

## PRESS RELEASE

### MONETARY DEVELOPMENTS IN THE EURO AREA: JULY 2009

The annual rate of growth of M3 decreased to 3.0% in July 2009, from 3.6% in June 2009.<sup>1</sup> The three-month average of the annual growth rates of M3 over the period May 2009 - July 2009 decreased to 3.4%, from 4.1% in the period April 2009 - June 2009.

12-month percentage changes; adjusted for seasonal and end-of-month calendar effects	<b>MAY 2009</b>	<b>JUNE 2009</b>	<b>JULY 2009</b>	<b>MAY 2009 - JULY 2009 AVERAGE</b>
<b>M3</b>	3.7	3.6	3.0	3.4
<b>MI</b>	7.9	9.4	12.2	9.8
<b>Loans to private sector</b>	1.8	1.5	0.6	1.3

Regarding the main components of M3, the annual rate of growth of MI increased to 12.2% in July 2009, from 9.4% in June. The annual rate of change of short-term deposits other than overnight deposits decreased to -2.6% in July, from 0.4% in the previous month. The annual rate of change of marketable instruments declined to -7.0% in July, from -4.0% in June.

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 3.3% in July 2009, from 4.2% in June. The annual rate of growth of credit extended to general government increased to 10.9% in July, from 10.7% in June, while the annual growth of credit extended to the private sector decreased to 1.8% in July, from 2.9% in June. Among the components of the latter, the annual rate of growth of loans to the private sector decreased to 0.6% in July, from 1.5% in the previous month (adjusted for loan sales and securitisation<sup>2</sup> the annual growth rate of loans to the private sector decreased to 1.8%, from 2.7% in the previous month). The annual growth rate of loans to non-financial corporations decreased to 1.6% in July, from 2.9% in June. The annual growth rate of loans to households decreased to 0.0% in July, from 0.2% in the previous month. The annual rate of change of lending for house purchase declined to -0.2% in July, from 0.1% in June. The annual rate of change of consumer credit decreased to -1.1% in July, from -0.8% in June, while the annual growth rate of other lending to households stood at 1.5% in July, unchanged from the previous

<sup>1</sup> These rates of growth refer to aggregates adjusted for seasonal and end-of-month calendar effects.

<sup>2</sup> 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:

month. Finally, the annual rate of change of loans to non-monetary financial intermediaries (except insurance corporations and pension funds) decreased to -0.2% in July, from 1.8% in the previous month.

Over the 12 months up to July 2009, the net external asset position of the euro area MFI sector increased by EUR 156 billion, compared with an increase of EUR 127 billion over the 12 months up to June. The annual rate of growth of longer-term financial liabilities of the MFI sector stood at 4.9% in July, compared with 5.0% in June.

#### 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 August, September and October 2009 is scheduled to take place at 10 am on 25 September, 27 October and 26 November 2009 respectively.*

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TABLE 1

## MONETARY DEVELOPMENTS IN THE EURO AREA: JULY 2009

DATA ADJUSTED FOR SEASONAL EFFECTS

(EUR billions and annual percentage changes <sup>a)</sup>)

	JUNE 2009			JULY 2009			AVERAGE MAY-09 JUL-09
	End of month level	Monthly flow <sup>b)</sup>	Annual growth rate	End of month level	Monthly flow <sup>b)</sup>	Annual growth rate	Annual growth rate
<b>COMPONENTS OF M3 <sup>c)</sup></b>							
(1) <b>M3</b> (= items 1.3, 1.6 and 1.11)	9425	22	3.6	9446	20	3.0	3.4
(1.1) Currency in circulation	734	4	12.8	734	-1	12.5	12.8
(1.2) Overnight deposits	3509	46	8.6	3607	98	12.1	9.2
(1.3) <b>M1</b> (items 1.1 and 1.2)	4243	51	9.4	4340	98	12.2	9.8
(1.4) Deposits with agreed maturity up to 2 years	2209	-49	-6.1	2135	-74	-12.1	-7.0
(1.5) Deposits redeemable at notice up to 3 months	1696	16	10.4	1723	27	12.3	10.7
(1.6) Other short term deposits (items 1.4 and 1.5)	3905	-34	0.4	3858	-47	-2.6	0.0
(1.7) <b>M2</b> (items 1.3 and 1.6)	8148	17	4.9	8198	51	4.7	4.9
(1.8) Repurchase agreements	355	29	5.4	331	-24	-3.3	1.3
(1.9) Money market fund shares/units	738	-8	2.7	745	7	3.7	3.0
(1.10) Debt securities issued with maturity up to 2 years	184	-16	-33.5	172	-13	-39.5	-33.5
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	1277	5	-4.0	1248	-31	-7.0	-4.9
<b>COUNTERPARTS OF M3</b>							
<b>MFI liabilities:</b>							
(2) <i>Holdings against central government</i> <sup>d)</sup>	306	-47	65.0	296	-10	62.1	71.9
(3) <i>Longer-term financial liabilities against other euro area residents</i> (= items 3.1 to 3.4)	6533	31	5.0	6563	26	4.9	4.9
(3.1) Deposits with agreed maturity over 2 years	2115	15	6.1	2130	15	6.9	6.2
(3.2) Deposits redeemable at notice over 3 months	129	1	9.3	131	2	10.9	9.3
(3.3) Debt securities issued with maturity over 2 years	2608	7	0.4	2621	13	0.2	0.4
(3.4) Capital and reserves	1681	8	10.8	1681	-3	10.1	10.5
<b>MFI assets:</b>							
(4) <i>Credit to euro area residents</i> (= items 4.1 and 4.2)	15860	122	4.2	15849	-17	3.3	3.8
(4.1) Credit to general government	2793	70	10.7	2816	18	10.9	9.9
of which Loans	1015	19	2.4	1016	0	2.4	2.1
of which Securities other than shares	1778	52	16.1	1801	18	16.3	15.0
(4.2) Credit to other euro area residents	13067	52	2.9	13032	-35	1.8	2.6
of which Loans <sup>e)</sup>	10809	20	1.5	10764	-38	0.6	1.3
<i>memo item: loans adjusted for sales &amp; securitisation</i> <sup>f)</sup>	ND	21	2.7	ND	-36	1.8	2.6
of which Securities other than shares	1478	6	22.9	1481	1	20.5	22.8
of which Shares and other equities	781	26	-5.5	788	2	-8.4	-7.7
(5) <i>Net external assets</i>	476	15	ND	488	17	ND	ND
(6) <i>Other counterparts of M3 (residual)</i> (= M3 + items 2, 3 - items 4, 5)	-72	-131	ND	-32	36	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: JULY 2009

DATA UNADJUSTED FOR SEASONAL EFFECTS

(EUR billions and annual percentage changes <sup>a)</sup>)

	JUNE 2009			JULY 2009			AVERAGE MAY-09 JUL-09
	End of month level	Monthly flow b)	Annual growth rate	End of month level	Monthly flow b)	Annual growth rate	Annual growth rate
<b>COMPONENTS OF M3 <sup>c)</sup></b>							
(1) <b>M3</b> (= items 1.3, 1.6 and 1.11)	9467	2	3.6	9438	-30	2.9	3.4
(1.1) Currency in circulation	735	3	12.5	745	10	12.9	12.9
(1.2) Overnight deposits	3582	88	8.7	3579	-2	11.5	9.1
(1.3) <b>M1</b> (items 1.1 and 1.2)	4317	91	9.3	4325	8	11.7	9.8
(1.4) Deposits with agreed maturity up to 2 years	2174	-73	-6.3	2140	-34	-11.6	-7.0
(1.5) Deposits redeemable at notice up to 3 months	1704	12	10.4	1723	19	12.3	10.7
(1.6) Other short term deposits (items 1.4 and 1.5)	3878	-62	0.3	3863	-14	-2.3	0.0
(1.7) <b>M2</b> (items 1.3 and 1.6)	8194	30	4.9	8188	-6	4.6	4.9
(1.8) Repurchase agreements	347	11	5.6	320	-27	-3.6	1.1
(1.9) Money market fund shares/units	742	-23	2.8	758	16	3.7	3.1
(1.10) Debt securities issued with maturity up to 2 years	184	-16	-33.5	172	-13	-39.5	-33.5
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	1272	-28	-3.9	1250	-24	-7.0	-4.9
<b>COUNTERPARTS OF M3</b>							
<b>MFI liabilities:</b>							
(2) <i>Holdings against central government</i> <sup>d)</sup>	353	21	65.0	296	-56	61.8	71.8
(3) <i>Longer-term financial liabilities against other euro area residents</i> (= items 3.1 to 3.4)	6556	55	4.9	6592	32	4.9	4.9
(3.1) Deposits with agreed maturity over 2 years	2128	20	6.2	2141	13	6.9	6.2
(3.2) Deposits redeemable at notice over 3 months	129	1	9.2	130	1	10.9	9.3
(3.3) Debt securities issued with maturity over 2 years	2623	17	0.4	2635	11	0.2	0.4
(3.4) Capital and reserves	1676	18	10.8	1685	6	10.1	10.5
<b>MFI assets:</b>							
(4) <i>Credit to euro area residents</i> (= items 4.1 and 4.2)	15915	105	4.2	15883	-38	3.3	3.8
(4.1) Credit to general government	2810	71	10.8	2821	7	10.9	10.0
of which Loans	1016	23	2.5	1017	1	2.5	2.1
of which Securities other than shares	1793	48	16.1	1805	6	16.3	15.0
(4.2) Credit to other euro area residents	13106	34	2.9	13061	-45	1.8	2.6
of which Loans	10836	36	1.5	10796	-32	0.6	1.3
<i>memo item: loans adjusted for sales &amp; securitisation</i> <sup>e)</sup>	ND	37	2.7	ND	-30	1.8	2.6
of which Securities other than shares	1491	12	22.9	1487	-7	20.5	22.8
of which Shares and other equities	779	-13	-5.5	778	-6	-8.5	-7.7
(5) <i>Net external assets</i>	474	63	ND	488	18	ND	ND
(6) <i>Other counterparts of M3 (residual)</i> (= M3 + items 2, 3 - items 4, 5)	-14	-91	ND	-45	-35	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: JULY 2009**  
**DATA ADJUSTED FOR SEASONAL EFFECTS**  
 (contributions in terms of the M3 annual percentage change <sup>a)</sup>)

	MAY 2009	JUNE 2009	JULY 2009
(1) <b>M1</b>	3.4	4.0	5.2
(1.1) <i>of which</i> : Currency	0.9	0.9	0.9
(1.2) <i>of which</i> : Overnight deposits	2.5	3.1	4.3
(2) <b>M2 - M1</b> (= other short-term deposits)	0.9	0.2	-1.2
(3) <b>M3 - M2</b> (= short-term marketable instruments)	-0.6	-0.6	-1.0
(4) <b>M3</b> (= items 1, 2 and 3)	3.7	3.6	3.0

a) Figures may not add up due to rounding.

TABLE 4

**BREAKDOWN OF LOANS BY COUNTERPART, TYPE AND ORIGINAL MATURITY: JULY 2009**  
**DATA ADJUSTED FOR SEASONAL EFFECTS**  
 (EUR billions and annual percentage changes <sup>a)</sup>)

	JUNE 2009			JULY 2009		
	End of month level	Monthly flow <sup>b)</sup>	Annual growth rate	End of month level	Monthly flow <sup>b)</sup>	Annual growth rate
<b>BREAKDOWN OF LOANS <sup>c)</sup></b>						
(1) <b>Loans to non-financial corporations</b>	4789	-33	2.9	4759	-26	1.6
(1.1) up to 1 year	1286	-28	-5.3	1250	-35	-8.4
(1.2) over 1 year and up to 5 years	976	-4	7.4	969	-6	6.1
(1.3) over 5 years	2527	-1	5.8	2541	15	5.5
(2) <b>Loans to households <sup>d)</sup></b>	4891	5	0.2	4892	5	0.0
(2.1) Consumer credit	635	2	-0.8	631	-1	-1.1
(2.2) Lending for house purchase	3482	2	0.1	3488	6	-0.2
(2.3) Other lending	773	1	1.5	773	1	1.5
(3) <b>Loans to non-monetary financial intermediaries except insurance corporations and pension funds</b>	1024	43	1.8	1015	-9	-0.2
(4) <b>Loans to insurance corporations and pension funds</b>	106	5	1.2	97	-8	-3.2

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.