



NOT FOR PUBLICATION UNTIL 09:30 ON 29 JUNE 2010

Sectoral breakdown of aggregate M4 and M4 lending: May 2010

M4 excluding intermediate OFCs rose by £15.8 billion in May, stronger than the £4.7 billion rise in April. Three-month annualised growth rose to 9.2%. **M4 lending excluding intermediate OFCs** fell by £3.8 billion in May, weaker than the £0.8 billion rise in April. Three-month annualised growth fell to 0.5%.

Table A: M4 and M4 lending excluding intermediate OFCs^(a) (Seasonally adjusted)

M4 - Intermediate OFCs						M4 lending (exc. the effects of securitisations etc.) - Intermediate OFCs					
		Amount outstanding	Change	Growth rates (per cent)			Amount outstanding	Change	Growth rates (per cent)		
		£ billions	£ billions	1m	3m (ann)	4Q	£ billions	£ billions	1m	3m (ann)	4Q
RPQ/RPM		B53Q	B54Q	B68P	B55Q	B56Q	B57Q	B58Q	B66P	B59Q	B62Q
2010	Feb	1 532.7	4.8	0.3	-1.1	0.4	2 031.9	5.5	0.3	0.0	1.3
	Mar	1 546.1	13.6	0.9	4.7	1.0	2 033.7	5.5	0.3	0.2	1.5
	Apr	1 550.8	4.7	0.3	6.2	0.9	2 034.3	0.8	0.0	2.4	1.2
	May	1 566.6	15.8	1.0	9.2	1.6	2 041.6	-3.8	-0.2	0.5	0.6

(a) For details see Notes to Editors 4. Please note that July 2009 was the first month for which monthly, as opposed to quarterly, data on M4 and M4 lending excluding intermediate OFCs were collected. The three-month annualised growth rates are available each month from September 2009 data onwards. The four-quarter/twelve-month growth rates will be extended initially at end-quarter months, and will be available each month from June 2010 data onwards. Twelve-month growth rates for off-quarter months are estimates only; a longer run is available on request by emailing mfsd_ms@bankofengland.co.uk.

Chart 1: M4 excluding intermediate OFCs (quarterly)

Chart 2: M4Lx excluding intermediate OFCs (quarterly)

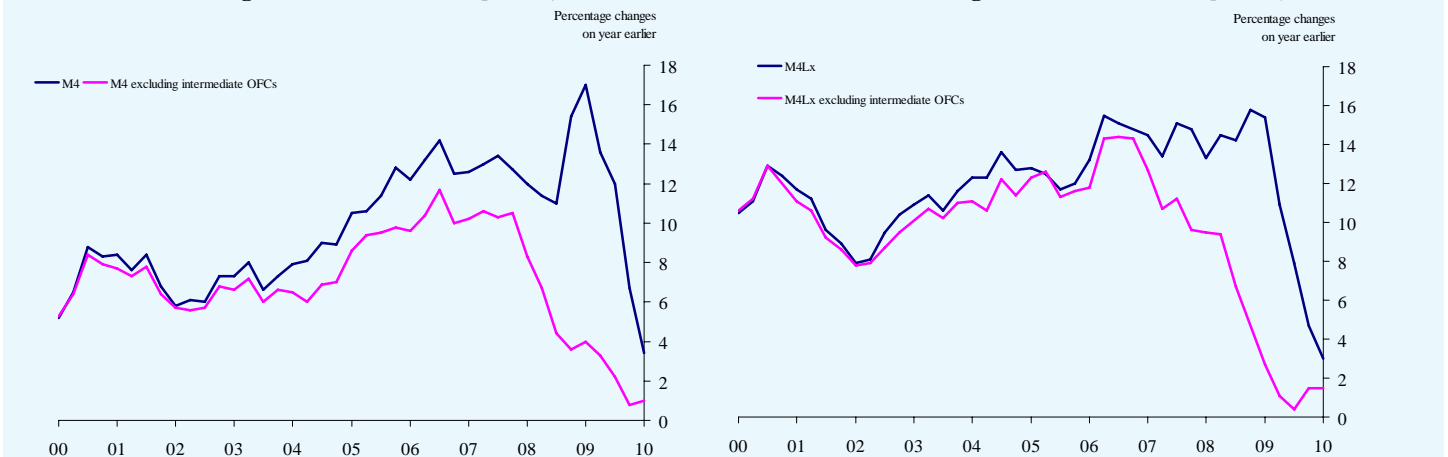


Table B: M4 and M4 lending excluding all OFCs (Seasonally adjusted)

M4 - OFCs				M4 lending - OFCs			M4 lending (exc. the effects of securitisations etc.) - OFCs			
		Change	Growth rates		Change	Growth rates		Change	Growth rates	
		£ billions	Per cent	Per cent	£ billions	Per cent	Per cent	£ billions	Per cent	Per cent
LPM		BD94	BD95	BE24	BE26	BE27	BE32	BE34	BE35	BE38
2010	Feb	5.0	0.4	2.7	-1.2	-0.1	1.1	-1.9	-0.1	0.0
	Mar	7.0	0.6	3.4	0.1	0.0	1.0	0.1	0.0	-0.1
	Apr	-2.5	-0.2	3.1	-2.1	-0.1	1.2	-2.3	-0.1	-0.1
	May	0.2	0.0	3.0	-1.6	-0.1	1.0	-1.6	-0.1	-0.2

The **household sector's** holdings of M4 rose by £0.5 billion in May. The annual growth rate fell to 3.1%. M4 lending (excluding the effects of securitisations etc) to the household sector rose by £1.2 billion. The annual growth rate was unchanged at 1.4%. **Private non-financial corporations'** (PNFCs') holdings of M4 fell by £0.3 billion; the annual growth rate rose to 2.4%. M4 lending (excluding the effects of securitisations etc) to PNFCs fell by £2.8 billion in May and annual growth became more negative, at -4.3%. Holdings of M4 by **other financial corporations** (OFCs) fell by £0.5 billion and M4 lending (excluding the effects of securitisations etc) to OFCs fell by £12.3 billion in May.

Table C: Sectoral breakdown^(a) (Seasonally adjusted)
M4

Household sector				Private non-financial corporations			Other financial corporations			
		Growth rates				Growth rates				
		Change	Per cent		Change	Per cent		Change	Per cent	
		£ billions	1m	12m	£ billions	1m	12m	£ billions	1m	12m
LPM	VVHS	VVHT	VVHW	VVHM	VVHN	VVHQ	VVHG	VVHH	VVHK	
2010 Feb	4.4	0.4	3.0	0.6	0.3	1.3	-1.2	-0.1	5.8	
Mar	5.3	0.5	3.4	1.6	0.7	3.8	-6.8	-0.7	3.6	
Apr	0.3	0.0	3.3	-2.8	-1.2	2.2	4.2	0.4	3.7	
May	0.5	0.0	3.1	-0.3	-0.1	2.4	-0.5	-0.1	2.6	

M4 lending (excluding the effects of securitisations etc.)

Household sector				Private non-financial corporations			Other financial corporations		
		VWNV	VWNV	VWNV	VWNV	VWNV	VWNV	VWNV	VWNV
LPM	VWNV	VWNV	VWNV	VWNV	VWNV	VWNV	VWNV	VWNV	VWNV
2010 Feb	1.4	0.1	1.6	-3.3	-0.7	-4.0	-4.5	-0.5	11.2
Mar	1.2	0.1	1.5	-1.1	-0.2	-4.2	5.4	0.6	9.5
Apr	0.2	0.0	1.4	-2.5	-0.5	-3.7	-8.8	-1.0	8.5
May	1.2	0.1	1.4	-2.8	-0.6	-4.3	-12.3	-1.4	4.4

(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. Further details on revisions are shown separately.

Chart 3: 12-month growth rates of sectoral M4

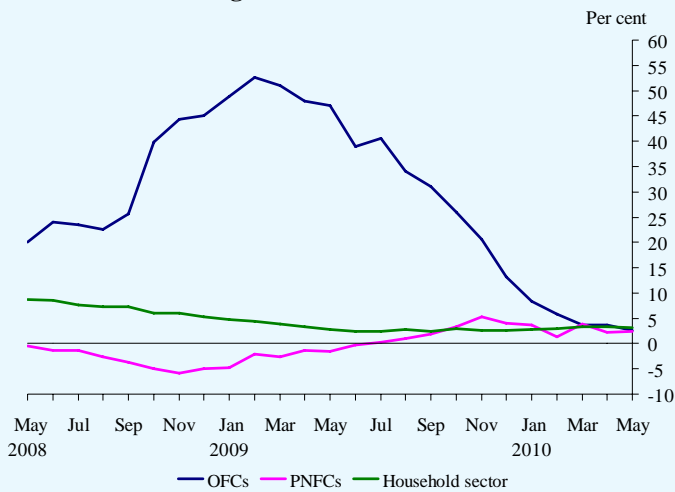
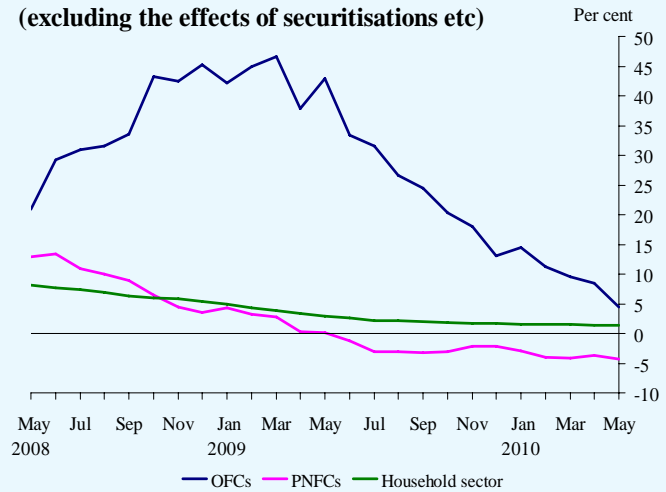


Chart 4: 12-month growth rates of sectoral M4 lending (excluding the effects of securitisations etc)



PNFCs raised a net total of £0.9 billion from UK MFIs and capital markets in May, following a net £1.2 billion issuance in April. Information on capital issues can be found in the *Capital Issuance* release of 18 June 2010.

Table D: 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)}	of which: all currency loans by UK MFIs ^{(a)(e)}
LPM		BC48	BF86	BC49	BF87	VYVV	B93K
2010 Feb		-0.8	-0.1	1.0	-1.8	-1.1	0.3
Mar		-2.0	2.8	-1.9	1.1	-1.2	-4.0
Apr		-2.4	0.1	1.4	0.2	1.2	-1.1
May		-2.2	4.1	-0.1	0.7	0.9	-2.3

(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 was found not to be significantly seasonal, but will be reviewed for seasonality 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.

(e) The sum of series BC48 and BC49, which may not equal the sum of its component breakdown due to rounding.

Table E: 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	£ billions	Per cent	Per cent	£ billions	Per cent	Per cent	
			1m	12m		1m	12m		1m	12m	
LPM		AUZJ	VQJS	VQJW	AVBR	VQJQ	VQJU	VWVL	VWVM	VWVP	
2010	Feb	3.8	0.2	3.8	-5.7	-0.2	4.9	-6.4	-0.2	3.7	
	Mar	0.2	0.0	3.4	5.0	0.2	3.8	5.5	0.2	3.0	
	Apr	1.7	0.1	3.2	-10.4	-0.4	4.1	-11.1	-0.4	2.7	
	May	-0.3	0.0	2.8	-13.9	-0.5	2.6	-13.9	-0.5	1.3	

(a) Data in bold italics are revised from the provisional release published on 18 June 2010.

Notes to Editors

- The data for sectoral M4 lending shown in Table C (and the accompanying text and chart) exclude the effects of securitisations and loan transfers. 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). From January 2010 data onwards, the Bank has changed the way banks and building societies treat securitisations in their statistical reporting. The change is apparent in the sectoral M4 and M4 lending 'amounts outstanding' series, but adjustments have been made to 'changes' (or flows) series to ensure that these continue to reflect genuine business movements. This has brought the definition of M4 lending closer to that of M4 lending excluding the effects of securitisations and loan transfers. For details see the *Monetary and Financial Statistics* article www.bankofengland.co.uk/statistics/ms/articles/art1feb10.pdf.
- 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, are available in the *Lending to individuals* statistical release, also published today.
- Table D 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.
- M4 excluding intermediate OFCs is calculated as aggregate M4 (seasonally adjusted) minus sterling deposits from intermediate OFCs (not seasonally adjusted): www.bankofengland.co.uk/mfsd/iadb/notesiadb/m4adjusted.htm. M4Lx (i.e. M4 lending excluding the effects of securitisations etc) excluding lending to intermediate OFCs is calculated as aggregate M4Lx (seasonally adjusted) minus sterling loans and advances to intermediate OFCs (not seasonally adjusted): 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 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 the lending measure. The latter two exclusions are based on anecdotal information provided by a sample of banks.
- The Statistical Interactive Database (at www.bankofengland.co.uk/mfsd/iadb) provides long runs of statistical data with comprehensive search options and the ability to download in a variety of formats. The series codes are listed in the tables in this release.