



NOT FOR PUBLICATION UNTIL 09:30 ON 31 OCTOBER 2005

Sectoral breakdown of aggregate M4 and M4 lending: September 2005

M4 lending (excluding the effects of securitisations etc) to the **household sector** rose by £7.9 billion in September. The annual growth rate continued to fall, to 10.2% in September. The annual rate of growth of the household sector's holdings of M4 picked up to 8.3%. M4 lending (excluding the effects of securitisations etc) to **private non-financial corporations** (PNFCs) rose by £5.4 billion in September, raising the annual growth rate to 15.1%. PNFCs' holdings of M4 fell for the second month (-£1.3 billion); the annual growth rate fell to 7.5%. Holdings of M4 by **other financial corporations** (OFCs) rose by £14.5 billion and M4 lending (excluding the effects of securitisations etc) to OFCs also rose in September (+£6.0 billion), with both annual growth rates increasing.

Table A: Sectoral breakdown^(a)

Seasonally adjusted
M4

		Household Sector ^(b)			Private non-financial corporations ^(b)			Other financial corporations			
		Change		Growth rates		Change		Growth rates		Change	
		£ billions		Per cent		£ billions		Per cent		£ billions	
				1m	12m	1m	12m	1m	12m	1m	12m
2005	Jun	5.9	0.8	8.9	0.9	0.5	10.2	-4.4	-1.6	16.1	
	Jul	4.4	0.6	8.7	1.7	0.9	10.5	7.4	2.7	18.6	
	Aug	4.7	0.6	8.2	-0.8	-0.4	8.6	-4.7	-1.7	15.5	
	Sep	4.6	0.6	8.3	-1.3	-0.7	7.5	14.5	5.2	22.3	

M4 lending (excluding the effects of securitisations etc.)

		Household Sector ^(b)			Private non-financial corporations ^(b)			Other financial corporations			
		Change		Growth rates		Change		Growth rates		Change	
		£ billions		Per cent		£ billions		Per cent		£ billions	
				1m	12m	1m	12m	1m	12m	1m	12m
2005	Jun	8.1	0.8	11.0	7.7	2.5	14.9	-3.2	-0.9	13.5	
	Jul	7.0	0.7	10.6	5.1	1.6	14.9	8.0	2.1	14.1	
	Aug	7.7	0.8	10.3	1.7	0.5	14.7	0.2	0.1	11.5	
	Sep	7.9	0.8	10.2	5.4	1.6	15.1	6.0	1.6	11.8	

(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.

(b) In order to bring reporting in line with the National Accounts, housing associations were reclassified from non-profit institutions serving households under the household sector to non-financial corporations other than public corporations during August 2005. The movement has been adjusted out of the flows data for August.

Chart 1: 12-month growth rates of sectoral M4

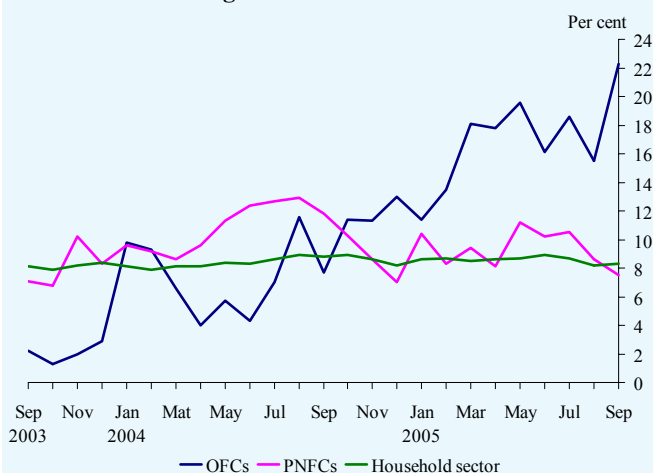


Chart 2: 12-month growth rates of sectoral M4 lending (excluding the effects of securitisations etc)

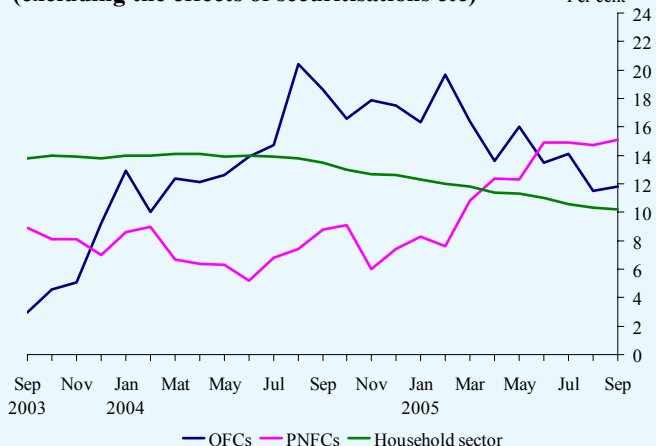


Table B: A wider measure of PNFC financing

£ billions

Seasonally adjusted

		Sterling loans by UK MFIs ^(a)	Sterling capital market issuance ^(b)	Foreign currency loans by UK MFIs ^(c)	Foreign currency capital market issuance ^(b)	Total finance raised in the UK by PNFCs ^{(a) (d)}
2005	Jun	6.9	0.1	2.2	-0.2	8.5
	Jul	4.1	0.6	2.2	-0.5	3.7
	Aug	2.0	-2.0	-0.1	-0.3	0.3
	Sep	4.7	-2.1	-0.6	0.9	3.8

(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 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 of this series, it may not equal the sum of its component breakdown.

Funds raised by **PNFCs** from UK MFIs and the capital markets totalled £3.8 billion in September, above the average of the previous six months. Further information on capital issues can be found in the *Capital Issuance* statistical release of 20 October.

Table C: 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
2005	Jun	1.7	0.1	10.6	7.8	0.5	10.5	12.6	0.7	12.2
	Jul	14.2	1.1	11.0	18.6	1.2	10.6	20.2	1.2	12.1
	Aug	0.0	0.0	10.0	7.8	0.5	9.7	9.5	0.6	11.4
	Sep	17.1	1.4	11.2	16.1	1.0	10.0	19.3	1.1	11.5

(a) Data in **bold italics** are revised from the provisional release published on 20 October.**Notes to Editors**

- 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* (www.bankofengland.co.uk/statistics/ms/current/index.htm).
- 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 (such as specialist securitisation vehicles), are available in the *Lending to individuals* statistical release, also published today. Further information on the definitions of M4, M4 lending, sectoral breakdown of M4 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/m4.htm
www.bankofengland.co.uk/mfsd/iadb/notesiadb/m4_sectoral.htm
www.bankofengland.co.uk/mfsd/iadb/notesiadb/growth_rates.htm
- 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.
- 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.