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## Changes to monetary statistics

*The coverage of  $M_2$  (shown in Table 11.1 of the statistical annex) has been extended to include certain building society shares and deposits,<sup>(1)</sup> and deposits with the National Savings Bank ordinary account. Some supplementary information on building society term shares<sup>(1)</sup> has been added to Table 12.*

### **Table 11.1: $M_2$**

An article in the June 1982 *Bulletin*<sup>(2)</sup> which introduced the aggregate  $M_2$  (transactions balances) explained that the Bank intended to include statistics of similar shares and deposits with building societies. All shares and deposits with building societies which are within one month of maturity come within the definition of retail deposits used in that article. Estimates of the changes in such deposits have now been included in a revised series of  $M_2$  statistics in Table 11.1 of the statistical annex. (Outstanding amounts of building society shares and deposits analysed by residual maturity are estimated at present from quarterly samples, but it is hoped to improve them in future.)

Deposits with the National Savings Bank ordinary account, which are in the nature of transactions balances, have also now been included in  $M_2$ .

### **Table 12: building society term shares**

An article<sup>(3)</sup> in the December 1982 *Bulletin* explained that the more liquid of building society shares and deposits are

included in the wide measure of private sector liquidity,  $PSL_2$ : these include ordinary share accounts and high interest accounts but exclude term shares and Save as You Earn (SAYE) deposits. However, in recent years some of the term shares which are excluded have become somewhat more liquid, with the introduction of early withdrawal facilities, though there is still generally a significant penalty for early access. Thus a gap that had existed in the maturity range of building society deposits, between those included in  $PSL_2$  and those excluded, has become less clear.

Estimates of changes in the building society shares and deposits which are excluded from  $PSL_2$  (that is, term shares with withdrawal facilities, term shares without withdrawal facilities, and SAYE deposits with building societies) have been added to Table 12 of the statistical annex. The final column of the table gives total transactions in these shares and deposits, and a supplementary table in a footnote gives an estimate of these flows analysed by the different kinds of instrument.

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(1) The Building Societies Association has provided these statistics.

(2) 'Transactions balances—a new monetary aggregate' June 1982 *Bulletin*, pages 224–5.

(3) 'Composition of monetary and liquidity aggregates and associated statistics' December 1982 *Bulletin*, pages 530–37.