

## PRESS RELEASE

### MONETARY DEVELOPMENTS IN THE EURO AREA: NOVEMBER 2010

The annual growth rate of M3 increased to 1.9% in November 2010, from 0.9% in October 2010.<sup>1</sup> The three-month average of the annual growth rates of M3 over the period September 2010 - November 2010 rose to 1.3%, from 1.0% in the period August 2010 - October 2010.

12-month percentage changes; adjusted for seasonal and end-of-month calendar effects	<b>SEPTEMBER 2010</b>	<b>OCTOBER 2010</b>	<b>NOVEMBER 2010</b>	<b>SEPTEMBER 2010 - NOVEMBER 2010 AVERAGE</b>
<b>M3</b>	1.1	0.9	1.9	1.3
<b>M1</b>	6.2	4.9	4.6	5.2
<b>Loans to private sector</b>	1.3	1.5	2.0	1.6

Regarding the main components of M3, the annual rate of growth of M1 decreased to 4.6% in November 2010, from 4.9% in October. The annual rate of change of short-term deposits other than overnight deposits increased to -0.4% in November, from -1.2% in the previous month. The annual rate of change of marketable instruments increased to -0.9% in November, from -7.6% in October.

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 3.8% in November 2010, from 3.1% in the previous month. The annual rate of growth of credit extended to general government increased to 12.7% in November, from 12.0% in October, while the annual growth of credit extended to the private sector increased to 1.9% in November, from 1.2% in the previous month. Among the components of the latter, the annual growth rate of loans to the private sector increased to 2.0% in November, from 1.5% in the previous month (adjusted for loan sales and securitisation<sup>2</sup> the annual growth rate of loans to the private sector increased to 2.4%, from 1.7% in the previous month). The annual rate of change of loans to non-financial corporations increased to -0.1% in November, from -0.5% in October. The annual growth rate of loans to households decreased to 2.7% in November, from 2.9% in the previous month. The annual rate of growth of lending for house purchase decreased to 3.4% in November, from 3.6% in the previous month. The annual rate of change of consumer credit increased to -0.4% in

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

<sup>2</sup> 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.U2.22^0.Z01.A&sk=117.BSI.M.U2.Y.U.A26.A.I.U2.22^0.Z01.A>

November, from -0.8% in October, while the annual growth rate of other lending to households decreased to 2.3% in November, from 2.6% 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 7.1% in November, from 3.6% in the previous month.

Over the 12 months up to November 2010, the net external asset position of the euro area MFI sector decreased by EUR 92 billion, compared with a decrease of EUR 97 billion over the 12 months up to October. The annual rate of growth of longer-term financial liabilities of the MFI sector increased to 4.0% in November, from 3.7% in October.

#### 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 December 2010, January 2011 and February 2011 is scheduled to take place at 10 am on 28 January 2011, 25 February 2011 and 25 March 2011 respectively.*

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TABLE 1

## MONETARY DEVELOPMENTS IN THE EURO AREA: NOVEMBER 2010

DATA ADJUSTED FOR SEASONAL EFFECTS

(EUR billions and annual percentage changes <sup>a)</sup>)

	OCTOBER 2010			NOVEMBER 2010			AVERAGE SEP-10 NOV-10
	End of month level	Monthly flow <sup>b)</sup>	Annual growth rate	End of month level	Monthly flow <sup>b)</sup>	Annual growth rate	Annual growth rate
<b>COMPONENTS OF M3 <sup>c)</sup></b>							
(1) <b>M3</b> (= items 1.3, 1.6 and 1.11)	9470	-32	0.9	9531	51	1.9	1.3
(1.1) Currency in circulation	790	-1	5.8	796	6	5.7	5.8
(1.2) Overnight deposits	3898	6	4.7	3887	-17	4.4	5.1
(1.3) <b>M1</b> (items 1.1 and 1.2)	4688	5	4.9	4684	-11	4.6	5.2
(1.4) Deposits with agreed maturity up to 2 years	1812	8	-8.8	1804	-13	-7.5	-9.5
(1.5) Deposits redeemable at notice up to 3 months	1904	12	7.3	1915	11	7.3	7.5
(1.6) Other short term deposits (items 1.4 and 1.5)	3716	21	-1.2	3718	-2	-0.4	-1.5
(1.7) <b>M2</b> (items 1.3 and 1.6)	8404	26	2.1	8402	-13	2.3	2.1
(1.8) Repurchase agreements	383	-19	22.9	433	50	36.6	26.9
(1.9) Money market fund shares/units	580	-14	-16.9	591	11	-13.4	-15.2
(1.10) Debt securities issued with maturity up to 2 years	103	-25	-27.6	105	3	-23.6	-22.4
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	1066	-58	-7.6	1129	64	-0.9	-4.6
<b>COUNTERPARTS OF M3</b>							
<b>MFI liabilities:</b>							
(2) <i>Holdings against central government</i> <sup>d)</sup>	332	70	7.6	347	16	18.0	5.3
(3) <i>Longer-term financial liabilities against other euro area residents</i> (= items 3.1 to 3.4)	7180	10	3.7	7317	60	4.0	3.8
(3.1) Deposits with agreed maturity over 2 years	2387	-8	3.8	2446	28	4.7	4.2
(3.2) Deposits redeemable at notice over 3 months	120	-2	-6.0	119	-1	-6.2	-5.4
(3.3) Debt securities issued with maturity over 2 years	2706	12	1.9	2751	10	1.8	1.7
(3.4) Capital and reserves	1967	8	6.9	2001	22	7.2	7.0
<b>MFI assets:</b>							
(4) <i>Credit to euro area residents</i> (= items 4.1 and 4.2)	16579	136	3.1	16707	129	3.8	3.1
(4.1) Credit to general government	3263	165	12.0	3267	18	12.7	10.6
of which Loans	1165	76	13.3	1223	57	19.2	13.4
of which Securities other than shares	2098	89	11.2	2044	-40	9.1	9.1
(4.2) Credit to other euro area residents	13316	-29	1.2	13440	111	1.9	1.4
of which Loans <sup>e)</sup>	10970	1	1.5	11064	76	2.0	1.6
<i>memo item: loans adjusted for sales &amp; securitisation</i> <sup>f)</sup>	ND	9	1.7	ND	92	2.4	1.8
of which Securities other than shares	1534	-31	-0.9	1556	24	1.3	0.3
of which Shares and other equities	812	1	0.8	821	11	0.9	0.7
(5) <i>Net external assets</i>	505	-104	ND	531	-9	ND	ND
(6) <i>Other counterparts of M3 (residual)</i> (= M3 + items 2, 3 - items 4, 5)	-103	16	ND	-43	6	ND	ND

a) Figures may not add up due to rounding. The information in this table is based on consolidated balance sheet statistics reported by monetary financial institutions (MFIs). These include the Eurosystem, credit institutions and money market funds located in the euro area.

b) Calculated from the monthly difference in levels adjusted for reclassifications, exchange rate variations, other revaluations and any other changes which do not arise from transactions.

c) Liabilities of monetary financial institutions (MFIs) and specific units of the central government (post offices, treasury) vis-à-vis non-MFI euro area residents excluding central government.

d) Includes holdings of the central government of deposits with the MFI sector and of securities issued by the MFI sector.

e) For further breakdowns see Table 4.

f) Adjusted for the derecognition of loans from the MFI statistical balance sheet due to their sale or securitisation.

TABLE 2

## MONETARY DEVELOPMENTS IN THE EURO AREA: NOVEMBER 2010

DATA UNADJUSTED FOR SEASONAL EFFECTS

(EUR billions and annual percentage changes <sup>a)</sup>)

	OCTOBER 2010			NOVEMBER 2010			AVERAGE SEP-10 NOV-10
	End of month level	Monthly flow <sup>b)</sup>	Annual growth rate	End of month level	Monthly flow <sup>b)</sup>	Annual growth rate	Annual growth rate
<b>COMPONENTS OF M3 <sup>c)</sup></b>							
(1) <b>M3</b> (= items 1.3, 1.6 and 1.11)	9443	-25	1.0	9514	60	1.9	1.3
(1.1) Currency in circulation	789	2	5.9	790	1	5.4	5.8
(1.2) Overnight deposits	3888	9	5.1	3902	7	4.3	5.3
(1.3) <b>M1</b> (items 1.1 and 1.2)	4677	11	5.2	4692	8	4.5	5.3
(1.4) Deposits with agreed maturity up to 2 years	1824	26	-8.9	1813	-16	-7.4	-9.5
(1.5) Deposits redeemable at notice up to 3 months	1881	4	7.2	1885	4	7.2	7.4
(1.6) Other short term deposits (items 1.4 and 1.5)	3705	29	-1.3	3697	-12	-0.5	-1.6
(1.7) <b>M2</b> (items 1.3 and 1.6)	8383	40	2.2	8389	-4	2.3	2.2
(1.8) Repurchase agreements	383	-26	22.4	433	49	35.8	26.3
(1.9) Money market fund shares/units	575	-14	-16.9	587	12	-13.4	-15.2
(1.10) Debt securities issued with maturity up to 2 years	103	-25	-27.6	105	3	-23.6	-22.4
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	1061	-65	-7.7	1125	64	-1.0	-4.6
<b>COUNTERPARTS OF M3</b>							
<b>MFI liabilities:</b>							
(2) <i>Holdings against central government</i> <sup>d)</sup>	344	78	8.1	361	17	18.5	5.5
(3) <i>Longer-term financial liabilities against other euro area residents</i> (= items 3.1 to 3.4)	7170	12	3.7	7302	55	4.0	3.8
(3.1) Deposits with agreed maturity over 2 years	2372	-6	3.8	2434	32	4.7	4.2
(3.2) Deposits redeemable at notice over 3 months	119	-1	-6.0	119	0	-6.1	-5.3
(3.3) Debt securities issued with maturity over 2 years	2709	14	1.9	2745	1	1.8	1.7
(3.4) Capital and reserves	1969	6	6.9	2003	22	7.2	7.0
<b>MFI assets:</b>							
(4) <i>Credit to euro area residents</i> (= items 4.1 and 4.2)	16562	136	3.1	16719	158	3.8	3.1
(4.1) Credit to general government	3264	174	12.0	3267	16	12.7	10.6
of which Loans	1167	79	13.4	1223	55	19.2	13.4
of which Securities other than shares	2097	94	11.3	2044	-38	9.1	9.1
(4.2) Credit to other euro area residents	13298	-38	1.2	13452	142	1.9	1.4
of which Loans	10962	-18	1.5	11070	91	2.0	1.6
<i>memo item: loans adjusted for sales &amp; securitisation</i> <sup>e)</sup>	ND	-11	1.7	ND	106	2.4	1.8
of which Securities other than shares	1531	-25	-0.9	1566	37	1.4	0.3
of which Shares and other equities	805	5	0.8	816	14	0.9	0.7
(5) <i>Net external assets</i>	522	-82	ND	556	-1	ND	ND
(6) <i>Other counterparts of M3 (residual)</i> (= M3 + items 2, 3 - items 4, 5)	-127	11	ND	-98	-25	ND	ND

a) Figures may not add up due to rounding. The information in this table is based on consolidated balance sheet statistics reported by monetary financial institutions (MFIs). These include the Eurosystem, credit institutions and money market funds located in the euro area.

b) Calculated from the monthly difference in levels adjusted for reclassifications, exchange rate variations, other revaluations and any other changes which do not arise from transactions.

c) Liabilities of monetary financial institutions (MFIs) and specific units of the central government (post offices, treasury) vis-à-vis non-MFI euro area residents excluding central government.

d) Includes holdings of the central government of deposits with the MFI sector and of securities issued by the MFI sector.

e) Adjusted for the derecognition of loans from the MFI statistical balance sheet due to their sale or securitisation.

TABLE 3

**CONTRIBUTIONS OF M3 COMPONENTS TO THE M3 ANNUAL GROWTH RATE: NOVEMBER 2010**  
**DATA ADJUSTED FOR SEASONAL EFFECTS**  
 (contributions in terms of the M3 annual percentage change <sup>a)</sup>)

	SEPTEMBER 2010	OCTOBER 2010	NOVEMBER 2010
(1) <b>M1</b>	2.8	2.3	2.2
(1.1) <i>of which</i> : Currency	0.5	0.4	0.4
(1.2) <i>of which</i> : Overnight deposits	2.4	1.8	1.7
(2) <b>M2 - M1</b> (= other short-term deposits)	-1.1	-0.5	-0.2
(3) <b>M3 - M2</b> (= short-term marketable instruments)	-0.6	-0.9	-0.1
(4) <b>M3</b> (= items 1, 2 and 3)	1.1	0.9	1.9

a) Figures may not add up due to rounding.

TABLE 4

**BREAKDOWN OF LOANS BY COUNTERPART, TYPE AND ORIGINAL MATURITY: NOVEMBER 2010**  
**DATA ADJUSTED FOR SEASONAL EFFECTS**  
 (EUR billions and annual percentage changes <sup>a)</sup>)

	OCTOBER 2010			NOVEMBER 2010		
	End of month level	Monthly flow <sup>b)</sup>	Annual growth rate	End of month level	Monthly flow <sup>b)</sup>	Annual growth rate
<b>BREAKDOWN OF LOANS <sup>c)</sup></b>						
(1) <b>Loans to non-financial corporations</b>	4685	-10	-0.5	4701	11	-0.1
(1.1) up to 1 year	1130	-4	-5.6	1136	5	-4.3
(1.2) over 1 year and up to 5 years	917	-6	-2.1	911	-5	-1.9
(1.3) over 5 years	2638	1	2.5	2654	10	2.5
(2) <b>Loans to households <sup>d)</sup></b>	5124	13	2.9	5139	10	2.7
(2.1) Consumer credit	639	-1	-0.8	642	3	-0.4
(2.2) Lending for house purchase	3671	15	3.6	3677	1	3.4
(2.3) Other lending	813	-1	2.6	820	6	2.3
(3) <b>Loans to non-monetary financial intermediaries except insurance corporations and pension funds</b>	1068	-3	3.6	1126	51	7.1
(4) <b>Loans to insurance corporations and pension funds</b>	93	1	5.2	98	5	14.2

a) Figures may not add up due to rounding.

b) Calculated from the monthly difference in levels adjusted for write-offs/write-downs, reclassifications, exchange rate variations and any other changes which do not arise from transactions.

c) Loans granted by monetary financial institutions (MFIs) to non-MFI euro area residents excluding general government.

d) Includes loans to non-profit institutions serving households.