

PRESS RELEASE

MONETARY DEVELOPMENTS IN THE EURO AREA: JANUARY 2010

The annual rate of change of M3 increased to 0.1% in January 2010, from -0.3% in December 2009.¹ The three-month average of the annual rates of change of M3 over the period November 2009 - January 2010 stood at -0.1%, unchanged from the previous period.

12-month percentage changes; adjusted for seasonal and end-of-month calendar effects	NOVEMBER 2009	DECEMBER 2009	JANUARY 2010	NOVEMBER 2009 - JANUARY 2010 AVERAGE
M3	-0.3	-0.3	0.1	-0.1
M1	12.5	12.3	11.5	12.1
Loans to private sector	-0.7	-0.1	-0.6	-0.5

Regarding the main components of M3, the annual rate of growth of M1 decreased to 11.5% in January 2010, from 12.3% in December. The annual rate of change of short-term deposits other than overnight deposits increased to -8.0% in January, from -9.1% in the previous month. The annual rate of change of marketable instruments increased to -10.8% in January, from -11.0% in December.

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 1.6% in January 2010, from 2.4% in the previous month. The annual rate of growth of credit extended to general government decreased to 9.1% in January, from 11.2% in December, while the annual growth of credit extended to the private sector decreased to 0.1% in January, from 0.7% in the previous month. Among the components of the latter, the annual rate of change of loans to the private sector decreased to -0.6% in January, from -0.1% in the previous month (adjusted for loan sales and securitisation² the annual growth rate of loans to the private sector decreased to -0.3%, from 0.2% in the previous month). The annual rate of change of loans to non-financial corporations decreased to -2.7% in January, from -2.2% in December. The annual growth rate of loans to households increased to 1.6% in January, from 1.3% in the previous month. The annual rate of growth of lending for house purchase increased to 1.8% in January, from 1.5% 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.U2.200.Z01.A>

the previous month. The annual rate of change of consumer credit decreased to -0.3% in January, from 0.0% in December, while the annual growth rate of other lending to households increased to 2.2% in January, from 1.6% in the previous month. Finally, the annual rate of growth of loans to non-monetary financial intermediaries (except insurance corporations and pension funds) decreased to -0.1% in January, from 4.3% in the previous month.

Over the 12 months up to January 2010, the net external asset position of the euro area MFI sector increased by EUR 233 billion, compared with an increase of EUR 135 billion over the 12 months up to December. The annual rate of growth of longer-term financial liabilities of the MFI sector decreased to 5.8% in January, from 6.6% in December.

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 February 2010, March 2010 and April 2010 is scheduled to take place at 10 am on 25 March 2010, 29 April 2010 and 31 May 2010 respectively.*

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TABLE 1

MONETARY DEVELOPMENTS IN THE EURO AREA: JANUARY 2010

DATA ADJUSTED FOR SEASONAL EFFECTS

(EUR billions and annual percentage changes ^{a)})

	DECEMBER 2009			JANUARY 2010			AVERAGE NOV-09 JAN-10
	End of month level	Monthly flow ^{b)}	Annual growth rate	End of month level	Monthly flow ^{b)}	Annual growth rate	Annual growth rate
COMPONENTS OF M3 ^{c)}							
(1) M3 (= items 1.3, 1.6 and 1.11)	9322	33	-0.3	9313	-16	0.1	-0.1
(1.1) Currency in circulation	754	1	6.1	761	7	6.2	6.3
(1.2) Overnight deposits	3724	21	13.6	3788	62	12.7	13.4
(1.3) M1 (items 1.1 and 1.2)	4479	21	12.3	4550	69	11.5	12.1
(1.4) Deposits with agreed maturity up to 2 years	1885	-36	-24.3	1844	-45	-22.6	-23.6
(1.5) Deposits redeemable at notice up to 3 months	1803	11	15.1	1816	12	13.7	15.0
(1.6) Other short term deposits (items 1.4 and 1.5)	3688	-24	-9.1	3660	-32	-8.0	-8.6
(1.7) M2 (items 1.3 and 1.6)	8167	-3	1.5	8210	37	1.9	1.7
(1.8) Repurchase agreements	349	39	-1.5	307	-42	-5.0	-4.3
(1.9) Money market fund shares/units	674	-3	-1.8	663	-12	-4.9	-2.5
(1.10) Debt securities issued with maturity up to 2 years	133	0	-49.4	133	1	-38.7	-46.3
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	1155	36	-11.0	1103	-53	-10.8	-11.4
COUNTERPARTS OF M3							
MFI liabilities:							
(2) <i>Holdings against central government</i> ^{d)}	299	2	-1.5	290	-9	-11.1	-5.7
(3) <i>Longer-term financial liabilities against other euro area residents</i> (= items 3.1 to 3.4)	6750	12	6.6	6796	26	5.8	6.5
(3.1) Deposits with agreed maturity over 2 years	2189	0	9.6	2181	-10	7.0	9.2
(3.2) Deposits redeemable at notice over 3 months	131	-2	7.1	132	1	6.1	8.2
(3.3) Debt securities issued with maturity over 2 years	2642	2	3.0	2694	36	3.8	3.6
(3.4) Capital and reserves	1788	12	8.5	1788	-1	7.3	7.6
MFI assets:							
(4) <i>Credit to euro area residents</i> (= items 4.1 and 4.2)	15947	-1	2.4	15921	-46	1.6	2.2
(4.1) Credit to general government	2865	-15	11.2	2864	-1	9.1	11.2
of which Loans	1013	-16	3.5	1026	13	3.2	3.3
of which Securities other than shares	1852	1	15.9	1838	-14	12.8	16.1
(4.2) Credit to other euro area residents	13082	14	0.7	13058	-45	0.1	0.5
of which Loans ^{e)}	10765	12	-0.1	10757	-28	-0.6	-0.5
<i>memo item: loans adjusted for sales & securitisation</i> ^{f)}	ND	8	0.2	ND	-33	-0.3	0.0
of which Securities other than shares	1495	10	6.5	1484	-13	4.6	8.2
of which Shares and other equities	823	-8	1.2	818	-4	0.5	0.0
(5) <i>Net external assets</i>	554	45	ND	584	24	ND	ND
(6) <i>Other counterparts of M3 (residual)</i> (= M3 + items 2, 3 - items 4, 5)	-130	2	ND	-107	23	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: JANUARY 2010

DATA UNADJUSTED FOR SEASONAL EFFECTS

(EUR billions and annual percentage changes ^{a)})

	DECEMBER 2009			JANUARY 2010			AVERAGE NOV-09 JAN-10
	End of month level	Monthly flow b)	Annual growth rate	End of month level	Monthly flow b)	Annual growth rate	Annual growth rate
COMPONENTS OF M3 ^{c)}							
(1) M3 (= items 1.3, 1.6 and 1.11)	9376	85	-0.1	9328	-55	0.2	-0.1
(1.1) Currency in circulation	770	20	6.3	757	-13	6.3	6.3
(1.2) Overnight deposits	3788	63	13.8	3801	11	13.0	13.6
(1.3) M1 (items 1.1 and 1.2)	4558	83	12.5	4558	-2	11.8	12.3
(1.4) Deposits with agreed maturity up to 2 years	1906	-24	-24.2	1840	-69	-22.9	-23.6
(1.5) Deposits redeemable at notice up to 3 months	1801	36	15.1	1831	28	13.7	14.9
(1.6) Other short term deposits (items 1.4 and 1.5)	3708	13	-9.1	3671	-41	-8.2	-8.7
(1.7) M2 (items 1.3 and 1.6)	8266	96	1.6	8229	-43	1.9	1.8
(1.8) Repurchase agreements	331	16	0.2	308	-23	-4.9	-3.7
(1.9) Money market fund shares/units	647	-26	-1.9	658	10	-4.9	-2.6
(1.10) Debt securities issued with maturity up to 2 years	133	0	-49.4	133	1	-38.7	-46.3
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	1110	-10	-10.9	1098	-12	-10.8	-11.4
COUNTERPARTS OF M3							
MFI liabilities:							
(2) <i>Holdings against central government</i> ^{d)}	247	-57	-2.1	277	31	-11.1	-5.8
(3) <i>Longer-term financial liabilities against other euro area residents</i> (= items 3.1 to 3.4)	6751	30	6.6	6780	9	5.8	6.5
(3.1) Deposits with agreed maturity over 2 years	2196	19	9.6	2181	-18	7.0	9.2
(3.2) Deposits redeemable at notice over 3 months	133	-1	7.2	134	1	6.2	8.3
(3.3) Debt securities issued with maturity over 2 years	2627	-12	3.0	2672	29	3.9	3.6
(3.4) Capital and reserves	1795	24	8.5	1794	-3	7.3	7.6
MFI assets:							
(4) <i>Credit to euro area residents</i> (= items 4.1 and 4.2)	15900	-39	2.4	15887	-33	1.6	2.2
(4.1) Credit to general government	2836	-40	11.1	2860	25	9.1	11.1
of which Loans	1020	-6	3.4	1031	11	3.1	3.3
of which Securities other than shares	1816	-34	15.9	1829	14	12.8	16.1
(4.2) Credit to other euro area residents	13064	1	0.7	13027	-58	0.0	0.5
of which Loans	10751	-1	-0.1	10740	-31	-0.6	-0.5
<i>memo item: loans adjusted for sales & securitisation</i> ^{e)}	ND	-5	0.3	ND	-36	-0.3	0.0
of which Securities other than shares	1502	10	6.5	1471	-32	4.6	8.2
of which Shares and other equities	811	-7	1.3	815	5	0.6	0.0
(5) <i>Net external assets</i>	582	51	ND	600	12	ND	ND
(6) <i>Other counterparts of M3 (residual)</i> (= M3 + items 2, 3 - items 4, 5)	-107	45	ND	-102	5	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: JANUARY 2010
DATA ADJUSTED FOR SEASONAL EFFECTS
 (contributions in terms of the M3 annual percentage change ^{a)})

	NOVEMBER 2009	DECEMBER 2009	JANUARY 2010
(1) M1	5.2	5.7	4.2
(1.1) <i>of which</i> : Currency	0.5	0.5	0.4
(1.2) <i>of which</i> : Overnight deposits	4.7	5.2	3.8
(2) M2 - M1 (= other short-term deposits)	-3.7	-4.3	-2.8
(3) M3 - M2 (= short-term marketable instruments)	-1.8	-1.7	-1.2
(4) M3 (= items 1, 2 and 3)	-0.3	-0.3	0.1

a) Figures may not add up due to rounding.

TABLE 4

BREAKDOWN OF LOANS BY COUNTERPART, TYPE AND ORIGINAL MATURITY: JANUARY 2010
DATA ADJUSTED FOR SEASONAL EFFECTS
 (EUR billions and annual percentage changes ^{a)})

	DECEMBER 2009			JANUARY 2010		
	End of month level	Monthly flow ^{b)}	Annual growth rate	End of month level	Monthly flow ^{b)}	Annual growth rate
BREAKDOWN OF LOANS ^{c)}						
(1) Loans to non-financial corporations	4693	-19	-2.2	4689	-6	-2.7
(1.1) up to 1 year	1184	-24	-13.6	1187	2	-13.2
(1.2) over 1 year and up to 5 years	942	5	-1.4	934	-7	-3.0
(1.3) over 5 years	2567	0	3.9	2568	-1	3.2
(2) Loans to households ^{d)}	4950	15	1.3	4961	11	1.6
(2.1) Consumer credit	631	2	0.0	628	-2	-0.3
(2.2) Lending for house purchase	3548	19	1.5	3558	9	1.8
(2.3) Other lending	771	-5	1.6	775	4	2.2
(3) Loans to non-monetary financial intermediaries except insurance corporations and pension funds	1032	11	4.3	1020	-31	-0.1
(4) Loans to insurance corporations and pension funds	90	5	-12.5	87	-3	-9.7

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.