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PRESS RELEASE

MONETARY DEVELOPMENTS IN THE EURO AREA: OCTOBER 2014

The annual growth rate of the broad monetary aggregate M3 stood at 2.5% in October 2014, unchanged from the previous month.¹ The three-month average of the annual growth rates of M3 in the period from August 2014 to October 2014 increased to 2.3%, from 2.1% in the period from July 2014 to September 2014.

Twelve-month percentage changes; (adjusted for seasonal and end-of-month calendar effects)	AUGUST 2014	SEPTEMBER 2014	OCTOBER 2014	AUGUST 2014 - OCTOBER 2014 (AVERAGE)
M3	2.0	2.5	2.5	2.3
M1	5.9	6.2	6.2	6.1
Loans to the private sector	-1.5	-1.2	-1.1	-1.3
Loans to the private sector, adjusted for sales and securitisation	-0.9	-0.6	-0.5	-0.7

M3 components

Regarding the main components of M3, the annual growth rate of M1 stood at 6.2% in October 2014, unchanged from the previous month. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) was more negative at -2.1% in October, from -1.6% in the previous month. The annual growth rate of marketable instruments (M3-M2) was less negative at -1.0% in October, from -4.4% in September. Among the deposits included in M3, the annual growth rate of deposits placed by households stood at 2.1% in October, compared with 2.2% in the previous month, while the annual growth rate of deposits placed by non-financial corporations decreased to 4.8% in October, from 5.7% 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 0.5% in October, from -0.3% in the previous month.

Counterparts to M3: credit and loans

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

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 -1.3% in October 2014, from -1.6% in the previous month. The annual growth rate of credit extended to general government was less negative at -0.1% in October, from -0.5% in September, and the annual growth rate of credit extended to the private sector was also less negative at -1.7% in October, from -1.9% in the previous month. Among the components of credit to the private sector, the annual growth rate of loans stood at -1.1% in October, compared with -1.2% in the previous month (adjusted for loan sales and securitisation², the rate stood at -0.5%, compared with -0.6% in the previous month). The annual growth rate of loans to households stood at -0.4% in October, compared with -0.5% in September (adjusted for loan sales and securitisation, the rate stood at 0.6%, compared with 0.5% in the previous month). The annual growth rate of lending for house purchase, the most important component of household loans, stood at -0.2% in October, compared with -0.1% in the previous month. The annual growth rate of loans to non-financial corporations was less negative at -1.8% in October, from -2.0% in the previous month (adjusted for loan sales and securitisation, the rate was less negative at -1.6% in October, from -1.8% in the previous month). Finally, the annual growth rate of loans to non-monetary financial intermediaries (excluding insurance corporations and pension funds) stood at -2.6% in October, compared with -2.7% in the previous month.

Other counterparts

Over the 12 months up to October 2014, the net external asset position of the euro area MFI sector increased by €306 billion, compared with an increase of €333 billion over the 12 months up to September. The annual growth rate of longer-term financial liabilities of the MFI sector was more negative at -1.8% in October, from -1.1% in September.

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: OCTOBER 2014

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

	END-OF-MONTH LEVEL	MONTHLY FLOW ^{b)}			ANNUAL GROWTH RATE		
	OCTOBER 2014	AUGUST 2014	SEPTEMBER 2014	OCTOBER 2014	AUGUST 2014	SEPTEMBER 2014	OCTOBER 2014
COMPONENTS OF M3 ^{c)}							
(1) M3 (= items 1.3, 1.6 and 1.11)	10134	38	20	43	2.0	2.5	2.5
(1.1) Currency in circulation	949	7	5	1	5.8	6.0	5.6
(1.2) Overnight deposits	4797	42	25	49	5.9	6.2	6.3
(1.3) M1 (items 1.1 and 1.2)	5747	49	30	50	5.9	6.2	6.2
(1.4) Deposits with an agreed maturity of up to two years	1625	-12	-12	-22	-4.2	-3.9	-4.9
(1.5) Deposits redeemable at notice of up to three months	2133	2	2	-4	0.4	0.3	0.2
(1.6) Other short term deposits (items 1.4 and 1.5)	3757	-10	-10	-27	-1.7	-1.6	-2.1
(1.7) M2 (items 1.3 and 1.6)	9504	39	20	23	2.7	3.0	2.7
(1.8) Repurchase agreements	131	0	-7	8	5.9	9.7	10.2
(1.9) Money market fund shares/units	433	-5	1	14	-5.3	-2.0	1.0
(1.10) Debt securities issued with a maturity of up to two years	67	4	5	-2	-25.7	-25.2	-21.8
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	630	-1	-1	20	-6.7	-4.4	-1.0
COUNTERPARTS OF M3							
MFI liabilities:							
(2) Holdings against central government ^{d)}	253	-6	-17	3	-6.1	-11.6	-4.4
(3) Longer-term financial liabilities vis-a-vis other euro area residents (= items 3.1 to 3.4)	7270	1	-2	-34	-1.1	-1.1	-1.8
(3.1) Deposits with an agreed maturity of over two years	2266	-4	-14	-12	-4.2	-4.7	-5.4
(3.2) Deposits redeemable at notice of over three months	92	1	1	-1	-2.9	-1.2	-0.9
(3.3) Debt securities issued with a maturity of over two years	2420	-6	-12	-30	-2.3	-2.7	-4.3
(3.4) Capital and reserves	2493	10	23	7	3.2	4.2	4.6
MFI assets:							
(4) Credit to euro area residents (= items 4.1 and 4.2)	16067	10	2	12	-1.8	-1.6	-1.3
(4.1) Credit to general government	3526	20	6	21	-1.2	-0.5	-0.1
Loans	1098	-1	-3	-5	-0.7	-0.7	-1.3
Securities other than shares	2428	22	9	27	-1.4	-0.3	0.5
(4.2) Credit to other euro area residents	12541	-11	-4	-9	-1.9	-1.9	-1.7
Loans ^{e)}	10431	-3	8	-4	-1.5	-1.2	-1.1
loans adjusted for sales and securitisation ^{f)}	ND	-3	8	-3	-0.9	-0.6	-0.5
Securities other than shares	1299	-7	-10	-9	-7.9	-8.6	-8.0
Shares and other equities	811	0	-2	5	2.6	1.7	2.5
(5) Net external assets	1415	-2	-6	10	ND	ND	ND
(6) Other counterparts of M3 (residual) (= M3 + items 2, 3 - items 4, 5)	175	25	6	-11	ND	ND	ND
of which:							
(6.1) Repos with central counterparties (liabilities)(+) ^{g)}	183	2	-8	20	-11.5	-17.5	-3.1
(6.2) Reverse repos to central counterparties (assets)(-) ^{g)}	121	-4	5	-1	-0.9	-3.2	2.1

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: OCTOBER 2014

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

	END-OF-MONTH LEVEL	MONTHLY FLOW ^{b)}			ANNUAL GROWTH RATE		
	OCTOBER 2014	AUGUST 2014	SEPTEMBER 2014	OCTOBER 2014	AUGUST 2014	SEPTEMBER 2014	OCTOBER 2014
BREAKDOWN OF DEPOSITS IN M3							
Total deposits (= items 1, 2, 3, 4 and 5)	8685	32	9	30	2.4	2.7	2.5
(1) Deposits placed by households ^{c)}	5534	17	17	2	2.0	2.2	2.1
(1.1) Overnight deposits	2700	22	21	13	7.0	7.3	6.9
(1.2) Deposits with an agreed maturity of up to two years	838	-6	-6	-7	-7.4	-7.0	-6.6
(1.3) Deposits redeemable at notice of up to three months	1991	2	1	-4	0.2	0.1	0.1
(1.4) Repurchase agreements	5	0	0	0	-23.3	-20.8	-18.5
(2) Deposits placed by non-financial corporations	1790	13	2	5	6.0	5.7	4.8
(2.1) Overnight deposits	1296	13	6	16	8.4	8.2	8.4
(2.2) Deposits with an agreed maturity of up to two years	380	-2	-5	-11	-1.4	-2.1	-5.4
(2.3) Deposits redeemable at notice of up to three months	100	0	0	1	3.4	3.1	2.5
(2.4) Repurchase agreements	14	2	0	-1	33.2	47.5	15.4
(3) Deposits placed by non-monetary financial intermediaries excluding insurance corporations and pension funds ^{d)}	830	-5	-4	28	-3.2	-0.3	0.5
(3.1) Overnight deposits	501	0	7	17	-3.9	0.6	0.8
(3.2) Deposits with an agreed maturity of up to two years	227	-3	-1	-3	-0.7	1.2	-0.7
(3.3) Deposits redeemable at notice of up to three months	17	0	1	0	2.4	2.9	-0.9
(3.4) Repurchase agreements ^{d)}	85	-3	-11	15	-6.7	-10.5	1.9
(4) Deposits placed by insurance corporations and pension funds	210	1	-9	1	5.5	2.3	2.7
(5) Deposits placed by other general government	322	6	3	-6	2.6	3.3	2.2

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: OCTOBER 2014

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

	AUGUST 2014	SEPTEMBER 2014	OCTOBER 2014
(1) M1	3.2	3.4	3.4
(1.1) <i>of which: Currency</i>	0.5	0.5	0.5
(1.2) <i>of which: Overnight deposits</i>	2.6	2.8	2.9
(2) M2 - M1 (= other short-term deposits)	-0.7	-0.6	-0.8
(3) M3 - M2 (= short term marketable instruments)	-0.5	-0.3	-0.1
(4) M3 (= items 1, 2 and 3)	2.0	2.5	2.5

a) Figures may not add up due to rounding.

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

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

	END-OF-MONTH LEVEL	MONTHLY FLOW ^{b)}			ANNUAL GROWTH RATE		
	OCTOBER 2014	AUGUST 2014	SEPTEMBER 2014	OCTOBER 2014	AUGUST 2014	SEPTEMBER 2014	OCTOBER 2014
BREAKDOWN OF LOANS AS COUNTERPART TO M3^{c)}							
(1) Loans to households^{d)}	5197	3	4	4	-0.5	-0.5	-0.4
<i>loans adjusted for sales and securitisation^{e)}</i>	ND	3	4	5	0.5	0.5	0.6
(1.1) Credit for consumption	569	-1	2	2	-1.6	-1.1	0.1
(1.2) Lending for house purchase	3848	6	3	4	0.0	-0.1	-0.2
(1.3) Other lending	780	-2	-1	-2	-1.7	-1.7	-1.8
<i>of which: sole proprietors^{f)}</i>	397	-1	1	-2	-1.2	-1.4	-1.5
(2) Loans to non-financial corporations	4274	-3	-3	-3	-2.2	-2.0	-1.8
<i>loans adjusted for sales and securitisation^{e)}</i>	ND	-3	-3	-3	-2.0	-1.8	-1.6
(2.1) up to 1 year	1051	-2	6	-3	-2.2	-1.4	-1.1
(2.2) over 1 year and up to 5 years	724	-1	-4	-1	-3.6	-3.3	-3.4
(2.3) over 5 years	2499	0	-5	1	-1.7	-1.9	-1.7
(3) Loans to non-monetary financial intermediaries except insurance corporations and pension funds^{g)}	857	1	2	-5	-3.9	-2.7	-2.6
(4) Loans to insurance corporations and pension funds	103	-4	5	0	0.3	8.5	5.8

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.