



NOT FOR PUBLICATION UNTIL 09:30 ON 19 NOVEMBER 2009

Provisional estimates of broad money (M4) and credit (M4 lending): October 2009

Seasonally adjusted **provisional figures for October** are as follows. **M4** increased by £35.8 billion, above the average flow for the previous six months of £8.2 billion. The twelve-month growth rate continued to fall, to 11.0% from 11.6% in September.

M4 lending increased by £25.2 billion (1.0%) in October. The twelve-month growth rate continued to fall, to 5.9% from 6.5% in September.

M4 lending (excluding the effects of securitisations etc.) increased by £26.7 billion (1.0%) in October. The twelve-month growth rate continued to fall, to 6.8% from 7.9% in September.

These provisional data suggest that banks' and building societies' deposit and lending business with financial companies that are part of the same group accounted for most of the increase in M4, M4 lending and M4 lending (excluding the effects of securitisations etc.) in October. This intra-group activity will be excluded from the measures of M4 and M4 lending excluding intermediate OFCs to be published in the *Sectoral breakdown of aggregate M4 and M4 lending* on 30th November 2009 (<http://www.bankofengland.co.uk/statistics/fm4/current/index.htm>).

Table A: 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
<i>LPM</i>	<i>AUZJ</i>	<i>VQJS</i>	<i>VQJW</i>	<i>AVBR</i>	<i>VQJQ</i>	<i>VQJU</i>	<i>VWVL</i>	<i>VWVM</i>	<i>VWVP</i>
2009 Jul	28.4	1.4	14.3	5.4	0.2	8.2	7.8	0.3	10.0
Aug	1.7	0.1	12.4	2.2	0.1	7.1	1.4	0.1	8.5
Sep	17.5	0.9	11.6	16.9	0.7	6.5	19.8	0.7	7.9
Oct	35.8	1.8	11.0	25.2	1.0	5.9	26.7	1.0	6.8

(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. There are no revisions above the threshold on this occasion.

Chart 1: Growth rates of M4



Chart 2: Growth rates of M4 lending (exc. the effects of securitisations etc.)

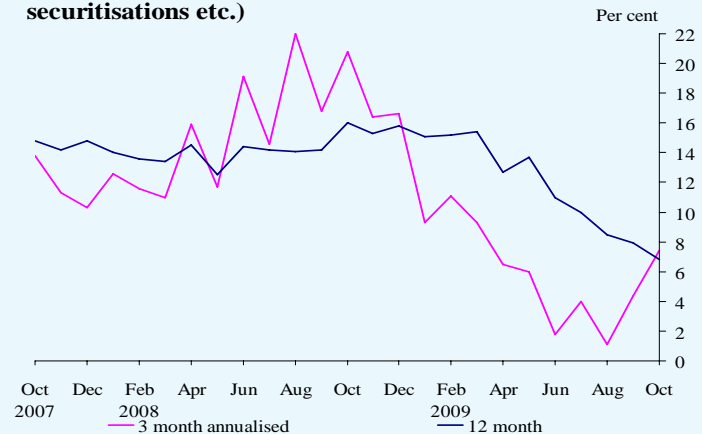


Table B: MFIs' balance sheet counterparts to changes in, and components of, M4 ^(a)£ billions ^(b)

Seasonally adjusted

	LPM	October	Latest 12 months
M4 lending	AVBR	25.2	138.6
<i>of which: reverse repos</i>	VZZP	5.2	-8.4
Net foreign currency lending to M4 private sector	VZNF	7.6	-90.1
Net sterling lending to the public sector (inc. coin)	VZND	25.1	198.5
Net foreign currency lending to public sector	VZNE	-0.4	-0.8
Net sterling lending to non-residents ^(c)	VZNL	6.4	-30.4
Net foreign currency lending to non-residents	VZNM	40.2	18.7
Net other assets	VYHB	-79.5	-36.1
Total: M4 change ^(d)	AUZI	35.8	206.9
<i>of which: Retail deposits and cash</i>	VQXK	8.2	67.5
<i>Wholesale deposits</i>	VRHZ	38.0	138.3
<i>of which: repos</i>	VZZO	-9.2	24.3

(a) Details on the revisions to the most recently published estimates of these data are available separately.

(b) Data in £ millions are available on the Bank's Statistical Interactive Database - See Notes to Editors 3.

(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, M4 may not equal the sum of its components or counterparts. Residuals can be found on the Bank's Statistical Interactive Database.

Notes to Editors

- Separate data are shown for M4 lending and M4 lending excluding 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.
- M4 comprises the M4 private sector's (i.e. the UK private sector other than monetary financial institutions (MFIs)) holdings of: sterling notes and coin; sterling deposits, including certificates of deposit; commercial paper, bonds, FRNs and other instruments of up to and including five years' original maturity issued by UK MFIs; claims on UK MFIs arising from repos; and estimated holdings of sterling bank bills. M4 lending comprises sterling lending by MFIs to the M4 private sector. Further information on the definitions of M4, M4 lending, the counterparts to 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_counterparts.htm
www.bankofengland.co.uk/mfsd/iadb/notesiadb/growth_rates.htm
- The Statistical Interactive Database (at 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.