

Form AD - Analysis of deposits from UK residents

This is an industrial analysis of **deposits** (including liabilities incurred under sale and repurchase agreements) received from UK residents other than monetary financial institutions (MFIs). UK MFIs are defined as banks and building societies operating in the UK.

Sight deposits comprise those balances where the entire balance is accessible without penalty, either on demand or by close of business on the day following that on which the deposit was made. This should correspond to total deposits reported under BT items 2E to 2H.

Time deposits represent those deposits where part of the balance is either partly or fully inaccessible without penalty, either on demand or by close of business on the day following that, the deposit should be classified here. This should correspond to total deposits reported under BT items 3E to 3H.

Depositors are classified according to the main activity of the customer. The classification system used is set out in the Classification of Accounts guide, and is based upon the Standard Industrial Classification 2007 (SIC2007). This, in turn, is based upon NACE, the European industrial classification system. On the form, the SIC Classification or the SIC sub-section classification is noted in brackets after each item. The main changes between the 2019 and the previous version of Form AD (the 2011 version) are noted in Statistical Notice 2018/02 which can be viewed at:

www.bankofengland.co.uk/statistics/notice/2018/statistical-notice-2018-02 In the case of a subsidiary whose prime function is to raise finance on behalf of other group companies, the treatment will depend on the nationality of the parent company and on the existence of any affiliates operating alongside the financing subsidiary in the UK. Any financing subsidiary of a parent group incorporated in the UK should be classified according to the main activity of the parent (except where the main activity of the group concerned is banking, when the lending should be recorded as being to a financial intermediary). If the financing subsidiary is the sole UK subsidiary of a non-resident parent corporation, it should be classified as “other financial intermediaries not elsewhere covered”. A financing subsidiary of a non-resident parent group, with affiliates in the UK, should be classified according to the main activity of those other UK companies. This guidance also applies to Special Purpose Entities (providing they do not relate to securitisation in which case they should be classified under this subsection within Financial Intermediation).

In addition to this, holding companies shall be captured separately by industry on pages 4-6 of Form AD. Holding companies can be defined as companies whose principle activity is to own a subsidiary corporation, through holding at least fifty percent of the subsidiaries' equity, whilst not providing any other service: they do not provide management services to their subsidiaries. This aligns to SIC code 64.2. However, holding-like entities that cannot act independently of their parents and are simply passive holders of assets and liabilities are not treated as holding companies as they are not seen as separate institutional units. Therefore these entities would be considered “artificial subsidiaries” and not separated. This includes entities that do not hold a

controlling share of the assets of the group.

~~Where fund managers place deposits on behalf of a client, the reporting institution should classify these according to the main activity of the client (if known). If the main activity of the client is not known the deposit should be classified as coming from the fund manager itself. On this form, all deposits that are made by fund managers are gathered together under item 17 – activities auxiliary to financial intermediation (items 17AA to 17AG). Those made on behalf of identifiable clients should be included in the appropriate sub-categories of item 17; they should not be included with deposits directly placed by such counterparties.~~

Non-profit institutions serving households and unincorporated businesses (e.g. sole traders and partnerships) should be classified according to the main activity of the institution or business, unless the proprietor or a partner has borrowed on personal account, in which case any deposit should be treated as being from individuals.

Further guidance about the classification of accounts may be found within the Classification of Accounts guide. Guidance may also be obtained from the Monetary Statistics Group of the Data and Statistics Division using the usual Helpdesk number (Tel 020 3641 5360).