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Analysis of bank and building society deposits from and lending to UK residents: December 2009

Data on M4 and M4 lending excluding intermediate OFCs are published in the *Sectoral breakdown of aggregate M4 and M4 lending*, also released today and available at <http://www.bankofengland.co.uk/statistics/fm4/current/index.htm>.

All currency **deposits** from other financial corporations (OFCs) fell by £44.6bn in December. This decline was more than accounted for by falls in deposits placed by other auxiliary activities (-£26.9bn), securities dealers (-£14.1bn) and fund managers (-£9.7bn); deposits from bank holding companies increased by £14bn. Deposits from non-financial corporations (NFCs) rose by £3.7bn, driven primarily by increased deposits from development, buying, selling and renting of real estate (£2.9bn).

All currency **lending** to OFCs declined by £22.5bn, mainly reflecting a decrease in lending to securities dealers (-£6.1bn), bank holding companies (-£4.3bn) and other financial intermediaries (-£3.8bn). Lending to NFCs declined by £7.9bn. The decline was well spread across all industries, except public administration & defence which increased its borrowing by £1.2bn.

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

	RPM	Deposits			Lending		
		Amount outstanding £ billions	Change on month £ billions	Growth rate 3-month (ann) (per cent)	Amount outstanding £ billions	Change on month £ billions	Growth rate 3-month (ann) (per cent)
Non-financial corporations		B2H9 385.5	B2H5 3.7	B2SA 10.2	B4H3 582.7	B2H3 -7.9	B2TA -8.5
Manufacturing		TDAE 44.8	BG26 0.4	B2SB 35.2	TBSF 48.8	BG86 -2.0	B2TB -22.1
Construction		TDAP 18.7	BG42 0.5	B2SC 31.9	TBSQ 26.3	BG99 -1.3	B2TC -28.0
Real estate ^(a)		TDAX 35.7	BG52 2.9	B2SD 11.0	TBSY 249.3	B2G9 -0.7	B2TD -3.5
Services ^(b)		B3H3 182.2	B2H7 1.7	B2SE 10.3	B4H5 181.4	B3H9 -3.8	B2TE -10.3
Other		B3H4 104.2	B2H8 -1.8	B2SF -2.1	B4H6 76.9	B4H2 -0.1	B2TF -2.4
Other financial corporations		B3H2 1 015.5	B2H6 -44.6	B2SG 1.0	B4H4 918.6	B2H4 -22.5	B2TG 5.9
Financial intermediation ^(c)		TDBG 712.8	BG64 -8.1	B2SH 31.8	TBTI 696.6	B4G2 -17.3	B2TH 4.6
Insurance companies & pension funds		TDBR 57.7	BG77 0.1	B2SI 3.2	TBTT 22.4	B5G5 -1.3	B2TI -5.0
Activities auxiliary to financial intermediation		B5H5 245.0	B5H4 -36.6	B2SJ -49.0	B5H8 199.5	B5H7 -3.9	B2TJ 11.8

Chart 1: Contributions by sector to 3-month annualised growth in all currency deposits from non-financial corporations

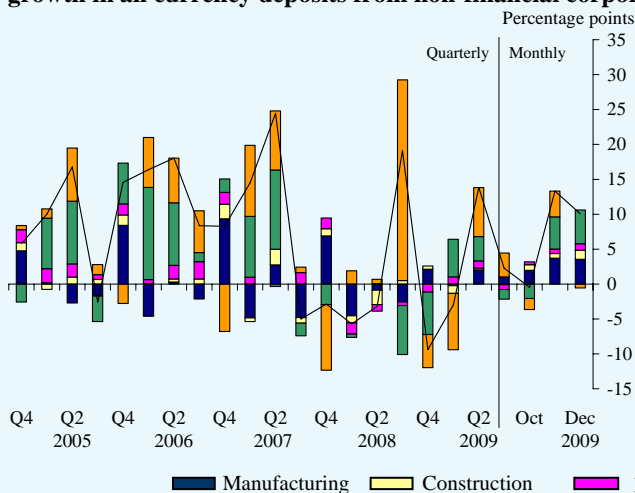
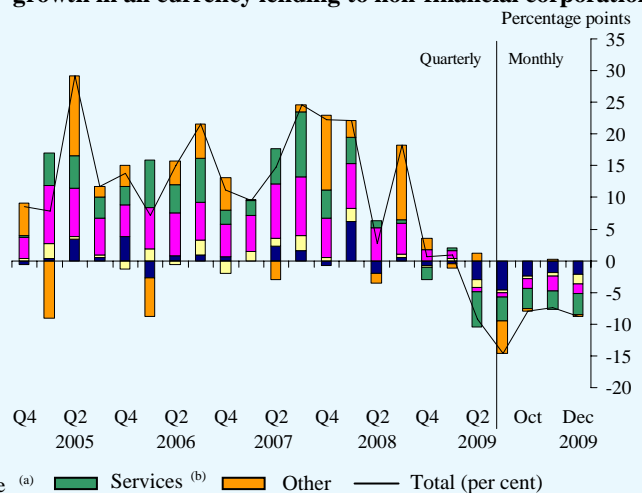


Chart 2: Contributions by sector to 3-month annualised growth in all currency lending to non-financial corporations



^(a) Development, buying, selling & renting of real estate.

^(b) 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.

^(c) Excluding insurance companies & pension funds.

Table B: Further breakdown of all currency deposits from and lending to UK residents ^(a)

£ billions

Not seasonally adjusted

		Deposits				Lending			
			Change on month	Outstanding at end-Dec 2009		Change on month	Outstanding at end-Dec 2009		
Non-financial corporations	RPM	B2H5	3.7	B2H9	385.5	B2H3	-7.9	B4H3	582.7
Manufacturing		BG26	0.4	TDAE	44.8	BG86	-2.0	TBSF	48.8
o/w Food, beverages & tobacco		BG27	-0.3	TDAF	3.2	BG87	-0.6	TBSG	11.2
Chemicals & man-made fibres, rubber & plastics		BG32	-0.5	TDAI	8.3	BG92	-0.4	TBSJ	5.3
Machinery & transport equipment		BG34	1.2	TDAK	11.7	BG94	-0.4	TBSL	7.7
Electricity, gas & water supply		B6H6	-0.3	B6H7	8.1	B6H9	-0.1	B7H2	11.5
o/w Electricity, gas & heated water		BG38	-0.3	TDAN	5.1	BG97	-0.1	TBSO	8.0
Construction		BG42	0.5	TDAP	18.7	BG99	-1.3	TBSQ	26.3
Wholesale & retail trade		BG43	2.9	TDAQ	32.9	B2G2	-0.8	TBSR	47.4
o/w Sale & repair of motor vehicles & fuel		BG44	0.0	TDAR	4.2	B2G3	0.3	TBSS	11.3
Other retail trade and repair		BG46	2.3	TDAT	14.4	B2G5	-1.3	TBSU	20.5
Hotels & restaurants		BG47	-0.1	TDAU	4.7	B2G6	-0.1	TBSV	32.6
Transport, storage and communication		BG48	-0.7	TDAV	17.8	B2G7	-1.6	TBSW	29.6
Real estate, renting, computer & other business activities		BG49	2.1	TDAW	128.6	B2G8	-1.8	TBSX	300.8
o/w Development, buying, selling, renting of real estate		BG52	2.9	TDAX	35.7	B2G9	-0.7	TBSY	249.3
Renting of machinery & equipment		BG53	0.1	TDAY	1.9	B3G2	0.0	TBTA	7.8
Computer & related activities		BG54	0.2	TDAZ	9.9	B3G3	-0.1	TBTB	4.8
Legal, accountancy, consultancy & other business activities		BG55	-1.1	TDBA	81.1	B3G4	-0.9	TBTC	39.0
Public administration & defence		BG56	-0.7	TDBB	56.8	B3G5	1.2	TBTD	13.2
Education		BG57	-0.4	TDBC	11.2	B3G6	0.2	TBTE	11.5
Health & social work		BG58	-0.1	TDBD	15.3	B3G7	0.0	TBTF	22.1
Recreational, personal & community service activities		B6H2	0.3	B6H3	34.0	B6H4	-0.2	B6H5	20.3
Other financial corporations		B2H6	-44.6	B3H2	1 015.5	B2H4	-22.5	B4H4	918.6
Financial intermediation (excl. insurance and pension funds)		BG64	-8.1	TDBG	712.8	B4G2	-17.3	TBTI	696.6
o/w Non-bank credit grantors excl. credit unions		BG66	0.3	TDBI	8.6	B4G4	-0.1	TBTK	24.4
Mortgage & housing credit corporations		BG69	0.8	TDBL	127.8	B4G7	-1.4	TBTN	83.6
Bank holding companies		BG74	14.0	TDBO	63.4	B5G2	-4.3	TBTQ	33.7
Securities dealers		BG75	-14.1	TDBP	132.6	B5G3	-6.1	TBTR	188.6
Other financial intermediaries		BG76	-5.3	TDBQ	339.4	B5G4	-3.8	TBTS	311.3
Insurance companies & pension funds		BG77	0.1	TDBR	57.7	B5G5	-1.3	TBTT	22.4
Activities auxiliary to financial intermediation		B5H4	-36.6	B5H5	245.0	B5H7	-3.9	B5H8	199.5
o/w Fund management activities		BG79	-9.7	TDBS	88.0	B5G6	-2.4	TBTU	43.5
Other auxiliary activities		BG82	-26.9	TDBT	157.0	B5G7	-1.6	TBTV	156.0
Individuals		BG37	4.7	TDBU	922.8	B5G8	5.3	TBTW	1 008.6
o/w Secured on dwellings incl. bridging finance		n/a	n/a	n/a	n/a	B5G9	5.1	TBTX	876.1
Other loans & advances		n/a	n/a	n/a	n/a	B6G2	0.2	TBTY	132.5
Total all currency		BG59	-36.3	TDA A	2 323.8	B6G3	-25.1	TBSA	2 509.9

^(a) 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.

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
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) are available in Tables C1.1-C1.3 in *Monetary and Financial Statistics* (Bankstats). In addition, the Statistical Interactive Database (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.
- 3 Please note that data on bank and building society deposits from and lending to UK residents have been collected on a monthly, rather than a quarterly, basis since July 2009. Three-month annualised growth rate series are now available each month. The four-quarter/twelve-month growth rate series will be extended initially at end-quarter months, and will be available each month from June 2010 data onwards.