

PRESS RELEASE

MONETARY DEVELOPMENTS IN THE EURO AREA: FEBRUARY 2010

The annual rate of change of M3 decreased to -0.4% in February 2010, from 0.1% in January 2010.¹ The three-month average of the annual rates of change of M3 over the period December 2009 - February 2010 stood at -0.2%, unchanged from the previous period.

12-month percentage changes; adjusted for seasonal and end-of-month calendar effects	DECEMBER 2009	JANUARY 2010	FEBRUARY 2010	DECEMBER 2009 - FEBRUARY 2010 AVERAGE
M3	-0.3	0.1	-0.4	-0.2
M1	12.3	11.5	10.9	11.6
Loans to private sector	-0.1	-0.6	-0.4	-0.4

Regarding the main components of M3, the annual rate of growth of M1 decreased to 10.9% in February 2010, from 11.5% in January. The annual rate of change of short-term deposits other than overnight deposits stood at -8.1% in February, compared with -8.0% in the previous month. The annual rate of change of marketable instruments decreased to -12.4% in February, from -10.9% 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 1.5% in February 2010, compared with 1.6% in the previous month. The annual rate of growth of credit extended to general government decreased to 8.4% in February, from 9.1% in January, while the annual growth rate of credit extended to the private sector stood at 0.0% in February, unchanged from the previous month. Among the components of the latter, the annual rate of change of loans to the private sector increased to -0.4% in February, from -0.6% in the previous month (adjusted for loan sales and securitisation² the annual growth rate of loans to the private sector increased to -0.1%, from -0.3% in the previous month). The annual rate of change of loans to non-financial corporations increased to -2.5% in February, from -2.7% in January. The annual growth rate of loans to households increased to 1.8% in February, from 1.6% in the previous month. The annual rate of growth of lending for house purchase rose to 2.1% in February, from 1.8% in the

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.U2.2200.Z01.A>

previous month. The annual rate of change of consumer credit decreased to -0.8% in February, from -0.5% in January, while the annual growth rate of other lending to households increased to 2.7% in February, from 2.2% 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 -0.4% in February, from -0.1% in the previous month.

Over the 12 months up to February 2010, the net external asset position of the euro area MFI sector increased by EUR 142 billion, compared with an increase of EUR 221 billion over the 12 months up to January. The annual rate of growth of longer-term financial liabilities of the MFI sector decreased to 5.1% in February, from 5.8% 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 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 March, April and May 2010 is scheduled to take place at 10 am on 29 April, 31 May and 28 June 2010 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>

Reproduction is permitted provided that the source is acknowledged.

TABLE 1

MONETARY DEVELOPMENTS IN THE EURO AREA: FEBRUARY 2010

DATA ADJUSTED FOR SEASONAL EFFECTS

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

	JANUARY 2010			FEBRUARY 2010			AVERAGE DEC-09 FEB-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)	9308	-18	0.1	9321	4	-0.4	-0.2
(1.1) Currency in circulation	761	7	6.2	765	4	6.0	6.1
(1.2) Overnight deposits	3786	60	12.6	3800	12	12.0	12.7
(1.3) M1 (items 1.1 and 1.2)	4547	66	11.5	4565	16	10.9	11.6
(1.4) Deposits with agreed maturity up to 2 years	1844	-45	-22.6	1831	-19	-22.5	-23.1
(1.5) Deposits redeemable at notice up to 3 months	1816	12	13.7	1829	13	12.6	13.8
(1.6) Other short term deposits (items 1.4 and 1.5)	3660	-32	-8.0	3660	-6	-8.1	-8.4
(1.7) M2 (items 1.3 and 1.6)	8207	34	1.9	8225	10	1.6	1.6
(1.8) Repurchase agreements	307	-39	-5.0	326	19	-1.0	-2.7
(1.9) Money market fund shares/units	663	-12	-4.9	644	-19	-8.9	-5.2
(1.10) Debt securities issued with maturity up to 2 years	130	-1	-39.4	125	-6	-41.6	-43.5
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	1101	-52	-10.9	1095	-6	-12.4	-11.5
COUNTERPARTS OF M3							
MFI liabilities:							
(2) <i>Holdings against central government</i> ^{d)}	290	-9	-11.1	265	-25	-15.2	-9.3
(3) <i>Longer-term financial liabilities against other euro area residents</i> (= items 3.1 to 3.4)	6799	29	5.8	6822	-4	5.1	5.8
(3.1) Deposits with agreed maturity over 2 years	2182	-9	7.1	2198	11	6.7	7.8
(3.2) Deposits redeemable at notice over 3 months	132	1	6.1	131	-1	5.9	6.4
(3.3) Debt securities issued with maturity over 2 years	2698	39	3.9	2687	-19	2.7	3.2
(3.4) Capital and reserves	1787	-1	7.2	1806	6	7.0	7.5
MFI assets:							
(4) <i>Credit to euro area residents</i> (= items 4.1 and 4.2)	15907	-45	1.6	15944	33	1.5	1.8
(4.1) Credit to general government	2863	-2	9.1	2885	18	8.4	9.6
of which Loans	1026	13	3.2	1029	3	3.0	3.2
of which Securities other than shares	1837	-15	12.7	1856	15	11.6	13.4
(4.2) Credit to other euro area residents	13044	-43	0.0	13059	14	0.0	0.2
of which Loans ^{e)}	10742	-26	-0.6	10764	20	-0.4	-0.4
<i>memo item: loans adjusted for sales & securitisation</i> ^{f)}	ND	-29	-0.3	ND	17	-0.1	-0.1
of which Securities other than shares	1484	-14	4.6	1481	-5	3.1	4.7
of which Shares and other equities	818	-3	0.6	814	-1	0.1	0.6
(5) <i>Net external assets</i>	585	21	ND	576	-30	ND	ND
(6) <i>Other counterparts of M3 (residual)</i> (= M3 + items 2, 3 - items 4, 5)	-95	26	ND	-112	-26	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 2010

DATA UNADJUSTED FOR SEASONAL EFFECTS

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

	JANUARY 2010			FEBRUARY 2010			AVERAGE DEC-09 FEB-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)	9323	-57	0.1	9298	-33	-0.4	-0.1
(1.1) Currency in circulation	757	-13	6.3	760	2	6.1	6.2
(1.2) Overnight deposits	3799	9	12.9	3780	-20	12.3	13.0
(1.3) M1 (items 1.1 and 1.2)	4556	-4	11.8	4540	-18	11.2	11.8
(1.4) Deposits with agreed maturity up to 2 years	1840	-69	-22.9	1822	-24	-22.8	-23.3
(1.5) Deposits redeemable at notice up to 3 months	1831	28	13.7	1840	9	12.6	13.8
(1.6) Other short term deposits (items 1.4 and 1.5)	3671	-41	-8.2	3662	-15	-8.3	-8.5
(1.7) M2 (items 1.3 and 1.6)	8227	-45	1.9	8202	-32	1.6	1.7
(1.8) Repurchase agreements	308	-21	-4.9	324	16	-1.1	-2.1
(1.9) Money market fund shares/units	658	10	-4.9	647	-11	-8.8	-5.2
(1.10) Debt securities issued with maturity up to 2 years	130	-1	-39.4	125	-6	-41.6	-43.5
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	1096	-12	-10.9	1096	-1	-12.4	-11.5
COUNTERPARTS OF M3							
MFI liabilities:							
(2) <i>Holdings against central government</i> ^{d)}	277	31	-11.1	275	-2	-15.5	-9.6
(3) <i>Longer-term financial liabilities against other euro area residents</i> (= items 3.1 to 3.4)	6783	13	5.9	6809	-1	5.1	5.9
(3.1) Deposits with agreed maturity over 2 years	2181	-17	7.1	2192	6	6.7	7.8
(3.2) Deposits redeemable at notice over 3 months	134	1	6.2	133	-1	5.9	6.4
(3.3) Debt securities issued with maturity over 2 years	2676	32	4.0	2676	-8	2.7	3.2
(3.4) Capital and reserves	1792	-3	7.3	1808	2	7.0	7.5
MFI assets:							
(4) <i>Credit to euro area residents</i> (= items 4.1 and 4.2)	15886	-35	1.5	15900	10	1.4	1.8
(4.1) Credit to general government	2860	24	9.1	2882	19	8.4	9.5
of which Loans	1031	11	3.2	1027	-5	3.0	3.2
of which Securities other than shares	1828	13	12.7	1856	24	11.6	13.4
(4.2) Credit to other euro area residents	13026	-59	0.0	13018	-9	0.0	0.3
of which Loans	10740	-32	-0.6	10743	2	-0.4	-0.4
<i>memo item: loans adjusted for sales & securitisation</i> ^{e)}	ND	-35	-0.3	ND	-1	-0.2	-0.1
of which Securities other than shares	1472	-33	4.5	1474	1	3.0	4.7
of which Shares and other equities	815	6	0.6	801	-12	0.1	0.7
(5) <i>Net external assets</i>	601	10	ND	595	-27	ND	ND
(6) <i>Other counterparts of M3 (residual)</i> (= M3 + items 2, 3 - items 4, 5)	-104	11	ND	-114	-19	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 2010

DATA ADJUSTED FOR SEASONAL EFFECTS

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

	DECEMBER 2009	JANUARY 2010	FEBRUARY 2010
(1) M1	5.6	3.8	5.1
(1.1) <i>of which</i> : Currency	0.5	0.4	0.5
(1.2) <i>of which</i> : Overnight deposits	5.1	3.4	4.6
(2) M2 - M1 (= other short-term deposits)	-4.2	-2.6	-3.7
(3) M3 - M2 (= short-term marketable instruments)	-1.7	-1.1	-1.8
(4) M3 (= items 1, 2 and 3)	-0.3	0.1	-0.4

a) Figures may not add up due to rounding.

TABLE 4

BREAKDOWN OF LOANS BY COUNTERPART, TYPE AND ORIGINAL MATURITY: FEBRUARY 2010

DATA ADJUSTED FOR SEASONAL EFFECTS

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

	JANUARY 2010			FEBRUARY 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	4685	-7	-2.7	4700	13	-2.5
(1.1) up to 1 year	1185	0	-13.4	1184	-2	-12.5
(1.2) over 1 year and up to 5 years	932	-8	-3.0	934	2	-3.2
(1.3) over 5 years	2568	1	3.2	2582	13	3.2
(2) Loans to households ^{d)}	4957	13	1.6	4968	11	1.8
(2.1) Consumer credit	627	-3	-0.5	625	-1	-0.8
(2.2) Lending for house purchase	3555	12	1.8	3565	10	2.1
(2.3) Other lending	775	3	2.2	777	3	2.7
(3) Loans to non-monetary financial intermediaries except insurance corporations and pension funds	1013	-30	-0.1	1005	-7	-0.4
(4) Loans to insurance corporations and pension funds	87	-3	-9.7	91	4	-4.8

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.