secured on dwellings				Value of all Loans Approved ^(b)			Number of all Loans Approved ^(b)			Average value of loan for House Purchase £
	Amounts outstanding at end-period £ mn	Net changes (c) (l) in amounts outstanding £ mn	Seasonally adjusted net (c) (l) changes in amounts outstanding £ mn	Gross loans during period £ mn	for House Purchase £ mn	for Remortgaging £ mn	Other Secured Lending £ mn	for House Purchase	for Remortgaging	Other Secured Lending	
Jan 2003	428,780	+ 4,911	+ 5,251	13,052	4,244	5,372	1,272	48,829	63,760	64,712	86,900
Feb	432,091	+ 3,312	+ 4,924	11,682	4,894	5,454	1,469	58,030	67,741	74,292	84,300
Mar	428,872	+ 4,281	+ 4,560	12,846	6,232	7,195	1,793	72,808	88,480	86,977	85,600
Apr	433,929	+ 4,698	+ 4,925	13,708	6,966	7,812	1,658	78,668	94,589	79,818	88,600
May	436,580	+ 5,011	+ 4,795	14,744	7,232	6,676	1,706	78,500	78,071	82,500	92,100
Jun	440,116	+ 5,561	+ 4,943	14,932	8,413	6,749	1,756	84,111	77,450	82,459	100,000
Jul	446,816	+ 6,595	+ 5,705	16,903	9,136	7,146	1,979	89,352	80,374	91,782	102,200
Aug	453,068	+ 5,740	+ 5,294	16,074	8,595	6,654	1,811	81,635	72,507	83,616	105,300
Sep	456,565	+ 5,941	+ 5,660	16,917	9,048	7,038	1,999	85,626	77,701	88,843	105,700
Oct	463,548	+ 6,284	+ 5,683	17,803	9,885	7,549	2,169	90,718	85,408	94,389	109,000
Nov	464,363	+ 5,283	+ 5,224	16,402	8,585	6,923	1,717	80,414	79,357	74,177	106,800
Dec	468,374	+ 4,279	+ 5,288	15,794	6,929	5,844	1,420	64,563	64,344	60,037	107,300
Jan 2004	471,074	+ 5,571	+ 5,720	14,255	5,486	5,433	1,378	54,443	60,021	61,741	100,800
Feb	474,974	+ 3,881	+ 5,298	13,538	7,591	6,038	1,645	72,339	68,068	71,762	104,900
Mar	475,231	+ 5,361	+ 5,671	15,883	10,682	7,678	1,965	97,852	86,788	84,638	109,200
Apr	477,974	+ 5,870	+ 5,953	16,150	9,728	6,257	1,647	87,800	71,212	72,817	110,800
May	479,038	+ 4,944	+ 4,905	15,533	10,169	6,249	1,597	89,289	66,801	68,768	113,900
Jun	486,460	+ 6,577	+ 5,824	18,017	10,351	6,935	1,720	88,859	72,262	72,783	116,500
Jul	488,927	+ 5,752	+ 4,898	18,106	7,987	6,701	1,652	69,951	69,084	71,440	114,200
Aug	493,577	+ 4,872	+ 4,641	16,641	7,179	6,616	1,510	64,032	68,174	65,291	112,100
Sep	484,880 (k)	+ 4,941	+ 4,697	16,304	6,669	6,853	1,524	59,905	70,209	64,937	111,300
Oct	490,266	+ 4,899	+ 4,327	15,133	6,677	7,150	1,202	59,011	71,414	50,724	113,100
Nov	490,623	+ 4,232	+ 4,302	14,610	5,674	6,351	1,247	47,245	62,014	48,387	120,100
Dec	496,383	+ 4,209	+ 5,037	14,166	4,738	5,680	1,058	40,050	53,545	41,127	118,300
Jan 2005	496,309	+ 3,929	+ 4,129	11,642	3,897	5,456	1,045	34,216	52,814	42,812	113,900
Feb	494,038	+ 3,439	+ 4,738	11,938	5,805	6,059	1,279	47,084	59,772	51,532	123,300
Mar	496,035	+ 4,306	+ 4,533	13,721	8,185	6,966	1,471	64,372	67,473	56,261	127,200
Apr	498,833	+ 3,937	+ 3,971	14,120	8,696	6,944	1,517	67,290	65,665	58,902	129,200
May	498,766	+ 4,207	+ 4,309	14,339	8,487	6,607	1,414	67,702	63,636	55,104	125,400

(k) In September 2004 a number of banks deconsolidated securitised lending institutions associated with covered bond issues.

(l) These series are now adjusted to remove fluctuations arising from intra-group transactions between banks and their non-bank subsidiaries.

MAJOR BRITISH BANKING GROUPS' CONSUMER CREDIT^(a)

Date	Credit Card Credit				Overdraft Lending		Structured Personal Loans			Non-credit card credit
	Amounts outstanding at end-period £ mn	Net changes (b) in amounts outstanding £ mn	Seasonally adjusted net (b) changes in amounts outstanding £ mn	Gross loans during period £ mn	Amounts outstanding at end-period £ mn	Net changes (b) in amounts outstanding £ mn	Amounts outstanding at end-period £ mn	Net changes (b) in amounts outstanding £ mn	Gross loans during period £ mn	Seasonally adjusted net changes in (b) amounts outstanding £ mn
Jan 2003	26,029	- 129	+ 375	6,239	7,125	- 253	57,244	+ 531	3,359	+ 234
Feb	26,107	+ 77	+ 281	5,658	7,066	- 60	55,712	+ 467	2,979	+ 430
Mar	26,086	+ 8	+ 300	6,348	7,263	+ 197	51,990	+ 418	2,980	+ 381
Apr	26,245	+ 796	+ 327	6,693	7,201	- 62	50,578	+ 313	2,808	+ 527
May	26,492	+ 464	+ 476	6,588	7,179	- 22	50,998	+ 420	2,965	+ 214
Jun	26,261	+ 368	+ 171	6,897	7,471	+ 292	51,457	+ 459	3,112	+ 598
Jul	26,585	+ 324	+ 313	7,415	7,535	+ 64	51,983	+ 525	3,425	+ 528
Aug	26,998	+ 413	+ 300	6,459	7,466	- 70	52,542	+ 560	3,053	+ 422
Sep	27,496	+ 282	+ 494	7,185	7,663	+ 197	53,219	+ 534	3,394	+ 460
Oct	27,514	+ 18	+ 308	7,363	7,462	- 201	53,860	+ 642	3,004	+ 510
Nov	27,672	+ 158	+ 171	6,743	7,381	- 81	54,424	+ 564	2,880	+ 640
Dec	28,689	+ 1,017	+ 209	8,232	7,974	+ 593	54,365	- 59	2,486	+ 482
Jan 2004	29,945	- 174	+ 305	6,970	7,667	- 307	54,966	+ 601	2,995	+ 465
Feb	30,035	+ 90	+ 488	6,860	7,604	- 64	55,459	+ 493	3,059	+ 354
Mar	30,136	+ 501	+ 510	8,315	7,944	+ 340	56,153	+ 694	3,263	+ 935
Apr	31,139	+ 1,003	+ 624	7,610	7,554	- 390	56,745	+ 592	2,914	+ 489
May	31,722	+ 582	+ 417	7,481	7,582	+ 28	57,255	+ 510	2,943	+ 475
Jun	32,203	+ 481	+ 400	8,223	8,109	+ 527	57,729	+ 475	3,217	+ 666
Jul	32,765	+ 562	+ 492	7,985	7,940	- 169	58,081	+ 352	3,250	+ 227
Aug	33,299	+ 534	+ 499	8,076	8,287	+ 347	58,304	+ 223	3,088	+ 622
Sep	33,524	+ 226	+ 218	7,757	8,296	+ 9	58,912	+ 608	3,149	+ 550
Oct	33,217	- 307	+ 291	7,176	8,045	- 251	59,501	+ 589	3,018	+ 308
Nov	33,042	+ 230	+ 162	7,891	8,522	+ 477	60,184	+ 683	3,120	+ 948
Dec	33,973	+ 931	+ 260	8,139	8,771	+ 249	60,285	+ 100	2,363	+ 445
Jan 2005	33,853	- 120	+ 336	7,205	8,785	+ 14	60,818	+ 533	2,748	+ 728
Feb	33,728	- 125	+ 46	6,842	8,787	+ 2	61,263	+ 445	2,856	+ 671
Mar	33,628	- 100	+ 128	7,586	8,958	+ 171	61,864	+ 601	2,952	+ 361
Apr	34,017	+ 388	- 44	7,064	8,486	- 472	62,248	+ 384	3,025	+ 426
May	34,311	+ 294	+ 117	7,643	8,959	+ 473	62,563	+ 315	2,915	+ 723

COMPOSITION OF THE MAJOR BRITISH BANKING GROUPS (MBBG)

Data in this release cover the business of the following institutions' UK offices:

Abbey Group:

Abbey National plc
Abbey National Treasury Services plc
CA Premier Banking Ltd
Cater Allen Ltd

Alliance & Leicester Group:

Alliance & Leicester plc
Alliance & Leicester Commercial Bank plc

Barclays Group:

Barclays Bank plc
Barclays Bank Trust Company Ltd
Barclays Private Bank Ltd

Bradford & Bingley plc

HBOS Group:

Halifax plc
Bank of Scotland
HBOS Treasury Services plc
Capital Bank plc

HSBC Bank Group:

HSBC Bank plc
HSBC Trust Company (UK) Ltd

Lloyds TSB Group:

Lloyds TSB Bank Plc
AMC Bank Ltd
Cheltenham & Gloucester plc
Lloyds TSB Private Banking Ltd
Lloyds TSB Scotland plc
Scottish Widows Bank plc

Northern Rock plc

The Royal Bank of Scotland Group:

The Royal Bank of Scotland plc
Adam and Company plc
Coutts & Co
Direct Line Financial Services Ltd
National Westminster Bank plc
Tesco Personal Finance Ltd
Ulster Bank Ltd
Ulster Bank Ireland Ltd