



BRITISH BANKERS' ASSOCIATION

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Continued strength in mortgage lending in November

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

- Gross mortgage lending was £18.0bn in November. This was among the highest on record and 23% higher than November 2004.
- Seasonally adjusted net mortgage lending (gross lending minus repayments and redemptions) rose by £5.1bn, compared with £4.3bn in October and £4.1bn in November 2004. This was the strongest increase since July 2004 and compares with an average of £4.4bn over the previous six months.
- There were 192,927 mortgage approvals (for all purposes) in November, with a total value of £19.1bn. The number of approvals was virtually the same as October 2005 but 22% higher than November 2004. The average approval for house purchase rose to £130,800.
- Net lending on loans and overdrafts rose by £0.1bn (having risen by £0.5bn in October) well down on the average increase over the previous six months. Net lending on credit cards also rose by £0.1bn, in line with the average increase in the previous six months.

David Dooks, BBA director of statistics, said:

"Gross lending on mortgages reached a very high level in November confirming the recovery in the housing market after a relatively weaker early part of the year. Approvals, particularly for house purchase, continued to be strong with little evidence of the normal seasonal slowdown.

By contrast consumer credit was very weak with little sign that the slight improvement in retail sales was feeding through to lending."

Mortgage Lending

- November's gross lending of £17,955mn was 2.5% higher than October's total of £17,509mn, but 22.9% higher than the £14,610mn in November 2004.
- Seasonally adjusted net mortgage lending rose by £5,081mn, compared with £4,293mn in October. The increase in November was also stronger than the average of +£4,432mn in the previous six months, producing an annual growth rate just below 12%.
- Compared to the same month a year earlier, November's approvals of house purchase loans were 51% higher by number and 64% higher by value; remortgaging loans were 17% higher by number and 34% higher by value; and equity withdrawal loans were 1% higher by number and flat by value.

Consumer Credit

- New borrowing on credit cards totalled £7,520mn in November. This was 3% lower than the previous month and repayments were flat; however after seasonal adjustment the increase in net lending of £135mn compared with a recent average increase of +£145mn.
- New lending on personal loans and overdrafts was slightly higher than the average for the previous six months, at £3,110mn, but after seasonal adjustment, there was a weak rise in net lending of £128mn.

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 4 January 2006.*

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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) (d) in amounts outstanding £ mn	Seasonally adjusted net (c) (d) 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	+ 5,257	13,052	4,244	5,372	1,272	48,829	63,760	64,712	86,900
Feb	432,091	+ 3,312	+ 4,935	11,682	4,894	5,454	1,469	58,030	67,741	74,292	84,300
Mar	428,872	+ 4,281	+ 4,575	12,846	6,232	7,195	1,793	72,808	88,480	86,977	85,600
Apr	433,929	+ 4,698	+ 4,934	13,708	6,966	7,812	1,658	78,668	94,589	79,818	88,600
May	436,580	+ 5,011	+ 4,838	14,744	7,232	6,676	1,706	78,500	78,071	82,500	92,100
Jun	440,116	+ 5,561	+ 4,839	14,932	8,413	6,749	1,756	84,111	77,450	82,459	100,000
Jul	446,816	+ 6,595	+ 5,800	16,903	9,136	7,146	1,979	89,352	80,374	91,782	102,200
Aug	453,068	+ 5,740	+ 5,333	16,074	8,595	6,654	1,811	81,635	72,507	83,616	105,300
Sep	456,565	+ 5,941	+ 5,579	16,917	9,048	7,038	1,999	85,626	77,701	88,843	105,700
Oct	463,548	+ 6,284	+ 5,709	17,803	9,885	7,549	2,169	90,718	85,408	94,389	109,000
Nov	464,363	+ 5,283	+ 5,130	16,402	8,585	6,923	1,717	80,414	79,357	74,177	106,800
Dec	468,374	+ 4,279	+ 5,290	15,794	6,929	5,844	1,420	64,563	64,344	60,037	107,300
Jan 2004	471,074	+ 5,571	+ 5,731	14,255	5,486	5,433	1,378	54,443	60,021	61,741	100,800
Feb	474,974	+ 3,881	+ 5,319	13,538	7,591	6,038	1,645	72,339	68,068	71,762	104,900
Mar	475,231	+ 5,361	+ 5,702	15,883	10,682	7,678	1,965	97,852	86,788	84,638	109,200
Apr	477,974	+ 5,870	+ 5,984	16,150	9,728	6,257	1,647	87,800	71,212	72,817	110,800
May	479,038	+ 4,944	+ 4,949	15,533	10,169	6,249	1,597	89,289	66,801	68,768	113,900
Jun	486,460	+ 6,577	+ 5,571	18,017	10,351	6,935	1,720	88,859	72,262	72,783	116,500
Jul	488,927	+ 5,752	+ 5,113	18,106	7,987	6,701	1,652	69,951	69,084	71,440	114,200
Aug	493,577	+ 4,872	+ 4,678	16,641	7,179	6,616	1,510	64,032	68,174	65,291	112,100
Sep	484,880 (k)	+ 4,941	+ 4,521	16,304	6,669	6,853	1,524	59,905	70,209	64,937	111,300
Oct	490,266	+ 4,899	+ 4,432	15,133	6,677	7,150	1,202	59,011	71,414	50,724	113,100
Nov	490,623	+ 4,232	+ 4,091	14,610	5,674	6,351	1,247	47,245	62,014	48,387	120,100
Dec	496,383	+ 4,209	+ 5,051	14,166	4,738	5,680	1,058	40,050	53,545	41,127	118,300
Jan 2005	496,309	+ 3,929	+ 4,164	11,642	3,897	5,456	1,045	34,216	52,814	42,812	113,900
Feb	494,038	+ 3,439	+ 4,797	11,938	5,805	6,059	1,279	47,084	59,772	51,532	123,300
Mar	496,035	+ 4,306	+ 4,617	13,721	8,185	6,966	1,471	64,372	67,473	56,261	127,200
Apr	498,833	+ 3,937	+ 4,072	14,120	8,696	6,944	1,517	67,290	65,665	58,902	129,200
May	498,766	+ 4,286	+ 4,484	14,339	8,487	6,607	1,414	67,702	63,636	55,104	125,400
Jun	499,161	+ 6,011	+ 4,757	16,475	9,313	7,104	1,479	70,750	65,520	58,972	131,600
Jul	503,355	+ 4,363	+ 3,860	16,042	8,706	7,041	1,370	65,611	62,989	53,333	132,700
Aug	507,300	+ 4,555	+ 4,425	16,848	9,068	7,831	1,438	69,499	69,145	55,832	130,500
Sep	512,159	+ 5,345	+ 4,770	17,817	9,147	8,451	1,447	70,105	72,485	56,441	130,500
Oct	514,722	+ 4,650	+ 4,293	17,509	9,368	8,145	1,314	72,328	70,014	51,389	129,500
Nov	519,191	+ 5,325	+ 5,081	17,955	9,329	8,480	1,248	71,310	72,650	48,967	130,800

(a) The first three columns relate to all banks within the group; the following columns relate to a sample of banks, accounting for some 99% of total lending secured on dwellings by the group. Columns 1, 2 and 3 include acquisitions of mortgages from, or sales of mortgages to, other lenders; column 4 includes only acquisitions of mortgages from other lenders. Figures are not seasonally adjusted, unless otherwise specified.

(b) From October 1997, data are net of cancellations.

(c) Figures exclude the effects of securitisations and sales/purchases of loan and credit card books.

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 (c) in amounts outstanding £ mn	Seasonally adjusted net (c) changes in amounts outstanding £ mn	Gross loans during period £ mn	Amounts outstanding at end-period £ mn	Net changes (c) 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 (c) amounts outstanding £ mn
Jan 2003	26,029	- 129	+ 375	6,239	7,125	- 253	57,244	+ 531	3,359	+ 234
Feb	26,107	+ 77	+ 280	5,658	7,066	- 60	55,712	+ 467	2,979	+ 429
Mar	26,086	+ 8	+ 298	6,348	7,263	+ 197	51,990	+ 418	2,980	+ 380
Apr	26,245	+ 796	+ 333	6,693	7,201	- 62	50,578	+ 313	2,808	+ 523
May	26,492	+ 464	+ 479	6,588	7,179	- 22	50,998	+ 420	2,965	+ 188
Jun	26,261	+ 368	+ 159	6,897	7,471	+ 292	51,457	+ 459	3,112	+ 648
Jul	26,585	+ 324	+ 342	7,415	7,535	+ 64	51,983	+ 525	3,425	+ 548
Aug	26,998	+ 413	+ 309	6,459	7,466	- 70	52,542	+ 560	3,053	+ 370
Sep	27,496	+ 282	+ 483	7,185	7,663	+ 197	53,219	+ 534	3,394	+ 479
Oct	27,514	+ 18	+ 285	7,363	7,462	- 201	53,860	+ 642	3,004	+ 478
Nov	27,672	+ 158	+ 152	6,743	7,381	- 81	54,424	+ 564	2,880	+ 616
Dec	28,689	+ 1,017	+ 216	8,232	7,974	+ 593	54,365	- 59	2,486	+ 546
Jan 2004	29,945	- 174	+ 311	6,970	7,667	- 307	54,966	+ 601	2,995	+ 461
Feb	30,035	+ 90	+ 491	6,860	7,604	- 64	55,459	+ 493	3,059	+ 350
Mar	30,136	+ 501	+ 512	8,315	7,944	+ 340	56,153	+ 694	3,263	+ 928
Apr	31,139	+ 1,003	+ 633	7,610	7,554	- 390	56,745	+ 592	2,914	+ 481
May	31,722	+ 582	+ 428	7,481	7,582	+ 28	57,255	+ 510	2,943	+ 452
Jun	32,203	+ 481	+ 363	8,223	8,109	+ 527	57,729	+ 475	3,217	+ 798
Jul	32,765	+ 562	+ 557	7,985	7,940	- 169	58,081	+ 352	3,250	+ 264
Aug	33,299	+ 534	+ 529	8,076	8,287	+ 347	58,304	+ 223	3,088	+ 505
Sep	33,524	+ 226	+ 192	7,757	8,296	+ 9	58,912	+ 608	3,149	+ 607
Oct	33,217	- 166	+ 234	7,176	8,045	- 251	59,501	+ 589	3,018	+ 374
Nov	33,042	+ 230	+ 252	7,891	8,522	+ 477	60,184	+ 683	3,120	+ 897
Dec	33,973	+ 931	+ 279	8,139	8,771	+ 249	60,285	+ 100	2,363	+ 428
Jan 2005	33,853	- 120	+ 350	7,205	8,785	+ 14	60,818	+ 533	2,748	+ 711
Feb	33,728	- 125	+ 58	6,842	8,787	+ 2	61,263	+ 445	2,856	+ 650
Mar	33,628	- 100	+ 138	7,586	8,958	+ 171	61,864	+ 601	2,952	+ 334
Apr	34,017	+ 388	- 32	7,064	8,486	- 472	62,248	+ 384	3,025	+ 389
May	34,311	+ 294	+ 126	7,643	8,959	+ 473	62,563	+ 315	2,915	+ 679
Jun	33,498	+ 103	+ 297	7,468	9,070	+ 111	62,980	+ 418	2,993	+ 56
Jul	33,526	+ 28	- 29	7,191	8,886	- 185	63,393	+ 413	2,832	+ 448
Aug	33,808	+ 282	+ 34	8,117	9,246	+ 361	63,761	+ 368	2,870	+ 647
Sep	33,171	+ 183	+ 189	7,453	8,991	- 255	64,248	+ 487	3,002	+ 274
Oct	31,915	+ 18	+ 254	7,320	9,524	+ 202	64,285	+ 241	2,903	+ 460
Nov	31,319	- 13	+ 135	7,520	9,668	+ 144	64,274	- 11	2,966	+ 128

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(c) Figures exclude the effects of securitisations and sales/purchases of loan and credit card books.

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