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Sectoral breakdown of aggregate M4 and M4 lending: May 2009

The **household sector's** holdings of M4 rose by £2.4 billion in May. The annual growth rate continued to fall, to 3.0%. M4 lending (excluding the effects of securitisations etc) to the household sector rose by £1.2 billion. The annual growth rate fell further, to 3.0%. **Private non-financial corporations'** (PNFCs') holdings of M4 fell by £2.0bn; the annual growth rate became more negative, at -2.1%. M4 lending (excluding the effects of securitisations etc) to PNFCs fell by £0.3 billion in May and annual growth continued to fall, to 0.3%. Holdings of M4 by **other financial corporations** (OFCs) rose by £2.8 billion and M4 lending (excluding the effects of securitisations etc) to OFCs rose by £22.4 billion in May.

Table A: Sectoral breakdown^(a) (Seasonally adjusted)

		Household Sector			Private non-financial corporations			Other financial corporations			
		Change		Growth rates		Change		Growth rates		Change	
		£ billions		Per cent		£ billions		Per cent		£ billions	
				1m	12m	1m	12m	1m	12m	1m	12m
2009	Feb	3.3	0.3	4.5	7.0	3.0	-1.9	14.7	1.9	55.1	
	Mar	3.7	0.4	4.1	-5.1	-2.1	-2.5	9.2	1.2	54.1	
	Apr	0.8	0.1	3.3	0.0	0.0	-1.4	6.8	0.9	52.2	
	May	2.4	0.2	3.0	-2.0	-0.8	-2.1	2.8	0.4	50.6	
M4 lending (excluding the effects of securitisations etc.)											
		Household Sector			Private non-financial corporations			Other financial corporations			
2009	Feb	2.2	0.2	4.3	2.5	0.5	3.4	21.1	2.2	44.9	
	Mar	1.8	0.1	3.8	1.0	0.2	3.0	26.5	2.7	46.6	
	Apr	1.5	0.1	3.3	-4.5	-0.9	0.7	-5.4	-0.5	38.2	
	May	1.2	0.1	3.0	-0.3	-0.1	0.3	22.4	2.5	43.1	

(a) Data in bold italics are where the current estimate of the change differs by more than 0.2 per cent of the underlying level or the growth rate differs by 0.2 percentage points or more from the most recent published estimate. There are no revisions above the thresholds on this occasion.

Chart 1: 12-month growth rates of sectoral M4

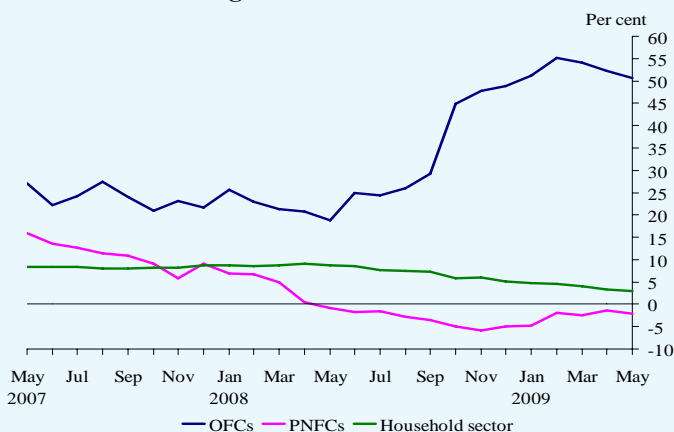


Chart 2: 12-month growth rates of sectoral M4 lending (excluding the effects of securitisations etc)

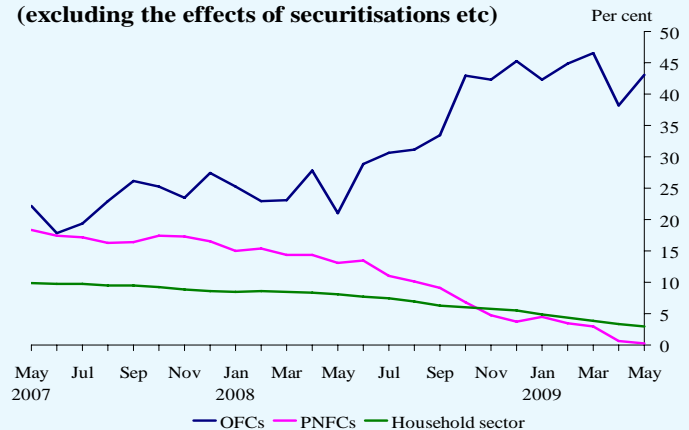


Table B: A wider measure of PNFC financing (£ billions, seasonally adjusted)

		Sterling loans by UK MFIs ^(a)	Sterling capital market issuance ^(b)	Foreign currency loans by UK MFIs ^(c)	Foreign currency capital market issuance ^(b)	Funds raised by PNFCs from UK MFIs and capital markets ^{(a) (d)}
2009	Feb	1.3	5.5	-2.6	-1.3	2.6
	Mar	-1.4	5.8	-0.9	-5.7	-0.7
	Apr	-3.9	2.4	-1.7	0.8	-1.7
	May	-1.0	3.1	-4.2	1.1	-0.4

(a) Sterling loans exclude the effects of securitisations and loan transfers.

(b) Not seasonally adjusted (Capital issues series have been found not to be significantly seasonal).

(c) This series has not been seasonally adjusted as, after examination, it was found not to be significantly seasonal. This series will, however, be reviewed for seasonality along with all other series on a regular basis.

(d) Owing to the method of the seasonal adjustment of this series, it may not equal the sum of its component breakdown.

PNFCs repaid a net total of £0.4 billion to UK MFIs and capital markets in May, less than the £1.7 billion repaid in April. Further information on capital issues can be found in the *Capital Issuance* release of 18 June.

Table C: M4 and M4 lending ^(a) (Seasonally adjusted)

		M4			M4 lending			M4 lending (exc. the effects of securitisations etc.)			
		Change		Growth rates		Change		Growth rates		Change	
		£ billions	Per cent	Per cent	Per cent	£ billions	Per cent	Per cent	Per cent	£ billions	Per cent
			1m	12m		1m	12m		1m	12m	
2009	Feb	24.0	1.2	18.8	21.1	0.9	12.0	25.8	0.9	15.3	
	Mar	4.6	0.2	18.1	30.5	1.2	12.5	29.3	1.0	15.5	
	Apr	4.9	0.2	17.4	-14.6	-0.6	10.2	-8.8	-0.3	12.8	
	May	4.9	0.2	16.6	25.0	1.0	11.1	23.2	0.9	13.7	

(a) Data in bold italics are revised from the provisional release published on 18 June.

Table D: M4 and M4 lending excluding OFCs (Seasonally adjusted)

		M4 - OFCs			M4 lending - OFCs			M4 lending (exc. the effects of securitisations etc.) - OFCs			
		Change		Growth rates		Change		Growth rates		Change	
		£ billions	Per cent	Per cent	Per cent	£ billions	Per cent	Per cent	Per cent	£ billions	Per cent
			1m	12m		1m	12m		1m	12m	
2009	Feb	10.2	0.8	3.2	1.0	0.1	-2.4	4.7	0.3	4.1	
	Mar	-1.5	-0.1	2.7	4.4	0.3	-2.7	2.8	0.2	3.6	
	Apr	0.8	0.1	2.4	-3.6	-0.2	-2.9	-3.0	-0.2	2.6	
	May	0.4	0.0	2.0	2.9	0.2	-3.5	0.9	0.1	2.2	

Notes to Editors

- The data for sectoral M4 lending shown in Table A (and the accompanying text and chart) exclude the effects of securitisations and loan transfers. Securitisations reduce both the stock of lending by MFIs and the associated flow. Growth rates excluding the effects of securitisations etc, which more accurately reflect the indebtedness of borrowers, are used in the Bank of England *Inflation Report* and in the minutes of the meetings of the Monetary Policy Committee. Growth rates of sectoral M4 lending not adjusted for the effects of securitisations etc. are available in Table A4.1 of Bank of England *Monetary and Financial Statistics* (www.bankofengland.co.uk/statistics/ms/current).
- The household sector comprises individuals, unincorporated businesses other than unlimited liability partnerships (i.e. sole traders) and non-profit institutions serving households (e.g. charities and universities). Data for total lending to individuals, i.e. including that by non-MFI mortgage and credit grantors (such as specialist securitisation vehicles), are available in the *Lending to individuals* statistical release, also published today.
- Table B shows a wider measure of financing by PNFCs. This measure encompasses their sterling and foreign currency borrowing from UK MFIs (but excluding MFIs' net purchases of securities issued by PNFCs) and the funds raised through issues of sterling and foreign currency equities and bonds and commercial paper in the UK.
- 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.