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PRESS RELEASE

MONETARY DEVELOPMENTS IN THE EURO AREA: MARCH 2014

The annual growth rate of the broad monetary aggregate M3 decreased to 1.1% in March 2014, from 1.3% in February 2014.¹ The three-month average of the annual growth rates of M3 in the period from January 2014 to March 2014 stood at 1.2%, unchanged from the previous period.

Twelve-month percentage changes; (adjusted for seasonal and end-of-month calendar effects)	JANUARY 2014	FEBRUARY 2014	MARCH 2014	JANUARY 2014 - MARCH 2014 (AVERAGE)
M3	1.2	1.3	1.1	1.2
M1	6.1	6.2	5.6	6.0
Loans to the private sector	-2.3	-2.2	-2.2	-2.2
Loans to the private sector, adjusted for sales and securitisation	-2.0	-2.0	-2.0	-2.0

M3 components

Regarding the main components of M3, the annual growth rate of M1 decreased to 5.6% in March 2014, from 6.2% in February. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) was less negative at -2.3% in March, from -2.6% in the previous month. The annual growth rate of marketable instruments (M3-M2) was more negative at -13.6% in March, from -11.6% in February. Among the deposits included in M3, the annual growth rate of deposits placed by households stood at 1.6% in March, compared with 1.5% in the previous month, while the annual growth rate of deposits placed by non-financial corporations decreased to 5.8% in March, 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 -5.4% in March, from -2.8% 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 -2.2% in March 2014, from -1.8% 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 decreased to -0.9% in March, from 0.1% in February, while the annual growth rate of credit extended to the private sector was more negative at -2.5% in March, from -2.3% in the previous month. Among the components of credit to the private sector, the annual growth rate of loans stood at -2.2% in March, unchanged from 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 -0.1% in March, unchanged from the previous month (adjusted for loan sales and securitisation, the rate stood at 0.4%, unchanged from the previous month). The annual growth rate of lending for house purchase, the most important component of household loans, stood at 0.5% in March, compared with 0.6% in the previous month. The annual growth rate of loans to non-financial corporations stood at -3.0% in March, unchanged from the previous month (adjusted for loan sales and securitisation, the rate stood at -3.1% in March, unchanged from 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 -10.8% in March, from -10.5% in the previous month.

Other counterparts

Over the 12 months up to March 2014, the net external asset position of the euro area MFI sector increased by €385 billion, compared with an increase of €382 billion over the 12 months up to February. The annual growth rate of longer-term financial liabilities of the MFI sector was less negative at -1.1% in March, from -1.3% in February.

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: MARCH 2014

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

	END-OF-MONTH LEVEL	MONTHLY FLOW ^{b)}			ANNUAL GROWTH RATE		
	MARCH 2014	JANUARY 2014	FEBRUARY 2014	MARCH 2014	JANUARY 2014	FEBRUARY 2014	MARCH 2014
COMPONENTS OF M3 ^{c)}							
(1) M3 (= items 1.3, 1.6 and 1.11)	9892	47	32	-26	1.2	1.3	1.1
(1.1) Currency in circulation	926	4	5	7	5.8	6.2	6.5
(1.2) Overnight deposits	4564	42	42	-9	6.2	6.2	5.5
(1.3) M1 (items 1.1 and 1.2)	5490	45	47	-2	6.1	6.2	5.6
(1.4) Deposits with an agreed maturity of up to two years	1667	-20	-9	3	-7.3	-7.0	-6.5
(1.5) Deposits redeemable at notice of up to three months	2125	-3	-1	6	1.5	1.1	1.1
(1.6) Other short term deposits (items 1.4 and 1.5)	3792	-23	-10	9	-2.6	-2.6	-2.3
(1.7) M2 (items 1.3 and 1.6)	9282	22	38	8	2.4	2.4	2.2
(1.8) Repurchase agreements	117	6	6	-13	-9.1	-2.4	-9.4
(1.9) Money market fund shares/units	408	16	-7	-19	-6.4	-7.9	-10.6
(1.10) Debt securities issued with a maturity of up to two years	84	3	-4	-2	-34.2	-31.7	-27.8
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	610	24	-5	-34	-12.8	-11.6	-13.6
COUNTERPARTS OF M3							
MFI liabilities:							
(2) Holdings against central government ^{d)}	259	-19	24	-3	-18.1	-7.4	-12.1
(3) Longer-term financial liabilities vis-a-vis other euro area residents (= items 3.1 to 3.4)	7347	-2	-11	20	-1.1	-1.3	-1.1
(3.1) Deposits with an agreed maturity of over two years	2357	-3	-4	-3	-0.7	-0.7	-1.7
(3.2) Deposits redeemable at notice of over three months	91	-1	0	0	-12.5	-10.7	-9.6
(3.3) Debt securities issued with a maturity of over two years	2473	-20	-19	2	-5.3	-5.7	-4.6
(3.4) Capital and reserves	2425	22	11	21	3.7	3.6	3.8
MFI assets:							
(4) Credit to euro area residents (= items 4.1 and 4.2)	16112	26	-12	-28	-1.8	-1.8	-2.2
(4.1) Credit to general government	3453	31	-3	-11	0.2	0.1	-0.9
Loans	1114	15	8	-3	-5.0	-2.3	-3.1
Securities other than shares	2338	15	-11	-8	2.8	1.3	0.2
(4.2) Credit to other euro area residents	12659	-4	-10	-16	-2.3	-2.3	-2.5
Loans ^{e)}	10532	-11	7	-7	-2.3	-2.2	-2.2
loans adjusted for sales and securitisation ^{f)}	ND	-11	9	-7	-2.0	-2.0	-2.0
Securities other than shares	1326	8	-18	-12	-3.9	-4.9	-6.8
Shares and other equities	801	-2	2	3	1.0	1.1	0.9
(5) Net external assets	1272	18	36	36	ND	ND	ND
(6) Other counterparts of M3 (residual) (= M3 + items 2, 3 - items 4, 5)	114	-18	21	-18	ND	ND	ND
of which:							
(6.1) Repos with central counterparties (liabilities)(+) ^{g)}	177	-18	18	-1	-1.6	-1.7	-10.6
(6.2) Reverse repos to central counterparties (assets)(-) ^{g)}	118	-16	9	3	-2.7	-0.4	2.8

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) 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: MARCH 2014

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

	END-OF-MONTH LEVEL	MONTHLY FLOW ^{b)}			ANNUAL GROWTH RATE		
	MARCH 2014	JANUARY 2014	FEBRUARY 2014	MARCH 2014	JANUARY 2014	FEBRUARY 2014	MARCH 2014
BREAKDOWN OF DEPOSITS IN M3							
Total deposits (= items 1, 2, 3, 4 and 5)	8473	24	38	-12	1.8	1.9	1.6
(1) Deposits placed by households ^{c)}	5442	2	13	13	1.7	1.5	1.6
(1.1) Overnight deposits	2583	14	15	9	7.8	7.3	7.1
(1.2) Deposits with an agreed maturity of up to two years	865	-5	-2	-1	-11.2	-10.8	-10.0
(1.3) Deposits redeemable at notice of up to three months	1988	-7	-1	6	0.9	0.6	0.6
(1.4) Repurchase agreements	6	0	1	0	-52.6	-33.1	-29.9
(2) Deposits placed by non-financial corporations	1732	11	15	-9	5.8	6.1	5.8
(2.1) Overnight deposits	1225	7	16	0	7.6	8.4	8.1
(2.2) Deposits with an agreed maturity of up to two years	398	4	-2	-6	0.0	-0.7	-1.3
(2.3) Deposits redeemable at notice of up to three months	95	-1	1	0	7.9	6.4	5.7
(2.4) Repurchase agreements	15	0	1	-3	14.6	18.2	24.6
(3) Deposits placed by non-monetary financial intermediaries excluding insurance corporations and pension funds ^{d)}	780	-12	2	-15	-3.9	-2.8	-5.4
(3.1) Overnight deposits	463	4	5	-16	0.0	0.6	-3.9
(3.2) Deposits with an agreed maturity of up to two years	222	-20	-4	9	-10.1	-9.2	-5.6
(3.3) Deposits redeemable at notice of up to three months	18	3	-2	0	39.5	22.0	23.4
(3.4) Repurchase agreements ^{d)}	77	1	3	-8	-14.7	-8.2	-17.1
(4) Deposits placed by insurance corporations and pension funds	205	14	-2	0	-1.2	-3.0	-4.5
(5) Deposits placed by other general government	314	9	9	-2	0.9	3.7	2.3

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: MARCH 2014

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

	JANUARY 2014	FEBRUARY 2014	MARCH 2014
(1) M1	3.2	3.2	3.0
(1.1) <i>of which: Currency</i>	0.5	0.5	0.6
(1.2) <i>of which: Overnight deposits</i>	2.7	2.7	2.4
(2) M2 - M1 (= other short-term deposits)	-1.0	-1.0	-0.9
(3) M3 - M2 (= short term marketable instruments)	-1.0	-0.9	-1.0
(4) M3 (= items 1, 2 and 3)	1.2	1.3	1.1

a) Figures may not add up due to rounding.

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

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

	END-OF-MONTH LEVEL	MONTHLY FLOW ^{b)}			ANNUAL GROWTH RATE		
	MARCH 2014	JANUARY 2014	FEBRUARY 2014	MARCH 2014	JANUARY 2014	FEBRUARY 2014	MARCH 2014
BREAKDOWN OF LOANS AS COUNTERPART TO M3^{c)}							
(1) Loans to households^{d)}	5231	-1	6	2	-0.2	-0.1	-0.1
<i>loans adjusted for sales and securitisation^{e)}</i>	ND	-1	8	1	0.2	0.4	0.4
(1.1) Credit for consumption	573	-1	0	2	-3.0	-2.6	-1.9
(1.2) Lending for house purchase	3865	1	7	0	0.5	0.6	0.5
(1.3) Other lending	793	-2	-1	0	-1.7	-1.7	-1.8
<i>of which: sole proprietors^{f)}</i>	407	-2	0	-1	-2.5	-2.3	-2.1
(2) Loans to non-financial corporations	4340	-9	-13	-4	-2.9	-3.0	-3.0
<i>loans adjusted for sales and securitisation^{e)}</i>	ND	-9	-13	-4	-2.8	-3.1	-3.1
(2.1) up to 1 year	1059	-9	-10	12	-4.4	-5.7	-4.9
(2.2) over 1 year and up to 5 years	735	-1	2	-6	-5.4	-4.6	-4.7
(2.3) over 5 years	2547	0	-5	-10	-1.6	-1.3	-1.7
(3) Loans to non-monetary financial intermediaries except insurance corporations and pension funds^{g)}	860	-3	11	-3	-11.7	-10.5	-10.8
(4) Loans to insurance corporations and pension funds	101	2	3	-1	7.6	11.0	8.9

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.