

Form AL - Analysis of lending to UK residents

This is an industrial analysis of **loans and advances** (including claims made under sale and repurchase agreements), **finance leases**, and **facilities** granted to UK residents other than monetary financial institutions. Funds placed with UK monetary financial institutions (banks and building societies) or non-residents or facilities related to them should not be included in this return. Lending for special schemes for exports (regarded as lending to non-residents) is also excluded.

Borrowers 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 (or 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 2011 and the previous version of Form AL (the 2007 version) are noted in point 5 of Statistical Notice 2009/09 which can be viewed at:

Amended
o/a Stats
Notice
2009/09

www.bankofengland.co.uk/statistics/reporters/snotice/sn200908/sn200909.htm

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 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, but with affiliates in the UK, should be classified to the main activity of those other UK companies.

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 the loan should be treated as lending to 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 Monetary and Financial Statistics Division using the Helpdesk number (Tel. 020 7601 5360).

Loans and advances

This comprises loans and advances as reported under BT items 29A to 29D (and indistinguishably within this, amounts receivable under finance leases) together with claims under reverse repo agreements (BT items 30E to 30H).

Facilities outstanding

This comprises all outstanding overdrafts, loans and advances and facilities granted to UK residents, whether or not drawn. Where a facility may be drawn in sterling, euro or other currencies at the option of the borrower, enter the unutilised portion of the facility in the 'other currencies' column. Total facilities outstanding, in sterling, euro or in other currencies, must at least equal, or more probably exceed, total loans and advances outstanding in each column. Similarly, facilities outstanding under each sub-category must either equal or exceed loans and advances outstanding under that same sub-category. Unauthorised overdrafts should be included as if a facility had been granted. Only include the actual drawings on credit card accounts and agreed drawings under the reporting institution's staff housing loan and staff personal loan facilities and not the theoretical credit limits available. This item is part of BT item 43.