

## PRESS RELEASE

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

The annual rate of growth of M3 decreased to 5.1% in March 2009, from 5.8% in February 2009.<sup>1</sup> The three-month average of the annual growth rates of M3 over the period January 2009 - March 2009 decreased to 5.6%, from 6.4% in the period December 2008 - February 2009.

12-month percentage changes; adjusted for seasonal and end-of-month calendar effects	<b>JANUARY 2009</b>	<b>FEBRUARY 2009</b>	<b>MARCH 2009</b>	<b>JANUARY 2009 - MARCH 2009 AVERAGE</b>
<b>M3</b>	6.0	5.8	5.1	5.6
<b>M1</b>	5.1	6.3	5.9	5.8
<b>Loans to private sector</b>	5.1	4.3	3.2	4.2

Regarding the main components of M3, the annual rate of growth of M1 decreased to 5.9% in March 2009, from 6.3% in February. The annual rate of growth of short-term deposits other than overnight deposits decreased to 6.4% in March, from 7.8% in the previous month. The annual rate of growth of marketable instruments decreased to -1.0% in March, from -0.8% 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 decreased to 5.2% in March 2009, from 5.9% in February. The annual rate of growth of credit extended to general government increased to 7.7% in March, from 6.7% in February, while the annual growth of credit extended to the private sector decreased to 4.7% in March, from 5.7% in February. Among the components of the latter, the annual rate of growth of loans to the private sector decreased to 3.2% in March, from 4.3% 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 5.0%, from 6.1% in the previous month). The annual growth rate of loans to non-financial corporations decreased to 6.3% in March, from 7.7% in February. The annual growth rate of loans to households decreased to 0.4% in March, from 0.7% in the previous month. The annual rate of growth of lending for house purchase declined to 0.1% in March, from 0.4% in February. The annual rate of growth of consumer credit decreased to 0.9% in March, from 1.1% in February, while the annual growth rate of other lending to households stood at 1.3% in March, after 1.4% in the previous month. Finally, the annual rate of

<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.

growth of loans to non-monetary financial intermediaries (except insurance corporations and pension funds) decreased to 3.6% in March, from 7.8% in the previous month.

Over the 12 months up to March 2009, the net external asset position of the euro area MFI sector declined by EUR 171 billion, compared with a decline of EUR 188 billion over the 12 months up to February. The annual rate of growth of longer-term financial liabilities of the MFI sector decreased to 4.3% in March, from 4.5% 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 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.*
- *The publication of the statistics on monetary developments in April, May and June 2009 is scheduled to take place at 10 am on 29 May, 30 June and 27 July 2009 respectively.*

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TABLE 1

## MONETARY DEVELOPMENTS IN THE EURO AREA: MARCH 2009

DATA ADJUSTED FOR SEASONAL EFFECTS

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

	FEBRUARY 2009			MARCH 2009			AVERAGE JAN-09 MAR-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)	9443	43	5.8	9400	-34	5.1	5.6
(1.1) Currency in circulation	722	5	13.6	727	6	13.8	13.7
(1.2) Overnight deposits	3417	30	4.8	3396	-16	4.3	4.2
(1.3) <b>M1</b> (items 1.1 and 1.2)	4138	35	6.3	4123	-11	5.9	5.8
(1.4) Deposits with agreed maturity up to 2 years	2355	-32	9.3	2318	-31	6.2	10.0
(1.5) Deposits redeemable at notice up to 3 months	1628	26	5.8	1647	18	6.8	5.6
(1.6) Other short term deposits (items 1.4 and 1.5)	3983	-6	7.8	3965	-13	6.4	8.1
(1.7) <b>M2</b> (items 1.3 and 1.6)	8121	29	7.0	8088	-23	6.2	6.9
(1.8) Repurchase agreements	328	5	5.4	337	10	8.5	6.6
(1.9) Money market fund shares/units	777	11	3.4	778	1	3.9	3.3
(1.10) Debt securities issued with maturity up to 2 years	217	-2	-19.8	196	-22	-26.2	-23.6
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	1322	14	-0.8	1312	-11	-1.0	-1.5
<b>COUNTERPARTS OF M3</b>							
<b>MFI liabilities:</b>							
(2) <i>Holdings against central government</i> <sup>d)</sup>	326	-13	77.9	343	17	73.0	80.4
(3) <i>Longer-term financial liabilities against other euro area residents</i> (= items 3.1 to 3.4)	6494	42	4.5	6455	2	4.3	4.1
(3.1) Deposits with agreed maturity over 2 years	2060	19	4.2	2075	17	5.0	4.1
(3.2) Deposits redeemable at notice over 3 months	123	-1	1.3	124	1	3.7	1.9
(3.3) Debt securities issued with maturity over 2 years	2641	13	1.1	2595	-18	0.2	0.4
(3.4) Capital and reserves	1670	11	10.9	1662	2	10.5	10.6
<b>MFI assets:</b>							
(4) <i>Credit to euro area residents</i> (= items 4.1 and 4.2)	15748	42	5.9	15727	5	5.2	5.7
(4.1) Credit to general government	2658	32	6.7	2687	31	7.7	6.5
of which Loans	1002	5	3.1	989	-12	1.4	2.3
of which Securities other than shares	1656	27	9.0	1699	43	11.7	9.1
(4.2) Credit to other euro area residents	13090	11	5.7	13040	-26	4.7	5.6
of which Loans <sup>e)</sup>	10861	-9	4.3	10814	-24	3.2	4.2
<i>memo item: loans adjusted for sales &amp; securitisation</i> <sup>f)</sup>	ND	-1	6.1	ND	-15	5.0	6.0
of which Securities other than shares	1439	17	30.4	1451	15	28.7	30.2
of which Shares and other equities	790	3	-5.2	774	-17	-5.8	-5.8
(5) <i>Net external assets</i>	419	30	ND	370	-14	ND	ND
(6) <i>Other counterparts of M3 (residual)</i> (= M3 + items 2, 3 - items 4, 5)	96	-1	ND	101	-7	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 2009

DATA UNADJUSTED FOR SEASONAL EFFECTS

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

	FEBRUARY 2009			MARCH 2009			AVERAGE JAN-09 MAR-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)	9427	17	6.0	9414	-4	5.1	5.7
(1.1) Currency in circulation	716	4	13.6	720	4	13.5	13.7
(1.2) Overnight deposits	3395	8	5.3	3415	25	4.4	4.4
(1.3) <b>M1</b> (items 1.1 and 1.2)	4111	11	6.7	4135	29	5.9	5.9
(1.4) Deposits with agreed maturity up to 2 years	2354	-38	9.1	2304	-44	6.1	10.1
(1.5) Deposits redeemable at notice up to 3 months	1639	23	5.9	1659	21	6.9	5.7
(1.6) Other short term deposits (items 1.4 and 1.5)	3993	-15	7.8	3963	-24	6.3	8.2
(1.7) <b>M2</b> (items 1.3 and 1.6)	8104	-4	7.2	8099	5	6.1	7.0
(1.8) Repurchase agreements	329	3	4.9	340	11	8.6	6.6
(1.9) Money market fund shares/units	777	20	3.5	779	1	3.9	3.3
(1.10) Debt securities issued with maturity up to 2 years	217	-2	-19.8	196	-22	-26.2	-23.6
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	1323	21	-0.9	1315	-9	-1.0	-1.5
<b>COUNTERPARTS OF M3</b>							
<b>MFI liabilities:</b>							
(2) <i>Holdings against central government</i> <sup>d)</sup>	339	14	77.2	352	13	73.6	80.3
(3) <i>Longer-term financial liabilities against other euro area residents</i> (= items 3.1 to 3.4)	6482	48	4.5	6460	19	4.3	4.1
(3.1) Deposits with agreed maturity over 2 years	2054	14	4.2	2074	21	4.9	4.0
(3.2) Deposits redeemable at notice over 3 months	125	0	1.4	126	0	3.7	1.9
(3.3) Debt securities issued with maturity over 2 years	2631	25	1.1	2594	-9	0.2	0.4
(3.4) Capital and reserves	1672	9	10.9	1667	6	10.4	10.6
<b>MFI assets:</b>							
(4) <i>Credit to euro area residents</i> (= items 4.1 and 4.2)	15702	24	5.9	15737	61	5.2	5.7
(4.1) Credit to general government	2660	34	6.7	2699	41	7.7	6.5
of which Loans	1000	-3	3.0	989	-9	1.4	2.3
of which Securities other than shares	1661	37	9.0	1710	50	11.7	9.2
(4.2) Credit to other euro area residents	13042	-10	5.7	13038	20	4.7	5.6
of which Loans	10834	-22	4.2	10816	5	3.2	4.2
<i>memo item: loans adjusted for sales &amp; securitisation</i> <sup>e)</sup>	ND	-14	6.1	ND	14	5.0	6.0
of which Securities other than shares	1431	19	30.2	1447	20	28.6	30.1
of which Shares and other equities	777	-7	-5.2	774	-4	-5.9	-5.8
(5) <i>Net external assets</i>	437	32	ND	370	-32	ND	ND
(6) <i>Other counterparts of M3 (residual)</i> (= M3 + items 2, 3 - items 4, 5)	109	22	ND	118	-2	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 2009**  
**DATA ADJUSTED FOR SEASONAL EFFECTS**  
 (contributions in terms of the M3 annual percentage change <sup>a)</sup>)

	<b>JANUARY 2009</b>	<b>FEBRUARY 2009</b>	<b>MARCH 2009</b>
(1) <b>M1</b>	2.2	2.7	2.6
(1.1) <i>of which</i> : Currency	1.0	1.0	1.0
(1.2) <i>of which</i> : Overnight deposits	1.3	1.8	1.6
(2) <b>M2 - M1</b> (= other short-term deposits)	4.1	3.2	2.7
(3) <b>M3 - M2</b> (= short-term marketable instruments)	-0.4	-0.1	-0.2
(4) <b>M3</b> (= items 1, 2 and 3)	6.0	5.8	5.1

a) Figures may not add up due to rounding.

TABLE 4

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

	<b>FEBRUARY 2009</b>			<b>MARCH 2009</b>		
	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>	4880	-4	7.7	4851	-12	6.3
(1.1) up to 1 year	1374	-19	3.2	1351	-17	0.2
(1.2) over 1 year and up to 5 years	981	3	12.0	974	-4	10.4
(1.3) over 5 years	2525	13	8.7	2526	9	8.3
(2) <b>Loans to households <sup>d)</sup></b>	4899	2	0.7	4890	-5	0.4
(2.1) Consumer credit	641	2	1.1	641	1	0.9
(2.2) Lending for house purchase	3491	2	0.4	3482	-7	0.1
(2.3) Other lending	768	-2	1.4	767	1	1.3
(3) <b>Loans to non-monetary financial intermediaries except insurance corporations and pension funds</b>	986	-6	7.8	971	-10	3.6
(4) <b>Loans to insurance corporations and pension funds</b>	96	-2	-8.1	102	3	-6.2

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.