

PRESS RELEASE

MONETARY DEVELOPMENTS IN THE EURO AREA: OCTOBER 2010

The annual growth rate of M3 stood at 1.0% in October 2010, compared with 1.1% in September 2010.¹ The three-month average of the annual growth rates of M3 over the period August 2010 - October 2010 rose to 1.1%, from 0.8% in the period July 2010 - September 2010.

12-month percentage changes; adjusted for seasonal and end-of-month calendar effects	AUGUST 2010	SEPTEMBER 2010	OCTOBER 2010	AUGUST 2010 - OCTOBER 2010 AVERAGE
M3	1.2	1.1	1.0	1.1
MI	7.8	6.2	4.9	6.3
Loans to private sector	1.2	1.2	1.4	1.3

Regarding the main components of M3, the annual rate of growth of MI decreased to 4.9% in October 2010, from 6.2% in September. The annual rate of change of short-term deposits other than overnight deposits increased to -1.2% in October, from -2.8% in the previous month. The annual rate of change of marketable instruments decreased to -7.4% in October, from -5.3% in September.

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 3.0% in October 2010, from 2.1% in the previous month. The annual rate of growth of credit extended to general government increased to 12.0% in October, from 7.3% in September, while the annual growth of credit extended to the private sector stood at 1.0% in October, compared with 0.9% in the previous month. Among the components of the latter, the annual growth rate of loans to the private sector increased to 1.4% in October, from 1.2% in the previous month (adjusted for loan sales and securitisation² the annual growth rate of loans to the private sector increased to 1.6%, from 1.3% in the previous month). The annual rate of change of loans to non-financial corporations stood at -0.6% in October, unchanged from the previous month. The annual growth rate of loans to households stood at 2.9% in October, compared with 2.8% in the previous month. The annual rate of growth of lending for house purchase increased to 3.6% in October, from 3.4% in the previous month. The annual rate of change of consumer credit stood at -0.8% in

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>

October, compared with -0.9% in September, while the annual growth rate of other lending to households stood at 2.8% in October, compared with 2.9% 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 2.8% in October, from 2.1% in the previous month.

Over the 12 months up to October 2010, the net external asset position of the euro area MFI sector decreased by EUR 101 billion, compared with a decrease of EUR 4 billion over the 12 months up to September. The annual rate of growth of longer-term financial liabilities of the MFI sector increased to 3.4% in October, from 3.2% in September.

Notes

- *In addition to the monthly monetary developments for the reference month, this press release incorporates minor revisions to the data for previous months.*
- *Data for October 2010 are partly affected by the establishment of a "bad bank" scheme and the related transfer of assets and liabilities between the MFI and non-MFI sectors, in particular the general government sector and non-euro area residents.*
- *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 November 2010, December 2010 and January 2011 is scheduled to take place at 10 am on 29 December 2010, 28 January 2011 and 25 February 2011 respectively.*

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