

PRESS RELEASE

MONETARY DEVELOPMENTS IN THE EURO AREA: JULY 2010

The annual rate of change of M3 stood at 0.2% in July 2010, unchanged from the previous month.¹ The three-month average of the annual rates of change of M3 over the period May 2010 - July 2010 stood at 0.1%, compared with 0.0% in the period April 2010 - June 2010.

12-month percentage changes; adjusted for seasonal and end-of-month calendar effects	MAY 2010	JUNE 2010	JULY 2010	MAY 2010 - JULY 2010 AVERAGE
M3	0.0	0.2	0.2	0.1
M1	10.3	9.2	8.1	9.2
Loans to private sector	0.2	0.5	0.9	0.6

Regarding the main components of M3, the annual rate of growth of M1 decreased to 8.1% in July 2010, from 9.2% in June. The annual rate of change of short-term deposits other than overnight deposits increased to -6.0% in July, from -7.1% in the previous month. The annual rate of change of marketable instruments decreased to -8.3% in July, from -7.6% in June.

Turning to the main counterparts of M3 on the asset side of the consolidated balance sheet of the MFI sector, the annual growth rate of total credit granted to euro area residents increased to 1.9% in July 2010, from 1.5% in the previous month. The annual rate of growth of credit extended to general government decreased to 7.6% in July, from 8.1% in June, while the annual growth of credit extended to the private sector increased to 0.6% in July, from 0.1% in the previous month. Among the components of the latter, the annual rate of change of loans to the private sector increased to 0.9% in July, from 0.5% in the previous month (adjusted for loan sales and securitisation² the annual growth rate of

¹ These rates of change refer to aggregates adjusted for seasonal and end-of-month calendar effects.

² Adjusted for the derecognition of loans from the MFI statistical balance sheet due to their sale or securitisation. The annual growth rate of loans adjusted for sales and securitisation is available at: <http://sdw.ecb.int/browse.do?node=SEARCHRESULTS&q=BSI.M.U2.Y.U.A26.A.I.U2.2200.Z01.A&sk=117.BSI.M.U2.Y.U.A26.A.I.U2.2200.Z01.A>

loans to the private sector increased to 1.0%, from 0.5% in the previous month). The annual rate of change of loans to non-financial corporations increased to -1.3% in July, from -1.6% in June. The annual growth rate of loans to households stood at 2.8% in July, unchanged from the previous month. The annual rate of growth of lending for house purchase increased to 3.5% in July, from 3.3% in the previous month. The annual rate of change of consumer credit decreased to -0.6% in July, from -0.4% in June, while the annual growth rate of other lending to households decreased to 2.6% in July, from 3.0% in the previous month. Finally, the annual rate of growth of loans to non-monetary financial intermediaries (except insurance corporations and pension funds) increased to 2.2% in July, from 1.0% in the previous month.

Over the 12 months up to July 2010, the net external asset position of the euro area MFI sector decreased by EUR 2 billion, compared with an increase of EUR 47 billion over the 12 months up to June. The annual rate of growth of longer-term financial liabilities of the MFI sector stood at 3.7% in July, compared with 3.8% in June.

Notes

- *In addition to the monthly monetary developments for the reference month, this press release incorporates minor revisions to the data for previous months.*
- *Euro area-wide reporting under Regulation ECB/2008/32 of 19 December 2008 concerning the balance sheet of the monetary and financial institutions sector, together with other changes to the statistical reporting framework and practices in several euro area countries, started with effect from the June 2010 reference period, reported in July. These changes may imply revisions to preliminary data in subsequent press releases.*
- *The latest data on monetary aggregates and counterparts contained in the statistical annex to this press release can be downloaded from the ECB's Statistical Data Warehouse (<http://sdw.ecb.europa.eu/browse.do?node=bbn1863>). These data, as well as monthly and other shorter-term growth rates for selected items, longer time series for principal monetary aggregates (with a start date of January 1970) and methodological notes on the concepts underlying the monetary statistics and the related seasonal adjustment procedures, are also available on the ECB's website (<http://www.ecb.europa.eu/stats/money/aggregates/aggr/html/index.en.html>).*
- *Data refer to the changing composition of the euro area, i.e. they cover the EU Member States that had adopted the euro at the time to which the statistics relate. Data on outstanding amounts include Greece as of January 2001, Slovenia as of January 2007, Cyprus and Malta as of January 2008 and Slovakia as of January 2009.*
- *The publication of the statistics on monetary developments in August 2010, September 2010 and October 2010 is scheduled to take place at 10 am on 27 September 2010, 27 October 2010 and 26 November 2010 respectively.*

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