



NOT FOR PUBLICATION UNTIL 09:30 ON 1 MARCH 2005

Growth rates of broad money (M4) and credit (M4 lending) including a sectoral breakdown: January 2005

Seasonally adjusted	Household sector			Private non-financial corporations			Other financial corporations		
	1 month	3 month annualised	12 month	1 month	3 month annualised	12 month	1 month	3 month annualised	12 month
	2004 Oct	0.7	9.0	8.9	-0.2	3.5	10.3	1.7	7.6
Nov	0.6	7.8	8.5	1.2	4.0	8.7	1.1	9.8	10.5
Dec	0.6	7.4	8.2	-1.5	-2.1	7.2	2.4	22.9	11.3
2005 Jan	0.7	7.4	8.5	4.0	15.3	10.4	1.3	21.2	9.3

Seasonally adjusted	Household sector			Private non-financial corporations			Other financial corporations		
	1 month	3 month annualised	12 month	1 month	3 month annualised	12 month	1 month	3 month annualised	12 month
	2004 Oct	0.8	11.0	12.9	0.5	11.2	9.3	-0.1	12.3
Nov	0.7	10.2	12.6	-1.7	1.4	6.1	1.2	13.4	17.0
Dec	1.1	10.8	12.5	2.0	3.2	7.4	2.6	15.7	17.8
2005 Jan	0.9	11.2	12.2	1.5	7.3	8.0	0.7	19.6	15.4

Note: Growth rates shown in **bold italics** indicate revisions in excess of certain thresholds compared with data published on 1 February (See Notes to Editors 3).

The Household sector's holdings of M4 rose by 0.7%, seasonally adjusted, in January, compared with 0.6% (0.5%) in December. The twelve-month growth rate rose to 8.5% in January, from 8.2% in December. M4 lending to the Household sector (excluding the effects of securitisations) rose by 0.9% in January, compared with 1.1% in December. The twelve-month growth rate fell to 12.2% in January, from 12.5% (12.6%) in December.

Private non-financial corporations' holdings of M4 rose by 4.0%, seasonally adjusted, in January, compared with a fall of 1.5% (-1.6%) in December. The twelve-month growth rate rose to 10.4% from 7.2% in December. M4 lending to PNFCs (excluding the effects of securitisations) rose by 1.5% in January compared with a rise of 2.0% (1.8%) in December. The twelve-month growth rate rose to 8.0% from 7.4% (7.0%) in December.

Other financial corporations' holdings of M4 rose by 1.3%, seasonally adjusted, in January, compared with 2.4% (2.3%) in December. The twelve-month growth rate fell to 9.3% from 11.3% (11.2%) in December. M4 lending to OFCs (excluding the effects of securitisations) rose by 0.7% in January, compared with 2.6% in December. The twelve-month growth rate fell to 15.4% from 17.8% in December.

(Previous growth rates published on 1 February are shown in brackets)

Next publication date: 31 March 2005

The graphs below show the sectoral analysis of M4 and M4 lending (excluding the effects of securitisations).

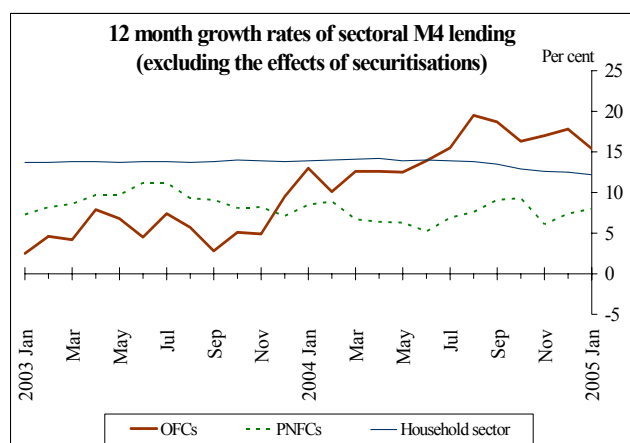
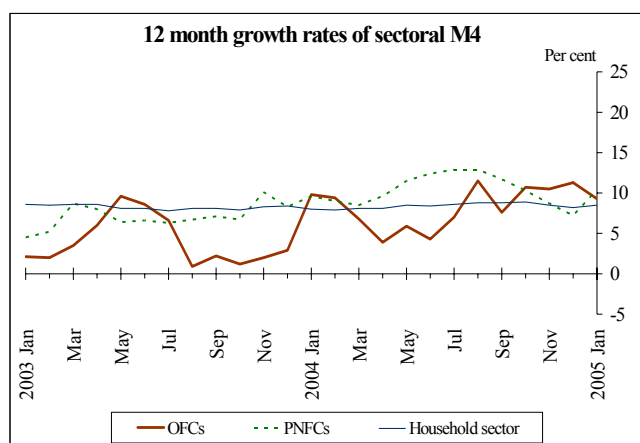
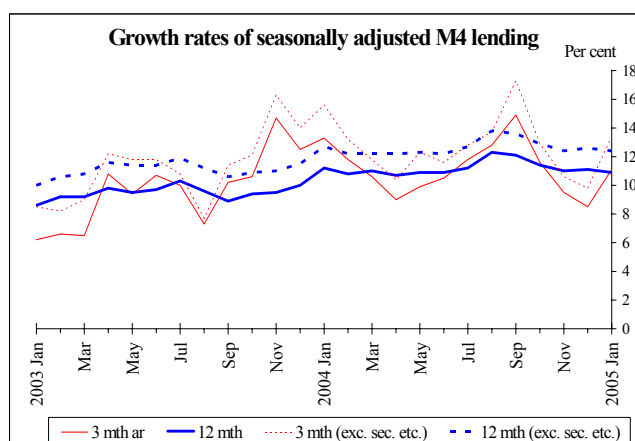
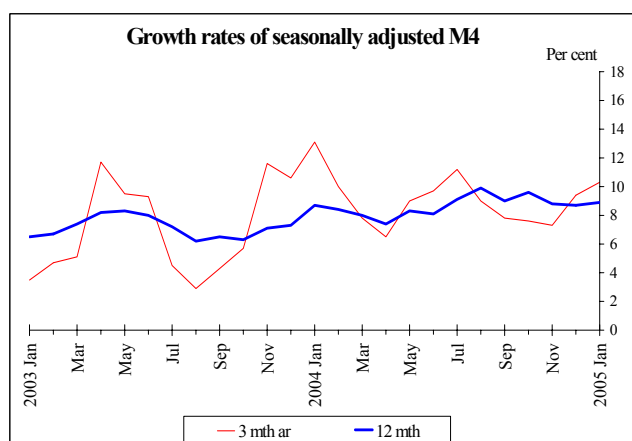


Table C Revised^(a) growth rates of M4 and M4 lending

Seasonally adjusted		Per cent								
		M4			M4 lending			M4 lending (exc. secs. etc.)		
		1 month	3 month	12 month	1 month	3 month	12 month	1 month	3 month	12 month
		annualised			annualised			annualised		
2004	Oct	0.9	7.6	9.6	0.4	11.6	11.4	0.5	12.9	12.9
	Nov	0.6	7.3	8.8	0.5	9.5	11.0	0.6	10.6	12.4
	Dec	0.8	9.4	8.7	1.1	8.5	11.1	1.3	9.8	12.6
2005	Jan	1.1	10.3	8.9	1.0	11.1	10.9	1.3	13.4	12.4

(a) Growth rates in **bold italics** are revised from the provisional growth rates published on 18 February.



M4 rose by £12.6 billion or 1.1%, seasonally adjusted, in January. The twelve-month growth rate rose to 8.9% from 8.7% in December.

M4 lending rose by £15.8 billion or 1.0%, seasonally adjusted, in January. The twelve-month growth rate fell to 10.9% from 11.1% in December.

M4 lending (excluding the effects of securitisations) rose by £20.8 billion or 1.3%, seasonally adjusted, in January. The twelve-month growth rate fell to 12.4% from 12.6% (12.5%) in December.

(Previous growth rates published on 18 February are shown in brackets)

Table D MFIs' balance sheet counterparts to changes in M4

£ millions

Seasonally adjusted										
	M4		Net	Net sterling	Net foreign	Net sterling	Net foreign	Net	M4	
	lending	of which	foreign	lending to	currency	lending to	currency	other	change	of which
		reverse	currency	public	lending to	non-residents	lending to	assets	(c)	repos (a)
		repos (a)	lending to	sector	public	sector	non-residents			
	AVBR	VZZP	VZNF	VZND	VZNE	VZNL	VZNM	VYHB	AUZJ	VZZO
2004 Jan	16 773	3 512	17 925	8 268	107	621	-27 409	-14 252	9 316	3 887
Feb	7 741	-5 220	1 872	-6 448	159	5 907	19 718	-10 034	6 651	2 053
Mar	10 366	5 995	2 754	-3 325	- 52	217	2 438	-10 410	4 493	1 677
Apr	12 233	4 164	-1 186	520	- 470	1 713	-10 340	18 393	6 244	2 908
May	10 709	-2 772	-2 667	1 674	- 563	1 523	12 673	-27 111	13 192	1 387
Jun	12 574	- 747	-3 824	128	226	-6 947	- 802	- 41	6 337	- 629
Jul	16 805	7 992	-2 817	- 866	395	-3 975	9 458	-16 386	10 181	2 094
Aug	14 112	-2 005	7 081	119	- 212	-11 673	-1 454	6 800	7 758	156
Sep	19 799	-1 167	11 223	- 136	533	-8 559	-22 916	568	3 319	2 296
Oct	6 605	- 753	1 015	383	244	546	13 396	-5 603	9 895	-1 350
Nov	7 423	2	-5 772	2 496	- 323	1 821	1 301	-4 693	7 061	-3 265
Dec	16 676	5 439	-12 411	2 969	- 37	-11 051	-1 678	21 568	9 102	6 722
2005 Jan	15 775	309	7 249	-1 189	29	8 165	8 992	-36 850	12 564	2 673

(a) Sterling repos and reverse repos against marketable securities of all kinds.

(b) 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 an annual basis.

(c) Owing to the method of the seasonal adjustment, M4 may not equal the sum of its counterparts. Residuals can be found on the Bank's Statistical Interactive Database.

Table E A wider measure of PNFC financing

£ billions

Seasonally		Sterling loans	Sterling capital	Foreign	Foreign currency	Total finance
adjusted		by UK MFIs ^(a)	market	currency loans	capital market	raised in the UK
			issuance ^(b)	by UK MFIs	issuance ^(b)	by PNFCs ^{(a)(c)}
		BC48	BF86	BC49	BF87	VYVV
2004 Oct		2.2	0.6	1.3	-1.8	3.5
Nov		-2.7	3.1	-0.5	0.0	-0.8
Dec		4.7	0.2	0.4	-0.2	3.9
2005 Jan		4.1	0.1	-0.4	-1.3	4.9

(a) Excluding the effects of securitisations

(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.

Net funds raised by **Private non-financial corporations** from MFIs and the capital markets totalled £4.9 billion in January compared with a monthly average of £2.2 billion in the twelve months to December 2004. Further information on capital issues can be found in the *Capital Issuance* statistical release of 18 February.

Notes to Editors

1 The growth rates of sectoral M4 lending shown in Table B (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*.

2 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.

3 Revisions to growth rates in Tables A and B are shown in bold italics where the current estimate of the one-month and twelve-month growth rates differs by 0.2 percentage points or more, or the three-month (annualised) growth rate differs by 0.8 percentage points or more, from those published previously.

Definitions

4 Table E 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. Long run series are now available on the Statistical Interactive Database (see note 8).

5 The **monetary financial institutions (MFI)** sector comprises the central bank, other banks and building societies. **M4** comprises sterling notes and coin and all sterling deposits at, and money market paper issued by, UK MFIs and held by the M4 private sector. The **M4 private sector** consists of all UK residents other than the public sector and MFIs. **M4 lending** is sterling lending by UK MFIs to the M4 private sector including reverse repos and net purchases of securities. The remaining items from the MFIs' consolidated balance sheet are shown in Table D on a net basis. For fuller notes and definitions see *Bank of England: Monetary and Financial Statistics*. For an explanation of how gilt repo transactions affect M4 see the June 1996 issue of the Bank of England *Inflation Report*, page 11.

6 Full data on the **Sectoral analysis of M4 and M4 lending** are available in Tables A4.1 and A4.3 (monthly data) and Tables A4.4 and A4.6 (quarterly data) of *Bank of England: Monetary and Financial Statistics*. For notes and definitions see *Bank of England: Monetary and Financial Statistics*. An alternative presentation of the counterparts to changes in M4 is available in Table A3.2.

Timing and availability of publications

7 Below is a list of some of the related statistical releases and the date of their release

Title of release:	Date of release:
<i>Provisional estimates of narrow money</i> for February 2005	28 Feb 2005
<i>Lending to individuals</i> for January 2005	01 Mar 2005
<i>Bank of England: Monetary and Financial Statistics, February 2005</i>	01 Mar 2005
<i>Growth rates of narrow money</i> for February 2005	07 Mar 2005
<i>Provisional estimates of broad money (M4) and credit (M4 lending)</i> for February 2005	18 Mar 2005

8 The Statistical Interactive Database, now available on the Bank's website (www.bankofengland.co.uk/mfsd/iadb) provides the latest and long runs of statistical data. The site has comprehensive search options and the ability to download the data in a variety of formats.

9 The information on this release is released on wire services under the following page references:

Bloomberg News Service	NH BOE	Telerate	393 – 401
Knight Ridder	BOE/STATS1 – 8	Topic	44799
Reuters	BOE/STATS1 – 8		

10 Most series within this Statistical Release are available on Thomson Datastream. Users of Advance can see the codes by accessing Drilldown and selecting UK and then Monetary Sector. DSWindows users should access the program 150Z and select option 1 UK then option 8 Monetary Sector.

11 The design and content of this statistical release will change following a review of the Bank's printed statistical releases. There will be no reduction in data availability. Data removed from the printed release will continue to be available via the Statistical Interactive Database on the Bank's website.

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