

26 February 2009

PRESS RELEASE

MONETARY DEVELOPMENTS IN THE EURO AREA: JANUARY 2009

The annual rate of growth of M3 decreased to 5.9% in January 2009, from 7.5% in December 2008.¹ The three-month average of the annual growth rates of M3 over the period November 2008 - January 2009 decreased to 7.0%, from 7.9% in the period October 2008 - December 2008.

12-month percentage changes; adjusted for seasonal and end-of-month calendar effects	NOVEMBER 2008	DECEMBER 2008	JANUARY 2009	NOVEMBER 2008 - JANUARY 2009 AVERAGE
M3	7.7	7.5	5.9	7.0
MI	2.2	3.3	5.2	3.6
Loans to private sector	7.1	5.8	5.0	5.9

Regarding the main components of M3, the annual rate of growth of MI increased to 5.2% in January 2009, from 3.3% in December. The annual rate of growth of short-term deposits other than overnight deposits decreased to 9.7% in January, from 13.6% in the previous month. The annual rate of growth of marketable instruments decreased to -2.4% in January, from 3.7% in December.

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 6.0% in January 2009, from 6.2% in December. The annual rate of growth of credit extended to general government increased to 5.2% in January, from 3.1% in December, while the annual growth of credit extended to the private sector decreased to 6.1% in January, from 6.8% in December. Among the components of the latter, the annual rate of growth of loans to the private sector decreased to 5.0% in January, from 5.8% in the previous month (adjusted for loan sales and securitisation² the annual growth rate of loans to the private sector decreased to 6.7%, from 7.3% in the previous month). The annual growth rate of loans to non-financial corporations decreased to 8.8% in January, from 9.5% in December. The annual growth rate of loans to households decreased to 1.2% in January, from 1.6% in the previous month. The annual rate of growth of lending for house purchase decreased to 1.0% in January, from 1.5% in December. The annual rate of growth of consumer credit decreased to 1.3% in January, from 1.7% in December while the annual growth rate of other lending to households decreased to 2.0% in January, from 2.3% in the previous month.

¹ These rates of growth 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.

Finally, the annual rate of growth of loans to non-monetary financial intermediaries (except insurance corporations and pension funds) decreased to 7.7% in January, from 10.7% in the previous month.

Over the 12 months up to January 2009, the net external asset position of the euro area MFI sector declined by EUR 235 billion, compared with a decline of EUR 119 billion over the 12 months up to December. The annual rate of growth of longer-term financial liabilities of the MFI sector increased to 3.0% in January, from 2.1% in December.

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 monetary data as contained in Tables 2.1 to 2.8 of the ECB's Monthly Bulletin can be found on the ECB's website (<http://www.ecb.europa.eu>) in the "Statistics" section under "Money, banking and financial markets" and then "Monetary statistics". The same section contains also longer time series for principal monetary aggregates (start date: January 1970) and methodological notes on the monetary statistics concepts and seasonal adjustment procedures. Monthly and other shorter-term growth rates for selected items are available at <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. Monthly flows and annual growth rates for January 2009 are corrected for the effect of the euro area enlargement.*
- *The publication of the statistics on monetary developments in February, March and April 2009 is scheduled to take place at 10 am on 26 March 2009, 29 April 2009 and 29 May 2009 respectively.*

European Central Bank

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: JANUARY 2009

DATA ADJUSTED FOR SEASONAL EFFECTS

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

	DECEMBER 2008			JANUARY 2009			AVERAGE NOV-08 JAN-09
	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)	9386	40	7.5	9372	-75	5.9	7.0
(1.1) Currency in circulation	711	7	13.4	717	5	13.7	13.5
(1.2) Overnight deposits	3268	19	1.4	3370	78	3.6	1.7
(1.3) M1 (items 1.1 and 1.2)	3978	26	3.3	4087	82	5.2	3.6
(1.4) Deposits with agreed maturity up to 2 years	2471	-41	23.3	2377	-130	14.3	22.3
(1.5) Deposits redeemable at notice up to 3 months	1557	25	1.0	1595	38	3.7	1.3
(1.6) Other short term deposits (items 1.4 and 1.5)	4028	-16	13.6	3973	-92	9.7	13.1
(1.7) M2 (items 1.3 and 1.6)	8006	10	8.2	8060	-10	7.4	8.1
(1.8) Repurchase agreements	356	26	16.0	327	-29	7.1	11.6
(1.9) Money market fund shares/units	753	9	4.8	766	11	2.5	3.0
(1.10) Debt securities issued with maturity up to 2 years	271	-5	-10.9	219	-48	-24.8	-14.6
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	1380	30	3.7	1312	-66	-2.4	1.0
COUNTERPARTS OF M3							
MFI liabilities:							
(2) <i>Holdings against central government</i> ^{d)}	309	-11	71.5	340	28	89.2	73.9
(3) <i>Longer-term financial liabilities against other euro area residents</i> (= items 3.1 to 3.4)	6266	-18	2.1	6437	103	3.0	2.9
(3.1) Deposits with agreed maturity over 2 years	1988	6	1.0	2033	38	2.8	2.1
(3.2) Deposits redeemable at notice over 3 months	122	3	0.6	125	2	0.7	-0.3
(3.3) Debt securities issued with maturity over 2 years	2544	-20	-1.5	2613	30	-1.3	-1.0
(3.4) Capital and reserves	1612	-7	10.0	1666	33	11.1	11.1
MFI assets:							
(4) <i>Credit to euro area residents</i> (= items 4.1 and 4.2)	15558	34	6.2	15698	64	6.0	6.5
(4.1) Credit to general government	2565	40	3.1	2629	47	5.2	3.6
of which Loans	980	-18	1.3	998	16	2.4	2.3
of which Securities other than shares	1584	58	4.2	1631	32	7.0	4.4
(4.2) Credit to other euro area residents	12994	-6	6.8	13069	17	6.1	7.0
of which Loans ^{e)}	10798	-50	5.8	10867	6	5.0	5.9
<i>memo item: loans adjusted for sales & securitisation</i> ^{f)}	ND	-2	7.3	ND	14	6.7	7.5
of which Securities other than shares	1395	77	31.4	1409	9	29.8	30.8
of which Shares and other equities	801	-33	-7.5	794	1	-7.2	-5.6
(5) <i>Net external assets</i>	437	21	ND	375	-117	ND	ND
(6) <i>Other counterparts of M3 (residual)</i> (= M3 + items 2, 3 - items 4, 5)	-35	-44	ND	76	108	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: JANUARY 2009

DATA UNADJUSTED FOR SEASONAL EFFECTS

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

	DECEMBER 2008			JANUARY 2009			AVERAGE NOV-08 JAN-09
	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)	9409	71	7.4	9380	-90	6.0	7.1
(1.1) Currency in circulation	723	19	13.1	712	-12	14.1	13.6
(1.2) Overnight deposits	3312	55	1.0	3372	36	3.5	1.8
(1.3) M1 (items 1.1 and 1.2)	4035	74	3.0	4085	23	5.2	3.7
(1.4) Deposits with agreed maturity up to 2 years	2489	-17	23.4	2385	-141	14.7	22.3
(1.5) Deposits redeemable at notice up to 3 months	1560	45	0.9	1605	44	3.8	1.4
(1.6) Other short term deposits (items 1.4 and 1.5)	4050	27	13.6	3990	-97	10.0	13.1
(1.7) M2 (items 1.3 and 1.6)	8084	102	8.0	8075	-73	7.5	8.2
(1.8) Repurchase agreements	330	-6	17.0	329	-1	7.5	12.1
(1.9) Money market fund shares/units	723	-19	4.6	758	32	2.5	2.9
(1.10) Debt securities issued with maturity up to 2 years	271	-5	-10.9	219	-48	-24.8	-14.6
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	1324	-30	3.6	1306	-16	-2.4	1.0
COUNTERPARTS OF M3							
MFI liabilities:							
(2) <i>Holdings against central government</i> ^{d)}	262	-67	70.3	323	58	88.9	73.6
(3) <i>Longer-term financial liabilities against other euro area residents</i> (= items 3.1 to 3.4)	6269	-1	2.1	6417	80	3.0	2.9
(3.1) Deposits with agreed maturity over 2 years	1998	23	1.0	2037	32	2.8	2.1
(3.2) Deposits redeemable at notice over 3 months	123	4	0.6	126	2	0.7	-0.3
(3.3) Debt securities issued with maturity over 2 years	2533	-33	-1.5	2589	18	-1.3	-1.0
(3.4) Capital and reserves	1616	5	9.9	1666	28	11.2	11.1
MFI assets:							
(4) <i>Credit to euro area residents</i> (= items 4.1 and 4.2)	15501	-22	6.2	15675	99	5.9	6.4
(4.1) Credit to general government	2538	13	3.0	2628	73	5.2	3.5
of which Loans	989	-7	1.3	1005	15	2.4	2.2
of which Securities other than shares	1550	20	4.2	1623	58	7.0	4.4
(4.2) Credit to other euro area residents	12962	-35	6.8	13048	26	6.1	7.0
of which Loans	10780	-74	5.7	10862	20	5.0	5.9
<i>memo item: loans adjusted for sales & securitisation</i> ^{e)}	ND	-27	7.3	ND	28	6.7	7.5
of which Securities other than shares	1395	75	31.3	1395	-4	29.7	30.7
of which Shares and other equities	788	-35	-7.5	791	11	-7.1	-5.6
(5) <i>Net external assets</i>	456	15	ND	378	-133	ND	ND
(6) <i>Other counterparts of M3 (residual)</i> (= M3 + items 2, 3 - items 4, 5)	-17	10	ND	68	82	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: JANUARY 2009
DATA ADJUSTED FOR SEASONAL EFFECTS
 (contributions in terms of the M3 annual percentage change ^{a)})

	NOVEMBER 2008	DECEMBER 2008	JANUARY 2009
(1) M1	1.0	1.5	2.3
(1.1) <i>of which</i> : Currency	1.0	1.0	1.0
(1.2) <i>of which</i> : Overnight deposits	0.0	0.5	1.3
(2) M2 - M1 (= other short-term deposits)	6.4	5.5	3.9
(3) M3 - M2 (= short-term marketable instruments)	0.3	0.6	-0.4
(4) M3 (= items 1, 2 and 3)	7.7	7.5	5.9

a) Figures may not add up due to rounding.

TABLE 4

BREAKDOWN OF LOANS BY COUNTERPART, TYPE AND ORIGINAL MATURITY: JANUARY 2009
DATA ADJUSTED FOR SEASONAL EFFECTS
 (EUR billions and annual percentage changes ^{a)})

	DECEMBER 2008			JANUARY 2009		
	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	4820	-13	9.5	4881	30	8.8
(1.1) up to 1 year	1382	-6	7.0	1394	2	6.1
(1.2) over 1 year and up to 5 years	960	3	14.2	978	10	13.3
(1.3) over 5 years	2478	-11	9.2	2509	17	8.7
(2) Loans to households ^{d)}	4888	-27	1.6	4906	-3	1.2
(2.1) Consumer credit	630	-4	1.7	638	0	1.3
(2.2) Lending for house purchase	3488	-25	1.5	3496	-2	1.0
(2.3) Other lending	770	2	2.3	772	-1	2.0
(3) Loans to non-monetary financial intermediaries except insurance corporations and pension funds	986	-15	10.7	984	-13	7.7
(4) Loans to insurance corporations and pension funds	104	5	-4.1	96	-8	-5.1

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.