

27 October 2009

## PRESS RELEASE

### MONETARY DEVELOPMENTS IN THE EURO AREA: SEPTEMBER 2009

The annual rate of growth of M3 decreased to 1.8% in September 2009, from 2.6% in August 2009.<sup>1</sup> The three-month average of the annual growth rates of M3 over the period July 2009 - September 2009 decreased to 2.5%, from 3.1% in the period June 2009 - August 2009.

12-month percentage changes; adjusted for seasonal and end-of-month calendar effects	<b>JULY 2009</b>	<b>AUGUST 2009</b>	<b>SEPTEMBER 2009</b>	<b>JULY 2009 - SEPTEMBER 2009 AVERAGE</b>
<b>M3</b>	3.0	2.6	1.8	2.5
<b>M1</b>	12.2	13.6	12.8	12.9
<b>Loans to private sector</b>	0.6	0.1	-0.3	0.1

Regarding the main components of M3, the annual rate of growth of M1 decreased to 12.8% in September 2009, from 13.6% in August. The annual rate of change of short-term deposits other than overnight deposits decreased to -5.3% in September, from -4.1% in the previous month. The annual rate of change of marketable instruments increased to -8.8% in September, from -9.3% in August.

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 3.1% in September 2009, from 2.8% in August. The annual rate of growth of credit extended to general government increased to 13.6% in September, from 11.5% in August, while the annual growth rate of credit extended to the private sector was 1.1% in September, unchanged from August. Among the components of the latter, the annual rate of change of loans to the private sector decreased to -0.3% in September, from 0.1% in the previous month (adjusted for loan sales and securitisation<sup>2</sup> the annual growth rate of loans to the private sector decreased to 0.9%, from 1.3% in the previous month). The annual rate of change of loans to non-financial corporations decreased to -0.1% in September, from 0.7% in August. The annual rate of change of loans to households stood at -0.3% in September, after -0.2% in the previous month. The annual rate of change of lending for house purchase was -0.6% in September, after -0.4% in August. The annual rate of change of consumer credit stood at -1.1% in September, after -1.0% in August, while the annual growth rate of other lending to households was 1.5% in September, after 1.3% in the previous month.

<sup>1</sup> These rates of growth refer to aggregates adjusted for seasonal and end-of-month calendar effects.

<sup>2</sup> 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:

Finally, the annual rate of change of loans to non-monetary financial intermediaries (except insurance corporations and pension funds) increased to -0.3% in September, from -0.7% in the previous month.

Over the 12 months up to September 2009, the net external asset position of the euro area MFI sector increased by EUR 153 billion, compared with an increase of EUR 173 billion over the 12 months up to August. The annual rate of growth of longer-term financial liabilities of the MFI sector stood at 5.6% in September, after 5.5% in August.

#### 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 October, November and December 2009 is scheduled to take place at 10 am on 26 November 2009, 30 December 2009 and 29 January 2010 respectively.*

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TABLE 1

## MONETARY DEVELOPMENTS IN THE EURO AREA: SEPTEMBER 2009

DATA ADJUSTED FOR SEASONAL EFFECTS

(EUR billions and annual percentage changes <sup>a)</sup>)

	AUGUST 2009			SEPTEMBER 2009			AVERAGE JUL-09 SEP-09
	End of month level	Monthly flow <sup>b)</sup>	Annual growth rate	End of month level	Monthly flow <sup>b)</sup>	Annual growth rate	Annual growth rate
<b>COMPONENTS OF M3 <sup>c)</sup></b>							
(1) <b>M3</b> (= items 1.3, 1.6 and 1.11)	9437	9	2.6	9415	-12	1.8	2.5
(1.1) Currency in circulation	743	9	13.2	747	5	12.5	12.8
(1.2) Overnight deposits	3656	58	13.7	3656	1	12.8	12.9
(1.3) <b>M1</b> (items 1.1 and 1.2)	4399	67	13.6	4404	5	12.8	12.9
(1.4) Deposits with agreed maturity up to 2 years	2081	-44	-15.2	2025	-48	-17.8	-15.0
(1.5) Deposits redeemable at notice up to 3 months	1742	21	13.6	1759	18	14.9	13.6
(1.6) Other short term deposits (items 1.4 and 1.5)	3823	-23	-4.1	3784	-31	-5.3	-4.0
(1.7) <b>M2</b> (items 1.3 and 1.6)	8222	44	4.6	8188	-26	3.6	4.3
(1.8) Repurchase agreements	308	-21	-7.9	327	19	-2.9	-4.8
(1.9) Money market fund shares/units	747	0	1.9	749	3	3.1	2.9
(1.10) Debt securities issued with maturity up to 2 years	159	-15	-41.8	152	-8	-46.7	-42.3
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	1215	-35	-9.3	1227	14	-8.8	-8.3
<b>COUNTERPARTS OF M3</b>							
<b>MFI liabilities:</b>							
(2) <i>Holdings against central government</i> <sup>d)</sup>	283	-6	50.2	284	1	59.3	57.6
(3) <i>Longer-term financial liabilities against other euro area residents</i> (= items 3.1 to 3.4)	6635	64	5.5	6652	24	5.6	5.4
(3.1) Deposits with agreed maturity over 2 years	2151	23	7.7	2177	28	9.5	8.0
(3.2) Deposits redeemable at notice over 3 months	132	1	12.8	133	1	15.0	12.9
(3.3) Debt securities issued with maturity over 2 years	2637	24	0.6	2621	-4	0.6	0.4
(3.4) Capital and reserves	1714	15	10.7	1720	-1	8.5	10.1
<b>MFI assets:</b>							
(4) <i>Credit to euro area residents</i> (= items 4.1 and 4.2)	15900	39	2.8	15951	53	3.1	3.1
(4.1) Credit to general government	2845	29	11.5	2867	22	13.6	12.0
of which Loans	1028	12	3.6	1012	-15	1.6	2.5
of which Securities other than shares	1817	17	16.5	1854	37	21.6	18.1
(4.2) Credit to other euro area residents	13055	10	1.1	13084	31	1.1	1.3
of which Loans <sup>e)</sup>	10761	-3	0.1	10767	17	-0.3	0.1
<i>memo item: loans adjusted for sales &amp; securitisation</i> <sup>f)</sup>	ND	2	1.3	ND	15	0.9	1.4
of which Securities other than shares	1504	14	18.3	1512	7	20.7	20.0
of which Shares and other equities	790	-1	-9.3	805	7	-8.6	-8.8
(5) <i>Net external assets</i>	565	44	ND	553	-8	ND	ND
(6) <i>Other counterparts of M3 (residual)</i> (= M3 + items 2, 3 - items 4, 5)	-111	-17	ND	-153	-31	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: SEPTEMBER 2009

DATA UNADJUSTED FOR SEASONAL EFFECTS

(EUR billions and annual percentage changes <sup>a)</sup>)

	AUGUST 2009			SEPTEMBER 2009			AVERAGE JUL-09 SEP-09
	End of month level	Monthly flow b)	Annual growth rate	End of month level	Monthly flow b)	Annual growth rate	Annual growth rate
<b>COMPONENTS OF M3 <sup>c)</sup></b>							
(1) <b>M3</b> (= items 1.3, 1.6 and 1.11)	9383	-36	2.4	9372	-2	1.7	2.4
(1.1) Currency in circulation	741	-4	12.8	741	-1	12.5	12.7
(1.2) Overnight deposits	3582	12	13.6	3638	56	12.4	12.5
(1.3) <b>M1</b> (items 1.1 and 1.2)	4323	7	13.5	4379	56	12.5	12.6
(1.4) Deposits with agreed maturity up to 2 years	2090	-40	-15.2	2022	-60	-17.6	-14.8
(1.5) Deposits redeemable at notice up to 3 months	1738	17	13.5	1746	7	14.8	13.5
(1.6) Other short term deposits (items 1.4 and 1.5)	3829	-23	-4.2	3768	-53	-5.2	-3.9
(1.7) <b>M2</b> (items 1.3 and 1.6)	8152	-15	4.4	8146	3	3.5	4.2
(1.8) Repurchase agreements	312	-7	-8.5	335	23	-2.5	-4.9
(1.9) Money market fund shares/units	759	1	1.9	738	-20	3.0	2.9
(1.10) Debt securities issued with maturity up to 2 years	159	-15	-41.8	152	-8	-46.7	-42.3
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	1231	-21	-9.4	1225	-5	-8.7	-8.3
<b>COUNTERPARTS OF M3</b>							
<b>MFI liabilities:</b>							
(2) <i>Holdings against central government</i> <sup>d)</sup>	273	-14	50.4	295	22	59.0	57.4
(3) <i>Longer-term financial liabilities against other euro area residents</i> (= items 3.1 to 3.4)	6634	35	5.5	6645	17	5.6	5.4
(3.1) Deposits with agreed maturity over 2 years	2151	11	7.8	2166	17	9.5	8.1
(3.2) Deposits redeemable at notice over 3 months	130	1	12.7	131	1	14.9	12.8
(3.3) Debt securities issued with maturity over 2 years	2644	17	0.6	2622	-10	0.6	0.4
(3.4) Capital and reserves	1709	6	10.6	1725	9	8.5	10.1
<b>MFI assets:</b>							
(4) <i>Credit to euro area residents</i> (= items 4.1 and 4.2)	15835	-57	2.8	15910	78	3.1	3.1
(4.1) Credit to general government	2829	8	11.5	2849	20	13.6	12.0
of which Loans	1021	5	3.6	1012	-10	1.6	2.5
of which Securities other than shares	1808	3	16.5	1838	30	21.6	18.1
(4.2) Credit to other euro area residents	13006	-66	1.1	13061	58	1.0	1.3
of which Loans	10735	-62	0.1	10776	51	-0.3	0.1
<i>memo item: loans adjusted for sales &amp; securitisation</i> <sup>e)</sup>	ND	-56	1.3	ND	49	1.0	1.4
of which Securities other than shares	1496	3	18.4	1495	-2	20.8	20.1
of which Shares and other equities	774	-7	-9.3	791	9	-8.7	-8.8
(5) <i>Net external assets</i>	551	30	ND	547	0	ND	ND
(6) <i>Other counterparts of M3 (residual)</i> (= M3 + items 2, 3 - items 4, 5)	-95	12	ND	-145	-40	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: SEPTEMBER 2009**  
**DATA ADJUSTED FOR SEASONAL EFFECTS**  
 (contributions in terms of the M3 annual percentage change <sup>a)</sup>)

	JULY 2009	AUGUST 2009	SEPTEMBER 2009
(1) <b>M1</b>	5.2	5.8	5.4
(1.1) <i>of which</i> : Currency	0.9	0.9	0.9
(1.2) <i>of which</i> : Overnight deposits	4.3	4.8	4.5
(2) <b>M2 - M1</b> (= other short-term deposits)	-1.2	-1.8	-2.3
(3) <b>M3 - M2</b> (= short-term marketable instruments)	-1.0	-1.4	-1.3
(4) <b>M3</b> (= items 1, 2 and 3)	3.0	2.6	1.8

a) Figures may not add up due to rounding.

TABLE 4

**BREAKDOWN OF LOANS BY COUNTERPART, TYPE AND ORIGINAL MATURITY: SEPTEMBER 2009**  
**DATA ADJUSTED FOR SEASONAL EFFECTS**  
 (EUR billions and annual percentage changes <sup>a)</sup>)

	AUGUST 2009			SEPTEMBER 2009		
	End of month level	Monthly flow <sup>b)</sup>	Annual growth rate	End of month level	Monthly flow <sup>b)</sup>	Annual growth rate
<b>BREAKDOWN OF LOANS <sup>c)</sup></b>						
(1) <b>Loans to non-financial corporations</b>	4766	3	0.7	4757	-4	-0.1
(1.1) up to 1 year	1252	2	-9.3	1248	-3	-9.7
(1.2) over 1 year and up to 5 years	962	-6	3.7	956	-5	2.1
(1.3) over 5 years	2552	7	5.2	2553	4	4.5
(2) <b>Loans to households <sup>d)</sup></b>	4900	9	-0.2	4910	14	-0.3
(2.1) Consumer credit	631	1	-1.0	631	2	-1.1
(2.2) Lending for house purchase	3501	6	-0.4	3510	9	-0.6
(2.3) Other lending	769	2	1.3	770	3	1.5
(3) <b>Loans to non-monetary financial intermediaries except insurance corporations and pension funds</b>	1000	-11	-0.7	1003	4	-0.3
(4) <b>Loans to insurance corporations and pension funds</b>	95	-3	-8.5	98	3	-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.