

25 March 2011

PRESS RELEASE

MONETARY DEVELOPMENTS IN THE EURO AREA: FEBRUARY 2011

The annual growth rate of M3 increased to 2.0% in February 2011, from 1.5% in January 2011.¹ The three-month average of the annual growth rates of M3 over the period December 2010 - February 2011 stood at 1.7%, unchanged from the previous period.

12-month percentage changes; adjusted for seasonal and end-of-month calendar effects	DECEMBER 2010	JANUARY 2011	FEBRUARY 2011	DECEMBER 2010 - FEBRUARY 2011 AVERAGE
M3	1.7	1.5	2.0	1.7
M1	4.3	3.2	2.9	3.4
Loans to private sector	1.9	2.4	2.6	2.3

Regarding the main components of M3, the annual rate of growth of M1 decreased to 2.9% in February 2011, from 3.2% in January. The annual growth rate of short-term deposits other than overnight deposits increased to 1.8% in February, from 1.1% in the previous month. The annual rate of change of marketable instruments stood at -0.4% in February, compared to -4.0% in January.

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 stood at 3.8% in February 2011, unchanged from the previous month. The annual rate of growth of credit extended to general government decreased to 10.5% in February, from 11.7% in January, while the annual growth of credit extended to the private sector increased to 2.3% in February, from 2.1% in the previous month. Among the components of the latter, the annual growth rate of loans to the private sector increased to 2.6% in February, from 2.4% in the previous month (adjusted for loan sales and securitisation² the annual growth rate of loans to the private sector increased to 3.0%, from 2.7% in the previous month). The annual growth rate of loans to non-financial corporations stood at 0.6% in February, compared with 0.5% in January. The annual growth rate of loans to households stood at 3.0% in February, compared with 3.1% in the previous month. The annual rate of growth of lending for house purchase stood at 3.8% in February, compared with 3.9% in the previous month. The annual rate of change of consumer credit stood at -0.9% in February,

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>

compared with -1.0% in January, while the annual growth rate of other lending to households stood at 2.8% in February, unchanged from the previous month. Finally, the annual rate of growth of loans to non-monetary financial intermediaries (except insurance corporations and pension funds) increased to 8.5% in February, from 7.1% in the previous month.

Over the 12 months up to February 2011, the net external asset position of the euro area MFI sector decreased by EUR 47 billion, compared with a decrease of EUR 83 billion over the 12 months up to January. The annual rate of growth of longer-term financial liabilities of the MFI sector increased to 4.1% in February, from 3.5% in January.

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 reflect 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, Slovakia as of January 2009 and Estonia as of January 2011.*
- *The publication of the statistics on monetary developments in March 2011, April 2011 and May 2011 is scheduled to take place at 10 am on 29 April 2011, 27 May 2011 and 30 June 2011 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>

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TABLE 1

MONETARY DEVELOPMENTS IN THE EURO AREA: FEBRUARY 2011

DATA ADJUSTED FOR SEASONAL EFFECTS

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

	JANUARY 2011			FEBRUARY 2011			AVERAGE DEC-10 FEB-11
	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)	9494	-35	1.5	9543	45	2.0	1.7
(1.1) Currency in circulation	803	9	5.4	805	2	5.1	5.1
(1.2) Overnight deposits	3894	-21	2.8	3892	4	2.4	3.1
(1.3) M1 (items 1.1 and 1.2)	4697	-12	3.2	4697	6	2.9	3.4
(1.4) Deposits with agreed maturity up to 2 years	1808	21	-3.2	1816	9	-1.5	-3.8
(1.5) Deposits redeemable at notice up to 3 months	1910	1	5.6	1918	2	5.1	5.6
(1.6) Other short term deposits (items 1.4 and 1.5)	3718	22	1.1	3734	11	1.8	0.8
(1.7) M2 (items 1.3 and 1.6)	8414	10	2.3	8432	17	2.4	2.3
(1.8) Repurchase agreements	407	-26	25.4	440	33	31.3	28.3
(1.9) Money market fund shares/units	547	-23	-17.0	548	-2	-15.3	-15.7
(1.10) Debt securities issued with maturity up to 2 years	126	5	-10.6	123	-3	-8.0	-10.7
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	1080	-44	-4.0	1112	28	-0.4	-2.2
COUNTERPARTS OF M3							
MFI liabilities:							
(2) <i>Holdings against central government</i> ^{d)}	321	9	13.2	320	0	20.5	13.5
(3) <i>Longer-term financial liabilities against other euro area residents</i> (= items 3.1 to 3.4)	7327	28	3.5	7397	44	4.1	3.8
(3.1) Deposits with agreed maturity over 2 years	2446	5	4.2	2458	-6	3.6	4.2
(3.2) Deposits redeemable at notice over 3 months	119	0	-10.3	119	1	-9.3	-10.1
(3.3) Debt securities issued with maturity over 2 years	2763	15	1.8	2783	23	3.0	2.3
(3.4) Capital and reserves	1998	7	6.2	2037	26	7.2	6.4
MFI assets:							
(4) <i>Credit to euro area residents</i> (= items 4.1 and 4.2)	16680	31	3.8	16742	43	3.8	3.7
(4.1) Credit to general government	3252	-8	11.7	3236	-6	10.5	11.3
of which Loans	1227	-6	18.5	1219	-1	17.9	18.9
of which Securities other than shares	2025	-2	7.9	2017	-5	6.5	7.2
(4.2) Credit to other euro area residents	13428	39	2.1	13506	49	2.3	2.0
of which Loans ^{e)}	11075	29	2.4	11144	39	2.6	2.3
<i>memo item: loans adjusted for sales & securitisation</i> ^{f)}	ND	18	2.7	ND	43	3.0	2.7
of which Securities other than shares	1544	7	-0.2	1550	7	0.2	0.0
of which Shares and other equities	809	4	1.8	812	3	2.3	1.6
(5) <i>Net external assets</i>	592	10	ND	624	18	ND	ND
(6) <i>Other counterparts of M3 (residual)</i> (= M3 + items 2, 3 - items 4, 5)	-130	-39	ND	-105	28	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: FEBRUARY 2011

DATA UNADJUSTED FOR SEASONAL EFFECTS

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

	JANUARY 2011			FEBRUARY 2011			AVERAGE DEC-10 FEB-11
	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)	9493	-84	1.4	9519	21	2.0	1.7
(1.1) Currency in circulation	796	-13	5.1	796	0	4.8	5.0
(1.2) Overnight deposits	3915	-32	2.7	3878	-32	2.4	3.0
(1.3) M1 (items 1.1 and 1.2)	4711	-45	3.1	4674	-32	2.8	3.3
(1.4) Deposits with agreed maturity up to 2 years	1798	-17	-3.4	1808	10	-1.8	-3.8
(1.5) Deposits redeemable at notice up to 3 months	1925	20	5.6	1933	1	5.1	5.6
(1.6) Other short term deposits (items 1.4 and 1.5)	3723	3	1.0	3740	11	1.7	0.8
(1.7) M2 (items 1.3 and 1.6)	8434	-42	2.2	8415	-20	2.3	2.2
(1.8) Repurchase agreements	391	-36	25.7	431	40	31.9	28.9
(1.9) Money market fund shares/units	542	-10	-17.0	550	5	-15.3	-15.7
(1.10) Debt securities issued with maturity up to 2 years	126	5	-10.6	123	-3	-8.0	-10.7
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	1059	-41	-4.2	1104	41	-0.5	-2.2
COUNTERPARTS OF M3							
MFI liabilities:							
(2) <i>Holdings against central government^{d)}</i>	317	52	13.7	330	13	20.1	13.5
(3) <i>Longer-term financial liabilities against other euro area residents</i> (= items 3.1 to 3.4)	7328	22	3.6	7389	34	4.1	3.8
(3.1) Deposits with agreed maturity over 2 years	2446	-2	4.2	2458	-6	3.6	4.2
(3.2) Deposits redeemable at notice over 3 months	120	2	-10.2	121	0	-9.3	-10.1
(3.3) Debt securities issued with maturity over 2 years	2757	25	1.9	2775	22	3.0	2.3
(3.4) Capital and reserves	2005	-3	6.3	2035	18	7.3	6.5
MFI assets:							
(4) <i>Credit to euro area residents</i> (= items 4.1 and 4.2)	16653	46	3.8	16692	19	3.8	3.7
(4.1) Credit to general government	3239	21	11.7	3225	-4	10.5	11.3
of which Loans	1233	-2	18.5	1214	-12	17.9	18.8
of which Securities other than shares	2005	23	7.9	2011	9	6.5	7.2
(4.2) Credit to other euro area residents	13415	26	2.0	13467	23	2.3	2.0
of which Loans	11063	23	2.4	11116	23	2.6	2.3
memo item: loans adjusted for sales & securitisation ^{e)}	ND	12	2.7	ND	27	3.0	2.7
of which Securities other than shares	1536	-11	-0.2	1544	8	0.1	0.0
of which Shares and other equities	815	14	1.9	807	-8	2.4	1.7
(5) <i>Net external assets</i>	605	5	ND	640	22	ND	ND
(6) <i>Other counterparts of M3 (residual)</i> (= M3 + items 2, 3 - items 4, 5)	-120	-62	ND	-95	28	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: FEBRUARY 2011
DATA ADJUSTED FOR SEASONAL EFFECTS
 (contributions in terms of the M3 annual percentage change ^{a)})

	DECEMBER 2010	JANUARY 2011	FEBRUARY 2011
(1) M1	2.1	1.6	1.4
(1.1) <i>of which</i> : Currency	0.4	0.4	0.4
(1.2) <i>of which</i> : Overnight deposits	1.7	1.1	1.0
(2) M2 - M1 (= other short-term deposits)	-0.1	0.5	0.7
(3) M3 - M2 (= short-term marketable instruments)	-0.3	-0.5	0.0
(4) M3 (= items 1, 2 and 3)	1.7	1.5	2.0

a) Figures may not add up due to rounding.

TABLE 4

BREAKDOWN OF LOANS BY COUNTERPART, TYPE AND ORIGINAL MATURITY: FEBRUARY 2011
DATA ADJUSTED FOR SEASONAL EFFECTS
 (EUR billions and annual percentage changes ^{a)})

	JANUARY 2011			FEBRUARY 2011		
	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	18	0.5	4709	16	0.6
(1.1) up to 1 year	1146	17	-1.7	1155	5	-1.0
(1.2) over 1 year and up to 5 years	899	-4	-2.1	898	1	-2.1
(1.3) over 5 years	2648	5	2.3	2656	10	2.3
(2) Loans to households ^{d)}	5184	21	3.1	5194	7	3.0
(2.1) Consumer credit	637	-2	-1.0	636	-1	-0.9
(2.2) Lending for house purchase	3723	18	3.9	3727	4	3.8
(2.3) Other lending	824	5	2.8	831	3	2.8
(3) Loans to non-monetary financial intermediaries except insurance corporations and pension funds	1105	-9	7.1	1145	13	8.5
(4) Loans to insurance corporations and pension funds	93	-2	7.2	97	4	8.7

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.