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## PRESS RELEASE

### MONETARY DEVELOPMENTS IN THE EURO AREA: DECEMBER 2013

The annual growth rate of the broad monetary aggregate M3 decreased to 1.0% in December 2013, from 1.5% in November 2013.<sup>1</sup> The three-month average of the annual growth rates of M3 in the period from October 2013 to December 2013 decreased to 1.3%, from 1.6% in the period from September 2013 to November 2013.

Twelve-month percentage changes; (adjusted for seasonal and end-of-month calendar effects)	OCTOBER 2013	NOVEMBER 2013	DECEMBER 2013	OCTOBER 2013 - DECEMBER 2013 (AVERAGE)
<b>M3</b>	1.4	1.5	1.0	1.3
<b>M1</b>	6.5	6.5	5.8	6.3
<b>Loans to the private sector</b>	-2.1	-2.3	-2.3	-2.2
<b>Loans to the private sector, adjusted for sales and securitisation</b>	-1.7	-1.8	-2.1	-1.9

#### M3 components

Regarding the main components of M3, the annual growth rate of M1 decreased to 5.8% in December 2013, from 6.5% in November. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) was more negative at -1.8% in December, from -1.5% in the previous month. The annual growth rate of marketable instruments (M3-M2) stood at -16.4% in December, compared with -16.3% in November. Among the deposits included in M3, the annual growth rate of deposits placed by households decreased to 2.0% in December, from 2.7% in the previous month, while the annual growth rate of deposits placed by non-financial corporations decreased to 6.0% in December, from 6.5% in the previous month. Finally, the annual growth rate of deposits placed by non-monetary financial intermediaries (excluding insurance corporations and pension funds) was more negative at -2.1% in December, from -1.1% in the previous month.

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

### **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 more negative at -2.0% in December 2013, from -1.4% in the previous month. The annual growth rate of credit extended to general government stood at -0.7% in December, compared with -0.6% in November, while the annual growth rate of credit extended to the private sector was more negative at -2.4% in December, from -1.6% in the previous month. Among the components of credit to the private sector, the annual growth rate of loans stood at -2.3% in December, unchanged from the previous month (adjusted for loan sales and securitisation<sup>2</sup>, the rate was more negative at -2.1%, from -1.8% in the previous month). The annual growth rate of loans to households stood at -0.1% in December, compared with 0.0% in November (adjusted for loan sales and securitisation, the rate stood at 0.3%, unchanged from the previous month). The annual growth rate of lending for house purchase, the most important component of household loans, decreased to 0.7% in December, from 0.9% in the previous month. The annual growth rate of loans to non-financial corporations was less negative at -3.0% in December, from -3.8% in the previous month (adjusted for loan sales and securitisation, the rate was less negative at -2.9% in December, from -3.1% in the previous month). Finally, the annual growth rate of loans to non-monetary financial intermediaries (excluding insurance corporations and pension funds) was more negative at -12.2% in December, from -9.2% in the previous month.

### **Other counterparts**

Over the 12 months up to December 2013, the net external asset position of the euro area MFI sector increased by €360 billion, compared with an increase of €318 billion over the 12 months up to November. The annual growth rate of longer-term financial liabilities of the MFI sector was more negative at -1.2% in December, from -0.9% in November.

### 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>.
- 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.

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

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# I Monetary developments in the euro area: DECEMBER 2013

(EUR billions and annual percentage changes; data adjusted for seasonal effects <sup>a)</sup>)

	END-OF-MONTH LEVEL	MONTHLY FLOW <sup>b)</sup>			ANNUAL GROWTH RATE		
	DECEMBER 2013	OCTOBER 2013	NOVEMBER 2013	DECEMBER 2013	OCTOBER 2013	NOVEMBER 2013	DECEMBER 2013
<b>COMPONENTS OF M3 <sup>c)</sup></b>							
<b>(1) M3</b> (= items 1.3, 1.6 and 1.11)	9831	22	17	-48	1.4	1.5	1.0
(1.1) Currency in circulation	910	4	5	7	3.7	4.5	5.3
(1.2) Overnight deposits	4487	50	21	-33	7.1	6.9	5.9
<b>(1.3) M1</b> (items 1.1 and 1.2)	5396	55	26	-26	6.5	6.5	5.8
(1.4) Deposits with an agreed maturity of up to two years	1690	-27	-10	7	-6.6	-6.8	-6.2
(1.5) Deposits redeemable at notice of up to three months	2121	-4	4	-12	3.5	3.1	2.0
(1.6) Other short term deposits (items 1.4 and 1.5)	3811	-31	-5	-5	-1.2	-1.5	-1.8
<b>(1.7) M2</b> (items 1.3 and 1.6)	9207	24	21	-31	3.2	3.0	2.5
(1.8) Repurchase agreements	119	8	2	1	-10.3	-9.7	-9.3
(1.9) Money market fund shares/units	418	1	-5	0	-12.5	-12.6	-10.5
(1.10) Debt securities issued with a maturity of up to two years	87	-11	0	-17	-36.0	-30.9	-38.1
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	624	-2	-4	-16	-17.9	-16.3	-16.4
<b>COUNTERPARTS OF M3</b>							
<b>MFI liabilities:</b>							
<b>(2) Holdings against central government <sup>d)</sup></b>	257	-25	-4	4	-9.5	-15.7	-15.1
<b>(3) Longer-term financial liabilities vis-a-vis other euro area residents</b> (= items 3.1 to 3.4)	7306	24	-16	-25	-0.8	-0.9	-1.2
(3.1) Deposits with an agreed maturity of over two years	2372	9	-6	-22	-0.9	-0.6	-0.8
(3.2) Deposits redeemable at notice of over three months	92	-1	-1	0	-14.8	-14.4	-13.5
(3.3) Debt securities issued with a maturity of over two years	2512	19	-2	4	-5.4	-5.5	-5.1
(3.4) Capital and reserves	2331	-2	-8	-7	5.1	4.9	3.4
<b>MFI assets:</b>							
<b>(4) Credit to euro area residents</b> (= items 4.1 and 4.2)	16095	-22	-99	-84	-1.0	-1.4	-2.0
(4.1) Credit to general government	3401	13	-39	-24	0.8	-0.6	-0.7
Loans	1093	3	-16	-3	-6.5	-7.3	-6.3
Securities other than shares	2308	10	-23	-21	4.6	2.9	2.2
(4.2) Credit to other euro area residents	12695	-35	-60	-60	-1.4	-1.6	-2.4
Loans <sup>e)</sup>	10540	-13	-28	-24	-2.1	-2.3	-2.3
loans adjusted for sales and securitisation <sup>f)</sup>	ND	-13	-26	-22	-1.7	-1.8	-2.1
Securities other than shares	1356	-20	-23	-38	1.1	1.9	-5.0
Shares and other equities	799	-2	-9	1	4.3	2.7	1.4
<b>(5) Net external assets</b>	1164	45	48	61	ND	ND	ND
<b>(6) Other counterparts of M3 (residual)</b> (= M3 + items 2, 3 - items 4, 5)	135	-1	48	-46	ND	ND	ND
of which:							
(6.1) Repos with central counterparties (liabilities)(+) <sup>g)</sup>	178	-13	2	-5	1.3	-0.9	9.9
(6.2) Reverse repos to central counterparties (assets)(-) <sup>g)</sup>	123	-8	14	-5	4.0	20.8	28.2

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: DECEMBER 2013

(EUR billions and annual percentage changes; data adjusted for seasonal effects <sup>a)</sup>)

	END-OF-MONTH LEVEL	MONTHLY FLOW <sup>b)</sup>			ANNUAL GROWTH RATE		
	DECEMBER 2013	OCTOBER 2013	NOVEMBER 2013	DECEMBER 2013	OCTOBER 2013	NOVEMBER 2013	DECEMBER 2013
<b>BREAKDOWN OF DEPOSITS IN M3</b>							
<b>Total deposits</b> (= items 1, 2, 3, 4 and 5)	8417	27	18	-37	2.9	2.7	2.1
<b>(1) Deposits placed by households <sup>c)</sup></b>	5409	8	7	-18	3.2	2.7	2.0
(1.1) Overnight deposits	2542	27	15	-1	8.4	8.3	7.7
(1.2) Deposits with an agreed maturity of up to two years	873	-13	-7	-15	-7.9	-8.9	-10.3
(1.3) Deposits redeemable at notice of up to three months	1989	-6	-1	-1	2.7	2.1	1.5
(1.4) Repurchase agreements	5	-1	0	-1	-52.1	-52.3	-53.9
<b>(2) Deposits placed by non-financial corporations</b>	1708	20	19	-2	5.9	6.5	6.0
(2.1) Overnight deposits	1197	17	17	-7	8.1	8.8	8.1
(2.2) Deposits with an agreed maturity of up to two years	399	0	4	0	-1.5	-0.5	-1.5
(2.3) Deposits redeemable at notice of up to three months	95	2	0	-1	11.4	10.4	8.7
(2.4) Repurchase agreements	16	2	-1	6	4.6	1.6	54.1
<b>(3) Deposits placed by non-monetary financial intermediaries excluding insurance corporations and pension funds <sup>d)</sup></b>	803	2	-16	6	-0.3	-1.1	-2.1
(3.1) Overnight deposits	469	14	-14	-7	4.0	0.5	0.0
(3.2) Deposits with an agreed maturity of up to two years	236	-18	-10	24	-6.7	-6.0	-2.4
(3.3) Deposits redeemable at notice of up to three months	17	0	7	-7	30.8	74.1	21.8
(3.4) Repurchase agreements <sup>d)</sup>	80	5	2	-4	-10.7	-9.0	-15.1
<b>(4) Deposits placed by insurance corporations and pension funds</b>	192	1	-1	-9	0.3	-2.6	-7.1
<b>(5) Deposits placed by other general government</b>	305	-4	8	-14	-6.0	-3.9	-0.2

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) 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: DECEMBER 2013

(contributions in terms of the M3 annual percentage change; data adjusted for seasonal effects <sup>a)</sup>)

	OCTOBER 2013	NOVEMBER 2013	DECEMBER 2013
<b>(1) M1</b>	3.4	3.4	3.0
(1.1) <i>of which:</i> Currency	0.3	0.4	0.5
(1.2) <i>of which:</i> Overnight deposits	3.1	3.0	2.5
<b>(2) M2 - M1 (= other short-term deposits)</b>	-0.5	-0.6	-0.7
<b>(3) M3 - M2 (= short term marketable instruments)</b>	-1.5	-1.3	-1.3
<b>(4) M3 (= items 1, 2 and 3)</b>	1.4	1.5	1.0

a) Figures may not add up due to rounding.

### 4 Breakdown of loans as counterpart to M3 by borrowing sector, type and original maturity: DECEMBER 2013

(EUR billions and annual percentage changes; data adjusted for seasonal effects <sup>a)</sup>)

	END-OF-MONTH LEVEL	MONTHLY FLOW <sup>b)</sup>			ANNUAL GROWTH RATE		
	DECEMBER 2013	OCTOBER 2013	NOVEMBER 2013	DECEMBER 2013	OCTOBER 2013	NOVEMBER 2013	DECEMBER 2013
<b>BREAKDOWN OF LOANS AS COUNTERPART TO M3<sup>c)</sup></b>							
<b>(1) Loans to households<sup>d)</sup></b>	5222	1	-3	-4	0.1	0.0	-0.1
<i>loans adjusted for sales and securitisation<sup>e)</sup></i>	ND	3	0	-4	0.3	0.3	0.3
(1.1) Credit for consumption	574	-6	-2	2	-3.1	-3.3	-3.0
(1.2) Lending for house purchase	3852	8	3	-4	0.9	0.9	0.7
(1.3) Other lending	796	-1	-4	-3	-1.3	-1.7	-1.6
<i>of which: sole proprietors<sup>f)</sup></i>	406	-2	-1	-3	-1.7	-1.6	-3.2
<b>(2) Loans to non-financial corporations</b>	4354	-12	-13	-3	-3.7	-3.8	-3.0
<i>loans adjusted for sales and securitisation<sup>e)</sup></i>	ND	-14	-14	-2	-2.9	-3.1	-2.9
(2.1) up to 1 year	1065	-8	-9	5	-4.1	-4.7	-4.2
(2.2) over 1 year and up to 5 years	740	0	-1	-17	-5.3	-5.0	-5.7
(2.3) over 5 years	2548	-4	-3	9	-3.0	-3.1	-1.7
<b>(3) Loans to non-monetary financial intermediaries except insurance corporations and pension funds<sup>g)</sup></b>	866	-4	-15	-15	-8.0	-9.2	-12.2
<b>(4) Loans to insurance corporations and pension funds</b>	98	2	3	-2	8.4	14.0	10.7

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.