



NOT FOR PUBLICATION UNTIL 09:30 ON 31 MARCH 2005

Sectoral breakdown of aggregate M4 and M4 lending: February 2005

The annual growth of the **household sector's** holdings of M4 rose for the second consecutive month, whereas annual growth in M4 lending (excluding the effects of securitisations) to the household sector fell to its lowest since June 2002. Deposits held by **private non-financial corporations** fell in February, and lending to PNFCs showed a small rise. M4 deposits held by **other financial corporations** and M4 lending to OFCs (excluding the effects of securitisations) both rose with monthly changes above the previous six month averages of £3.6 billion and £4.6 billion respectively.

Aggregate holdings of **M4 and M4 lending** (excluding the effects of securitisations) in February, shown in Table C, were revised down from those released provisionally, by £0.3 billion and £1.0 billion respectively.

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

		Household Sector			Private non-financial corporations			Other financial corporations		
		Change £ billions	Growth rates Per cent		Change £ billions	Growth rates Per cent		Change £ billions	Growth rates Per cent	
			1m	12m		1m	12m		1m	12m
2004	Nov	4.1	0.6	8.5	2.1	1.2	8.5	3.4	1.4	11.3
	Dec	3.9	0.5	8.2	-2.8	-1.6	6.9	7.8	3.1	13.0
2005	Jan	5.2	0.7	8.5	7.2	4.1	10.3	4.7	1.8	11.2
	Feb	4.4	0.6	8.6	-2.4	-1.3	8.2	3.8	1.5	13.2

		Household Sector			Private non-financial corporations			Other financial corporations		
		Change £ billions	1m	12m	Change £ billions	1m	12m	Change £ billions	1m	12m
	Dec	10.3	1.1	12.6	5.8	2.0	7.3	9.5	2.7	18.1
2005	Jan	8.5	0.9	12.3	5.2	1.8	8.1	3.8	1.0	15.7
	Feb	8.0	0.8	12.0	0.8	0.3	7.5	5.1	1.4	19.1

(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. Further details on revisions are available in the internet version of this release.

Chart 1: 12 month growth rates of sectoral M4

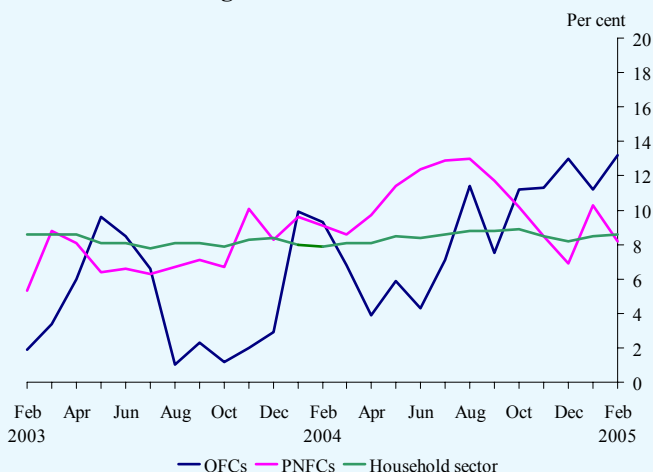


Chart 2: 12 month growth rates of sectoral M4 lending (excluding the effects of securitisations etc)

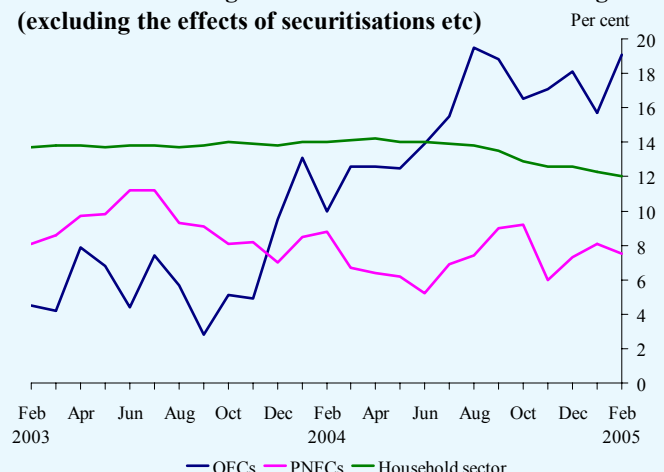


Table B: A wider measure of PNFC financing

£ billions

Seasonally adjusted

		Sterling loans by UK MFIs ^(a)	Sterling capital market issuance ^(b)	Foreign currency loans by UK MFIs	Foreign currency capital market issuance ^(b)	Total finance raised in the UK by PNFCs ^{(a) (c)}
2004	Nov	-2.6	3.1	-0.5	0.0	-0.6
	Dec	4.7	0.2	0.4	-0.2	4.0
2005	Jan	4.4	0.1	-0.5	-1.3	5.0
	Feb	2.5	0.7	0.4	-0.5	3.1

(a) The changes and growth rates of the sectoral breakdown of M4 lending shown in Table A and Chart 2, as well as sterling loans in Table B, exclude the effects of securitisations and loan transfers.

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

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

Funds raised by **private non-financial corporations** from UK MFIs and the capital markets in February were stronger than the monthly average of £2.4 billion in the twelve months to January 2005. Further information on capital issues can be found in the *Capital Issuance* statistical release of 18 March.

Table C: M4 and M4 lending

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
2004	Nov	8.1	0.7	8.9	7.3	0.5	11.2	8.7	0.5	12.4
	Dec	10.5	0.9	8.9	16.8	1.1	11.3	21.6	1.3	12.6
2005	Jan	13.7	1.2	9.3	14.4	0.9	11.1	21.0	1.3	12.5
	Feb	9.6	0.8	9.5	10.8	0.7	11.0	13.3	0.8	12.8

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

Notes to Editors

- 1 This release was previously titled *Growth rates of broad money (M4) and credit (M4 lending) including a sectoral breakdown*.
- 2 The growth rates of 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* publication (www.bankofengland.co.uk/mfsd/current/ms/index.htm).
- 3 The Household sector comprises individuals, unincorporated businesses other than unlimited liability partnerships (i.e. sole traders) and non-profit institutions serving households (eg charities and universities). Data for total lending to individuals, i.e. including that by non-MFI mortgage and credit grantors (including specialist securitisation vehicles), are available in the *Lending to individuals* statistical release, also released today. Further information on the definitions of M4, M4 lending, sectoral breakdown of 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_sectoral.htm
www.bankofengland.co.uk/mfsd/iadb/notesiadb/growth_rates.htm
- 4 Table B shows a wider measure of borrowing by PNFCs. This measure encompasses their sterling and foreign currency borrowing from UK MFIs (but excluding MFIs' holdings 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.
- 5 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. The internet version of this release illustrates the codes for each series which can be used for downloading long runs from the database.