

PRESS RELEASE

MONETARY DEVELOPMENTS IN THE EURO AREA: DECEMBER 2009

The annual rate of change of M3 stood at -0.2% in December 2009, compared with -0.3% in November 2009.¹ The three-month average of the annual rates of change of M3 over the period October 2009 - December 2009 decreased to -0.1%, from 0.6% in the period September 2009 - November 2009.

12-month percentage changes; adjusted for seasonal and end-of-month calendar effects	OCTOBER 2009	NOVEMBER 2009	DECEMBER 2009	OCTOBER 2009 - DECEMBER 2009 AVERAGE
M3	0.3	-0.3	-0.2	-0.1
M1	11.8	12.5	12.3	12.2
Loans to private sector	-0.8	-0.7	0.0	-0.5

Regarding the main components of M3, the annual rate of growth of M1 decreased to 12.3% in December 2009, from 12.5% in November. The annual rate of change of short-term deposits other than overnight deposits decreased to -9.0% in December, from -8.6% in the previous month. The annual rate of change of marketable instruments increased to -10.2% in December, from -12.8% in November.

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 decreased to 2.4% in December 2009, from 2.7% in the previous month. The annual rate of growth of credit extended to general government decreased to 11.2% in December, from 13.2% in November, while the annual growth of credit extended to the private sector stood at 0.7% in December, compared with 0.6% in the previous month. Among the components of the latter, the annual rate of change of loans to the private sector increased to 0.0% in December, from -0.7% in the previous month (adjusted for loan sales and securitisation² the annual growth rate of loans to the private sector increased to 0.3%, from 0.1% in the previous month). The annual

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>

rate of change of loans to non-financial corporations decreased to -2.3% in December, from -1.9% in November. The annual growth rate of loans to households increased to 1.3% in December, from 0.5% in the previous month. The annual rate of growth of lending for house purchase increased to 1.5% in December, from 0.3% in the previous month. The annual rate of change of consumer credit increased to -0.1% in December, from -1.0% in November, while the annual growth rate of other lending to households decreased to 1.7% in December, from 2.5% 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 5.5% in December, from 0.3% in the previous month.

Over the 12 months up to December 2009, the net external asset position of the euro area MFI sector increased by EUR 154 billion, compared with an increase of EUR 59 billion over the 12 months up to November. The annual rate of growth of longer-term financial liabilities of the MFI sector decreased to 6.7% in December, from 7.2% in November.

Notes

- *In addition to the monthly monetary developments for the reference month, this press release incorporates minor revisions to the data for previous months.*
- *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 January 2010, February 2010 and March 2010 is scheduled to take place at 10 am on 25 February 2010, 25 March 2010 and 29 April 2010 respectively.*

European Central Bank

Directorate Communications, Press and Information Division

Kaiserstrasse 29, D-60311 Frankfurt am Main

Tel.: +49 69 1344 7455, Fax: +49 69 1344 7404

Internet: <http://www.ecb.europa.eu>

Reproduction is permitted provided that the source is acknowledged.