

PRESS RELEASE

MONETARY DEVELOPMENTS IN THE EURO AREA: MARCH 2010

The annual rate of change of M3 increased to -0.1% in March 2010, from -0.3% in February 2010.¹ The three-month average of the annual rates of change of M3 over the period January 2010 - March 2010 stood at -0.1%, compared with -0.2% in the period December 2009 - February 2010.

12-month percentage changes; adjusted for seasonal and end-of-month calendar effects	JANUARY 2010	FEBRUARY 2010	MARCH 2010	JANUARY 2010 - MARCH 2010 AVERAGE
M3	0.1	-0.3	-0.1	-0.1
M1	11.4	11.0	10.9	11.1
Loans to private sector	-0.6	-0.4	-0.2	-0.4

Regarding the main components of M3, the annual rate of growth of M1 stood at 10.9% in March 2010, compared with 11.0% in February. The annual rate of change of short-term deposits other than overnight deposits stood at -8.0% in March, compared with -8.1% in the previous month. The annual rate of change of marketable instruments increased to -10.8% in March, from -12.3% in February.

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 1.7% in March 2010, compared with 1.6% in the previous month. The annual rate of growth of credit extended to general government increased to 9.9% in March, from 9.3% in February, while the annual rate of change of credit extended to the private sector stood at -0.1% in March, compared with 0.0% in the previous month. Among the components of the latter, the annual rate of change of loans to the private sector increased to -0.2% in March, from -0.4% in the previous month (adjusted for loan sales and securitisation² the annual rate of change of loans to the private sector stood at -0.1%, compared with -0.2% in the previous month). The annual rate of change of loans to non-financial corporations stood at -2.4% in March, unchanged from the previous month. The annual growth rate of loans to households increased to 2.2% in March, from 1.8% in the previous month. The annual rate of growth of lending for house purchase increased to 2.6% in March,

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>

from 2.1% in the previous month. The annual rate of change of consumer credit decreased to -1.1% in March, from -0.8% in February, while the annual growth rate of other lending to households increased to 2.9% in March, from 2.7% in the previous month. Finally, the annual rate of change of loans to non-monetary financial intermediaries (except insurance corporations and pension funds) increased to -0.1% in March, from -0.8% in the previous month.

Over the 12 months up to March 2010, the net external asset position of the euro area MFI sector increased by EUR 157 billion, compared with an increase of EUR 137 billion over the 12 months up to February. The annual rate of growth of longer-term financial liabilities of the MFI sector increased to 5.5% in March, compared with 5.3% in February.

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 April, May and June 2010 is scheduled to take place at 10 am on 31 May, 28 June and 27 July 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>

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TABLE 1

MONETARY DEVELOPMENTS IN THE EURO AREA: MARCH 2010

DATA ADJUSTED FOR SEASONAL EFFECTS

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

	FEBRUARY 2010			MARCH 2010			AVERAGE JAN-10 MAR-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)	9313	2	-0.3	9322	13	-0.1	-0.1
(1.1) Currency in circulation	765	4	6.0	776	11	6.8	6.3
(1.2) Overnight deposits	3796	19	12.0	3795	-1	11.8	12.1
(1.3) M1 (items 1.1 and 1.2)	4561	23	11.0	4571	10	10.9	11.1
(1.4) Deposits with agreed maturity up to 2 years	1826	-21	-22.5	1815	-12	-22.0	-22.4
(1.5) Deposits redeemable at notice up to 3 months	1829	9	12.7	1836	6	11.8	12.7
(1.6) Other short term deposits (items 1.4 and 1.5)	3656	-12	-8.1	3650	-6	-8.0	-8.0
(1.7) M2 (items 1.3 and 1.6)	8217	11	1.6	8222	4	1.7	1.7
(1.8) Repurchase agreements	324	16	-1.0	340	16	0.5	-1.8
(1.9) Money market fund shares/units	646	-18	-8.9	626	-15	-10.9	-8.2
(1.10) Debt securities issued with maturity up to 2 years	126	-6	-41.1	134	7	-30.4	-36.8
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	1096	-9	-12.3	1100	9	-10.8	-11.3
COUNTERPARTS OF M3							
MFI liabilities:							
(2) <i>Holdings against central government</i> ^{d)}	263	-28	-15.7	255	-8	-21.2	-16.0
(3) <i>Longer-term financial liabilities against other euro area residents</i> (= items 3.1 to 3.4)	6829	5	5.3	6854	15	5.5	5.6
(3.1) Deposits with agreed maturity over 2 years	2202	13	6.8	2198	-4	5.7	6.5
(3.2) Deposits redeemable at notice over 3 months	131	0	5.9	132	1	5.5	5.8
(3.3) Debt securities issued with maturity over 2 years	2682	-17	2.7	2694	11	3.2	3.2
(3.4) Capital and reserves	1815	9	7.7	1830	7	8.8	8.2
MFI assets:							
(4) <i>Credit to euro area residents</i> (= items 4.1 and 4.2)	15982	44	1.6	16008	32	1.7	1.6
(4.1) Credit to general government	2928	26	9.3	2979	52	9.9	9.7
of which Loans	1030	3	3.1	1058	27	6.4	4.3
of which Securities other than shares	1898	23	13.0	1921	25	12.0	13.0
(4.2) Credit to other euro area residents	13054	18	0.0	13029	-21	-0.1	0.0
of which Loans ^{e)}	10758	21	-0.4	10765	9	-0.2	-0.4
<i>memo item: loans adjusted for sales & securitisation</i> ^{f)}	ND	17	-0.2	ND	7	-0.1	-0.2
of which Securities other than shares	1485	-1	3.2	1465	-20	0.7	2.8
of which Shares and other equities	810	-1	0.1	799	-10	0.6	0.4
(5) <i>Net external assets</i>	568	-30	ND	589	19	ND	ND
(6) <i>Other counterparts of M3 (residual)</i> (= M3 + items 2, 3 - items 4, 5)	-145	-35	ND	-166	-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: MARCH 2010

DATA UNADJUSTED FOR SEASONAL EFFECTS

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

	FEBRUARY 2010			MARCH 2010			AVERAGE JAN-10 MAR-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)	9303	-27	-0.3	9310	11	-0.2	-0.1
(1.1) Currency in circulation	760	2	6.1	769	9	6.8	6.4
(1.2) Overnight deposits	3783	-18	12.4	3781	-1	11.4	12.2
(1.3) M1 (items 1.1 and 1.2)	4543	-15	11.3	4550	8	10.6	11.2
(1.4) Deposits with agreed maturity up to 2 years	1822	-22	-22.8	1808	-15	-22.0	-22.6
(1.5) Deposits redeemable at notice up to 3 months	1841	9	12.7	1849	8	11.7	12.7
(1.6) Other short term deposits (items 1.4 and 1.5)	3663	-13	-8.3	3657	-7	-7.9	-8.1
(1.7) M2 (items 1.3 and 1.6)	8205	-28	1.6	8207	1	1.5	1.7
(1.8) Repurchase agreements	324	16	-1.1	340	16	0.5	-1.8
(1.9) Money market fund shares/units	648	-10	-8.8	629	-14	-10.8	-8.2
(1.10) Debt securities issued with maturity up to 2 years	126	-6	-41.1	134	7	-30.4	-36.8
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	1098	0	-12.3	1103	10	-10.8	-11.3
COUNTERPARTS OF M3							
MFI liabilities:							
(2) <i>Holdings against central government</i> ^{d)}	274	-4	-16.0	267	-6	-20.8	-16.0
(3) <i>Longer-term financial liabilities against other euro area residents</i> (= items 3.1 to 3.4)	6816	-1	5.3	6853	28	5.5	5.6
(3.1) Deposits with agreed maturity over 2 years	2194	5	6.8	2196	2	5.7	6.5
(3.2) Deposits redeemable at notice over 3 months	133	-1	5.9	133	0	5.5	5.9
(3.3) Debt securities issued with maturity over 2 years	2674	-8	2.7	2693	16	3.2	3.2
(3.4) Capital and reserves	1814	2	7.7	1831	10	8.7	8.2
MFI assets:							
(4) <i>Credit to euro area residents</i> (= items 4.1 and 4.2)	15937	18	1.6	15994	63	1.6	1.6
(4.1) Credit to general government	2925	26	9.3	2980	57	9.9	9.7
of which Loans	1029	-5	3.1	1052	23	6.3	4.2
of which Securities other than shares	1896	30	13.0	1928	34	12.0	13.0
(4.2) Credit to other euro area residents	13013	-8	0.0	13014	6	-0.1	0.0
of which Loans	10737	3	-0.4	10760	25	-0.2	-0.4
<i>memo item: loans adjusted for sales & securitisation</i> ^{e)}	ND	-1	-0.2	ND	23	-0.1	-0.2
of which Securities other than shares	1474	2	3.0	1461	-13	0.7	2.7
of which Shares and other equities	801	-12	0.2	794	-6	0.5	0.4
(5) <i>Net external assets</i>	590	-25	ND	577	-14	ND	ND
(6) <i>Other counterparts of M3 (residual)</i> (= M3 + items 2, 3 - items 4, 5)	-135	-25	ND	-142	-16	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: MARCH 2010
DATA ADJUSTED FOR SEASONAL EFFECTS
 (contributions in terms of the M3 annual percentage change ^{a)})

	JANUARY 2010	FEBRUARY 2010	MARCH 2010
(1) M1	3.3	5.2	7.3
(1.1) <i>of which</i> : Currency	0.3	0.5	0.8
(1.2) <i>of which</i> : Overnight deposits	3.0	4.7	6.5
(2) M2 - M1 (= other short-term deposits)	-2.3	-3.7	-5.1
(3) M3 - M2 (= short-term marketable instruments)	-1.0	-1.8	-2.2
(4) M3 (= items 1, 2 and 3)	0.1	-0.3	-0.1

a) Figures may not add up due to rounding.

TABLE 4

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

	FEBRUARY 2010			MARCH 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	4695	13	-2.4	4683	-7	-2.4
(1.1) up to 1 year	1184	-2	-12.0	1174	1	-10.6
(1.2) over 1 year and up to 5 years	931	2	-3.5	922	-7	-4.4
(1.3) over 5 years	2580	13	3.1	2586	-1	2.7
(2) Loans to households ^{d)}	4967	11	1.8	4982	16	2.2
(2.1) Consumer credit	625	-2	-0.8	622	-1	-1.1
(2.2) Lending for house purchase	3565	10	2.1	3581	14	2.6
(2.3) Other lending	777	3	2.7	780	3	2.9
(3) Loans to non-monetary financial intermediaries except insurance corporations and pension funds	1005	-7	-0.8	1012	4	-0.1
(4) Loans to insurance corporations and pension funds	91	4	-4.7	87	-4	-10.8

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.