



NOT FOR PUBLICATION UNTIL 09:30 ON 29 OCTOBER 2009

## Sectoral breakdown of aggregate M4 and M4 lending: September 2009

The **household sector's** holdings of M4 rose by £3.0 billion in September. The annual growth rate fell to 2.5%. M4 lending (excluding the effects of securitisations etc) to the household sector rose by £1.6 billion. The annual growth rate fell further, to 2.0%. **Private non-financial corporations'** (PNFCs') holdings of M4 increased by £1.1bn; the annual growth rate continued to rise, to 1.4%. M4 lending (excluding the effects of securitisations etc) to PNFCs fell by £0.4 billion in September and annual growth continued to fall, to -0.1%. Holdings of M4 by **other financial corporations** (OFCs) rose by £11.4 billion and M4 lending (excluding the effects of securitisations etc) to OFCs rose by £17.0 billion in September.

**Table A: Sectoral breakdown<sup>(a)</sup>** (Seasonally adjusted)  
M4

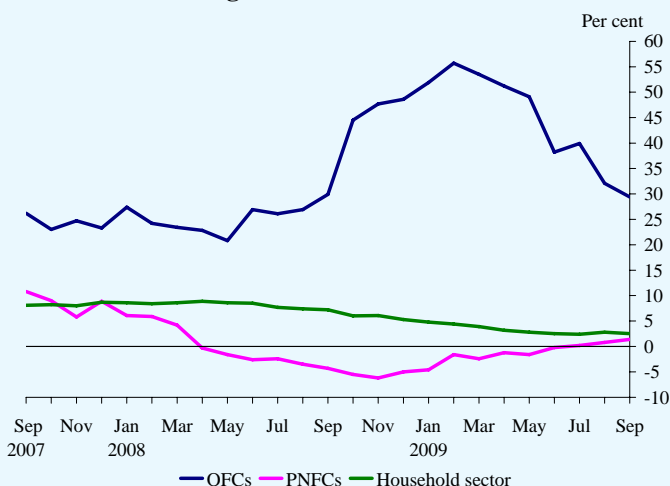
Household Sector				Private non-financial corporations			Other financial corporations		
LPM	Change £ billions	Growth rates Per cent		Change £ billions	Growth rates Per cent		Change £ billions	Growth rates Per cent	
		1m	12m		1m	12m		1m	12m
	VVHS	VVHT	VVHW	VVHM	VVHN	VVHQ	VVHG	VVHH	VVHK
2009 Jun	2.6	0.3	2.5	1.2	0.5	-0.2	-11.6	-1.5	<b>38.2</b>
Jul	1.3	0.1	2.4	1.3	0.6	0.2	<b>23.6</b>	<b>3.1</b>	<b>39.9</b>
Aug	5.3	0.5	2.8	-0.3	-0.1	0.8	<b>-4.2</b>	<b>-0.5</b>	<b>32.1</b>
Sep	3.0	0.3	2.5	1.1	0.5	1.4	11.4	1.5	29.4

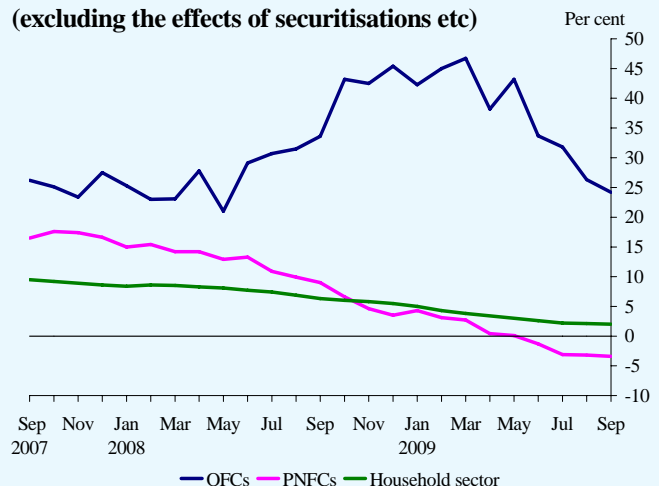
Household Sector				Private non-financial corporations			Other financial corporations		
LPM	VWNV	VWNW	VWNZ	VWNQ	VWNR	VWNU	VWNL	VWNM	VWNP
Jul	1.0	0.1	2.2	-8.2	<b>-1.6</b>	-3.1	13.8	1.6	<b>31.8</b>
Aug	1.0	0.1	2.1	0.8	0.2	-3.2	-1.5	-0.2	<b>26.3</b>
Sep	1.6	0.1	2.0	-0.4	-0.1	-3.4	17.0	1.9	24.2

(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 shown separately.

**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)

		<b>Sterling loans by UK MFIs</b> <sup>(a)</sup>	<b>Sterling capital market issuance</b> <sup>(b)</sup>	<b>Foreign currency loans by UK MFIs</b> <sup>(c)</sup>	<b>Foreign currency capital market issuance</b> <sup>(b)</sup>	<b>Funds raised by PNFCs from UK MFIs and capital markets</b> <sup>(a) (d)</sup>	<b>of which : all currency loans by UK MFIs</b> <sup>(a)(e)</sup>
<b>LPM</b>		<b>BC48</b>	<b>BF86</b>	<b>BC49</b>	<b>BF87</b>	<b>VYVV</b>	<b>B93K</b>
2009	Jun	-2.2	11.2	-1.3	2.7	<b>7.7</b>	-3.5
	Jul	-6.5	2.1	-9.0	0.3	<b>-13.0</b>	-15.6
	Aug	0.5	0.9	-1.5	-1.2	<b>0.0</b>	-1.1
	Sep	-2.7	1.5	-2.0	0.1	<b>-4.6</b>	-4.6

(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.

(e) The sum of sterling and foreign currency loans by UK MFIs, ie series BC48 and BC49.

**PNFCs** redeemed a net total of £4.6 billion from UK MFIs and capital markets in September, against a net £0.0 billion raised in August. Further information on capital issues can be found in the *Capital Issuance* release of 20 October.

**Table C: M4 and M4 lending** <sup>(a)</sup> (Seasonally adjusted)

		<b>M4</b>			<b>M4 lending</b>			<b>M4 lending (exc. the effects of securitisations etc.)</b>			
		Change		Growth rates		Change		Growth rates		Change	
		£ billions	Per cent	1m	12m	£ billions	Per cent	1m	12m	£ billions	Per cent
<b>LPM</b>		<b>AUZJ</b>	<b>VQJS</b>	<b>VQJW</b>	<b>AVBR</b>	<b>VQJQ</b>	<b>VQJU</b>	<b>VWVL</b>	<b>VWVM</b>	<b>VWVP</b>	
2009	Jun	<b>-7.8</b>	-0.4	<b>13.6</b>	<b>1.0</b>	0.0	8.3	-3.2	-0.1	11.0	
	Jul	<b>26.2</b>	1.3	<b>14.2</b>	4.5	0.2	8.2	6.6	0.2	<b>9.9</b>	
	Aug	<b>0.8</b>	0.0	<b>12.3</b>	<b>1.4</b>	0.1	7.1	0.3	0.0	8.5	
	Sep	<b>15.5</b>	<b>0.8</b>	<b>11.6</b>	<b>15.5</b>	<b>0.6</b>	6.5	<b>18.2</b>	0.7	<b>7.8</b>	

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

**Table D: M4 and M4 lending excluding intermediate OFCs** <sup>(a)</sup> (Seasonally adjusted)

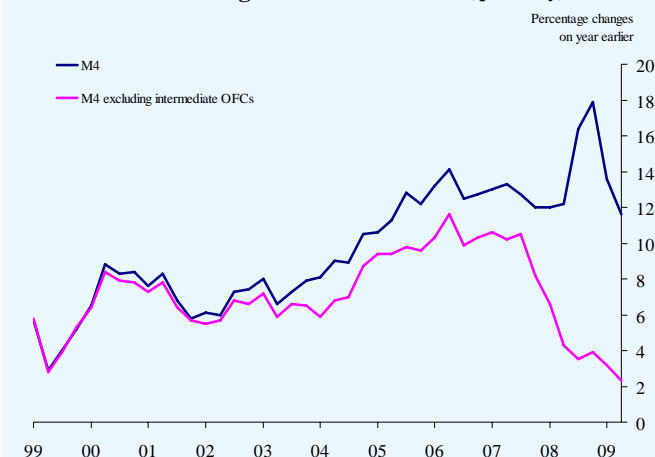
		<b>M4 - Intermediate OFCs</b>					<b>M4 lending (exc. the effects of securitisations etc.) - Intermediate OFCs</b>				
		Amount outstanding	Change	Growth rates (per cent)			Amount outstanding	Change	Growth rates (per cent)		
		£ billions	£ billions	1m	1Q (ann)	4Q	£ billions	£ billions	1m	1Q (ann)	4Q
<b>RPQ/RPM</b>		<b>B53Q</b>	<b>B54Q</b>	<b>B68P</b>	<b>B55Q</b>	<b>B56Q</b>	<b>B57Q</b>	<b>B58Q</b>	<b>B66P</b>	<b>B59Q</b>	<b>B62Q</b>
2009	Q1	1 529.2	15.6		4.2	3.9	2 180.0	4.5		0.8	2.7
	Q2	1 545.8	13.3		3.5	3.2	2 132.3	16.8		3.1	0.9
2009	Jul	1 550.8	6.5	0.4			2 117.8	-0.5	0.0		
	Aug	1 556.2	1.4	0.1			2 109.0	-7.9	-0.4		
	Sep	1 540.1	-14.6	-0.9	-1.7	2.3	2 100.3	0.9	0.0	-1.4	-0.1

(a) For details see Notes to Editors 4 and 5.

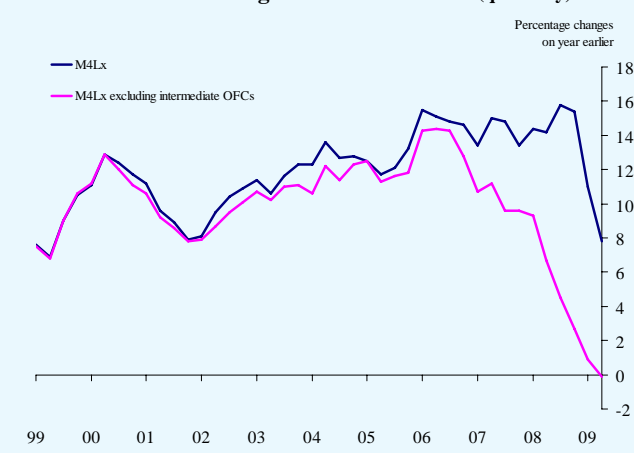
**M4 excluding intermediate OFCs** fell by £14.6 billion in September, compared with a £1.4 billion increase in August. **M4 lending excluding intermediate OFCs** rose by £0.9 billion in September, higher than the £7.9 billion fall in August.

Estimates of three-month annualised and twelve-month growth rates for July and August 2009 are available on request by emailing [mfed\\_ms@bankofengland.co.uk](mailto:mfed_ms@bankofengland.co.uk).

**Chart 3: M4 excluding intermediate OFCs (quarterly)**



**Chart 4: M4Lx excluding intermediate OFCs (quarterly)**



**Table E: M4 and M4 lending excluding all OFCs (Seasonally adjusted)**

		M4 - OFCs			M4 lending - OFCs			M4 lending (exc. the effects of securitisations etc.) - OFCs		
		Change		Growth rates		Change		Growth rates		
		£ billions		Per cent		£ billions		Per cent		
				1m	12m	1m	12m	1m	12m	
LPM		BD94	BD95	BE24	BE26	BE27	BE32	BE34	BE35	BE38
2009	Jun	3.8	0.3	2.0	-0.6	0.0	-4.1	0.0	0.0	1.5
	Jul	2.6	0.2	2.0	-8.2	-0.5	-3.6	-7.2	-0.4	0.7
	Aug	5.0	0.4	2.4	1.7	0.1	-3.0	1.8	0.1	0.6
	Sep	4.0	0.3	2.3	0.9	0.1	-3.0	1.2	0.1	0.4

## Notes to Editors

- The data for 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](http://www.bankofengland.co.uk/statistics/ms/current)).
- 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.
- Table B shows a wider measure of financing by PNFCs. This measure encompasses their sterling and foreign currency borrowing from UK MFIs (but excluding MFIs' net purchases 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.
- M4 excluding intermediate OFCs is calculated as aggregate M4 (seasonally adjusted) minus sterling deposits from intermediate OFCs (not seasonally adjusted): <http://www.bankofengland.co.uk/mfsd/iadb/notesiadb/m4adjusted.htm>. M4Lx (i.e. M4 lending excluding the effects of securitisations etc) minus lending to intermediate OFCs is calculated as aggregate M4Lx (seasonally adjusted) minus sterling loans and advances to intermediate OFCs (not seasonally adjusted): <http://www.bankofengland.co.uk/mfsd/iadb/notesiadb/m4lxadjusted.htm>. Intermediate OFCs are defined as: non-bank credit grantors; mortgage and housing credit corporations; bank holding companies; and other activities auxiliary to financial intermediation. In addition, sterling deposits from and sterling loans and advances to 'other financial intermediaries' undertaken with banks and building societies in their own financial group are taken out of aggregate M4 and M4Lx respectively. Banks' and building societies' holdings of securities issued by their own securitisation vehicles are also excluded from the lending measure. The latter two exclusions are based on anecdotal information provided by a sample of banks.
- Please note that July 2009 is the first month for which monthly, as opposed to quarterly, data on M4 and M4 lending excluding intermediate OFCs have been collected. The monthly changes, and growth rates, are presented in Table D alongside the previous quarterly data, but the difference in periodicity should be borne in mind when making comparisons. The three-month/one-quarter annualised growth rates will be available each month from September 2009 data onwards. The four-quarter/twelve-month growth rates will be extended initially at end-quarter months, and will be available each month from June 2010 data onwards.
- The Statistical Interactive Database (at [www.bankofengland.co.uk/mfsd/iadb](http://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.