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PRESS RELEASE

MONETARY DEVELOPMENTS IN THE EURO AREA: JULY 2014

The annual growth rate of the broad monetary aggregate M3 increased to 1.8% in July 2014, from 1.6% in June 2014.¹ The three-month average of the annual growth rates of M3 in the period from May 2014 to July 2014 increased to 1.5%, from 1.2% in the period from April 2014 to June 2014.

Twelve-month percentage changes; (adjusted for seasonal and end-of-month calendar effects)	MAY 2014	JUNE 2014	JULY 2014	MAY 2014 - JULY 2014 (AVERAGE)
M3	1.1	1.6	1.8	1.5
M1	5.0	5.4	5.6	5.3
Loans to the private sector	-2.0	-1.8	-1.6	-1.8
Loans to the private sector, adjusted for sales and securitisation	-1.4	-1.1	-1.0	-1.2

M3 components

Regarding the main components of M3, the annual growth rate of M1 increased to 5.6% in July 2014, from 5.4% in June. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) stood at -1.8% in July, unchanged from the previous month. The annual growth rate of marketable instruments (M3-M2) was less negative at -6.8% in July, from -8.8% in June. Among the deposits included in M3, the annual growth rate of deposits placed by households decreased to 1.8% in July, from 2.0% in the previous month, while the annual growth rate of deposits placed by non-financial corporations stood at 5.9% in July, compared with 6.0% in the previous month. Finally, the annual growth rate of deposits placed by non-monetary financial intermediaries (excluding insurance corporations and pension funds) was less negative at -3.5% in July, from -4.3% in the previous month.

Counterparts to M3: credit and loans

Turning to the main counterparts of M3 on the asset side of the consolidated balance sheet of Monetary Financial Institutions (MFIs), the annual growth rate of total credit granted to euro area residents was less negative at -1.9% in July 2014, from -2.3% in the previous month. The annual growth rate of credit extended to general government was less negative at -1.8% in July, from

¹ The annual growth rates presented in this press release refer to aggregates adjusted for seasonal and end-of-month calendar effects.

-2.6% in June and the annual growth rate of credit extended to the private sector was also less negative at -2.0% in July, from -2.2% in the previous month. Among the components of credit to the private sector, the annual growth rate of loans was less negative at -1.6% in July, from -1.8% in the previous month (adjusted for loan sales and securitisation², the rate stood at -1.0%, compared with -1.1% in the previous month). The annual growth rate of loans to households stood at -0.5% in July, compared with -0.6% in June (adjusted for loan sales and securitisation, the rate stood at 0.5%, unchanged from the previous month). The annual growth rate of lending for house purchase, the most important component of household loans, was less negative at -0.1% in July, from -0.4% in the previous month. The annual growth rate of loans to non-financial corporations stood at -2.3% in July, unchanged from the previous month (adjusted for loan sales and securitisation, the rate stood at -2.2% in July, unchanged from the previous month). Finally, the annual growth rate of loans to non-monetary financial intermediaries (excluding insurance corporations and pension funds) was less negative at -4.9% in July, from -5.9% in the previous month.

Other counterparts

Over the 12 months up to July 2014, the net external asset position of the euro area MFI sector increased by €416 billion, compared with an increase of €388 billion over the 12 months up to June. The annual growth rate of longer-term financial liabilities of the MFI sector was less negative at -1.3% in July, from -1.6% in June.

Notes

- Further predefined tables, statistical data and methodological notes, as well as the advance release calendar, are available on the ECB's website at <http://www.ecb.europa.eu/stats/money/aggregates/aggr/html/index.en.html>.
- A set of tables showing euro area monetary developments and MFI balance sheets for the euro area and euro area countries, together with a user-friendly facility for downloading data, is available in the ECB's Statistical Data Warehouse at <http://sdw.ecb.europa.eu/reports.do?node=1000003503>.

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² Adjusted for the derecognition of loans from the MFIs' statistical balance sheets due to their sale or securitisation.

I Monetary developments in the euro area: JULY 2014

(EUR billions and annual percentage changes; data adjusted for seasonal effects ^{a)})

	END-OF-MONTH LEVEL	MONTHLY FLOW ^{b)}			ANNUAL GROWTH RATE		
	JULY 2014	MAY 2014	JUNE 2014	JULY 2014	MAY 2014	JUNE 2014	JULY 2014
COMPONENTS OF M3 ^{c)}							
(1) M3 (= items 1.3, 1.6 and 1.11)	10016	48	32	58	1.1	1.6	1.8
(1.1) Currency in circulation	935	3	2	5	5.5	5.5	5.6
(1.2) Overnight deposits	4662	30	13	46	4.9	5.3	5.6
(1.3) M1 (items 1.1 and 1.2)	5598	32	15	51	5.0	5.4	5.6
(1.4) Deposits with an agreed maturity of up to two years	1674	8	3	-2	-4.7	-4.5	-4.2
(1.5) Deposits redeemable at notice of up to three months	2133	3	6	0	0.5	0.5	0.2
(1.6) Other short term deposits (items 1.4 and 1.5)	3807	11	8	-3	-1.9	-1.8	-1.8
(1.7) M2 (items 1.3 and 1.6)	9405	43	23	48	2.1	2.3	2.5
(1.8) Repurchase agreements	130	1	11	-2	-7.0	5.3	1.2
(1.9) Money market fund shares/units	411	-5	-2	16	-9.4	-8.3	-3.9
(1.10) Debt securities issued with a maturity of up to two years	71	9	0	-5	-27.7	-25.6	-28.1
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	611	5	9	9	-12.1	-8.8	-6.8
COUNTERPARTS OF M3							
MFI liabilities:							
(2) Holdings against central government ^{d)}	278	13	-2	3	-8.5	-8.8	-8.8
(3) Longer-term financial liabilities vis-a-vis other euro area residents (= items 3.1 to 3.4)	7295	-16	-37	-2	-1.2	-1.6	-1.3
(3.1) Deposits with an agreed maturity of over two years	2289	-12	-13	-11	-3.5	-3.9	-4.3
(3.2) Deposits redeemable at notice of over three months	90	0	-1	1	-6.7	-6.9	-5.1
(3.3) Debt securities issued with a maturity of over two years	2451	5	-18	-11	-3.2	-3.2	-2.6
(3.4) Capital and reserves	2464	-9	-5	20	3.4	2.6	3.4
MFI assets:							
(4) Credit to euro area residents (= items 4.1 and 4.2)	16041	-23	-25	13	-2.3	-2.3	-1.9
(4.1) Credit to general government	3465	1	-36	19	-1.4	-2.6	-1.8
Loans	1108	10	-15	5	-1.6	-1.5	-1.1
Securities other than shares	2357	-9	-21	13	-1.3	-3.1	-2.1
(4.2) Credit to other euro area residents	12576	-24	11	-6	-2.6	-2.2	-2.0
Loans ^{e)}	10437	-58	-9	-20	-2.0	-1.8	-1.6
loans adjusted for sales and securitisation ^{f)}	ND	-9	-4	-21	-1.4	-1.1	-1.0
Securities other than shares	1324	35	-1	6	-7.6	-7.5	-7.3
Shares and other equities	814	-1	21	8	-0.7	0.6	2.7
(5) Net external assets	1415	28	44	40	ND	ND	ND
(6) Other counterparts of M3 (residual) (= M3 + items 2, 3 - items 4, 5)	134	40	-26	6	ND	ND	ND
of which:							
(6.1) Repos with central counterparties (liabilities)(+) ^{g)}	170	-16	24	-2	-27.8	-23.8	-9.8
(6.2) Reverse repos to central counterparties (assets)(-) ^{g)}	125	-9	25	4	-19.9	-2.6	13.2

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) 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 MFIs and specific units of 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.

g) The series is not adjusted for seasonal effects.

2 Breakdown of deposits in M3 by holding sector and type: JULY 2014

(EUR billions and annual percentage changes; data adjusted for seasonal effects ^{a)})

	END-OF-MONTH LEVEL	MONTHLY FLOW ^{b)}			ANNUAL GROWTH RATE		
	JULY 2014	MAY 2014	JUNE 2014	JULY 2014	MAY 2014	JUNE 2014	JULY 2014
BREAKDOWN OF DEPOSITS IN M3							
Total deposits (= items 1, 2, 3, 4 and 5)	8599	41	32	41	1.6	2.1	2.1
(1) Deposits placed by households ^{c)}	5496	15	21	13	1.6	2.0	1.8
(1.1) Overnight deposits	2640	13	15	20	6.9	7.3	6.8
(1.2) Deposits with an agreed maturity of up to two years	857	0	1	-5	-8.9	-8.0	-7.4
(1.3) Deposits redeemable at notice of up to three months	1994	3	6	-2	0.2	0.3	0.0
(1.4) Repurchase agreements	5	-1	-1	1	-26.1	-30.4	-26.9
(2) Deposits placed by non-financial corporations	1763	6	2	13	5.9	6.0	5.9
(2.1) Overnight deposits	1254	7	6	11	7.6	8.1	8.2
(2.2) Deposits with an agreed maturity of up to two years	398	1	-4	3	0.5	-0.7	-0.7
(2.3) Deposits redeemable at notice of up to three months	98	0	0	1	5.3	4.9	4.1
(2.4) Repurchase agreements	13	-2	0	-2	26.7	40.6	27.1
(3) Deposits placed by non-monetary financial intermediaries excluding insurance corporations and pension funds ^{d)}	805	22	0	5	-4.0	-4.3	-3.5
(3.1) Overnight deposits	467	15	-7	3	-4.3	-5.0	-3.3
(3.2) Deposits with an agreed maturity of up to two years	235	3	4	1	-0.7	-2.1	-2.2
(3.3) Deposits redeemable at notice of up to three months	17	0	0	1	13.0	1.6	-1.3
(3.4) Repurchase agreements ^{d)}	86	4	4	1	-13.1	-7.2	-8.8
(4) Deposits placed by insurance corporations and pension funds	218	0	6	6	-4.7	1.7	3.5
(5) Deposits placed by other general government	318	-2	4	4	-1.1	-0.3	1.1

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) Monthly difference in levels adjusted for reclassifications, exchange rate variations, other revaluations and any other changes which do not arise from transactions.

c) Includes deposits by non-profit institutions serving households.

d) Excludes repurchase agreements with central counterparties.

3 Contributions of M3 components to the M3 annual growth rate: JULY 2014

(contributions in terms of the M3 annual percentage change; data adjusted for seasonal effects ^{a)})

	MAY 2014	JUNE 2014	JULY 2014
(1) M1	2.7	2.9	3.0
(1.1) <i>of which: Currency</i>	0.5	0.5	0.5
(1.2) <i>of which: Overnight deposits</i>	2.2	2.4	2.5
(2) M2 - M1 (= other short-term deposits)	-0.7	-0.7	-0.7
(3) M3 - M2 (= short term marketable instruments)	-0.9	-0.6	-0.5
(4) M3 (= items 1, 2 and 3)	1.1	1.6	1.8

a) Figures may not add up due to rounding.

4 Breakdown of loans as counterpart to M3 by borrowing sector, type and original maturity: JULY 2014

(EUR billions and annual percentage changes; data adjusted for seasonal effects ^{a)})

	END-OF-MONTH LEVEL	MONTHLY FLOW ^{b)}			ANNUAL GROWTH RATE		
	JULY 2014	MAY 2014	JUNE 2014	JULY 2014	MAY 2014	JUNE 2014	JULY 2014
BREAKDOWN OF LOANS AS COUNTERPART TO M3^{c)}							
(1) Loans to households^{d)}	5190	-44	2	2	-0.7	-0.6	-0.5
<i>loans adjusted for sales and securitisation^{e)}</i>	ND	2	3	3	0.4	0.5	0.5
(1.1) Credit for consumption	570	-2	1	0	-2.2	-1.5	-1.7
(1.2) Lending for house purchase	3833	-39	0	2	-0.3	-0.4	-0.1
(1.3) Other lending	787	-2	1	0	-1.8	-1.4	-1.3
<i>of which: sole proprietors^{f)}</i>	399	0	1	-1	-2.0	-1.6	-1.2
(2) Loans to non-financial corporations	4294	-11	0	-14	-2.6	-2.3	-2.3
<i>loans adjusted for sales and securitisation^{e)}</i>	ND	-8	5	-16	-2.6	-2.2	-2.2
(2.1) up to 1 year	1052	-9	19	-5	-4.9	-2.8	-2.4
(2.2) over 1 year and up to 5 years	731	-4	4	-3	-4.2	-3.3	-3.7
(2.3) over 5 years	2511	1	-23	-6	-1.2	-1.8	-1.9
(3) Loans to non-monetary financial intermediaries except insurance corporations and pension funds^{g)}	851	1	-14	-12	-6.7	-5.9	-4.9
(4) Loans to insurance corporations and pension funds	102	-4	3	4	2.9	4.7	7.1

a) Figures may not add up due to rounding.

b) 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.

e) Adjusted for the derecognition of loans from the MFI statistical balance sheet due to their sale or securitisation.

f) The series is not adjusted for seasonal effects.

g) Excludes reverse repos to central counterparties.