

PRESS RELEASE

MONETARY DEVELOPMENTS IN THE EURO AREA: MAY 2010

The annual rate of change of M3 stood at -0.2% in May 2010, unchanged from the previous month.¹ The three-month average of the annual rates of change of M3 over the period March 2010 - May 2010 stood at -0.2%, unchanged from the previous period.

12-month percentage changes; adjusted for seasonal and end-of-month calendar effects	MARCH 2010	APRIL 2010	MAY 2010	MARCH 2010 - MAY 2010 AVERAGE
M3	-0.1	-0.2	-0.2	-0.2
MI	10.8	10.7	10.3	10.6
Loans to private sector	-0.2	0.1	0.2	0.0

Regarding the main components of M3, the annual rate of growth of MI decreased to 10.3% in May 2010, from 10.7% in April. The annual rate of change of short-term deposits other than overnight deposits increased to -8.0% in May, from -8.6% in the previous month. The annual rate of change of marketable instruments decreased to -10.7% in May, from -9.9% in April.

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 1.8% in May 2010, unchanged from the previous month. The annual rate of growth of credit extended to general government increased to 9.8% in May, from 8.7% in April, while the annual growth of credit extended to the private sector decreased to 0.1% in May, from 0.4% in the previous month. Among the components of the latter, the annual rate of change of loans to the private sector stood at 0.2% in May, after 0.1% in the previous

¹ These rates of change refer to aggregates adjusted for seasonal and end-of-month calendar effects.

month (adjusted for loan sales and securitisation² the annual growth rate of loans to the private sector stood at 0.2%, after 0.1% in the previous month). The annual rate of change of loans to non-financial corporations increased to -2.1% in May, from -2.6% in April. The annual growth rate of loans to households stood at 2.6% in May, after 2.5% in the previous month. The annual rate of growth of lending for house purchase increased to 3.1% in May, from 2.9% in the previous month. The annual rate of change of consumer credit stood at -0.4% in May, unchanged from the previous month, while the annual growth rate of other lending to households decreased to 2.9% in May, from 3.1% 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 0.5% in May, from 2.3% in the previous month.

Over the 12 months up to May 2010, the net external asset position of the euro area MFI sector increased by EUR 68 billion, compared with an increase of EUR 88 billion over the 12 months up to April. The annual rate of growth of longer-term financial liabilities of the MFI sector decreased to 4.8% in May, from 5.8% in April.

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 June, July and August 2010 is scheduled to take place at 10 am on 27 July, 26 August and 27 September 2010 respectively.*

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.U2.200.Z01.A>

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: MAY 2010

DATA ADJUSTED FOR SEASONAL EFFECTS

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

	APRIL 2010			MAY 2010			AVERAGE MAR-10 MAY-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)	9385	54	-0.2	9365	-34	-0.2	-0.2
(1.1) Currency in circulation	769	-6	5.5	780	11	6.8	6.4
(1.2) Overnight deposits	3881	87	11.8	3865	-23	11.0	11.5
(1.3) M1 (items 1.1 and 1.2)	4650	81	10.7	4645	-12	10.3	10.6
(1.4) Deposits with agreed maturity up to 2 years	1773	-46	-22.7	1784	4	-21.2	-22.0
(1.5) Deposits redeemable at notice up to 3 months	1841	5	10.6	1845	4	9.6	10.7
(1.6) Other short term deposits (items 1.4 and 1.5)	3614	-41	-8.6	3628	8	-8.0	-8.2
(1.7) M2 (items 1.3 and 1.6)	8264	40	1.3	8274	-4	1.4	1.5
(1.8) Repurchase agreements	359	16	7.3	358	-1	9.8	6.1
(1.9) Money market fund shares/units	624	-5	-11.8	606	-19	-13.9	-12.5
(1.10) Debt securities issued with maturity up to 2 years	138	3	-31.6	128	-10	-33.8	-31.6
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	1121	14	-9.9	1092	-30	-10.7	-10.5
COUNTERPARTS OF M3							
MFI liabilities:							
(2) <i>Holdings against central government</i> ^{d)}	246	-10	-23.9	291	45	-11.2	-18.8
(3) <i>Longer-term financial liabilities against other euro area residents</i> (= items 3.1 to 3.4)	6947	32	5.8	7004	-11	4.8	5.4
(3.1) Deposits with agreed maturity over 2 years	2260	17	7.0	2254	-13	5.6	6.5
(3.2) Deposits redeemable at notice over 3 months	131	0	4.8	129	-1	2.3	4.2
(3.3) Debt securities issued with maturity over 2 years	2708	8	3.6	2726	-21	2.3	3.1
(3.4) Capital and reserves	1847	7	7.6	1894	25	7.8	7.9
MFI assets:							
(4) <i>Credit to euro area residents</i> (= items 4.1 and 4.2)	16080	20	1.8	16136	40	1.8	1.8
(4.1) Credit to general government	2983	6	8.7	3034	49	9.8	9.4
of which Loans	1055	-4	5.5	1077	22	7.6	6.5
of which Securities other than shares	1929	10	10.5	1957	27	11.0	11.1
(4.2) Credit to other euro area residents	13097	15	0.4	13102	-9	0.1	0.2
of which Loans ^{e)}	10819	25	0.1	10857	19	0.2	0.0
<i>memo item: loans adjusted for sales & securitisation</i> ^{f)}	ND	27	0.1	ND	21	0.2	0.1
of which Securities other than shares	1490	-1	1.1	1473	-18	-0.8	0.9
of which Shares and other equities	787	-8	2.4	771	-10	0.5	1.3
(5) <i>Net external assets</i>	605	-9	ND	653	11	ND	ND
(6) <i>Other counterparts of M3 (residual)</i> (= M3 + items 2, 3 - items 4, 5)	-107	65	ND	-129	-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: MAY 2010

DATA UNADJUSTED FOR SEASONAL EFFECTS

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

	APRIL 2010			MAY 2010			AVERAGE MAR-10 MAY-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)	9397	78	-0.3	9405	-6	-0.3	-0.3
(1.1) Currency in circulation	773	4	6.0	779	6	6.4	6.4
(1.2) Overnight deposits	3858	78	11.2	3884	19	11.0	11.1
(1.3) M1 (items 1.1 and 1.2)	4630	82	10.3	4663	25	10.2	10.3
(1.4) Deposits with agreed maturity up to 2 years	1776	-36	-22.4	1772	-11	-21.5	-22.0
(1.5) Deposits redeemable at notice up to 3 months	1856	7	10.6	1857	1	9.6	10.7
(1.6) Other short term deposits (items 1.4 and 1.5)	3632	-29	-8.4	3628	-10	-8.1	-8.1
(1.7) M2 (items 1.3 and 1.6)	8262	53	1.2	8291	15	1.4	1.4
(1.8) Repurchase agreements	363	20	7.2	367	4	9.0	5.8
(1.9) Money market fund shares/units	634	2	-11.8	619	-15	-13.9	-12.5
(1.10) Debt securities issued with maturity up to 2 years	138	3	-31.6	128	-10	-33.8	-31.6
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	1134	25	-9.8	1114	-21	-10.8	-10.5
COUNTERPARTS OF M3							
MFI liabilities:							
(2) <i>Holdings against central government ^{d)}</i>	248	-20	-23.6	284	36	-10.8	-18.4
(3) <i>Longer-term financial liabilities against other euro area residents</i> (= items 3.1 to 3.4)	6932	17	5.7	6998	-2	4.8	5.4
(3.1) Deposits with agreed maturity over 2 years	2258	17	7.0	2261	-4	5.6	6.5
(3.2) Deposits redeemable at notice over 3 months	131	-1	4.7	128	-2	2.2	4.1
(3.3) Debt securities issued with maturity over 2 years	2704	5	3.6	2732	-11	2.3	3.0
(3.4) Capital and reserves	1839	-3	7.6	1876	15	7.9	7.9
MFI assets:							
(4) <i>Credit to euro area residents</i> (= items 4.1 and 4.2)	16133	87	1.8	16182	33	1.8	1.8
(4.1) Credit to general government	2995	17	8.7	3041	44	9.8	9.4
of which Loans	1056	4	5.5	1069	12	7.6	6.5
of which Securities other than shares	1939	13	10.4	1972	32	11.0	11.0
(4.2) Credit to other euro area residents	13137	70	0.3	13141	-11	0.1	0.2
of which Loans	10818	28	0.1	10860	24	0.2	0.0
<i>memo item: loans adjusted for sales & securitisation ^{e)}</i>	<i>ND</i>	<i>30</i>	<i>0.1</i>	<i>ND</i>	<i>25</i>	<i>0.2</i>	<i>0.1</i>
of which Securities other than shares	1495	8	1.1	1480	-16	-0.8	0.8
of which Shares and other equities	825	35	2.3	801	-19	0.4	1.1
(5) <i>Net external assets</i>	578	-25	ND	611	-4	ND	ND
(6) <i>Other counterparts of M3 (residual)</i> (= M3 + items 2, 3 - items 4, 5)	-134	14	ND	-107	0	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: MAY 2010
DATA ADJUSTED FOR SEASONAL EFFECTS
 (contributions in terms of the M3 annual percentage change ^{a)})

	MARCH 2010	APRIL 2010	MAY 2010
(1) M1	5.8	5.3	5.2
(1.1) <i>of which</i> : Currency	0.6	0.5	0.6
(1.2) <i>of which</i> : Overnight deposits	5.2	4.8	4.6
(2) M2 - M1 (= other short-term deposits)	-4.1	-4.0	-3.8
(3) M3 - M2 (= short-term marketable instruments)	-1.8	-1.5	-1.6
(4) M3 (= items 1, 2 and 3)	-0.1	-0.2	-0.2

a) Figures may not add up due to rounding.

TABLE 4

BREAKDOWN OF LOANS BY COUNTERPART, TYPE AND ORIGINAL MATURITY: MAY 2010
DATA ADJUSTED FOR SEASONAL EFFECTS
 (EUR billions and annual percentage changes ^{a)})

	APRIL 2010			MAY 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	4663	-14	-2.6	4688	18	-2.1
(1.1) up to 1 year	1156	-17	-10.9	1168	10	-9.8
(1.2) over 1 year and up to 5 years	918	-1	-5.0	917	-2	-5.1
(1.3) over 5 years	2588	4	2.7	2603	10	2.9
(2) Loans to households ^{d)}	4996	16	2.5	5007	9	2.6
(2.1) Consumer credit	623	0	-0.4	623	-1	-0.4
(2.2) Lending for house purchase	3593	13	2.9	3604	9	3.1
(2.3) Other lending	780	4	3.1	780	1	2.9
(3) Loans to non-monetary financial intermediaries except insurance corporations and pension funds	1070	19	2.3	1072	-7	0.5
(4) Loans to insurance corporations and pension funds	90	3	-7.4	90	-1	-7.8

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.