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## Analysis of bank and building society deposits from and lending to UK residents: 1<sup>st</sup> Quarter 2009

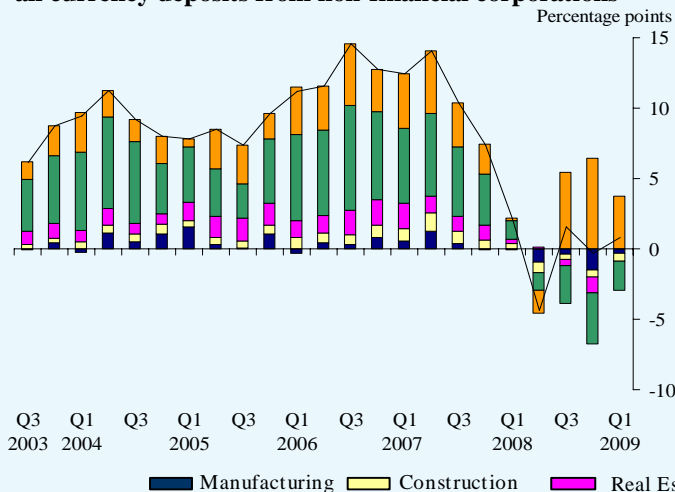
**Deposits** from other financial corporations (OFCs) rose by £44.8bn in Q1, following the strong increase in 2008 Q4. The increase in OFC deposits was more than accounted for by other financial intermediaries (+£24.5bn), securities dealers (+£13bn) and other auxiliary activities (+£12.2bn). Deposits from non-financial corporations (NFCs) fell £1.0bn, reflecting declines in public administration & defence (-£5.6bn), other retail trade and repair (-£1.7bn), manufacture of machinery & transport equipment (-£1.2bn) and construction (-£1.0bn). These were partly offset by a rise in deposits from legal, accountancy, consultancy & other business activities (+£6.5bn).

**Lending** to OFCs increased by £9.6bn in Q1: a large rise in sterling lending more than offset a fall in foreign currency lending. The all currency rise was driven by increased lending to other financial intermediaries (+£35.0bn), partly offset by falls in lending to securities dealers (-£11.7bn) and bank holding companies (-£9.2bn). Lending to NFCs rose by £1.5bn, driven by a rise of £2.1bn in lending to development, buying, selling, renting of real estate.

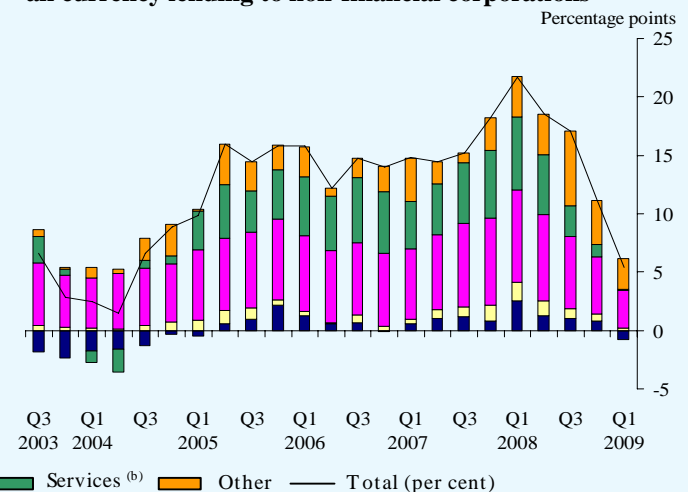
**Table A: All currency deposits from and lending to UK resident sectors**  
Not seasonally adjusted

	Deposits			Lending		
	Amount outstanding £ billions	Change £ billions	Annual Growth rate Per cent	Amount outstanding £ billions	Change £ billions	Annual Growth rate Per cent
<b>Non-financial corporations</b>	<b>369.2</b>	<b>-1.0</b>	<b>0.9</b>	<b>635.4</b>	<b>1.5</b>	<b>5.4</b>
Manufacturing	38.7	0.1	-2.9	62.8	-0.7	-7.4
Construction	17.2	-1.0	-10.3	32.2	0.5	3.2
Real estate <sup>(a)</sup>	35.9	2.3	-0.2	252.2	2.1	8.5
Services <sup>(b)</sup>	178.9	4.8	-4.1	203.7	0.6	0.3
Other	98.6	-7.1	16.8	84.5	-1.1	18.9
<b>Other financial corporations</b>	<b>1 032.0</b>	<b>44.8</b>	<b>21.3</b>	<b>1 067.0</b>	<b>9.6</b>	<b>1.7</b>
Financial intermediation <sup>(c)</sup>	697.3	39.0	27.2	829.2	12.3	3.0
Insurance companies & pension funds	61.0	-4.8	-24.4	28.9	-1.6	-5.4
Activities auxiliary to financial intermediation	273.7	10.6	23.6	208.9	-1.1	-2.2

**Chart 1: Contributions by sector to annual growth rate in all currency deposits from non-financial corporations**



**Chart 2: Contributions by sector to annual growth rate in all currency lending to non-financial corporations**



<sup>(a)</sup> Development, buying, selling & renting of real estate.

<sup>(b)</sup> Includes: wholesale & retail trade; hotels & restaurants; transport, storage and communication; renting of machinery & equipment; computer & related activities; legal, accountancy, consultancy & other business activities; and recreational, personal & community service activities.

<sup>(c)</sup> Excluding insurance companies & pension funds.

**Table B: Further breakdown of all currency deposits from and lending to UK residents <sup>(a)</sup>**

£ billions

Not seasonally adjusted

	Deposits		Lending	
	Change on Quarter	Outstanding at end-Q1 2009	Change on Quarter	Outstanding at end-Q1 2009
<b>Non-financial corporations</b>	<b>- 1.0</b>	<b>369.2</b>	<b>1.5</b>	<b>635.4</b>
Manufacturing	0.1	38.7	- 0.7	62.8
o/w Food, beverages & tobacco	0.0	3.6	- 2.4	16.0
Chemicals & man-made fibres, rubber & plastics	0.7	7.0	0.1	7.0
Machinery & transport equipment	- 1.2	8.1	0.5	11.1
Electricity, gas & water supply	- 0.7	7.7	- 0.1	13.4
o/w Electricity, gas & heated water	- 0.3	5.1	- 0.2	9.5
Construction	- 1.0	17.2	0.5	32.2
Wholesale & retail trade	- 1.8	28.6	- 0.9	55.6
o/w Sale & repair of motor vehicles & fuel	0.2	4.2	- 0.9	9.0
Other retail trade and repair	- 1.7	11.3	1.2	24.3
Hotels & restaurants	- 0.4	4.0	0.3	32.6
Transport, storage and communication	- 0.2	19.1	0.9	33.2
Real estate, renting, computer & other business activities	9.4	130.8	2.2	313.0
o/w Development, buying, selling, renting of real estate	2.3	35.9	2.1	252.2
Renting of machinery & equipment	0.1	1.9	- 0.3	9.5
Computer & related activities	0.5	10.0	- 0.2	5.1
Legal, accountancy, consultancy & other business activities	6.5	83.0	0.6	46.3
Public administration & defence	- 5.6	51.0	0.1	12.4
Education	- 0.1	10.2	0.3	10.8
Health & social work	- 0.5	14.0	0.2	21.7
Recreational, personal & community service activities	0.1	32.3	0.2	21.5
<b>Other financial corporations</b>	<b>44.8</b>	<b>1 032.0</b>	<b>9.6</b>	<b>1 067.0</b>
Financial intermediation (excl. insurance companies and pension funds)	39.0	697.3	12.3	829.2
o/w Non-bank credit grantors excl. credit unions	2.5	8.1	1.3	26.4
Mortgage & housing credit corporations	3.8	126.9	- 5.5	173.0
Bank holding companies	- 9.7	55.1	- 9.2	43.8
Securities dealers	13.0	154.7	- 11.7	183.7
Other financial intermediaries	24.5	300.5	35.0	334.2
Insurance companies & pension funds	- 4.8	61.0	- 1.6	28.9
Activities auxiliary to financial intermediation	10.6	273.7	- 1.1	208.9
o/w Fund management activities	- 1.6	108.7	8.4	42.7
Other auxiliary activities	12.2	164.9	- 9.5	166.2
<b>Individuals</b>	<b>3.6</b>	<b>908.8</b>	<b>1.2</b>	<b>899.0</b>
o/w Secured on dwellings incl. bridging finance	n/a	n/a	5.2	761.2
Other loans & advances	n/a	n/a	- 4.0	137.8
<b>Total all currency</b>	<b>47.5</b>	<b>2 309.9</b>	<b>12.4</b>	<b>2 601.4</b>

<sup>(a)</sup> The breakdowns - for non-financial corporations, other financial corporations, and individuals - only list the main changes and therefore do not sum to the total for each category.

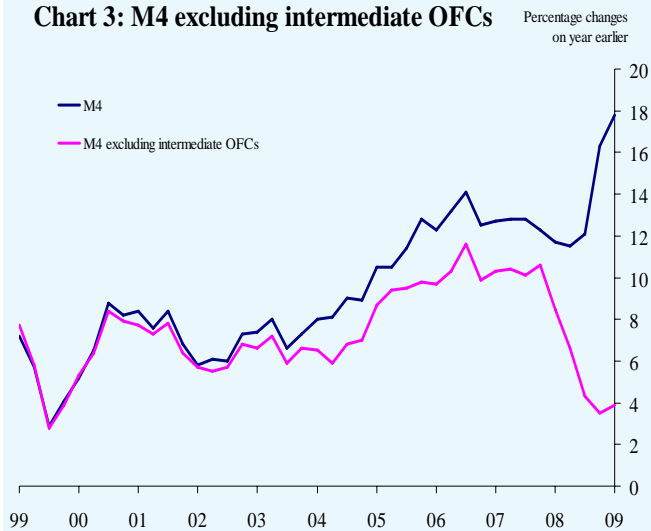
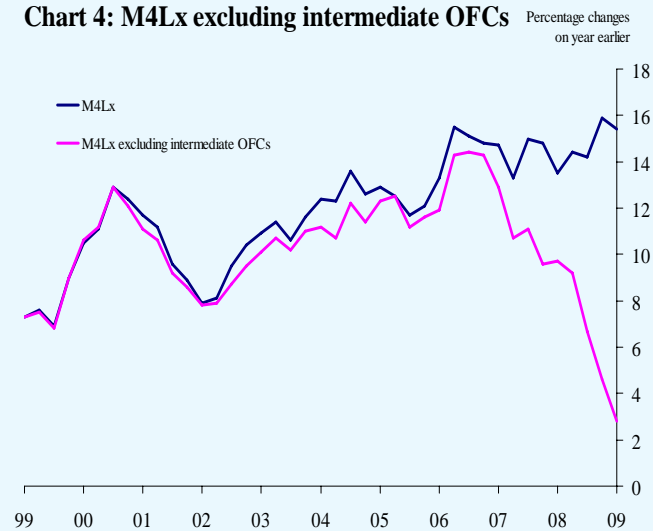
**Table A1: M4 and M4 lending excluding intermediate OFCs** <sup>(a)</sup>

Seasonally adjusted

	M4 - Intermediate OFCs				M4 lending (exc. the effects of securitisations etc.) - Intermediate OFCs			
	Amount		Growth rates		Amount		Growth rates	
	outstanding £ billions	Change £ billions	Per cent		outstanding £ billions	Change £ billions	Per cent	
			1Q (ann)	4Q			1Q (ann)	4Q
2008 Q1	1509.0	13.4	3.7	8.5	2113.5	47.8	9.5	9.7
Q2	1513.7	14.7	4.0	6.6	2149.3	46.0	9.0	9.2
Q3	1513.1	8.2	2.2	4.3	2162.9	13.0	2.4	6.7
Q4	1527.1	15.0	4.0	3.5	2168.3	-10.9	-2.0	4.6
2009 Q1	1546.6	20.3	5.4	3.9	2202.3	12.1	2.3	2.8

(a) For details see Notes to Editors 3

Annual growth in **M4 excluding intermediate OFCs** increased by 0.4 percentage points to 3.9% in Q1. In contrast, the annual growth rate of **M4 lending excluding intermediate OFCs** fell from 4.6% to 2.8%.

**Chart 3: M4 excluding intermediate OFCs****Chart 4: M4Lx excluding intermediate OFCs****Notes to Editors**

- 1 Lending measures bank and building society loans and advances (including under reverse repos) to non-bank, non-building society UK residents, and deposits include bank and building society liabilities to these UK residents under repos. In contrast to aggregate and sectoral data on M4 lending, industrial lending data in this release are not adjusted for the effects of securitisations and loan transfers. Further information on the definitions and calculations of growth rates can be found in Bank of England *Monetary and Financial Statistics* or via the following links:  
[www.bankofengland.co.uk/mfsd/iadb/notesiadb/industrial.htm](http://www.bankofengland.co.uk/mfsd/iadb/notesiadb/industrial.htm)  
[www.bankofengland.co.uk/mfsd/iadb/notesiadb/growth\\_rates.htm](http://www.bankofengland.co.uk/mfsd/iadb/notesiadb/growth_rates.htm)
- 2 Tables providing a more detailed breakdown of these data (including a sterling/other currency split), as well as revisions to previously published data, are available separately. In addition, the Statistical Interactive Database provides long runs of statistical data with comprehensive search options and the ability to download in a variety of formats. This database can be accessed at [www.bankofengland.co.uk/mfsd/iadb](http://www.bankofengland.co.uk/mfsd/iadb). The tables shown separately illustrate the codes for each series which can be used for downloading long runs from the database. Deposits and lending data analysed by nationality of ultimate ownership of the individual reporters can be made available on request.
- 3 M4 excluding intermediate OFCs is calculated as aggregate M4 (seasonally adjusted) minus (not seasonally adjusted) sterling deposits from intermediate OFCs: <http://www.bankofengland.co.uk/mfsd/iadb/notesiadb/m4adjusted.htm>. M4Lx (i.e M4 lending excluding the effects of securitisations etc) minus lending to intermediate OFCs is calculated as aggregate M4Lx (seasonally adjusted) minus (not seasonally adjusted) sterling loans and advances to intermediate OFCs: <http://www.bankofengland.co.uk/mfsd/iadb/notesiadb/m4lxadjusted.htm>. Intermediate OFCs are defined as: non-bank credit grantors; mortgage and housing credit corporations; bank holding companies; and other activities auxiliary to financial intermediation. In addition, sterling deposits from and sterling loans and advances to 'other financial intermediaries' (undertaken with banks and building societies in their own financial group) are also taken out of aggregate M4 and M4Lx respectively. Banks' and building societies' holdings of securities issued by their own securitisation vehicles are also excluded from M4Lx. The latter two exclusions are based on anecdotal information provided by a sample of banks.