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PRESS RELEASE

MONETARY DEVELOPMENTS IN THE EURO AREA: AUGUST 2014

The annual growth rate of the broad monetary aggregate M3 increased to 2.0% in August 2014, from 1.8% in July 2014.¹ The three-month average of the annual growth rates of M3 in the period from June 2014 to August 2014 increased to 1.8%, from 1.5% in the period from May 2014 to July 2014.

Twelve-month percentage changes; (adjusted for seasonal and end-of-month calendar effects)	JUNE 2014	JULY 2014	AUGUST 2014	JUNE 2014 - AUGUST 2014 (AVERAGE)
M3	1.6	1.8	2.0	1.8
M1	5.4	5.6	5.8	5.6
Loans to the private sector	-1.8	-1.6	-1.5	-1.6
Loans to the private sector, adjusted for sales and securitisation	-1.1	-1.0	-0.9	-1.0

M3 components

Regarding the main components of M3, the annual growth rate of M1 increased to 5.8% in August 2014, from 5.6% in July. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) stood at -1.7% in August, compared with -1.8% in the previous month. The annual growth rate of marketable instruments (M3-M2) was less negative at -6.4% in August, from -6.8% in July. Among the deposits included in M3, the annual growth rate of deposits placed by households increased to 2.0% in August, from 1.8% in the previous month, while the annual growth rate of deposits placed by non-financial corporations stood at 6.0% in August, compared with 5.9% 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 -3.1% in August, from -3.4% in the previous month.

¹ 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 stood at -1.8% in August 2014, compared with -1.9% in the previous month. The annual growth rate of credit extended to general government was less negative at -1.2% in August, from -1.8% in July, while the annual growth rate of credit extended to the private sector stood at -1.9% in August, unchanged from the previous month. Among the components of credit to the private sector, the annual growth rate of loans stood at -1.5% in August, compared with -1.6% in the previous month (adjusted for loan sales and securitisation², the rate stood at -0.9%, compared with -1.0% in the previous month). The annual growth rate of loans to households stood at -0.5% in August, unchanged from the previous month (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, stood at 0.0% in August, compared with -0.1% in the previous month. The annual growth rate of loans to non-financial corporations was less negative at -2.2% in August, from -2.4% in the previous month (adjusted for loan sales and securitisation, the rate was less negative at -2.0% in August, from -2.2% in 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 -4.0% in August, from -4.9% in the previous month.

Other counterparts

Over the 12 months up to August 2014, the net external asset position of the euro area MFI sector increased by €381 billion, compared with an increase of €417 billion over the 12 months up to July. The annual growth rate of longer-term financial liabilities of the MFI sector was less negative at -1.1% in August, from -1.3% in July.

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: AUGUST 2014

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

	END-OF-MONTH LEVEL	MONTHLY FLOW ^{b)}			ANNUAL GROWTH RATE		
	AUGUST 2014	JUNE 2014	JULY 2014	AUGUST 2014	JUNE 2014	JULY 2014	AUGUST 2014
COMPONENTS OF M3 ^{c)}							
(1) M3 (= items 1.3, 1.6 and 1.11)	10060	32	58	40	1.6	1.8	2.0
(1.1) Currency in circulation	943	2	5	8	5.5	5.6	5.8
(1.2) Overnight deposits	4713	13	46	48	5.3	5.6	5.8
(1.3) M1 (items 1.1 and 1.2)	5656	15	51	56	5.4	5.6	5.8
(1.4) Deposits with an agreed maturity of up to two years	1660	3	-2	-16	-4.5	-4.2	-4.2
(1.5) Deposits redeemable at notice of up to three months	2135	6	0	2	0.5	0.2	0.3
(1.6) Other short term deposits (items 1.4 and 1.5)	3794	8	-2	-14	-1.8	-1.8	-1.7
(1.7) M2 (items 1.3 and 1.6)	9451	23	49	42	2.3	2.5	2.7
(1.8) Repurchase agreements	130	11	-2	0	5.3	1.1	6.4
(1.9) Money market fund shares/units	404	-2	16	-7	-8.2	-3.9	-5.2
(1.10) Debt securities issued with a maturity of up to two years	76	0	-5	5	-25.7	-28.3	-24.5
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	610	9	9	-2	-8.8	-6.8	-6.4
COUNTERPARTS OF M3							
MFI liabilities:							
(2) Holdings against central government ^{d)}	271	-2	3	-8	-8.8	-8.8	-5.9
(3) Longer-term financial liabilities vis-à-vis other euro area residents (= items 3.1 to 3.4)	7318	-37	-1	5	-1.6	-1.3	-1.1
(3.1) Deposits with an agreed maturity of over two years	2288	-13	-11	-3	-3.9	-4.2	-4.3
(3.2) Deposits redeemable at notice of over three months	92	-1	1	1	-6.9	-5.1	-2.9
(3.3) Debt securities issued with a maturity of over two years	2446	-18	-11	-11	-3.2	-2.6	-2.5
(3.4) Capital and reserves	2492	-5	20	18	2.6	3.4	3.5
MFI assets:							
(4) Credit to euro area residents (= items 4.1 and 4.2)	16071	-25	14	16	-2.3	-1.9	-1.8
(4.1) Credit to general government	3503	-36	19	27	-2.6	-1.8	-1.2
Loans	1106	-15	5	-2	-1.5	-1.1	-0.7
Securities other than shares	2397	-21	14	29	-3.1	-2.1	-1.4
(4.2) Credit to other euro area residents	12568	11	-5	-10	-2.2	-1.9	-1.9
Loans ^{e)}	10435	-9	-20	-3	-1.8	-1.6	-1.5
loans adjusted for sales and securitisation ^{f)}	ND	-4	-21	-2	-1.1	-1.0	-0.9
Securities other than shares	1318	-1	6	-7	-7.5	-7.3	-7.9
Shares and other equities	814	21	8	-1	0.6	2.7	2.6
(5) Net external assets	1415	44	40	-13	ND	ND	ND
(6) Other counterparts of M3 (residual) (= M3 + items 2, 3 - items 4, 5)	163	-26	7	34	ND	ND	ND
of which:							
(6.1) Repos with central counterparties (liabilities)(+) ^{g)}	172	24	-2	2	-23.8	-9.8	-11.6
(6.2) Reverse repos to central counterparties (assets)(-) ^{g)}	122	25	4	-3	-2.6	13.2	3.6

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: AUGUST 2014

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

	END-OF-MONTH LEVEL	MONTHLY FLOW ^{b)}			ANNUAL GROWTH RATE		
	AUGUST 2014	JUNE 2014	JULY 2014	AUGUST 2014	JUNE 2014	JULY 2014	AUGUST 2014
BREAKDOWN OF DEPOSITS IN M3							
Total deposits (= items 1, 2, 3, 4 and 5)	8638	32	42	34	2.1	2.1	2.4
(1) Deposits placed by households ^{c)}	5513	21	13	17	2.0	1.8	2.0
(1.1) Overnight deposits	2662	15	20	22	7.3	6.8	7.0
(1.2) Deposits with an agreed maturity of up to two years	852	1	-5	-6	-8.0	-7.4	-7.3
(1.3) Deposits redeemable at notice of up to three months	1995	6	-2	1	0.3	0.0	0.1
(1.4) Repurchase agreements	5	-1	1	0	-30.4	-26.9	-23.1
(2) Deposits placed by non-financial corporations	1781	2	13	17	6.0	5.9	6.0
(2.1) Overnight deposits	1271	6	11	15	8.1	8.2	8.4
(2.2) Deposits with an agreed maturity of up to two years	396	-4	3	-2	-0.7	-0.8	-1.3
(2.3) Deposits redeemable at notice of up to three months	99	0	1	1	4.9	4.1	3.4
(2.4) Repurchase agreements	15	0	-2	2	40.6	27.1	33.4
(3) Deposits placed by non-monetary financial intermediaries excluding insurance corporations and pension funds ^{d)}	801	0	6	-5	-4.3	-3.4	-3.1
(3.1) Overnight deposits	470	-7	3	2	-5.0	-3.2	-4.0
(3.2) Deposits with an agreed maturity of up to two years	231	4	1	-5	-2.1	-1.9	-0.7
(3.3) Deposits redeemable at notice of up to three months	17	0	1	0	1.6	-1.3	2.4
(3.4) Repurchase agreements ^{d)}	83	4	1	-3	-7.2	-8.8	-5.8
(4) Deposits placed by insurance corporations and pension funds	218	6	6	1	1.7	3.5	5.7
(5) Deposits placed by other general government	324	4	4	6	-0.3	1.2	2.4

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: AUGUST 2014

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

	JUNE 2014	JULY 2014	AUGUST 2014
(1) M1	2.9	3.0	3.2
(1.1) <i>of which: Currency</i>	0.5	0.5	0.5
(1.2) <i>of which: Overnight deposits</i>	2.4	2.5	2.6
(2) M2 - M1 (= other short-term deposits)	-0.7	-0.7	-0.7
(3) M3 - M2 (= short term marketable instruments)	-0.6	-0.5	-0.4
(4) M3 (= items 1, 2 and 3)	1.6	1.8	2.0

a) Figures may not add up due to rounding.

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

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

	END-OF-MONTH LEVEL	MONTHLY FLOW ^{b)}			ANNUAL GROWTH RATE		
	AUGUST 2014	JUNE 2014	JULY 2014	AUGUST 2014	JUNE 2014	JULY 2014	AUGUST 2014
BREAKDOWN OF LOANS AS COUNTERPART TO M3^{c)}							
(1) Loans to households ^{d)}	5195	2	2	5	-0.6	-0.5	-0.5
<i>loans adjusted for sales and securitisation ^{e)}</i>	ND	3	3	5	0.5	0.5	0.5
(1.1) Credit for consumption	568	1	1	-2	-1.5	-1.6	-1.6
(1.2) Lending for house purchase	3842	0	2	9	-0.4	-0.1	0.0
(1.3) Other lending	784	1	-1	-2	-1.4	-1.4	-1.7
<i>of which: sole proprietors ^{f)}</i>	397	1	-2	-3	-1.6	-1.5	-1.8
(2) Loans to non-financial corporations	4292	0	-14	-1	-2.3	-2.4	-2.2
<i>loans adjusted for sales and securitisation ^{e)}</i>	ND	5	-16	0	-2.2	-2.2	-2.0
(2.1) up to 1 year	1051	19	-5	-1	-2.8	-2.4	-2.1
(2.2) over 1 year and up to 5 years	731	4	-2	0	-3.3	-3.6	-3.5
(2.3) over 5 years	2509	-23	-7	0	-1.8	-1.9	-1.8
(3) Loans to non-monetary financial intermediaries except insurance corporations and pension funds ^{g)}	852	-14	-12	-1	-5.9	-4.9	-4.0
(4) Loans to insurance corporations and pension funds	97	3	4	-6	4.7	7.1	0.2

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.