

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 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 -

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:

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.*

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TABLE 1

MONETARY DEVELOPMENTS IN THE EURO AREA: DECEMBER 2009

DATA ADJUSTED FOR SEASONAL EFFECTS

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

	NOVEMBER 2009			DECEMBER 2009			AVERAGE OCT-09 DEC-09
	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)	9331	-49	-0.3	9335	50	-0.2	-0.1
(1.1) Currency in circulation	754	8	6.8	754	1	6.1	6.4
(1.2) Overnight deposits	3701	-12	13.8	3724	20	13.6	13.4
(1.3) M1 (items 1.1 and 1.2)	4454	-3	12.5	4478	21	12.3	12.2
(1.4) Deposits with agreed maturity up to 2 years	1916	-36	-23.9	1883	-36	-24.3	-23.2
(1.5) Deposits redeemable at notice up to 3 months	1795	9	16.3	1807	12	15.3	16.0
(1.6) Other short term deposits (items 1.4 and 1.5)	3711	-27	-8.6	3690	-24	-9.0	-8.2
(1.7) M2 (items 1.3 and 1.6)	8165	-31	1.8	8168	-3	1.6	1.9
(1.8) Repurchase agreements	310	10	-6.3	349	38	-1.6	-6.6
(1.9) Money market fund shares/units	727	-19	-0.9	678	1	-1.4	0.1
(1.10) Debt securities issued with maturity up to 2 years	129	-9	-53.1	140	13	-46.7	-50.1
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	1166	-18	-12.8	1166	53	-10.2	-11.6
COUNTERPARTS OF M3							
MFI liabilities:							
(2) <i>Holdings against central government</i> ^{d)}	297	-26	-4.4	299	2	-1.4	7.3
(3) <i>Longer-term financial liabilities against other euro area residents</i> (= items 3.1 to 3.4)	6734	53	7.2	6756	12	6.7	7.1
(3.1) Deposits with agreed maturity over 2 years	2186	13	11.1	2190	1	9.7	10.9
(3.2) Deposits redeemable at notice over 3 months	133	-1	11.3	131	-2	7.1	10.9
(3.3) Debt securities issued with maturity over 2 years	2629	18	4.2	2644	-2	3.1	3.6
(3.4) Capital and reserves	1785	22	7.0	1791	15	8.6	7.7
MFI assets:							
(4) <i>Credit to euro area residents</i> (= items 4.1 and 4.2)	15946	20	2.7	15947	1	2.4	2.8
(4.1) Credit to general government	2883	-6	13.2	2865	-15	11.2	13.2
of which Loans	1028	-4	3.4	1013	-16	3.5	3.5
of which Securities other than shares	1855	-2	19.7	1852	0	15.8	19.5
(4.2) Credit to other euro area residents	13063	26	0.6	13082	16	0.7	0.8
of which Loans ^{e)}	10752	17	-0.7	10770	19	0.0	-0.5
<i>memo item: loans adjusted for sales & securitisation</i> ^{f)}	ND	16	0.1	ND	17	0.3	0.2
of which Securities other than shares	1488	-9	13.4	1490	0	5.8	12.9
of which Shares and other equities	824	17	-1.8	823	-3	1.9	-1.3
(5) <i>Net external assets</i>	561	-10	ND	573	67	ND	ND
(6) <i>Other counterparts of M3 (residual)</i> (= M3 + items 2, 3 - items 4, 5)	-145	-32	ND	-131	-3	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 2009

DATA UNADJUSTED FOR SEASONAL EFFECTS

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

	NOVEMBER 2009			DECEMBER 2009			AVERAGE OCT-09 DEC-09
	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)	9331	-25	-0.3	9388	102	0.0	0.1
(1.1) Currency in circulation	750	5	6.4	770	20	6.3	6.4
(1.2) Overnight deposits	3722	34	13.8	3787	62	13.8	13.7
(1.3) M1 (items 1.1 and 1.2)	4472	38	12.5	4557	82	12.5	12.4
(1.4) Deposits with agreed maturity up to 2 years	1925	-50	-23.7	1904	-24	-24.2	-23.0
(1.5) Deposits redeemable at notice up to 3 months	1768	5	16.3	1805	37	15.4	16.0
(1.6) Other short term deposits (items 1.4 and 1.5)	3693	-45	-8.7	3710	13	-9.0	-8.3
(1.7) M2 (items 1.3 and 1.6)	8166	-7	1.8	8267	96	1.7	2.0
(1.8) Repurchase agreements	315	6	-6.3	330	15	0.1	-5.9
(1.9) Money market fund shares/units	722	-15	-0.9	651	-23	-1.4	0.1
(1.10) Debt securities issued with maturity up to 2 years	129	-9	-53.1	140	13	-46.7	-50.1
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	1165	-18	-12.8	1121	6	-10.2	-11.6
COUNTERPARTS OF M3							
MFI liabilities:							
(2) <i>Holdings against central government</i> ^{d)}	304	-14	-4.0	247	-57	-2.0	7.2
(3) <i>Longer-term financial liabilities against other euro area residents</i> (= items 3.1 to 3.4)	6717	35	7.2	6757	31	6.7	7.1
(3.1) Deposits with agreed maturity over 2 years	2174	10	11.0	2197	21	9.7	10.9
(3.2) Deposits redeemable at notice over 3 months	134	1	11.4	133	-1	7.2	11.0
(3.3) Debt securities issued with maturity over 2 years	2628	10	4.2	2629	-16	3.1	3.5
(3.4) Capital and reserves	1781	15	7.0	1798	27	8.6	7.7
MFI assets:							
(4) <i>Credit to euro area residents</i> (= items 4.1 and 4.2)	15937	41	2.7	15900	-37	2.4	2.8
(4.1) Credit to general government	2879	-4	13.2	2836	-40	11.1	13.1
of which Loans	1025	-5	3.4	1020	-5	3.5	3.5
of which Securities other than shares	1854	1	19.6	1816	-35	15.8	19.4
(4.2) Credit to other euro area residents	13058	45	0.6	13064	3	0.7	0.8
of which Loans	10752	31	-0.7	10756	6	0.0	-0.5
<i>memo item: loans adjusted for sales & securitisation</i> ^{e)}	ND	30	0.1	ND	4	0.4	0.2
of which Securities other than shares	1494	1	13.5	1496	0	5.8	12.9
of which Shares and other equities	812	13	-1.9	811	-2	2.0	-1.3
(5) <i>Net external assets</i>	583	-6	ND	601	73	ND	ND
(6) <i>Other counterparts of M3 (residual)</i> (= M3 + items 2, 3 - items 4, 5)	-167	-39	ND	-109	39	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 2009

DATA ADJUSTED FOR SEASONAL EFFECTS

(contributions in terms of the M3 annual percentage change ^{a)})

	OCTOBER 2009	NOVEMBER 2009	DECEMBER 2009
(1) M1	5.1	5.2	6.1
(1.1) <i>of which</i> : Currency	0.5	0.5	0.5
(1.2) <i>of which</i> : Overnight deposits	4.6	4.7	5.5
(2) M2 - M1 (= other short-term deposits)	-3.1	-3.7	-4.5
(3) M3 - M2 (= short-term marketable instruments)	-1.7	-1.8	-1.7
(4) M3 (= items 1, 2 and 3)	0.3	-0.3	-0.2

a) Figures may not add up due to rounding.

TABLE 4

BREAKDOWN OF LOANS BY COUNTERPART, TYPE AND ORIGINAL MATURITY: DECEMBER 2009

DATA ADJUSTED FOR SEASONAL EFFECTS

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

	NOVEMBER 2009			DECEMBER 2009		
	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	4721	-8	-1.9	4694	-24	-2.3
(1.1) up to 1 year	1210	-12	-12.1	1185	-26	-13.8
(1.2) over 1 year and up to 5 years	939	-7	-1.4	941	3	-1.6
(1.3) over 5 years	2573	11	3.7	2569	-1	3.9
(2) Loans to households ^{d)}	4934	17	0.5	4949	15	1.3
(2.1) Consumer credit	630	1	-1.0	631	1	-0.1
(2.2) Lending for house purchase	3528	8	0.3	3547	19	1.5
(2.3) Other lending	777	8	2.5	772	-5	1.7
(3) Loans to non-monetary financial intermediaries except insurance corporations and pension funds	1011	13	0.3	1036	23	5.5
(4) Loans to insurance corporations and pension funds	85	-4	-14.4	90	5	-12.5

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.