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PRESS RELEASE

MONETARY DEVELOPMENTS IN THE EURO AREA: JANUARY 2014

The annual growth rate of the broad monetary aggregate M3 increased to 1.2% in January 2014, from 1.0% in December 2013.¹ The three-month average of the annual growth rates of M3 in the period from November 2013 to January 2014 stood at 1.2%, compared with 1.3% in the period from October 2013 to December 2013.

Twelve-month percentage changes; (adjusted for seasonal and end-of-month calendar effects)	NOVEMBER 2013	DECEMBER 2013	JANUARY 2014	NOVEMBER 2013 - JANUARY 2014 (AVERAGE)
M3	1.5	1.0	1.2	1.2
M1	6.5	5.7	6.2	6.1
Loans to the private sector	-2.3	-2.3	-2.2	-2.3
Loans to the private sector, adjusted for sales and securitisation	-1.8	-2.0	-2.0	-2.0

M3 components

Regarding the main components of M3, the annual growth rate of M1 increased to 6.2% in January 2014, from 5.7% in December. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) was more negative at -2.6% in January, from -1.7% in the previous month. The annual growth rate of marketable instruments (M3-M2) was less negative at -12.8% in January, from -16.2% in December. Among the deposits included in M3, the annual growth rate of deposits placed by households decreased to 1.7% in January, from 2.0% in the previous month, while the annual growth rate of deposits placed by non-financial corporations decreased to 5.9% in January, from 6.1% 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 -3.9% in January, from -2.0% 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 -1.7% in January 2014, from -2.0% in the previous month. The

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

annual growth rate of credit extended to general government increased to 0.2% in January, from -0.7% in December, while the annual growth rate of credit extended to the private sector was less negative at -2.2% in January, from -2.4% in the previous month. Among the components of credit to the private sector, the annual growth rate of loans stood at -2.2% in January, compared with -2.3% in the previous month (adjusted for loan sales and securitisation², the rate stood at -2.0%, unchanged from the previous month). The annual growth rate of loans to households stood at -0.2% in January, compared with -0.1% in December (adjusted for loan sales and securitisation, the rate stood at 0.2%, compared with 0.3% in the previous month). The annual growth rate of lending for house purchase, the most important component of household loans, decreased to 0.5% in January, from 0.7% in the previous month. The annual growth rate of loans to non-financial corporations stood at -2.9% in January, compared with -3.0% in the previous month (adjusted for loan sales and securitisation, the rate stood at -2.9% in January, 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 -11.1% in January, from -12.2% in the previous month.

Other counterparts

Over the 12 months up to January 2014, the net external asset position of the euro area MFI sector increased by €340 billion, compared with an increase of €361 billion over the 12 months up to December. The annual growth rate of longer-term financial liabilities of the MFI sector stood at -1.1% in January, compared with -1.2% in December.

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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. Data on outstanding amounts include Latvia as of January 2014.

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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: JANUARY 2014

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

	END-OF-MONTH LEVEL	MONTHLY FLOW ^{b)}			ANNUAL GROWTH RATE		
	JANUARY 2014	NOVEMBER 2013	DECEMBER 2013	JANUARY 2014	NOVEMBER 2013	DECEMBER 2013	JANUARY 2014
COMPONENTS OF M3 ^{c)}							
(1) M3 (= items 1.3, 1.6 and 1.11)	9898	17	-51	55	1.5	1.0	1.2
(1.1) Currency in circulation	914	5	7	4	4.5	5.3	5.8
(1.2) Overnight deposits	4541	21	-38	49	6.9	5.8	6.3
(1.3) M1 (items 1.1 and 1.2)	5455	26	-32	53	6.5	5.7	6.2
(1.4) Deposits with an agreed maturity of up to two years	1674	-10	7	-20	-6.8	-6.1	-7.3
(1.5) Deposits redeemable at notice of up to three months	2119	4	-11	-3	3.1	2.1	1.5
(1.6) Other short term deposits (items 1.4 and 1.5)	3793	-5	-3	-23	-1.5	-1.7	-2.6
(1.7) M2 (items 1.3 and 1.6)	9248	21	-35	30	3.0	2.5	2.4
(1.8) Repurchase agreements	125	2	0	6	-9.4	-9.5	-9.1
(1.9) Money market fund shares/units	434	-6	1	16	-12.6	-10.4	-6.4
(1.10) Debt securities issued with a maturity of up to two years	92	0	-16	4	-30.8	-37.5	-33.9
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	650	-3	-15	25	-16.3	-16.2	-12.8
COUNTERPARTS OF M3							
MFI liabilities:							
(2) Holdings against central government ^{d)}	238	-4	4	-20	-15.7	-15.2	-18.2
(3) Longer-term financial liabilities vis-a-vis other euro area residents (= items 3.1 to 3.4)	7350	-16	-23	0	-0.9	-1.2	-1.1
(3.1) Deposits with an agreed maturity of over two years	2375	-6	-21	-4	-0.6	-0.8	-0.8
(3.2) Deposits redeemable at notice of over three months	91	-1	0	-1	-14.4	-13.5	-12.6
(3.3) Debt securities issued with a maturity of over two years	2499	-2	1	-22	-5.5	-5.1	-5.4
(3.4) Capital and reserves	2385	-8	-3	27	4.8	3.5	4.0
MFI assets:							
(4) Credit to euro area residents (= items 4.1 and 4.2)	16172	-99	-82	38	-1.4	-2.0	-1.7
(4.1) Credit to general government	3450	-38	-26	33	-0.6	-0.7	0.2
Loans	1110	-16	-3	16	-7.3	-6.3	-4.9
Securities other than shares	2340	-23	-23	17	3.0	2.2	2.9
(4.2) Credit to other euro area residents	12722	-61	-56	4	-1.6	-2.4	-2.2
Loans ^{e)}	10561	-29	-22	0	-2.3	-2.3	-2.2
loans adjusted for sales and securitisation ^{f)}	ND	-26	-19	-6	-1.8	-2.0	-2.0
Securities other than shares	1369	-23	-39	7	1.9	-5.1	-4.0
Shares and other equities	792	-9	4	-3	2.7	1.9	0.9
(5) Net external assets	1204	48	64	19	ND	ND	ND
(6) Other counterparts of M3 (residual) (= M3 + items 2, 3 - items 4, 5)	110	48	-52	-21	ND	ND	ND
of which:							
(6.1) Repos with central counterparties (liabilities)(+) ^{g)}	160	2	-5	-18	-1.1	9.9	-1.6
(6.2) Reverse repos to central counterparties (assets)(-) ^{g)}	106	14	-5	-16	20.6	28.0	-2.7

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: JANUARY 2014

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

	END-OF-MONTH LEVEL	MONTHLY FLOW ^{b)}			ANNUAL GROWTH RATE		
	JANUARY 2014	NOVEMBER 2013	DECEMBER 2013	JANUARY 2014	NOVEMBER 2013	DECEMBER 2013	JANUARY 2014
BREAKDOWN OF DEPOSITS IN M3							
Total deposits (= items 1, 2, 3, 4 and 5)	8459	18	-42	32	2.7	2.0	1.9
(1) Deposits placed by households ^{c)}	5417	7	-17	3	2.7	2.0	1.7
(1.1) Overnight deposits	2561	15	0	14	8.3	7.8	7.8
(1.2) Deposits with an agreed maturity of up to two years	869	-7	-15	-5	-8.9	-10.3	-11.2
(1.3) Deposits redeemable at notice of up to three months	1983	-1	0	-7	2.1	1.6	0.9
(1.4) Repurchase agreements	5	0	-1	0	-51.9	-57.1	-52.6
(2) Deposits placed by non-financial corporations	1729	20	0	11	6.5	6.1	5.9
(2.1) Overnight deposits	1212	17	-5	7	8.8	8.2	7.7
(2.2) Deposits with an agreed maturity of up to two years	406	4	0	4	-0.5	-1.4	0.0
(2.3) Deposits redeemable at notice of up to three months	94	0	-1	-1	10.4	8.8	7.9
(2.4) Repurchase agreements	17	-1	6	1	1.6	54.4	14.7
(3) Deposits placed by non-monetary financial intermediaries excluding insurance corporations and pension funds ^{d)}	794	-15	6	-11	-1.1	-2.0	-3.9
(3.1) Overnight deposits	475	-14	-6	4	0.5	0.0	0.1
(3.2) Deposits with an agreed maturity of up to two years	217	-10	24	-20	-6.0	-2.3	-10.2
(3.3) Deposits redeemable at notice of up to three months	20	7	-7	3	74.1	21.4	39.7
(3.4) Repurchase agreements ^{d)}	81	2	-4	1	-8.7	-15.2	-14.7
(4) Deposits placed by insurance corporations and pension funds	207	-1	-9	15	-2.5	-7.0	-1.0
(5) Deposits placed by other general government	312	8	-22	15	-4.0	-3.0	2.7

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: JANUARY 2014

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

	NOVEMBER 2013	DECEMBER 2013	JANUARY 2014
(1) M1	3.4	2.9	3.3
(1.1) <i>of which: Currency</i>	0.4	0.5	0.5
(1.2) <i>of which: Overnight deposits</i>	3.0	2.5	2.7
(2) M2 - M1 (= other short-term deposits)	-0.6	-0.7	-1.0
(3) M3 - M2 (= short term marketable instruments)	-1.3	-1.3	-1.0
(4) M3 (= items 1, 2 and 3)	1.5	1.0	1.2

a) Figures may not add up due to rounding.

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

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

	END-OF-MONTH LEVEL	MONTHLY FLOW ^{b)}			ANNUAL GROWTH RATE		
	JANUARY 2014	NOVEMBER 2013	DECEMBER 2013	JANUARY 2014	NOVEMBER 2013	DECEMBER 2013	JANUARY 2014
BREAKDOWN OF LOANS AS COUNTERPART TO M3^{c)}							
(1) Loans to households^{d)}	5228	-3	-5	0	0.0	-0.1	-0.2
<i>loans adjusted for sales and securitisation^{e)}</i>	ND	0	-3	0	0.3	0.3	0.2
(1.1) Credit for consumption	572	-2	2	-1	-3.3	-3.1	-3.0
(1.2) Lending for house purchase	3858	2	-3	1	0.9	0.7	0.5
(1.3) Other lending	798	-4	-3	0	-1.8	-1.6	-1.5
<i>of which: sole proprietors^{f)}</i>	408	-1	0	-2	-1.6	-2.5	-2.6
(2) Loans to non-financial corporations	4378	-13	0	-6	-3.8	-3.0	-2.9
<i>loans adjusted for sales and securitisation^{e)}</i>	ND	-14	1	-12	-3.1	-2.9	-2.9
(2.1) up to 1 year	1062	-8	7	-8	-4.7	-4.0	-4.4
(2.2) over 1 year and up to 5 years	746	-1	-16	2	-5.0	-5.7	-5.1
(2.3) over 5 years	2570	-4	9	1	-3.1	-1.7	-1.6
(3) Loans to non-monetary financial intermediaries except insurance corporations and pension funds^{g)}	856	-15	-15	4	-9.2	-12.2	-11.1
(4) Loans to insurance corporations and pension funds	100	3	-2	1	14.0	10.8	7.4

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.