

PRESS RELEASE

MONETARY DEVELOPMENTS IN THE EURO AREA: MAY 2009

The annual rate of growth of M3 decreased to 3.7% in May 2009, from 4.9% in April 2009.¹ The three-month average of the annual growth rates of M3 over the period March 2009 - May 2009 decreased to 4.5%, from 5.2% in the period February 2009 - April 2009.

12-month percentage changes; adjusted for seasonal and end-of-month calendar effects	MARCH 2009	APRIL 2009	MAY 2009	MARCH 2009 - MAY 2009 AVERAGE
M3	5.0	4.9	3.7	4.5
M1	5.9	8.4	7.9	7.4
Loans to private sector	3.2	2.3	1.8	2.4

Regarding the main components of M3, the annual rate of growth of M1 decreased to 7.9% in May 2009, from 8.4% in April. The annual rate of growth of short-term deposits other than overnight deposits decreased to 2.0% in May, from 3.4% in the previous month. The annual rate of change of marketable instruments decreased to -3.5% in May, from -1.2% 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 decreased to 4.0% in May 2009, from 4.4% in April. The annual rate of growth of credit extended to general government increased to 8.3% in May, from 8.0% in April, while the annual growth of credit extended to the private sector declined to 3.1% in May, from 3.7% in April. Among the components of the latter, the annual rate of growth of loans to the private sector decreased to 1.8% in May, from 2.3% in the previous month (adjusted for loan sales and securitisation² the annual growth rate of loans to the private sector decreased to 3.4%, from 3.9% in the previous month). The annual growth rate of loans to non-financial corporations declined to 4.4% in May, from 5.3% in April. The annual rate of change of loans to households decreased to -0.2% in May, from 0.0% in the previous month. The annual rate of change of lending for house purchase declined to -0.5% in May, from -0.2% in April. The annual rate of change of consumer credit decreased to -0.6% in May,

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. The annual growth rate of loans adjusted for sales and securitisation is available at:

from -0.4% in April, while the annual growth rate of other lending to households increased to 1.8% in May, from 1.6% in the previous month. Finally, the annual rate of change of loans to non-monetary financial intermediaries (except insurance corporations and pension funds) decreased to -0.1% in May, from 0.6% in the previous month.

Over the 12 months up to May 2009, the net external asset position of the euro area MFI sector increased by EUR 78 billion, compared with a decline of EUR 26 billion over the 12 months up to April. The annual rate of growth of longer-term financial liabilities of the MFI sector increased to 4.9% in May, from 4.3% 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 2009 is scheduled to take place at 10 am on 27 July 2009, 27 August 2009 and 25 September 2009 respectively.*

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TABLE 1

MONETARY DEVELOPMENTS IN THE EURO AREA: MAY 2009

DATA ADJUSTED FOR SEASONAL EFFECTS

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

	APRIL 2009			MAY 2009			AVERAGE MAR-09 MAY-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)	9475	80	4.9	9408	-49	3.7	4.5
(1.1) Currency in circulation	730	2	13.2	730	0	13.1	13.4
(1.2) Overnight deposits	3471	91	7.4	3460	-8	6.9	6.2
(1.3) M1 (items 1.1 and 1.2)	4201	93	8.4	4190	-7	7.9	7.4
(1.4) Deposits with agreed maturity up to 2 years	2293	-42	0.3	2257	-30	-2.8	1.2
(1.5) Deposits redeemable at notice up to 3 months	1667	26	8.0	1679	12	9.3	8.0
(1.6) Other short term deposits (items 1.4 and 1.5)	3960	-16	3.4	3936	-19	2.0	3.9
(1.7) M2 (items 1.3 and 1.6)	8161	77	5.9	8126	-26	5.0	5.7
(1.8) Repurchase agreements	337	0	3.6	326	-11	1.9	4.7
(1.9) Money market fund shares/units	771	-9	3.2	753	-7	2.7	3.4
(1.10) Debt securities issued with maturity up to 2 years	207	12	-20.2	203	-6	-26.5	-24.6
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	1315	3	-1.2	1282	-23	-3.5	-1.9
COUNTERPARTS OF M3							
MFI liabilities:							
(2) <i>Holdings against central government</i> ^{d)}	341	-1	68.2	353	11	88.3	76.5
(3) <i>Longer-term financial liabilities against other euro area residents</i> (= items 3.1 to 3.4)	6477	16	4.3	6509	61	4.9	4.6
(3.1) Deposits with agreed maturity over 2 years	2089	11	5.4	2100	12	5.6	5.4
(3.2) Deposits redeemable at notice over 3 months	126	1	5.1	128	2	7.7	5.5
(3.3) Debt securities issued with maturity over 2 years	2595	-10	-0.2	2585	16	0.0	0.1
(3.4) Capital and reserves	1667	13	10.4	1696	31	12.3	11.0
MFI assets:							
(4) <i>Credit to euro area residents</i> (= items 4.1 and 4.2)	15732	-2	4.4	15741	38	4.0	4.5
(4.1) Credit to general government	2714	26	8.0	2723	16	8.3	8.0
of which Loans	996	7	1.3	997	1	1.4	1.4
of which Securities other than shares	1718	18	12.3	1726	15	12.7	12.2
(4.2) Credit to other euro area residents	13017	-28	3.7	13019	22	3.1	3.8
of which Loans ^{e)}	10794	-18	2.3	10795	18	1.8	2.4
<i>memo item: loans adjusted for sales & securitisation</i> ^{f)}	ND	-4	3.9	ND	24	3.4	4.0
of which Securities other than shares	1470	15	27.3	1466	0	24.6	27.1
of which Shares and other equities	753	-24	-9.0	758	5	-8.6	-7.9
(5) <i>Net external assets</i>	451	63	ND	531	55	ND	ND
(6) <i>Other counterparts of M3 (residual)</i> (= M3 + items 2, 3 - items 4, 5)	111	34	ND	-2	-70	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 2009

DATA UNADJUSTED FOR SEASONAL EFFECTS

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

	APRIL 2009			MAY 2009			AVERAGE MAR-09 MAY-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)	9497	88	4.9	9471	-9	3.8	4.6
(1.1) Currency in circulation	729	9	13.5	732	3	13.1	13.4
(1.2) Overnight deposits	3474	74	7.5	3491	20	7.3	6.4
(1.3) M1 (items 1.1 and 1.2)	4203	84	8.5	4223	23	8.3	7.6
(1.4) Deposits with agreed maturity up to 2 years	2290	-30	0.2	2246	-39	-3.2	1.0
(1.5) Deposits redeemable at notice up to 3 months	1676	22	8.1	1691	15	9.3	8.0
(1.6) Other short term deposits (items 1.4 and 1.5)	3966	-8	3.3	3937	-24	1.8	3.8
(1.7) M2 (items 1.3 and 1.6)	8170	76	5.9	8160	-2	5.1	5.7
(1.8) Repurchase agreements	338	-2	3.2	336	-2	1.3	4.4
(1.9) Money market fund shares/units	782	2	3.3	772	1	2.7	3.4
(1.10) Debt securities issued with maturity up to 2 years	207	12	-20.2	203	-6	-26.5	-24.6
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	1327	13	-1.2	1311	-7	-3.5	-1.9
COUNTERPARTS OF M3							
MFI liabilities:							
(2) <i>Holdings against central government</i> ^{d)}	338	-13	69.1	331	-7	88.4	77.0
(3) <i>Longer-term financial liabilities against other euro area residents</i> (= items 3.1 to 3.4)	6476	10	4.3	6507	61	4.9	4.6
(3.1) Deposits with agreed maturity over 2 years	2090	13	5.4	2107	20	5.6	5.4
(3.2) Deposits redeemable at notice over 3 months	126	0	5.1	128	1	7.7	5.5
(3.3) Debt securities issued with maturity over 2 years	2595	-9	-0.2	2591	22	0.0	0.1
(3.4) Capital and reserves	1665	6	10.4	1681	18	12.3	11.0
MFI assets:							
(4) <i>Credit to euro area residents</i> (= items 4.1 and 4.2)	15818	74	4.4	15814	25	3.9	4.5
(4.1) Credit to general government	2733	33	8.0	2739	12	8.4	8.0
of which Loans	1000	12	1.3	993	-7	1.3	1.4
of which Securities other than shares	1733	21	12.2	1746	20	12.8	12.2
(4.2) Credit to other euro area residents	13084	41	3.6	13075	13	3.0	3.8
of which Loans	10809	-5	2.4	10806	14	1.8	2.5
<i>memo item: loans adjusted for sales & securitisation</i> ^{e)}	ND	10	3.9	ND	20	3.4	4.0
of which Securities other than shares	1476	24	27.2	1473	2	24.6	27.0
of which Shares and other equities	799	22	-9.0	796	-3	-8.6	-7.9
(5) <i>Net external assets</i>	422	33	ND	481	35	ND	ND
(6) <i>Other counterparts of M3 (residual)</i> (= M3 + items 2, 3 - items 4, 5)	72	-22	ND	14	-14	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 2009
DATA ADJUSTED FOR SEASONAL EFFECTS
 (contributions in terms of the M3 annual percentage change ^{a)})

	MARCH 2009	APRIL 2009	MAY 2009
(1) M1	2.6	3.6	3.4
(1.1) <i>of which</i> : Currency	1.0	0.9	0.9
(1.2) <i>of which</i> : Overnight deposits	1.6	2.7	2.5
(2) M2 - M1 (= other short-term deposits)	2.6	1.4	0.8
(3) M3 - M2 (= short-term marketable instruments)	-0.2	-0.2	-0.5
(4) M3 (= items 1, 2 and 3)	5.0	4.9	3.7

a) Figures may not add up due to rounding.

TABLE 4

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

	APRIL 2009			MAY 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	4842	-4	5.3	4827	-5	4.4
(1.1) up to 1 year	1333	-15	-1.3	1325	-5	-2.3
(1.2) over 1 year and up to 5 years	979	6	10.0	975	-2	9.1
(1.3) over 5 years	2530	6	7.2	2528	2	6.5
(2) Loans to households ^{d)}	4889	-3	0.0	4888	2	-0.2
(2.1) Consumer credit	636	-5	-0.4	634	-1	-0.6
(2.2) Lending for house purchase	3484	1	-0.2	3482	0	-0.5
(2.3) Other lending	770	2	1.6	772	3	1.8
(3) Loans to non-monetary financial intermediaries except insurance corporations and pension funds	961	-10	0.6	978	21	-0.1
(4) Loans to insurance corporations and pension funds	102	-2	-2.0	102	0	-3.0

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.