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## PRESS RELEASE

### MONETARY DEVELOPMENTS IN THE EURO AREA: SEPTEMBER 2014

The annual growth rate of the broad monetary aggregate M3 increased to 2.5% in September 2014, from 2.1% in August 2014.<sup>1</sup> The three-month average of the annual growth rates of M3 in the period from July 2014 to September 2014 increased to 2.1%, from 1.8% in the period from June 2014 to August 2014.

Twelve-month percentage changes; (adjusted for seasonal and end-of-month calendar effects)	<b>JULY 2014</b>	<b>AUGUST 2014</b>	<b>SEPTEMBER 2014</b>	<b>JULY 2014 - SEPTEMBER 2014 (AVERAGE)</b>
<b>M3</b>	1.8	2.1	2.5	2.1
<b>M1</b>	5.6	5.9	6.2	5.9
<b>Loans to the private sector</b>	-1.6	-1.5	-1.2	-1.4
<b>Loans to the private sector, adjusted for sales and securitisation</b>	-1.0	-0.9	-0.6	-0.8

#### **M3 components**

Regarding the main components of M3, the annual growth rate of M1 increased to 6.2% in September 2014, from 5.9% in August. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) was less negative at -1.5% in September, from -1.7% in the previous month. The annual growth rate of marketable instruments (M3-M2) was less negative at -4.1% in September, from -6.5% in August. Among the deposits included in M3, the annual growth rate of deposits placed by households increased to 2.2% in September, from 2.0% in the previous month, while the annual growth rate of deposits placed by non-financial corporations decreased to 5.8% in September, from 6.0% 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 0.1% in September, from -3.2% in the previous month.

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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.

### 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 less negative at -1.5% in September 2014, from -1.8% in the previous month. The annual growth rate of credit extended to general government was less negative at -0.4% in September, from -1.2% in August, while the annual growth rate of credit extended to the private sector stood at -1.8% in September, compared with -1.9% in the previous month. Among the components of credit to the private sector, the annual growth rate of loans was less negative at -1.2% in September, from -1.5% in the previous month (adjusted for loan sales and securitisation<sup>2</sup>, the rate was less negative at -0.6%, from -0.9% in the previous month). The annual growth rate of loans to households stood at -0.5% in September, compared with -0.4% in August (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 -0.1% in September, compared with 0.0% in the previous month. The annual growth rate of loans to non-financial corporations was less negative at -2.0% in September, from -2.2% in the previous month (adjusted for loan sales and securitisation, the rate was less negative at -1.8% in September, from -2.0% 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 -2.7% in September, from -4.0% in the previous month.

### Other counterparts

Over the 12 months up to September 2014, the net external asset position of the euro area MFI sector increased by €334 billion, compared with an increase of €380 billion over the 12 months up to August. The annual growth rate of longer-term financial liabilities of the MFI sector stood at -1.1% in September, 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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<sup>2</sup> 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: SEPTEMBER 2014

(EUR billions and annual percentage changes; data adjusted for seasonal effects <sup>a)</sup>)

	END-OF-MONTH LEVEL	MONTHLY FLOW <sup>b)</sup>			ANNUAL GROWTH RATE		
	SEPTEMBER 2014	JULY 2014	AUGUST 2014	SEPTEMBER 2014	JULY 2014	AUGUST 2014	SEPTEMBER 2014
<b>COMPONENTS OF M3 <sup>c)</sup></b>							
<b>(1) M3</b> (= items 1.3, 1.6 and 1.11)	10108	58	43	31	1.8	2.1	2.5
(1.1) Currency in circulation	948	5	8	5	5.6	5.8	6.0
(1.2) Overnight deposits	4746	46	50	24	5.6	5.9	6.3
<b>(1.3) M1</b> (items 1.1 and 1.2)	5694	51	58	29	5.6	5.9	6.2
(1.4) Deposits with an agreed maturity of up to two years	1664	-2	-16	1	-4.2	-4.2	-3.7
(1.5) Deposits redeemable at notice of up to three months	2139	0	3	4	0.2	0.3	0.3
(1.6) Other short term deposits (items 1.4 and 1.5)	3803	-2	-13	5	-1.8	-1.7	-1.5
<b>(1.7) M2</b> (items 1.3 and 1.6)	9497	49	45	33	2.5	2.7	3.0
(1.8) Repurchase agreements	122	-2	0	-9	1.1	6.1	10.3
(1.9) Money market fund shares/units	419	16	-7	2	-3.9	-5.2	-2.0
(1.10) Debt securities issued with a maturity of up to two years	71	-5	5	5	-28.5	-24.9	-23.7
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	611	9	-2	-2	-6.9	-6.5	-4.1
<b>COUNTERPARTS OF M3</b>							
<b>MFI liabilities:</b>							
<b>(2) Holdings against central government <sup>d)</sup></b>	248	3	-8	-23	-8.8	-5.9	-12.3
<b>(3) Longer-term financial liabilities vis-a-vis other euro area residents</b> (= items 3.1 to 3.4)	7331	0	6	-3	-1.2	-1.1	-1.1
(3.1) Deposits with an agreed maturity of over two years	2277	-11	-2	-14	-4.2	-4.2	-4.7
(3.2) Deposits redeemable at notice of over three months	93	1	1	1	-5.1	-2.9	-1.1
(3.3) Debt securities issued with a maturity of over two years	2452	-12	-9	-14	-2.6	-2.5	-2.9
(3.4) Capital and reserves	2509	22	16	24	3.4	3.5	4.4
<b>MFI assets:</b>							
<b>(4) Credit to euro area residents</b> (= items 4.1 and 4.2)	16083	15	16	7	-1.9	-1.8	-1.5
(4.1) Credit to general government	3512	20	27	7	-1.8	-1.2	-0.4
Loans	1102	5	-1	-4	-1.2	-0.7	-0.7
Securities other than shares	2410	15	28	11	-2.1	-1.4	-0.3
(4.2) Credit to other euro area residents	12571	-5	-11	0	-1.9	-1.9	-1.8
Loans <sup>e)</sup>	10446	-20	-3	12	-1.6	-1.5	-1.2
loans adjusted for sales and securitisation <sup>f)</sup>	ND	-21	-3	12	-1.0	-0.9	-0.6
Securities other than shares	1313	6	-6	-8	-7.3	-7.9	-8.5
Shares and other equities	812	8	-1	-4	2.6	2.6	1.8
<b>(5) Net external assets</b>	1405	39	-14	-17	ND	ND	ND
<b>(6) Other counterparts of M3 (residual)</b> (= M3 + items 2, 3 - items 4, 5)	198	7	39	15	ND	ND	ND
of which:							
(6.1) Repos with central counterparties (liabilities)(+) <sup>g)</sup>	163	-2	2	-9	-9.8	-11.5	-17.7
(6.2) Reverse repos to central counterparties (assets)(-) <sup>g)</sup>	122	4	-3	-1	13.2	3.6	-3.3

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) 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: SEPTEMBER 2014

(EUR billions and annual percentage changes; data adjusted for seasonal effects <sup>a)</sup>)

	END-OF-MONTH LEVEL	MONTHLY FLOW <sup>b)</sup>			ANNUAL GROWTH RATE		
	SEPTEMBER 2014	JULY 2014	AUGUST 2014	SEPTEMBER 2014	JULY 2014	AUGUST 2014	SEPTEMBER 2014
<b>BREAKDOWN OF DEPOSITS IN M3</b>							
<b>Total deposits</b> (= items 1, 2, 3, 4 and 5)	8670	42	37	20	2.1	2.4	2.8
<b>(1) Deposits placed by households <sup>c)</sup></b>	5534	13	19	17	1.8	2.0	2.2
(1.1) Overnight deposits	2685	20	23	21	6.8	7.0	7.3
(1.2) Deposits with an agreed maturity of up to two years	846	-5	-6	-6	-7.4	-7.4	-6.9
(1.3) Deposits redeemable at notice of up to three months	1998	-2	2	2	0.0	0.2	0.1
(1.4) Repurchase agreements	5	1	0	0	-26.9	-23.1	-20.7
<b>(2) Deposits placed by non-financial corporations</b>	1786	13	17	0	5.9	6.0	5.8
(2.1) Overnight deposits	1279	11	16	6	8.2	8.4	8.3
(2.2) Deposits with an agreed maturity of up to two years	393	3	-2	-5	-0.8	-1.3	-1.9
(2.3) Deposits redeemable at notice of up to three months	99	1	1	1	4.1	3.4	3.1
(2.4) Repurchase agreements	15	-2	2	-1	27.1	33.4	46.3
<b>(3) Deposits placed by non-monetary financial intermediaries excluding insurance corporations and pension funds <sup>d)</sup></b>	817	6	-6	13	-3.4	-3.2	0.1
(3.1) Overnight deposits	484	3	3	11	-3.2	-4.0	0.9
(3.2) Deposits with an agreed maturity of up to two years	245	1	-5	14	-1.9	-0.7	1.5
(3.3) Deposits redeemable at notice of up to three months	18	1	0	1	-1.3	2.4	3.0
(3.4) Repurchase agreements <sup>d)</sup>	70	1	-3	-13	-8.8	-6.1	-9.9
<b>(4) Deposits placed by insurance corporations and pension funds</b>	206	6	1	-13	3.5	5.9	2.1
<b>(5) Deposits placed by other general government</b>	328	4	7	3	1.2	2.7	3.2

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: SEPTEMBER 2014

(contributions in terms of the M3 annual percentage change; data adjusted for seasonal effects <sup>a)</sup>)

	JULY 2014	AUGUST 2014	SEPTEMBER 2014
<b>(1) M1</b>	3.0	3.2	3.4
(1.1) <i>of which: Currency</i>	0.5	0.5	0.5
(1.2) <i>of which: Overnight deposits</i>	2.5	2.6	2.8
<b>(2) M2 - M1 (= other short-term deposits)</b>	-0.7	-0.7	-0.6
<b>(3) M3 - M2 (= short term marketable instruments)</b>	-0.5	-0.4	-0.3
<b>(4) M3 (= items 1, 2 and 3)</b>	1.8	2.1	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: SEPTEMBER 2014

(EUR billions and annual percentage changes; data adjusted for seasonal effects <sup>a)</sup>)

	END-OF-MONTH LEVEL	MONTHLY FLOW <sup>b)</sup>			ANNUAL GROWTH RATE		
	SEPTEMBER 2014	JULY 2014	AUGUST 2014	SEPTEMBER 2014	JULY 2014	AUGUST 2014	SEPTEMBER 2014
<b>BREAKDOWN OF LOANS AS COUNTERPART TO M3<sup>c)</sup></b>							
<b>(1) Loans to households<sup>d)</sup></b>	5196	2	5	5	-0.5	-0.4	-0.5
<i>loans adjusted for sales and securitisation<sup>e)</sup></i>	ND	3	5	5	0.5	0.5	0.6
(1.1) Credit for consumption	567	1	-1	2	-1.5	-1.5	-1.0
(1.2) Lending for house purchase	3847	2	8	2	-0.1	0.0	-0.1
(1.3) Other lending	782	-1	-2	1	-1.4	-1.7	-1.7
<i>of which: sole proprietors<sup>f)</sup></i>	400	-2	-1	1	-1.1	-1.2	-1.4
<b>(2) Loans to non-financial corporations</b>	4286	-14	-1	-3	-2.3	-2.2	-2.0
<i>loans adjusted for sales and securitisation<sup>e)</sup></i>	ND	-16	-1	-3	-2.2	-2.0	-1.8
(2.1) up to 1 year	1058	-5	-2	9	-2.4	-2.2	-1.3
(2.2) over 1 year and up to 5 years	725	-2	-1	-5	-3.6	-3.5	-3.3
(2.3) over 5 years	2502	-7	2	-6	-1.9	-1.7	-1.9
<b>(3) Loans to non-monetary financial intermediaries except insurance corporations and pension funds<sup>g)</sup></b>	860	-12	-1	2	-4.9	-4.0	-2.7
<b>(4) Loans to insurance corporations and pension funds</b>	104	4	-6	7	7.1	0.2	8.7

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.