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PRESS RELEASE

MONETARY DEVELOPMENTS IN THE EURO AREA: JULY 2013

The annual growth rate of the broad monetary aggregate M3 decreased to 2.2% in July 2013, from 2.4% in June 2013.¹ The three-month average of the annual growth rates of M3 in the period from May 2013 to July 2013 decreased to 2.5%, from 2.8% in the period from April 2013 to June 2013.

Twelve-month percentage changes; (adjusted for seasonal and end-of-month calendar effects)	MAY 2013	JUNE 2013	JULY 2013	MAY 2013 - JULY 2013 (AVERAGE)
M3	2.9	2.4	2.2	2.5
M1	8.4	7.5	7.1	7.7
Loans to the private sector	-1.1	-1.6	-1.9	-1.5
Loans to the private sector, adjusted for sales and securitisation	-0.7	-1.0	-1.4	-1.0

M3 components

Regarding the main components of M3, the annual growth rate of M1 decreased to 7.1% in July 2013, from 7.5% in June. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) stood at 0.0% in July, compared with 0.1% in the previous month. The annual growth rate of marketable instruments (M3-M2) was less negative at -16.6% in July, from -17.0% in June. Among the deposits included in M3, the annual growth rate of deposits placed by households stood at 3.9% in July, unchanged from the previous month, while the annual growth rate of deposits placed by non-financial corporations increased to 5.7% in July, from 5.3% in the previous month. Finally, the annual growth rate of deposits placed by non-monetary financial intermediaries (excluding insurance corporations and pension funds) decreased to 5.3% in July, from 7.1% 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 more negative at -0.5% in July 2013, from -0.3% in the previous month. The annual growth rate of credit extended to general government decreased to 2.2% in July, from 2.7% in June, while the annual growth rate of credit extended to the private sector stood at -1.2% in July, compared with -1.1% in the previous month. Among the components of credit to the private sector, the annual growth rate of loans was more negative at -1.9% in

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

July, from -1.6% in the previous month (adjusted for loan sales and securitisation², the rate was more negative at -1.4%, from -1.0% in the previous month). The annual growth rate of loans to households stood at 0.1% in July, compared with 0.0% in June (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, stood at 0.7% in July, compared with 0.8% in the previous month. The annual growth rate of loans to non-financial corporations was more negative at -3.7% in July, from -3.2% in the previous month (adjusted for loan sales and securitisation, the rate was more negative at -2.8% in July, from -2.3% 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 -5.5% in July, from -3.2% in the previous month.

Other counterparts

Over the 12 months up to July 2013, the net external asset position of the euro area MFI sector increased by €272 billion, compared with an increase of €285 billion over the 12 months up to June. The annual growth rate of longer-term financial liabilities of the MFI sector stood at -0.9% in July, unchanged from the previous month.

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 2013

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

	END-OF-MONTH LEVEL	MONTHLY FLOW ^{b)}			ANNUAL GROWTH RATE		
	JULY 2013	MAY 2013	JUNE 2013	JULY 2013	MAY 2013	JUNE 2013	JULY 2013
COMPONENTS OF M3^{c)}							
(1) M3 (= items 1.3, 1.6 and 1.11)	9862	26	-35	49	2.9	2.4	2.2
(1.1) Currency in circulation	884	0	0	5	2.6	2.1	2.4
(1.2) Overnight deposits	4420	51	-27	45	9.7	8.7	8.1
(1.3) M1 (items 1.1 and 1.2)	5304	51	-27	50	8.4	7.5	7.1
(1.4) Deposits with an agreed maturity of up to two years	1737	-23	7	-14	-6.3	-5.6	-5.7
(1.5) Deposits redeemable at notice of up to three months	2130	8	4	8	5.7	5.4	5.3
(1.6) Other short term deposits (items 1.4 and 1.5)	3867	-15	11	-7	-0.1	0.1	0.0
(1.7) M2 (items 1.3 and 1.6)	9171	36	-16	43	4.7	4.3	4.0
(1.8) Repurchase agreements	121	1	-5	5	-6.0	-9.3	-6.5
(1.9) Money market fund shares/units	434	-5	-10	-3	-11.3	-11.5	-11.4
(1.10) Debt securities issued with a maturity of up to two years	135	-4	-3	4	-32.3	-34.9	-34.9
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	691	-9	-18	6	-15.6	-17.0	-16.6
COUNTERPARTS OF M3							
MFI liabilities:							
(2) Holdings against central government ^{d)}	310	51	-3	5	-0.3	2.9	4.8
(3) Longer-term financial liabilities vis-a-vis other euro area residents (= items 3.1 to 3.4)	7375	0	-7	-36	-0.9	-0.9	-0.9
(3.1) Deposits with an agreed maturity of over two years	2404	11	-5	5	-3.6	-3.2	-1.0
(3.2) Deposits redeemable at notice of over three months	96	-2	-1	-1	-14.4	-14.8	-14.9
(3.3) Debt securities issued with a maturity of over two years	2513	-18	-19	-42	-4.4	-4.8	-6.3
(3.4) Capital and reserves	2363	9	18	2	6.7	6.8	6.0
MFI assets:							
(4) Credit to euro area residents (= items 4.1 and 4.2)	16330	7	-34	-62	-0.2	-0.3	-0.5
(4.1) Credit to general government	3449	24	5	-11	3.3	2.7	2.2
Loans	1118	-19	-20	4	-3.2	-6.0	-5.7
Securities other than shares	2331	42	25	-15	6.7	7.5	6.6
(4.2) Credit to other euro area residents	12881	-16	-39	-51	-1.0	-1.1	-1.2
Loans ^{e)}	10652	-33	-45	-46	-1.1	-1.6	-1.9
loans adjusted for sales and securitisation ^{f)}	ND	-27	-44	-38	-0.7	-1.0	-1.4
Securities other than shares	1435	7	-5	6	-3.8	-2.2	1.1
Shares and other equities	794	10	12	-11	6.4	8.0	5.7
(5) Net external assets	1044	65	5	7	ND	ND	ND
(6) Other counterparts of M3 (residual) (= M3 + items 2, 3 - items 4, 5)	173	5	-17	74	ND	ND	ND
of which:							
(6.1) Repos with central counterparties (liabilities)(+) ^{g)}	287	10	33	-56	7.4	16.3	-2.6
(6.2) Reverse repos to central counterparties (assets)(-) ^{g)}	223	10	15	-30	31.6	42.7	6.4

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) 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 2013

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

	END-OF-MONTH LEVEL	MONTHLY FLOW ^{b)}			ANNUAL GROWTH RATE		
	JULY 2013	MAY 2013	JUNE 2013	JULY 2013	MAY 2013	JUNE 2013	JULY 2013
BREAKDOWN OF DEPOSITS IN M3							
Total deposits (= items 1, 2, 3, 4 and 5)	8408	37	-21	43	4.7	4.3	4.0
(1) Deposits placed by households ^{c)}	5390	15	-4	17	4.3	3.9	3.9
(1.1) Overnight deposits	2469	14	2	31	7.5	6.8	7.7
(1.2) Deposits with an agreed maturity of up to two years	917	-6	-9	-18	-3.4	-3.8	-5.2
(1.3) Deposits redeemable at notice of up to three months	1997	7	3	4	5.1	4.8	4.5
(1.4) Repurchase agreements	7	0	0	1	-58.4	-57.7	-50.7
(2) Deposits placed by non-financial corporations	1659	4	-5	15	6.2	5.3	5.7
(2.1) Overnight deposits	1158	13	-4	9	11.1	9.6	8.8
(2.2) Deposits with an agreed maturity of up to two years	398	-10	1	4	-6.6	-6.0	-3.3
(2.3) Deposits redeemable at notice of up to three months	93	0	0	2	12.6	10.4	12.9
(2.4) Repurchase agreements	10	1	-2	0	-4.1	-12.6	-13.3
(3) Deposits placed by non-monetary financial intermediaries excluding insurance corporations and pension funds ^{d)}	837	12	-3	11	5.9	7.1	5.3
(3.1) Overnight deposits	491	16	-15	4	19.8	19.2	12.7
(3.2) Deposits with an agreed maturity of up to two years	241	-7	12	1	-15.0	-8.3	-6.4
(3.3) Deposits redeemable at notice of up to three months	17	0	1	1	-0.9	12.0	28.8
(3.4) Repurchase agreements ^{d)}	88	3	-2	3	3.1	-4.4	-0.8
(4) Deposits placed by insurance corporations and pension funds	211	1	-10	2	5.6	5.2	3.8
(5) Deposits placed by other general government	312	4	0	-2	0.8	-1.4	-5.8

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 2013

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

	MAY 2013	JUNE 2013	JULY 2013
(1) M1	4.3	3.8	3.6
(1.1) <i>of which: Currency</i>	0.2	0.2	0.2
(1.2) <i>of which: Overnight deposits</i>	4.0	3.6	3.4
(2) M2 - M1 (= other short-term deposits)	0.0	0.0	0.0
(3) M3 - M2 (= short term marketable instruments)	-1.4	-1.5	-1.4
(4) M3 (= items 1, 2 and 3)	2.9	2.4	2.2

a) Figures may not add up due to rounding.

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

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

	END-OF-MONTH LEVEL	MONTHLY FLOW ^{b)}			ANNUAL GROWTH RATE		
	JULY 2013	MAY 2013	JUNE 2013	JULY 2013	MAY 2013	JUNE 2013	JULY 2013
BREAKDOWN OF LOANS AS COUNTERPART TO M3 ^{c)}							
(1) Loans to households ^{d)}	5229	-8	-5	-5	0.2	0.0	0.1
<i>loans adjusted for sales and securitisation ^{e)}</i>	ND	-1	-4	5	0.3	0.3	0.3
(1.1) Credit for consumption	588	-2	-4	2	-3.6	-3.6	-2.6
(1.2) Lending for house purchase	3831	-3	1	-9	1.0	0.8	0.7
(1.3) Other lending	810	-3	-2	2	-1.0	-1.2	-0.8
<i>of which: sole proprietors ^{f)}</i>	413	0	-1	-1	-1.6	-1.7	-1.5
(2) Loans to non-financial corporations	4424	-18	-13	-19	-3.1	-3.2	-3.7
<i>loans adjusted for sales and securitisation ^{e)}</i>	ND	-18	-12	-21	-2.1	-2.3	-2.8
(2.1) up to 1 year	1095	-13	-3	-15	-1.4	-1.8	-4.0
(2.2) over 1 year and up to 5 years	772	2	-3	3	-6.3	-6.2	-5.5
(2.3) over 5 years	2557	-6	-7	-7	-2.9	-2.9	-3.0
(3) Loans to non-monetary financial intermediaries except insurance corporations and pension funds ^{g)}	903	-6	-29	-24	0.3	-3.2	-5.5
(4) Loans to insurance corporations and pension funds	96	-2	0	2	12.0	11.3	14.4

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.