

PRESS RELEASE

MONETARY DEVELOPMENTS IN THE EURO AREA: JANUARY 2011

The annual growth rate of M3 decreased to 1.5% in January 2011, from 1.7% in December 2010.¹ The three-month average of the annual growth rates of M3 over the period November 2010 - January 2011 stood at 1.7%, compared with 1.6% in the period October 2010 - December 2010.

12-month percentage changes; adjusted for seasonal and end-of-month calendar effects	NOVEMBER 2010	DECEMBER 2010	JANUARY 2011	NOVEMBER 2010 - JANUARY 2011 AVERAGE
M3	2.1	1.7	1.5	1.7
MI	4.6	4.4	3.2	4.1
Loans to private sector	2.0	1.9	2.4	2.1

Regarding the main components of M3, the annual rate of growth of MI decreased to 3.2% in January 2011, from 4.4% in December. The annual rate of change of short-term deposits other than overnight deposits increased to 1.1% in January, from -0.5% in the previous month. The annual rate of change of marketable instruments decreased to -4.2% in January, from -2.0% 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 increased to 3.8% in January 2011, from 3.4% in the previous month. The annual rate of growth of credit extended to general government stood at 11.6% in January, unchanged from the previous month, while the annual growth of credit extended to the private sector increased to 2.0% in January, from 1.6% in the previous month. Among the components of the latter, the annual growth rate of loans to the private sector increased to 2.4% in January, from 1.9% in the previous month (adjusted for loan sales and securitisation² the annual growth rate of loans to the private sector increased to 2.7%, from 2.3% in the previous month). The annual rate of change of loans to non-financial corporations increased to 0.4% in January, from -0.2% in December. The annual growth rate of loans to households increased to 3.1% in January, from 2.9% in the previous month. The annual rate of growth of lending for house purchase increased to 3.9% in January, from 3.7% in the previous month. The annual rate of change of consumer credit increased to -0.8% in January, from

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>

-1.0% in December, while the annual growth rate of other lending to households increased to 2.8% in January, from 2.6% 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 7.0% in January, from 5.1% in the previous month.

Over the 12 months up to January 2011, the net external asset position of the euro area MFI sector decreased by EUR 88 billion, compared with a decrease of EUR 83 billion over the 12 months up to December. The annual rate of growth of longer-term financial liabilities of the MFI sector decreased to 3.6% in January, from 3.8% 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, Slovakia as of January 2009 and Estonia as of January 2011.*
- *The publication of the statistics on monetary developments in February 2011, March 2011 and April 2011 is scheduled to take place at 10 am on 25 March 2011, 29 April 2011 and 27 May 2011 respectively.*

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TABLE 1

MONETARY DEVELOPMENTS IN THE EURO AREA: JANUARY 2011

DATA ADJUSTED FOR SEASONAL EFFECTS

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

	DECEMBER 2010			JANUARY 2011			AVERAGE NOV-10 JAN-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)	9524	-14	1.7	9481	-48	1.5	1.7
(1.1) Currency in circulation	790	-6	4.6	803	12	5.5	5.2
(1.2) Overnight deposits	3911	27	4.4	3891	-23	2.7	3.8
(1.3) M1 (items 1.1 and 1.2)	4701	21	4.4	4693	-11	3.2	4.1
(1.4) Deposits with agreed maturity up to 2 years	1775	-26	-6.9	1806	30	-3.2	-5.9
(1.5) Deposits redeemable at notice up to 3 months	1909	-5	6.2	1913	3	5.6	6.3
(1.6) Other short term deposits (items 1.4 and 1.5)	3684	-31	-0.5	3720	33	1.1	0.1
(1.7) M2 (items 1.3 and 1.6)	8386	-10	2.2	8413	23	2.3	2.3
(1.8) Repurchase agreements	443	10	28.2	393	-49	25.6	30.0
(1.9) Money market fund shares/units	575	-15	-14.9	549	-26	-16.8	-15.0
(1.10) Debt securities issued with maturity up to 2 years	121	1	-13.7	125	4	-10.8	-12.9
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	1138	-4	-2.0	1068	-71	-4.2	-1.9
COUNTERPARTS OF M3							
MFI liabilities:							
(2) <i>Holdings against central government</i> ^{d)}	317	-32	7.0	328	11	13.4	12.8
(3) <i>Longer-term financial liabilities against other euro area residents</i> (= items 3.1 to 3.4)	7314	3	3.8	7333	43	3.6	3.8
(3.1) Deposits with agreed maturity over 2 years	2436	-5	4.5	2443	9	3.8	4.3
(3.2) Deposits redeemable at notice over 3 months	118	-1	-5.8	118	0	-5.4	-5.8
(3.3) Debt securities issued with maturity over 2 years	2750	5	2.2	2766	27	1.9	1.9
(3.4) Capital and reserves	2009	3	6.0	2005	7	6.4	6.5
MFI assets:							
(4) <i>Credit to euro area residents</i> (= items 4.1 and 4.2)	16610	-92	3.4	16673	53	3.8	3.7
(4.1) Credit to general government	3243	-46	11.6	3242	-3	11.6	12.1
of which Loans	1231	-1	20.2	1226	-5	18.5	19.3
of which Securities other than shares	2012	-44	7.0	2016	2	7.9	8.2
(4.2) Credit to other euro area residents	13367	-46	1.6	13431	55	2.0	1.9
of which Loans ^{e)}	11028	-16	1.9	11066	31	2.4	2.1
<i>memo item: loans adjusted for sales & securitisation</i> ^{f)}	ND	-13	2.3	ND	21	2.7	2.4
of which Securities other than shares	1533	-20	0.1	1552	20	-0.2	0.5
of which Shares and other equities	806	-9	0.8	812	5	1.9	1.4
(5) <i>Net external assets</i>	609	54	ND	580	4	ND	ND
(6) <i>Other counterparts of M3 (residual)</i> (= M3 + items 2, 3 - items 4, 5)	-65	-5	ND	-111	-50	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 2011

DATA UNADJUSTED FOR SEASONAL EFFECTS

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

	DECEMBER 2010			JANUARY 2011			AVERAGE NOV-10 JAN-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)	9573	52	1.6	9495	-83	1.4	1.7
(1.1) Currency in circulation	809	18	5.0	796	-13	5.1	5.2
(1.2) Overnight deposits	3945	47	3.8	3915	-32	2.7	3.6
(1.3) M1 (items 1.1 and 1.2)	4754	65	4.0	4712	-45	3.1	3.9
(1.4) Deposits with agreed maturity up to 2 years	1814	4	-6.2	1798	-17	-3.4	-5.7
(1.5) Deposits redeemable at notice up to 3 months	1905	21	6.2	1925	19	5.6	6.3
(1.6) Other short term deposits (items 1.4 and 1.5)	3719	24	-0.2	3723	3	1.0	0.1
(1.7) M2 (items 1.3 and 1.6)	8472	89	2.1	8435	-42	2.2	2.2
(1.8) Repurchase agreements	427	-5	28.7	391	-37	25.3	29.8
(1.9) Money market fund shares/units	552	-33	-14.9	544	-9	-16.8	-15.0
(1.10) Debt securities issued with maturity up to 2 years	121	1	-13.7	125	4	-10.8	-12.9
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	1100	-37	-1.9	1060	-41	-4.2	-1.9
COUNTERPARTS OF M3							
MFI liabilities:							
(2) <i>Holdings against central government</i> ^{d)}	264	-97	6.8	316	52	13.6	13.0
(3) <i>Longer-term financial liabilities against other euro area residents</i> (= items 3.1 to 3.4)	7329	33	3.8	7328	23	3.6	3.8
(3.1) Deposits with agreed maturity over 2 years	2449	20	4.5	2446	-2	3.8	4.3
(3.2) Deposits redeemable at notice over 3 months	119	-1	-5.8	120	2	-5.3	-5.8
(3.3) Debt securities issued with maturity over 2 years	2736	-4	2.2	2750	25	1.9	1.9
(3.4) Capital and reserves	2025	17	6.0	2012	-1	6.4	6.6
MFI assets:							
(4) <i>Credit to euro area residents</i> (= items 4.1 and 4.2)	16597	-116	3.4	16653	45	3.8	3.7
(4.1) Credit to general government	3216	-72	11.7	3239	21	11.7	12.1
of which Loans	1236	4	20.1	1233	-3	18.5	19.3
of which Securities other than shares	1980	-76	7.1	2006	23	7.9	8.2
(4.2) Credit to other euro area residents	13381	-44	1.6	13414	25	2.0	1.9
of which Loans	11033	-18	1.9	11063	23	2.4	2.1
<i>memo item: loans adjusted for sales & securitisation</i> ^{e)}	ND	-15	2.3	ND	12	2.7	2.5
of which Securities other than shares	1549	-15	0.1	1537	-12	-0.2	0.5
of which Shares and other equities	800	-11	0.8	815	13	1.9	1.4
(5) <i>Net external assets</i>	629	49	ND	597	1	ND	ND
(6) <i>Other counterparts of M3 (residual)</i> (= M3 + items 2, 3 - items 4, 5)	-61	54	ND	-111	-54	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 2011
DATA ADJUSTED FOR SEASONAL EFFECTS
 (contributions in terms of the M3 annual percentage change ^{a)})

	NOVEMBER 2010	DECEMBER 2010	JANUARY 2011
(1) M1	2.2	2.1	1.5
(1.1) <i>of which</i> : Currency	0.4	0.4	0.4
(1.2) <i>of which</i> : Overnight deposits	1.7	1.7	1.1
(2) M2 - M1 (= other short-term deposits)	-0.2	-0.2	0.5
(3) M3 - M2 (= short-term marketable instruments)	0.1	-0.2	-0.5
(4) M3 (= items 1, 2 and 3)	2.1	1.7	1.5

a) Figures may not add up due to rounding.

TABLE 4

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

	DECEMBER 2010			JANUARY 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	4664	-25	-0.2	4692	24	0.4
(1.1) up to 1 year	1126	-9	-3.6	1148	21	-1.8
(1.2) over 1 year and up to 5 years	901	-8	-2.4	897	-5	-2.2
(1.3) over 5 years	2638	-8	2.2	2647	8	2.4
(2) Loans to households ^{d)}	5156	23	2.9	5183	23	3.1
(2.1) Consumer credit	640	-3	-1.0	638	-1	-0.8
(2.2) Lending for house purchase	3698	26	3.7	3721	20	3.9
(2.3) Other lending	818	0	2.6	824	4	2.8
(3) Loans to non-monetary financial intermediaries except insurance corporations and pension funds	1112	-13	5.1	1099	-12	7.0
(4) Loans to insurance corporations and pension funds	96	-1	8.4	92	-4	6.5

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.