



NOT FOR PUBLICATION UNTIL 09:30 ON 21 JANUARY 2010

Provisional estimates of broad money (M4) and credit (M4 lending): December 2009

Seasonally adjusted **provisional figures for December** are as follows. **M4** fell by £21.9 billion (1.1%), below the average flow for the previous six months of £11.3 billion. The twelve-month growth rate continued to fall, to 6.4% from 9.2% in November.

M4 lending increased by £6.8 billion (0.3%) in December. The twelve-month growth rate continued to fall, to 5.3% from 5.6% in November.

M4 lending (excluding the effects of securitisations etc.) fell by £4.6 billion (0.2%) in December. The twelve-month growth rate continued to fall, to 4.4% from 6.2% in November.

These provisional data suggest that banks' and building societies' deposit business with financial companies that are part of the same group, together with repo activity with other financial companies, accounted for most of the decrease in M4 in December. Most of these effects will be excluded from the measure of M4 excluding intermediate OFCs to be published in the *Sectoral breakdown of aggregate M4 and M4 lending* on 1 February 2010 (<http://www.bankofengland.co.uk/statistics/fm4/current/index.htm>).

Table A: M4 and M4 lending ^(a)

Seasonally adjusted

	M4			M4 lending			M4 lending (exc. the effects of securitisations etc.)		
	Change £ billions	Growth rates Per cent		Change £ billions	Growth rates Per cent		Change £ billions	Growth rates Per cent	
		1m	12m		1m	12m		1m	12m
LPM	AUJZ	VQJS	VQJW	AVBR	VQJQ	VQJU	VWVL	VWVM	VWVP
2009 Sep	14.6	0.7	11.5	16.3	0.7	6.5	20.0	0.7	7.9
Oct	36.0	1.8	10.7	28.1	1.2	5.9	29.4	1.1	6.7
Nov	1.2	0.1	9.2	3.2	0.1	5.6	-4.4	-0.2	6.2
Dec	-21.9	-1.1	6.4	6.8	0.3	5.3	-4.6	-0.2	4.4

(a) Data in **bold italics** are where the current estimate of the change differs from the most recent published estimate by more than 0.2 per cent of the underlying level or the growth rate differs by 0.2 percentage points or more. Further details on revisions are available separately.

Chart 1: Growth rates of M4



Chart 2: Growth rates of M4 lending (exc. the effects of securitisations etc.)

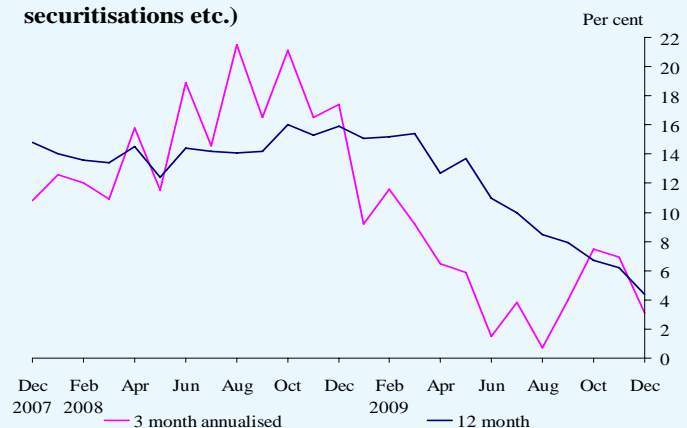


Table B: MFIs' balance sheet counterparts to changes in, and components of, M4 ^(a)£ billions ^(b)

Seasonally adjusted

	LPM	December	Latest 12 months
M4 lending	AVBR	6.8	126.0
<i>of which: reverse repos</i>	VZZP	2.9	-11.4
Net foreign currency lending to M4 private sector	VZNF	-7.2	-54.8
Net sterling lending to the public sector (inc. coin)	VZND	3.1	206.0
Net foreign currency lending to public sector	VZNE	0.1	-2.7
Net sterling lending to non-residents ^(c)	VZNL	-4.3	-20.1
Net foreign currency lending to non-residents	VZNM	7.9	35.1
Net other assets	VYHB	-38.5	-158.3
Total: M4 change ^(d)	AUZI	-21.9	124.1
<i>of which: Retail deposits and cash</i>	VQXK	6.4	62.1
<i>Wholesale deposits</i>	VRHZ	-25.5	63.4
<i>of which: repos</i>	VZZO	-11.3	20.7

(a) Details on the revisions to the most recently published estimates of these data are available separately.

(b) Data in £ millions are available on the Bank's Statistical Interactive Database - See Notes to Editors 3.

(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, M4 may not equal the sum of its components or counterparts. Residuals can be found on the Bank's Statistical Interactive Database.

Notes to Editors

- 1 Separate data are shown for M4 lending and M4 lending excluding 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.
- 2 M4 comprises the M4 private sector's (i.e. the UK private sector other than monetary financial institutions (MFIs)) holdings of: sterling notes and coin; sterling deposits, including certificates of deposit; commercial paper, bonds, FRNs and other instruments of up to and including five years' original maturity issued by UK MFIs; claims on UK MFIs arising from repos; and estimated holdings of sterling bank bills. M4 lending comprises sterling lending by MFIs to the M4 private sector. Further information on the definitions of M4, M4 lending, the counterparts to M4 and calculations of growth rates can be found in the Bank of England *Monetary and Financial Statistics* publication or via the following links:
www.bankofengland.co.uk/mfsd/iadb/notesiadb/m4.htm
www.bankofengland.co.uk/mfsd/iadb/notesiadb/m4_counterparts.htm
www.bankofengland.co.uk/mfsd/iadb/notesiadb/growth_rates.htm
- 3 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.