

PRESS RELEASE

MONETARY DEVELOPMENTS IN THE EURO AREA: DECEMBER 2010

The annual growth rate of M3 decreased to 1.7% in December 2010, from 2.1% in November 2010.¹ The three-month average of the annual growth rates of M3 over the period October 2010 - December 2010 rose to 1.6%, from 1.4% in the period September 2010 - November 2010.

12-month percentage changes; adjusted for seasonal and end-of-month calendar effects	OCTOBER 2010	NOVEMBER 2010	DECEMBER 2010	OCTOBER 2010 - DECEMBER 2010 AVERAGE
M3	1.1	2.1	1.7	1.6
M1	4.9	4.6	4.4	4.6
Loans to private sector	1.5	2.0	1.9	1.8

Regarding the main components of M3, the annual rate of growth of M1 decreased to 4.4% in December 2010, from 4.6% in November. The annual rate of change of short-term deposits other than overnight deposits stood at -0.5% in December, unchanged from the previous month. The annual rate of change of marketable instruments decreased to -1.8% in December, from 0.5% 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 3.5% in December 2010, from 4.0% in the previous month. The annual rate of growth of credit extended to general government decreased to 12.0% in December, from 13.3% in November, while the annual growth of credit extended to the private sector decreased to 1.6% in December, from 1.9% in the previous month. Among the components of the latter, the annual growth rate of loans to the private sector stood at 1.9% in December, compared with 2.0% in the previous month (adjusted for loan sales and securitisation² the annual growth rate of loans to the private sector stood at 2.3%, unchanged from the previous month). The annual rate of change of loans to non-financial corporations stood at -0.2% in December, compared with -0.1% in November. The annual growth rate of loans to households increased to 3.0% in December, from 2.8% in the previous month. The annual rate of growth of lending for house purchase increased to 3.7% in December, from 3.4% in the previous month. The annual rate of change of consumer credit decreased to

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/search.do?type=serieskey&q=BSI.M.U2.Y.U.A26.A.I.U2.22^0.Z01.A>

-0.9% in December, from -0.3% in November, while the annual growth rate of other lending to households increased to 2.7% in December, from 2.3% 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 5.2% in December, from 7.0% in the previous month.

Over the 12 months up to December 2010, the net external asset position of the euro area MFI sector decreased by EUR 79 billion, compared with a decrease of EUR 82 billion over the 12 months up to November. The annual rate of growth of longer-term financial liabilities of the MFI sector decreased to 3.8% in December, from 4.0% 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.*
- *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 euro area aggregate data will cover Estonia from February 2011 onwards for data referring to January 2011.*
- *The publication of the statistics on monetary developments in January 2011, February 2011 and March 2011 is scheduled to take place at 10 am on 25 February 2011, 25 March 2011 and 29 April 2011 respectively.*

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TABLE 1

MONETARY DEVELOPMENTS IN THE EURO AREA: DECEMBER 2010

DATA ADJUSTED FOR SEASONAL EFFECTS

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

	NOVEMBER 2010			DECEMBER 2010			AVERAGE OCT-10 DEC-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)	9546	49	2.1	9525	-14	1.7	1.6
(1.1) Currency in circulation	796	6	5.6	790	-6	4.6	5.4
(1.2) Overnight deposits	3888	-14	4.4	3912	27	4.4	4.5
(1.3) M1 (items 1.1 and 1.2)	4684	-8	4.6	4702	21	4.4	4.6
(1.4) Deposits with agreed maturity up to 2 years	1803	-13	-7.6	1775	-26	-6.9	-7.8
(1.5) Deposits redeemable at notice up to 3 months	1915	11	7.3	1909	-5	6.2	6.9
(1.6) Other short term deposits (items 1.4 and 1.5)	3718	-3	-0.5	3684	-32	-0.5	-0.7
(1.7) M2 (items 1.3 and 1.6)	8402	-11	2.3	8386	-11	2.2	2.2
(1.8) Repurchase agreements	433	50	36.7	442	9	28.4	29.3
(1.9) Money market fund shares/units	591	12	-13.1	577	-13	-14.7	-14.9
(1.10) Debt securities issued with maturity up to 2 years	119	-3	-14.1	120	1	-13.4	-14.0
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	1143	59	0.5	1139	-3	-1.8	-2.4
COUNTERPARTS OF M3							
MFI liabilities:							
(2) <i>Holdings against central government</i> ^{d)}	347	16	18.0	316	-31	6.9	10.9
(3) <i>Longer-term financial liabilities against other euro area residents</i> (= items 3.1 to 3.4)	7314	56	4.0	7311	2	3.8	3.8
(3.1) Deposits with agreed maturity over 2 years	2442	26	4.6	2437	-4	4.5	4.3
(3.2) Deposits redeemable at notice over 3 months	119	-1	-6.2	118	-1	-5.8	-6.0
(3.3) Debt securities issued with maturity over 2 years	2752	9	1.8	2749	5	2.2	2.0
(3.4) Capital and reserves	2001	22	7.3	2007	2	5.9	6.7
MFI assets:							
(4) <i>Credit to euro area residents</i> (= items 4.1 and 4.2)	16727	132	4.0	16610	-90	3.5	3.6
(4.1) Credit to general government	3289	19	13.3	3243	-46	12.0	12.6
of which Loans	1228	58	19.2	1231	-1	20.2	17.5
of which Securities other than shares	2061	-39	10.1	2011	-44	7.6	9.9
(4.2) Credit to other euro area residents	13438	113	1.9	13367	-45	1.6	1.5
of which Loans ^{e)}	11062	75	2.0	11030	-14	1.9	1.8
<i>memo item: loans adjusted for sales & securitisation</i> ^{f)}	ND	88	2.3	ND	-10	2.3	2.1
of which Securities other than shares	1555	24	1.3	1533	-22	-0.3	0.0
of which Shares and other equities	821	14	1.4	805	-9	0.8	1.0
(5) <i>Net external assets</i>	539	3	ND	612	55	ND	ND
(6) <i>Other counterparts of M3 (residual)</i> (= M3 + items 2, 3 - items 4, 5)	-60	-14	ND	-69	-8	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: DECEMBER 2010

DATA UNADJUSTED FOR SEASONAL EFFECTS

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

	NOVEMBER 2010			DECEMBER 2010			AVERAGE OCT-10 DEC-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)	9528	58	2.0	9574	53	1.7	1.6
(1.1) Currency in circulation	790	1	5.4	809	18	5.0	5.4
(1.2) Overnight deposits	3902	10	4.4	3945	47	3.8	4.4
(1.3) M1 (items 1.1 and 1.2)	4692	11	4.5	4754	65	4.0	4.6
(1.4) Deposits with agreed maturity up to 2 years	1813	-17	-7.5	1814	3	-6.2	-7.5
(1.5) Deposits redeemable at notice up to 3 months	1884	4	7.2	1905	20	6.2	6.9
(1.6) Other short term deposits (items 1.4 and 1.5)	3697	-13	-0.5	3718	24	-0.2	-0.7
(1.7) M2 (items 1.3 and 1.6)	8389	-2	2.3	8472	89	2.1	2.2
(1.8) Repurchase agreements	433	50	35.8	427	-6	28.9	29.0
(1.9) Money market fund shares/units	587	13	-13.1	554	-31	-14.6	-14.9
(1.10) Debt securities issued with maturity up to 2 years	119	-3	-14.1	120	1	-13.4	-14.0
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	1139	60	0.4	1102	-36	-1.6	-2.4
COUNTERPARTS OF M3							
MFI liabilities:							
(2) <i>Holdings against central government</i> ^{d)}	361	17	18.5	264	-97	6.8	11.1
(3) <i>Longer-term financial liabilities against other euro area residents</i> (= items 3.1 to 3.4)	7299	52	4.0	7326	32	3.8	3.8
(3.1) Deposits with agreed maturity over 2 years	2430	29	4.6	2450	20	4.5	4.3
(3.2) Deposits redeemable at notice over 3 months	119	0	-6.2	119	-1	-5.8	-6.0
(3.3) Debt securities issued with maturity over 2 years	2746	1	1.7	2735	-4	2.2	1.9
(3.4) Capital and reserves	2003	22	7.3	2022	16	6.0	6.7
MFI assets:							
(4) <i>Credit to euro area residents</i> (= items 4.1 and 4.2)	16739	161	4.0	16597	-115	3.5	3.6
(4.1) Credit to general government	3289	17	13.3	3216	-72	12.1	12.6
of which Loans	1228	55	19.2	1236	4	20.1	17.5
of which Securities other than shares	2061	-38	10.0	1980	-76	7.6	9.9
(4.2) Credit to other euro area residents	13450	144	1.9	13381	-43	1.6	1.6
of which Loans	11069	90	2.0	11035	-16	1.9	1.8
<i>memo item: loans adjusted for sales & securitisation</i> ^{e)}	ND	103	2.3	ND	-12	2.3	2.1
of which Securities other than shares	1565	37	1.4	1548	-16	-0.3	0.1
of which Shares and other equities	816	17	1.4	798	-11	0.8	1.0
(5) <i>Net external assets</i>	563	10	ND	633	51	ND	ND
(6) <i>Other counterparts of M3 (residual)</i> (= M3 + items 2, 3 - items 4, 5)	-114	-44	ND	-65	51	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: DECEMBER 2010
DATA ADJUSTED FOR SEASONAL EFFECTS
 (contributions in terms of the M3 annual percentage change ^{a)})

	OCTOBER 2010	NOVEMBER 2010	DECEMBER 2010
(1) M1	2.3	2.2	2.1
(1.1) <i>of which</i> : Currency	0.5	0.4	0.4
(1.2) <i>of which</i> : Overnight deposits	1.8	1.7	1.7
(2) M2 - M1 (= other short-term deposits)	-0.5	-0.2	-0.2
(3) M3 - M2 (= short-term marketable instruments)	-0.7	0.1	-0.2
(4) M3 (= items 1, 2 and 3)	1.1	2.1	1.7

a) Figures may not add up due to rounding.

TABLE 4

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

	NOVEMBER 2010			DECEMBER 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	4698	8	-0.1	4665	-24	-0.2
(1.1) up to 1 year	1136	4	-4.3	1127	-9	-3.6
(1.2) over 1 year and up to 5 years	910	-5	-1.9	901	-7	-2.3
(1.3) over 5 years	2652	8	2.4	2637	-8	2.2
(2) Loans to households ^{d)}	5141	12	2.8	5158	24	3.0
(2.1) Consumer credit	643	3	-0.3	641	-3	-0.9
(2.2) Lending for house purchase	3679	3	3.4	3698	26	3.7
(2.3) Other lending	819	6	2.3	819	1	2.7
(3) Loans to non-monetary financial intermediaries except insurance corporations and pension funds	1125	51	7.0	1111	-12	5.2
(4) Loans to insurance corporations and pension funds	98	5	14.2	96	-1	8.1

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.