



EUROPEAN CENTRAL BANK

EUROSYSTEM

PRESS RELEASE

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Monetary developments in the euro area: December 2014

The annual growth rate of the broad monetary aggregate M3 increased to 3.6% in December 2014, from 3.1% in November 2014.¹ The three-month average of the annual growth rates of M3 in the period from October 2014 to December 2014 increased to 3.1%, from 2.7% in the period from September 2014 to November 2014.

Twelve-month percentage changes; (adjusted for seasonal and end-of-month calendar effects)	OCTOBER 2014	NOVEMBER 2014	DECEMBER 2014	OCTOBER 2014 - DECEMBER 2014 (AVERAGE)
M3	2.5	3.1	3.6	3.1
M1	6.2	6.9	7.8	7.0
Loans to the private sector	-1.1	-0.9	-0.5	-0.8
Loans to the private sector, adjusted for sales and securitisation	-0.5	-0.2	0.1	-0.2

M3 components

Regarding the main components of M3, the annual growth rate of M1 increased to 7.8% in December 2014, from 6.9% in November. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) was more negative at -2.6% in December, from -1.8% in the previous month. The annual growth rate of marketable instruments (M3-M2) increased to 4.7% in December, from 0.3% in November. Among the deposits included in M3, the annual growth

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

rate of deposits placed by households stood at 2.4% in December, unchanged from the previous month, while the annual growth rate of deposits placed by non-financial corporations decreased to 3.6% in December, from 5.2% in the previous month. Finally, the annual growth rate of deposits placed by non-monetary financial corporations (excluding insurance corporations and pension funds) increased to 6.2% in December, from 3.6% 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 less negative at -0.2% in December 2014, from -0.9% in the previous month. The annual growth rate of credit extended to general government increased to 1.9% in December, from 0.8% in November, while the annual growth rate of credit extended to the private sector was less negative at -0.7% in December, from -1.4% in the previous month. Among the components of credit to the private sector, the annual growth rate of loans was less negative at -0.5% in December, from -0.9% in the previous month (adjusted for loan sales and securitisation², the rate increased to 0.1%, from -0.2% in the previous month). The annual growth rate of loans to households stood at -0.3% in December, compared with -0.4% in November (adjusted for loan sales and securitisation, the rate stood at 0.8%, compared with 0.7% 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 December, compared with -0.2% in the previous month. The annual growth rate of loans to non-financial corporations was less negative at -1.3% in December, from -1.7% in the previous month (adjusted for loan sales and securitisation, the rate was less negative at -1.0% in December, from -1.4% in the previous month). Finally, the annual growth rate of loans to non-monetary financial corporations (excluding insurance corporations and pension funds) increased to 0.8% in December, from -1.0% in the previous month.

Other counterparts

Over the 12 months up to December 2014, the net external asset position of the euro area MFI sector increased by €229 billion, compared with an increase of €316 billion over the 12 months

² Adjusted for the derecognition of loans from the MFIs' statistical balance sheets due to their sale or securitisation.

up to November. The annual growth rate of longer-term financial liabilities of the MFI sector stood at -2.0% in December, compared with -1.9% in November.

Notes:

- *Euro area-wide reporting under Regulation ECB/2013/33 of 24 September 2013 concerning the balance sheet of the monetary financial institutions sector, together with other changes to the statistical reporting framework and practices in several euro area countries, started with effect from the December 2014 reference period. This Regulation implements the European System of Accounts (ESA 2010) for MFI balance sheet statistics. These changes may imply revisions to preliminary data in subsequent press releases.*
- *Based on the European System of Accounts 2010. 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>.*

I Monetary developments in the euro area: DECEMBER 2014

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

	END-OF-MONTH LEVEL	MONTHLY FLOW ^{b)}			ANNUAL GROWTH RATE		
	DECEMBER 2014	OCTOBER 2014	NOVEMBER 2014	DECEMBER 2014	OCTOBER 2014	NOVEMBER 2014	DECEMBER 2014
COMPONENTS OF M3 ^{c)}							
(1) M3 (= items 1.3, 1.6 and 1.11)	10309	43	76	-4	2.5	3.1	3.6
(1.1) Currency in circulation	967	1	7	11	5.6	5.9	6.4
(1.2) Overnight deposits	4941	48	64	7	6.3	7.1	8.1
(1.3) M1 (items 1.1 and 1.2)	5908	50	71	18	6.2	6.9	7.8
(1.4) Deposits with an agreed maturity of up to two years	1600	-22	-5	-20	-4.9	-4.5	-5.8
(1.5) Deposits redeemable at notice of up to three months	2125	-4	6	-15	0.2	0.4	0.0
(1.6) Other short term deposits (items 1.4 and 1.5)	3726	-27	0	-35	-2.1	-1.8	-2.6
(1.7) M2 (items 1.3 and 1.6)	9634	23	72	-17	2.7	3.3	3.5
(1.8) Repurchase agreements	123	8	-2	-6	9.9	6.7	1.3
(1.9) Money market fund shares	426	14	2	-6	1.0	2.7	1.2
(1.10) Debt securities issued with a maturity of up to two years	126	-2	4	24	-21.8	-16.3	32.1
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	676	19	5	12	-1.0	0.3	4.7
COUNTERPARTS OF M3							
MFI liabilities:							
(2) Holdings against central government ^{d)}	263	2	2	4	-4.6	-1.8	-1.1
(3) Longer-term financial liabilities vis-a-vis other euro area residents (= items 3.1 to 3.4)	7182	-31	-22	-31	-1.7	-1.9	-2.0
(3.1) Deposits with an agreed maturity of over two years	2251	-11	-7	-7	-5.4	-5.5	-5.1
(3.2) Deposits redeemable at notice of over three months	92	-1	-1	2	-0.9	-1.1	2.0
(3.3) Debt securities issued with a maturity of over two years	2372	-30	-14	-20	-4.4	-4.8	-5.6
(3.4) Capital and reserves	2467	10	1	-7	4.7	4.8	4.6
MFI assets:							
(4) Credit to euro area residents (= items 4.1 and 4.2)	16175	13	-9	51	-1.3	-0.9	-0.2
(4.1) Credit to general government	3597	19	5	15	-0.2	0.8	1.9
Loans	1127	-6	11	8	-1.4	0.6	1.5
Debt securities	2469	25	-7	7	0.4	0.9	2.0
(4.2) Credit to other euro area residents	12579	-6	-13	36	-1.6	-1.4	-0.7
Loans ^{e)}	10503	-4	3	19	-1.1	-0.9	-0.5
loans adjusted for sales and securitisation ^{f)}	ND	-2	10	20	-0.5	-0.2	0.1
Debt securities	1288	-7	-11	-4	-7.9	-7.2	-5.5
Equity and non-money market fund investment fund shares	788	5	-5	21	2.5	2.5	4.8
(5) Net external assets	1410	14	48	-32	ND	ND	ND
(6) Other counterparts of M3 (residual) (= M3 + items 2, 3 - items 4, 5)	169	-13	17	-50	ND	ND	ND
of which:							
(6.1) Repos with central counterparties (liabilities)(+) ^{g)}	184	20	1	-1	-3.1	-4.4	0.0
(6.2) Reverse repos to central counterparties (assets)(-) ^{g)}	140	-1	10	9	2.1	-6.6	14.5

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).

b) These include the Eurosystem, credit institutions and money market funds located in the euro area.

c) Monthly difference in levels adjusted for reclassifications, exchange rate variations, other revaluations and any other changes which do not arise from transactions.

d) Liabilities of MFIs and specific units of central government (post offices, treasury) vis-à-vis non-MFI euro area residents excluding central government.

e) Includes holdings of the central government of deposits with the MFI sector and of securities issued by the MFI sector.

f) For further breakdowns see Table 4.

g) Adjusted for the derecognition of loans from the MFI statistical balance sheet due to their sale or securitisation.

h) The series is not adjusted for seasonal effects.

2 Breakdown of deposits in M3 by holding sector and type: DECEMBER 2014

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

	END-OF-MONTH LEVEL	MONTHLY FLOW ^{b)}			ANNUAL GROWTH RATE		
	DECEMBER 2014	OCTOBER 2014	NOVEMBER 2014	DECEMBER 2014	OCTOBER 2014	NOVEMBER 2014	DECEMBER 2014
BREAKDOWN OF DEPOSITS IN M3							
Total deposits (= items 1, 2, 3, 4 and 5)	8789	30	62	-33	2.5	3.1	3.2
(1) Deposits placed by households ^{c)}	5550	-1	22	-4	2.1	2.4	2.4
(1.1) Overnight deposits	2749	13	31	19	6.9	7.5	8.0
(1.2) Deposits with an agreed maturity of up to two years	811	-9	-8	-17	-6.9	-7.1	-7.6
(1.3) Deposits redeemable at notice of up to three months	1986	-4	-1	-5	0.1	0.2	-0.3
(1.4) Repurchase agreements	5	0	0	0	-18.5	-14.7	1.4
(2) Deposits placed by non-financial corporations ^{d)}	1818	1	26	-26	4.9	5.2	3.6
(2.1) Overnight deposits	1334	13	23	-22	8.5	8.8	7.3
(2.2) Deposits with an agreed maturity of up to two years	367	-12	3	-8	-5.5	-5.3	-7.5
(2.3) Deposits redeemable at notice of up to three months	97	1	0	-3	2.8	3.3	1.2
(2.4) Repurchase agreements	20	-2	0	7	12.1	17.4	15.6
(3) Deposits placed by non-monetary financial corporations excluding insurance corporations and pension funds ^{d), e)}	882	32	12	16	0.5	3.6	6.2
(3.1) Overnight deposits	543	19	9	20	0.3	4.5	10.6
(3.2) Deposits with an agreed maturity of up to two years	242	0	-3	8	0.7	3.8	0.5
(3.3) Deposits redeemable at notice of up to three months	18	0	6	-5	-2.7	-3.6	7.3
(3.4) Repurchase agreements ^{e)}	79	14	0	-7	1.5	0.2	-2.8
(4) Deposits placed by insurance corporations and pension funds	215	3	0	-15	3.4	4.0	1.4
(5) Deposits placed by other general government	324	-5	2	-4	2.2	1.1	6.6

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) In accordance with the ESA 2010, in December 2014 holding companies of non-financial groups were reclassified from the non-financial corporations sector to the financial corporations sector. These entities are included in MFI balance sheet statistics with financial corporations other than MFIs and insurance corporations and pension funds (ICPFs).

e) Excludes repurchase agreements with central counterparties.

3 Contributions of M3 components to the M3 annual growth rate: DECEMBER 2014

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

	OCTOBER 2014	NOVEMBER 2014	DECEMBER 2014
(1) M1	3.4	3.8	4.3
(1.1) <i>of which: Currency</i>	0.5	0.5	0.6
(1.2) <i>of which: Overnight deposits</i>	2.9	3.3	3.7
(2) M2 - M1 (= other short-term deposits)	-0.8	-0.7	-1.0
(3) M3 - M2 (= short term marketable instruments)	-0.1	0.0	0.3
(4) M3 (= items 1, 2 and 3)	2.5	3.1	3.6

a) Figures may not add up due to rounding.

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

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

	END-OF-MONTH LEVEL	MONTHLY FLOW ^{b)}			ANNUAL GROWTH RATE		
	DECEMBER 2014	OCTOBER 2014	NOVEMBER 2014	DECEMBER 2014	OCTOBER 2014	NOVEMBER 2014	DECEMBER 2014
BREAKDOWN OF LOANS AS COUNTERPART TO M3^{c)}							
(1) Loans to households^{d)}	5194	4	-1	1	-0.4	-0.4	-0.3
<i>loans adjusted for sales and securitisation^{e)}</i>	ND	6	5	2	0.6	0.7	0.8
(1.1) Credit for consumption	562	2	-1	-5	0.1	0.1	-0.9
(1.2) Lending for house purchase	3852	4	0	4	-0.2	-0.2	-0.1
(1.3) Other lending	779	-2	0	2	-1.8	-1.3	-0.8
<i>of which: sole proprietors^{f)}</i>	394	-2	0	-3	-1.4	-1.3	-1.9
(2) Loans to non-financial corporations^{g)}	4285	-2	-4	11	-1.8	-1.7	-1.3
<i>loans adjusted for sales and securitisation^{e)}</i>	ND	-2	-3	11	-1.6	-1.4	-1.0
(2.1) up to 1 year	1082	-2	-13	10	-1.0	-1.5	-1.0
(2.2) over 1 year and up to 5 years	725	-1	11	-3	-3.4	-1.8	0.0
(2.3) over 5 years	2477	0	-2	5	-1.7	-1.7	-1.8
(3) Loans to non-monetary financial corporations except insurance corporations and pension funds^{g), h)}	898	-5	3	6	-2.4	-1.0	0.8
(4) Loans to insurance corporations and pension funds	126	0	5	1	5.8	8.0	9.9

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) In accordance with the ESA 2010, in December 2014 holding companies of non-financial groups were reclassified from the non-financial corporations sector to the financial corporations sector. These entities are included in MFI balance sheet statistics with financial corporations other than MFIs and insurance corporations and pension funds (ICPFs).

h) Excludes reverse repos to central counterparties.