

27 July 2010

PRESS RELEASE

MONETARY DEVELOPMENTS IN THE EURO AREA: JUNE 2010

The annual rate of change of M3 increased to 0.2% in June 2010, from -0.1% in May 2010.¹ The three-month average of the annual rates of change of M3 over the period April 2010 - June 2010 stood at 0.0%, after -0.1% in the period March 2010 - May 2010.

12-month percentage changes; adjusted for seasonal and end-of-month calendar effects	APRIL 2010	MAY 2010	JUNE 2010	APRIL 2010 - JUNE 2010 AVERAGE
M3	-0.2	-0.1	0.2	0.0
M1	10.7	10.3	9.2	10.0
Loans to private sector	0.2	0.2	0.3	0.2

Regarding the main components of M3, the annual rate of growth of M1 decreased to 9.2% in June 2010, from 10.3% in May. The annual rate of change of short-term deposits other than overnight deposits increased to -7.2% in June, from -8.0% in the previous month. The annual rate of change of marketable instruments increased to -7.3% in June, from -9.8% in May.

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 1.5% in June 2010, from 1.7% in the previous month. The annual rate of growth of credit extended to general government decreased to 8.1% in June, from 9.4% in May, while the annual growth of credit extended to the private sector stood at 0.0% in June, after 0.1% in the previous month. Among the components of the latter, the annual rate of change of loans to the private sector stood at 0.3% in June, after 0.2% in the previous month (adjusted for loan sales and securitisation² the annual growth rate of loans to the private sector stood at 0.2%, unchanged from the previous month). The annual rate of change of loans to non-financial corporations increased to -1.9% in June, from -2.1% in May. The annual growth rate of loans to households increased to 2.8% in June, from 2.6% in the previous month. The annual rate of growth of

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.U2.200.Z01.A>

lending for house purchase increased to 3.4% in June, from 3.1% in the previous month. The annual rate of change of consumer credit decreased to -1.6% in June, from -0.3% in May, while the annual growth rate of other lending to households increased to 3.4% in June, from 2.9% 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 June, from 0.5% in the previous month.

Over the 12 months up to June 2010, the net external asset position of the euro area MFI sector increased by EUR 76 billion, compared with an increase of EUR 105 billion over the 12 months up to May. The annual rate of growth of longer-term financial liabilities of the MFI sector decreased to 3.7% in June, from 5.1% in May.

Notes

- *In addition to the monthly monetary developments for the reference month, this press release incorporates minor revisions to the data for previous months.*
- *Euro area-wide reporting under Regulation ECB/2008/32 of 19 December 2008 concerning the balance sheet of the monetary and financial institutions sector, together with other changes to the statistical reporting framework and practices in several euro area countries, started with effect from the June 2010 reference period, reported in July. These changes may imply revisions to preliminary data in subsequent press releases.*
- *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 July, August and September 2010 is scheduled to take place at 10 am on 26 August, 27 September and 27 October 2010 respectively.*

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TABLE 1

MONETARY DEVELOPMENTS IN THE EURO AREA: JUNE 2010

DATA ADJUSTED FOR SEASONAL EFFECTS

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

	MAY 2010			JUNE 2010			AVERAGE APR-10 JUN-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)	9379	-20	-0.1	9423	35	0.2	0.0
(1.1) Currency in circulation	780	11	6.8	785	5	6.9	6.4
(1.2) Overnight deposits	3865	-21	11.0	3877	3	9.7	10.8
(1.3) M1 (items 1.1 and 1.2)	4646	-10	10.3	4663	7	9.2	10.0
(1.4) Deposits with agreed maturity up to 2 years	1784	4	-21.2	1791	-2	-19.5	-21.1
(1.5) Deposits redeemable at notice up to 3 months	1846	2	9.7	1840	2	8.7	9.7
(1.6) Other short term deposits (items 1.4 and 1.5)	3630	7	-8.0	3631	0	-7.2	-7.9
(1.7) M2 (items 1.3 and 1.6)	8276	-3	1.5	8294	7	1.4	1.4
(1.8) Repurchase agreements	358	-1	9.8	399	41	15.9	11.0
(1.9) Money market fund shares/units	616	-8	-12.4	606	-10	-13.3	-12.5
(1.10) Debt securities issued with maturity up to 2 years	129	-7	-33.0	125	-3	-29.1	-31.5
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	1103	-17	-9.8	1130	28	-7.3	-9.0
COUNTERPARTS OF M3							
MFI liabilities:							
(2) <i>Holdings against central government</i> ^{d)}	291	46	-11.1	269	-22	-9.5	-14.8
(3) <i>Longer-term financial liabilities against other euro area residents</i> (= items 3.1 to 3.4)	7022	-9	5.1	7134	-39	3.7	4.9
(3.1) Deposits with agreed maturity over 2 years	2254	-14	5.6	2340	-3	4.6	5.8
(3.2) Deposits redeemable at notice over 3 months	129	-1	2.3	128	-3	-0.8	2.1
(3.3) Debt securities issued with maturity over 2 years	2743	-18	2.8	2718	-32	1.4	2.8
(3.4) Capital and reserves	1895	24	8.0	1948	-1	6.3	7.4
MFI assets:							
(4) <i>Credit to euro area residents</i> (= items 4.1 and 4.2)	16127	23	1.7	16287	57	1.5	1.7
(4.1) Credit to general government	3025	40	9.4	3048	26	8.1	8.7
of which Loans	1078	23	7.7	1083	7	6.9	6.7
of which Securities other than shares	1947	16	10.4	1966	19	8.8	9.9
(4.2) Credit to other euro area residents	13102	-17	0.1	13238	31	0.0	0.2
of which Loans ^{e)}	10859	19	0.2	10931	12	0.3	0.2
<i>memo item: loans adjusted for sales & securitisation</i> ^{f)}	ND	19	0.2	ND	18	0.2	0.2
of which Securities other than shares	1472	-23	-1.0	1519	1	-1.6	-0.4
of which Shares and other equities	771	-12	0.2	788	18	-0.4	0.8
(5) <i>Net external assets</i>	690	48	ND	656	-23	ND	ND
(6) <i>Other counterparts of M3 (residual)</i> (= M3 + items 2, 3 - items 4, 5)	-125	-54	ND	-117	-61	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: JUNE 2010

DATA UNADJUSTED FOR SEASONAL EFFECTS

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

	MAY 2010			JUNE 2010			AVERAGE APR-10 JUN-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)	9419	8	-0.2	9458	30	0.1	-0.1
(1.1) Currency in circulation	779	6	6.4	786	7	6.9	6.4
(1.2) Overnight deposits	3884	20	11.0	3931	37	9.3	10.5
(1.3) M1 (items 1.1 and 1.2)	4663	27	10.2	4716	44	8.9	9.8
(1.4) Deposits with agreed maturity up to 2 years	1772	-11	-21.5	1763	-18	-19.6	-21.2
(1.5) Deposits redeemable at notice up to 3 months	1858	-1	9.7	1846	-4	8.7	9.7
(1.6) Other short term deposits (items 1.4 and 1.5)	3630	-12	-8.1	3609	-22	-7.1	-7.8
(1.7) M2 (items 1.3 and 1.6)	8293	15	1.4	8325	22	1.3	1.3
(1.8) Repurchase agreements	367	4	9.0	403	36	16.0	10.7
(1.9) Money market fund shares/units	630	-4	-12.4	605	-25	-13.3	-12.5
(1.10) Debt securities issued with maturity up to 2 years	129	-7	-33.0	125	-3	-29.1	-31.5
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	1126	-7	-9.8	1133	8	-7.2	-9.0
COUNTERPARTS OF M3							
MFI liabilities:							
(2) <i>Holdings against central government</i> ^{d)}	285	37	-10.7	306	21	-9.7	-14.7
(3) <i>Longer-term financial liabilities against other euro area residents</i> (= items 3.1 to 3.4)	7016	0	5.1	7160	-8	3.7	4.9
(3.1) Deposits with agreed maturity over 2 years	2261	-4	5.6	2353	2	4.7	5.8
(3.2) Deposits redeemable at notice over 3 months	128	-2	2.2	127	-3	-0.8	2.0
(3.3) Debt securities issued with maturity over 2 years	2749	-7	2.8	2733	-24	1.4	2.8
(3.4) Capital and reserves	1877	14	8.0	1947	16	6.4	7.4
MFI assets:							
(4) <i>Credit to euro area residents</i> (= items 4.1 and 4.2)	16172	16	1.7	16349	73	1.5	1.7
(4.1) Credit to general government	3032	35	9.4	3072	43	8.1	8.7
of which Loans	1070	14	7.7	1086	17	7.0	6.7
of which Securities other than shares	1962	21	10.4	1986	25	8.8	9.9
(4.2) Credit to other euro area residents	13140	-19	0.1	13277	30	0.0	0.2
of which Loans	10862	23	0.2	10959	37	0.3	0.2
<i>memo item: loans adjusted for sales & securitisation</i> ^{e)}	ND	24	0.2	ND	42	0.3	0.2
of which Securities other than shares	1478	-21	-1.0	1532	7	-1.6	-0.5
of which Shares and other equities	801	-21	0.1	786	-13	-0.4	0.7
(5) <i>Net external assets</i>	648	34	ND	650	13	ND	ND
(6) <i>Other counterparts of M3 (residual)</i> (= M3 + items 2, 3 - items 4, 5)	-102	-4	ND	-76	-43	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: JUNE 2010
DATA ADJUSTED FOR SEASONAL EFFECTS
 (contributions in terms of the M3 annual percentage change ^{a)})

	APRIL 2010	MAY 2010	JUNE 2010
(1) M1	5.2	8.1	3.7
(1.1) <i>of which</i> : Currency	0.5	0.9	0.5
(1.2) <i>of which</i> : Overnight deposits	4.7	7.2	3.2
(2) M2 - M1 (= other short-term deposits)	-4.0	-5.9	-2.6
(3) M3 - M2 (= short-term marketable instruments)	-1.5	-2.3	-0.9
(4) M3 (= items 1, 2 and 3)	-0.2	-0.1	0.2

a) Figures may not add up due to rounding.

TABLE 4

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

	MAY 2010			JUNE 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	4689	18	-2.1	4669	-20	-1.9
(1.1) up to 1 year	1164	10	-10.4	1134	-25	-10.1
(1.2) over 1 year and up to 5 years	921	-2	-4.7	918	-1	-4.6
(1.3) over 5 years	2604	10	3.2	2617	6	3.3
(2) Loans to households ^{d)}	5009	9	2.6	5083	13	2.8
(2.1) Consumer credit	623	-1	-0.3	636	-7	-1.6
(2.2) Lending for house purchase	3605	9	3.1	3635	14	3.4
(2.3) Other lending	781	1	2.9	812	5	3.4
(3) Loans to non-monetary financial intermediaries except insurance corporations and pension funds	1071	-8	0.5	1092	23	-0.4
(4) Loans to insurance corporations and pension funds	90	0	-7.8	87	-4	-13.4

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.