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## PRESS RELEASE

### MONETARY DEVELOPMENTS IN THE EURO AREA: JANUARY 2012

The annual growth rate of the broad monetary aggregate M3 increased to 2.5% in January 2012, from 1.5% in December 2011.<sup>1</sup> The three-month average of the annual growth rates of M3 in the period from November 2011 to January 2012 stood at 2.0%, unchanged from the previous period.

Twelve-month percentage changes; (adjusted for seasonal and end-of-month calendar effects)	NOVEMBER 2011	DECEMBER 2011	JANUARY 2012	NOVEMBER 2011 - JANUARY 2012 (AVERAGE)
<b>M3</b>	2.0	1.5	2.5	2.0
<b>M1</b>	2.1	1.6	2.0	1.9
<b>Loans to the private sector</b>	1.7	1.0	1.1	1.3
<b>Loans to the private sector, adjusted for sales and securitisation</b>	1.9	1.2	1.5	1.5

#### **M3 components**

Regarding the main components of M3, the annual growth rate of M1 increased to 2.0% in January 2012, from 1.6% in December. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) increased to 2.6% in January, from 1.9% in the previous month. The annual growth rate of marketable instruments (M3-M2) increased to 4.3% in January, from -0.5% in December. Among the deposits included in M3, the annual growth rate of deposits placed by households increased to 1.7% in January, from 1.4% in the previous month, while the annual growth rate of deposits placed by non-financial corporations increased to 0.3% in January, from -0.9% in the previous month. Finally, the annual growth rate of deposits placed by non-monetary financial intermediaries (excluding insurance corporations and pension funds) increased to 5.7% in January, from 0.9% 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 increased

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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.

to 1.4% in January 2012, from 1.0% in the previous month. The annual growth rate of credit extended to general government increased to 4.8% in January, from 3.5% in December, while the annual growth rate of credit extended to the private sector increased to 0.7% in January, from 0.4% in the previous month. Among the components of credit to the private sector, the annual growth rate of loans stood at 1.1% in January, compared with 1.0% in the previous month (adjusted for loan sales and securitisation<sup>2</sup>, the rate increased to 1.5%, from 1.2% in the previous month). The annual growth rate of loans to households decreased to 1.3% in January, from 1.5% in December (adjusted for loan sales and securitisation, the rate increased to 2.1%, from 1.9% in the previous month). The annual growth rate of lending for house purchase, the most important component of household loans, decreased to 1.8% in January, from 2.3% in the previous month. The annual growth rate of loans to non-financial corporations decreased to 0.7% in January, from 1.1% in the previous month (adjusted for loan sales and securitisation, the rate decreased to 0.8% in January, from 1.2% in the previous month). Finally, the annual growth rate of loans to non-monetary financial intermediaries (excluding insurance corporations and pension funds) increased to 2.3% in January, from -2.0% in the previous month.

### **Other counterparts**

Over the 12 months up to January 2012, the net external asset position of the euro area MFI sector increased by €107 billion, compared with an increase of €162 billion over the 12 months up to December. The annual growth rate of longer-term financial liabilities of the MFI sector decreased to 2.8% in January, from 3.0% in December.

### 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>.

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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.

TABLE 1

## MONETARY DEVELOPMENTS IN THE EURO AREA: JANUARY 2012

DATA ADJUSTED FOR SEASONAL EFFECTS

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

	END-OF-MONTH LEVEL	MONTHLY FLOW <sup>b)</sup>			ANNUAL GROWTH RATE		
	JANUARY 2012	NOVEMBER 2011	DECEMBER 2011	JANUARY 2012	NOVEMBER 2011	DECEMBER 2011	JANUARY 2012
<b>COMPONENTS OF M3<sup>c)</sup></b>							
(1) <b>M3</b> (= items 1.3, 1.6 and 1.11)	9759	-18	-53	68	2.0	1.5	2.5
(1.1) Currency in circulation	852	4	-5	10	6.5	6.1	6.2
(1.2) Overnight deposits	3932	12	-4	-5	1.2	0.7	1.2
(1.3) <b>M1</b> (items 1.1 and 1.2)	4784	16	-10	5	2.1	1.6	2.0
(1.4) Deposits with an agreed maturity of up to two years	1876	-21	-1	48	1.5	2.0	3.4
(1.5) Deposits redeemable at notice of up to three months	1960	8	-15	-1	2.6	1.9	1.9
(1.6) Other short term deposits (items 1.4 and 1.5)	3836	-13	-16	48	2.1	1.9	2.6
(1.7) <b>M2</b> (items 1.3 and 1.6)	8620	3	-26	52	2.1	1.8	2.3
(1.8) Repurchase agreements	433	-22	-61	31	12.7	-2.6	11.3
(1.9) Money market fund shares/units	500	0	14	-4	-9.5	-4.7	-2.2
(1.10) Debt securities issued with a maturity of up to two years	206	2	19	-11	12.6	24.2	11.6
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	1139	-20	-28	16	0.9	-0.5	4.3
<b>COUNTERPARTS OF M3</b>							
<b>MFI liabilities:</b>							
(2) <i>Holdings against central government</i> <sup>d)</sup>	321	-16	59	15	-26.0	-0.6	1.9
(3) <i>Longer-term financial liabilities vis-à-vis other euro area residents</i> (= items 3.1 to 3.4)	7781	-14	-11	11	3.4	3.0	2.8
(3.1) Deposits with an agreed maturity of over two years	2555	-21	-4	8	2.8	2.5	2.6
(3.2) Deposits redeemable at notice of over three months	114	-2	-1	-1	-2.0	-2.1	-2.9
(3.3) Debt securities issued with a maturity of over two years	2841	-2	-22	-15	2.1	0.9	0.0
(3.4) Capital and reserves	2270	12	16	19	6.1	6.6	7.4
<b>MFI assets:</b>							
(4) <i>Credit to euro area residents</i> (= items 4.1 and 4.2)	16750	10	-12	91	0.8	1.0	1.4
(4.1) Credit to general government	3252	45	72	28	0.3	3.5	4.8
Loans	1168	3	14	-7	-5.6	-4.7	-4.7
Securities other than shares	2083	42	58	35	4.2	8.8	11.0
(4.2) Credit to other euro area residents	13498	-35	-84	64	0.9	0.4	0.7
Loans <sup>e)</sup>	11215	-16	-72	37	1.7	1.0	1.1
<i>loans adjusted for sales and securitisation</i> <sup>f)</sup>	ND	-14	-67	43	1.9	1.2	1.5
Securities other than shares	1540	-15	-4	26	-2.0	-1.2	0.0
Shares and other equities	743	-4	-8	1	-3.7	-4.3	-4.7
(5) <i>Net external assets</i>	922	-17	4	-36	ND	ND	ND
(6) <i>Other counterparts of M3 (residual)</i> (= M3 + items 2, 3 - items 4, 5)	189	-40	4	39	ND	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) 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 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

## BREAKDOWN OF DEPOSITS IN M3 BY HOLDING SECTOR AND TYPE: JANUARY 2012

DATA ADJUSTED FOR SEASONAL EFFECTS

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

	END-OF-MONTH LEVEL	MONTHLY FLOW <sup>b)</sup>			ANNUAL GROWTH RATE		
	JANUARY 2012	NOVEMBER 2011	DECEMBER 2011	JANUARY 2012	NOVEMBER 2011	DECEMBER 2011	JANUARY 2012
<b>BREAKDOWN OF DEPOSITS IN M3</b>							
<b>Total deposits (=items 1, 2, 3, 4 and 5)</b>	8201	-23	-82	73	2.2	1.1	2.3
(1) <b>Deposits placed by households<sup>c)</sup></b>	5104	3	-30	20	2.0	1.4	1.7
(1.1) Overnight deposits	2258	-3	-23	0	0.9	-0.2	-0.2
(1.2) Deposits with an agreed maturity of up to two years	963	8	6	22	3.8	4.7	6.6
(1.3) Deposits redeemable at notice of up to three months	1861	0	-5	-1	2.5	2.2	2.2
(1.4) Repurchase agreements	23	-2	-8	0	3.3	-23.0	-26.2
(2) <b>Deposits placed by non-financial corporations</b>	1559	-10	-13	20	1.1	-0.9	0.3
(2.1) Overnight deposits	1008	0	6	2	0.5	-0.3	0.5
(2.2) Deposits with an agreed maturity of up to two years	462	-6	-9	14	3.2	-0.5	1.4
(2.3) Deposits redeemable at notice of up to three months	74	-1	-6	2	-7.6	-11.0	-10.5
(2.4) Repurchase agreements	16	-1	-4	1	16.3	-1.0	8.9
(3) <b>Deposits placed by non-monetary financial intermediaries excluding insurance corporations and pension funds</b>	1061	-25	-32	19	3.4	0.9	5.7
(3.1) Overnight deposits	389	9	15	-16	5.6	9.4	8.9
(3.2) Deposits with an agreed maturity of up to two years	281	-22	6	4	-13.0	-8.8	-9.9
(3.3) Deposits redeemable at notice of up to three months	13	9	-5	-2	79.9	36.5	16.9
(3.4) Repurchase agreements	378	-20	-48	33	13.4	-0.4	16.7
of which: with central counterparties <sup>d)</sup>	270	-22	-44	10	17.2	2.0	23.4
(4) <b>Deposits placed by insurance corporations and pension funds</b>	195	-3	-6	6	7.4	7.0	10.8
(5) <b>Deposits placed by other general government</b>	282	11	-1	7	4.6	4.5	7.7

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) The series is not adjusted for seasonal effects.

TABLE 3

## CONTRIBUTIONS OF M3 COMPONENTS TO THE M3 ANNUAL GROWTH RATE: JANUARY 2012

DATA ADJUSTED FOR SEASONAL EFFECTS

(contributions in terms of the M3 annual percentage change<sup>a)</sup>)

	NOVEMBER 2011	DECEMBER 2011	JANUARY 2012
(1) <b>M1</b>	1.0	0.8	1.0
(1.1) <i>of which</i> : Currency	0.5	0.5	0.5
(1.2) <i>of which</i> : Overnight deposits	0.5	0.3	0.5
(2) <b>M2 - M1</b> (= other short-term deposits)	0.8	0.8	1.0
(3) <b>M3 - M2</b> (= short-term marketable instruments)	0.1	0.0	0.5
(4) <b>M3</b> (= items 1, 2 and 3)	2.0	1.5	2.5

a) Figures may not add up due to rounding.

TABLE 4

## BREAKDOWN OF LOANS BY BORROWING SECTOR, TYPE AND ORIGINAL MATURITY: JANUARY 2012

DATA ADJUSTED FOR SEASONAL EFFECTS

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

	END-OF-MONTH LEVEL	MONTHLY FLOW <sup>b)</sup>			ANNUAL GROWTH RATE		
	JANUARY 2012	NOVEMBER 2011	DECEMBER 2011	JANUARY 2012	NOVEMBER 2011	DECEMBER 2011	JANUARY 2012
<b>BREAKDOWN OF LOANS<sup>c)</sup></b>							
(1) <b>Loans to households<sup>d)</sup></b>	5240	10	-7	8	2.1	1.5	1.3
<i>loans adjusted for sales and securitisation<sup>e)</sup></i>	<i>ND</i>	<i>12</i>	<i>-3</i>	<i>14</i>	<i>2.3</i>	<i>1.9</i>	<i>2.1</i>
(1.1) Credit for consumption	627	-1	1	2	-2.3	-2.0	-1.6
(1.2) Lending for house purchase	3782	10	-3	4	3.0	2.3	1.8
(1.3) Other lending	831	1	-5	2	1.6	1.0	1.1
<i>of which: sole proprietors<sup>f)</sup></i>	<i>419</i>	<i>2</i>	<i>10</i>	<i>-1</i>	<i>-0.6</i>	<i>2.1</i>	<i>2.4</i>
(2) <b>Loans to non-financial corporations</b>	4717	-8	-35	-1	1.5	1.1	0.7
<i>loans adjusted for sales and securitisation<sup>e)</sup></i>	<i>ND</i>	<i>-7</i>	<i>-36</i>	<i>-1</i>	<i>1.8</i>	<i>1.2</i>	<i>0.8</i>
(2.1) up to 1 year	1146	-6	-26	1	3.7	2.0	0.7
(2.2) over 1 year and up to 5 years	853	-3	-5	-7	-3.2	-3.0	-3.6
(3.3) over 5 years	2717	2	-5	5	2.2	2.1	2.2
(3) <b>Loans to non-monetary financial intermediaries except insurance corporations and pension funds</b>	1171	-17	-28	34	0.4	-2.0	2.3
<i>of which: reverse repos to central counterparties<sup>f)</sup></i>	<i>178</i>	<i>-25</i>	<i>-31</i>	<i>23</i>	<i>8.9</i>	<i>8.9</i>	<i>25.2</i>
(4) <b>Loans to insurance corporations and pension funds</b>	87	-1	-1	-4	0.6	0.8	-2.4

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.