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PRESS RELEASE

MONETARY DEVELOPMENTS IN THE EURO AREA: OCTOBER 2011

The annual growth rate of the broad monetary aggregate M3 decreased to 2.6% in October 2011, from 3.0% in September 2011.¹ The three-month average of the annual growth rates of M3 in the period from August 2011 to October 2011 increased to 2.8%, from 2.6% in the period from July 2011 to September 2011.

Twelve-month percentage changes; (adjusted for seasonal and end-of-month calendar effects)	AUGUST 2011	SEPTEMBER 2011	OCTOBER 2011	AUGUST 2011 - OCTOBER 2011 (AVERAGE)
M3	2.8	3.0	2.6	2.8
M1	1.7	2.0	1.7	1.8
Loans to the private sector	2.5	2.5	2.7	2.6
Loans to the private sector, adjusted for sales and securitisation	2.7	2.7	3.0	2.8

M3 components

Regarding the main components of M3, the annual growth rate of M1 decreased to 1.7% in October 2011, from 2.0% in September. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) decreased to 2.2% in October, from 3.1% in the previous month. The annual growth rate of marketable instruments (M3-M2) increased to 7.8% in October, from 6.8% in September. Among the deposits included in M3, the annual growth rate of deposits placed by households decreased to 2.1% in October, from 2.3% in the previous month, while the annual growth rate of deposits placed by non-financial corporations decreased to 1.8% in October, from 2.8% 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 9.8% in October, from 11.4% 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 decreased to 1.6% in October 2011, from 2.3% in the previous month. The annual growth rate of credit extended to general government decreased to -0.5% in October, from 5.6% in September, while the annual growth rate

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

of credit extended to the private sector increased to 2.1% in October, from 1.5% in the previous month. Among the components of credit to the private sector, the annual growth rate of loans increased to 2.7% in October, from 2.5% in the previous month (adjusted for loan sales and securitisation², the rate increased to 3.0%, from 2.7% in the previous month). The annual growth rate of loans to households decreased to 2.2% in October, from 2.9% in September (adjusted for loan sales and securitisation, the rate stood at 2.5%, compared with 2.6% in the previous month). The annual growth rate of lending for house purchase, the most important component of household loans, decreased to 3.0% in October, from 3.9% in the previous month. The annual growth rate of loans to non-financial corporations increased to 1.9% in October, from 1.6% in the previous month (adjusted for loan sales and securitisation, the rate stood at 2.3% in October, compared with 2.2% in the previous month). Finally, the annual growth rate of loans to non-monetary financial intermediaries (excluding insurance corporations and pension funds) increased to 8.7% in October, from 4.5% in the previous month.

Other counterparts

Over the 12 months up to October 2011, the net external asset position of the euro area MFI sector increased by €224 billion, compared with an increase of €208 billion over the 12 months up to September. The annual growth rate of longer-term financial liabilities of the MFI sector stood at 4.2% in October, 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>.

European Central Bank

Directorate Communications, Press and Information Division

Kaiserstrasse 29, D-60311 Frankfurt am Main

Tel.: +49 69 1344 7455, Fax: +49 69 1344 7404

Internet: <http://www.ecb.europa.eu>

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

TABLE 1

MONETARY DEVELOPMENTS IN THE EURO AREA: OCTOBER 2011

DATA ADJUSTED FOR SEASONAL EFFECTS

(EUR billions and annual percentage changes^{a)})

	END-OF-MONTH LEVEL	MONTHLY FLOW ^{b)}			ANNUAL GROWTH RATE		
	OCTOBER 2011	AUGUST 2011	SEPTEMBER 2011	OCTOBER 2011	AUGUST 2011	SEPTEMBER 2011	OCTOBER 2011
COMPONENTS OF M3^{c)}							
(1) M3 (= items 1.3, 1.6 and 1.11)	9780	117	33	-59	2.8	3.0	2.6
(1.1) Currency in circulation	843	9	7	11	4.5	5.3	6.5
(1.2) Overnight deposits	3927	42	-13	-18	1.2	1.4	0.8
(1.3) M1 (items 1.1 and 1.2)	4770	51	-6	-7	1.7	2.0	1.7
(1.4) Deposits with an agreed maturity of up to two years	1847	1	12	-15	2.9	3.2	1.8
(1.5) Deposits redeemable at notice of up to three months	1963	9	5	5	3.5	3.0	2.7
(1.6) Other short term deposits (items 1.4 and 1.5)	3810	10	17	-10	3.2	3.1	2.2
(1.7) M2 (items 1.3 and 1.6)	8580	61	11	-17	2.4	2.5	2.0
(1.8) Repurchase agreements	487	44	11	-21	31.2	31.0	34.9
(1.9) Money market fund shares/units	543	15	3	-9	-10.5	-9.5	-8.9
(1.10) Debt securities issued with a maturity of up to two years	170	-4	8	-11	5.1	10.5	8.3
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	1200	56	22	-42	5.4	6.8	7.8
COUNTERPARTS OF M3							
MFI liabilities:							
(2) <i>Holdings against central government</i> ^{d)}	263	-51	-3	-4	-1.1	0.0	-23.4
(3) <i>Longer-term financial liabilities vis-à-vis other euro area residents</i> (= items 3.1 to 3.4)	7711	27	12	23	4.4	4.2	4.2
(3.1) Deposits with an agreed maturity of over two years	2567	10	16	40	2.8	3.1	4.5
(3.2) Deposits redeemable at notice of over three months	119	0	-1	-1	-3.9	-2.4	-1.1
(3.3) Debt securities issued with a maturity of over two years	2841	2	1	-19	4.4	3.6	2.5
(3.4) Capital and reserves	2185	15	-5	4	6.8	6.7	6.6
MFI assets:							
(4) <i>Credit to euro area residents</i> (= items 4.1 and 4.2)	16682	77	6	66	2.4	2.3	1.6
(4.1) Credit to general government	3106	36	16	-3	5.4	5.6	-0.5
Loans	1158	-14	2	-5	6.3	6.1	-1.2
Securities other than shares	1948	50	14	3	5.2	5.6	0.1
(4.2) Credit to other euro area residents	13576	41	-9	69	1.7	1.5	2.1
Loans ^{e)}	11285	47	11	36	2.5	2.5	2.7
<i>loans adjusted for sales and securitisation</i> ^{f)}	ND	49	8	64	2.7	2.7	3.0
Securities other than shares	1534	5	-6	40	-3.8	-4.6	-0.2
Shares and other equities	758	-11	-14	-7	0.6	-0.9	-2.0
(5) <i>Net external assets</i>	894	17	32	-73	ND	ND	ND
(6) <i>Other counterparts of M3 (residual)</i> (= M3 + items 2, 3 - items 4, 5)	179	-2	4	-32	ND	ND	ND

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 the 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.

TABLE 2

BREAKDOWN OF DEPOSITS IN M3 BY HOLDING SECTOR AND TYPE: OCTOBER 2011

DATA ADJUSTED FOR SEASONAL EFFECTS

(EUR billions and annual percentage changes^{a)})

	END-OF-MONTH LEVEL	MONTHLY FLOW ^{b)}			ANNUAL GROWTH RATE		
	OCTOBER 2011	AUGUST 2011	SEPTEMBER 2011	OCTOBER 2011	AUGUST 2011	SEPTEMBER 2011	OCTOBER 2011
BREAKDOWN OF DEPOSITS IN M3							
Total deposits (=items 1, 2, 3, 4 and 5)	8224	96	16	-49	3.6	3.6	3.0
(1) Deposits placed by households^{c)}	5107	35	14	4	2.2	2.3	2.1
(1.1) Overnight deposits	2283	28	2	-6	1.3	1.7	1.1
(1.2) Deposits with an agreed maturity of up to two years	926	2	4	4	1.9	2.3	2.8
(1.3) Deposits redeemable at notice of up to three months	1865	6	7	7	3.5	3.1	3.0
(1.4) Repurchase agreements	32	-1	0	-1	9.5	7.3	6.7
(2) Deposits placed by non-financial corporations	1560	2	-8	-2	3.5	2.8	1.8
(2.1) Overnight deposits	1001	-1	-15	6	1.1	0.4	0.4
(2.2) Deposits with an agreed maturity of up to two years	463	1	10	-9	8.5	8.3	4.8
(2.3) Deposits redeemable at notice of up to three months	77	2	-1	-1	0.0	-0.6	-4.6
(2.4) Repurchase agreements	20	0	-2	3	36.9	25.8	45.1
(3) Deposits placed by non-monetary financial intermediaries excluding insurance corporations and pension funds	1090	39	6	-40	11.0	11.4	9.8
(3.1) Overnight deposits	378	2	4	-13	2.7	4.3	1.6
(3.2) Deposits with an agreed maturity of up to two years	288	-10	-11	-4	-2.8	-4.5	-8.8
(3.3) Deposits redeemable at notice of up to three months	11	1	0	-1	4.9	3.2	-2.9
(3.4) Repurchase agreements	414	47	12	-22	33.6	34.3	39.6
of which: with central counterparties ^{d)}	325	33	24	-14	43.5	47.4	58.5
(4) Deposits placed by insurance corporations and pension funds	203	16	6	-5	1.7	6.6	7.3
(5) Deposits placed by other general government	264	5	-2	-7	3.0	1.1	-0.2

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) The series is not adjusted for seasonal effects.

TABLE 3

CONTRIBUTIONS OF M3 COMPONENTS TO THE M3 ANNUAL GROWTH RATE: OCTOBER 2011

DATA ADJUSTED FOR SEASONAL EFFECTS

(contributions in terms of the M3 annual percentage change^{a)})

	AUGUST 2011	SEPTEMBER 2011	OCTOBER 2011
(1) M1	0.8	1.0	0.9
(1.1) <i>of which</i> : Currency	0.4	0.4	0.5
(1.2) <i>of which</i> : Overnight deposits	0.5	0.6	0.3
(2) M2 - M1 (= other short-term deposits)	1.2	1.2	0.9
(3) M3 - M2 (= short-term marketable instruments)	0.7	0.8	0.9
(4) M3 (= items 1, 2 and 3)	2.8	3.0	2.6

a) Figures may not add up due to rounding.

TABLE 4

BREAKDOWN OF LOANS BY BORROWING SECTOR, TYPE AND ORIGINAL MATURITY: OCTOBER 2011

DATA ADJUSTED FOR SEASONAL EFFECTS

(EUR billions and annual percentage changes^{a)})

	END-OF-MONTH LEVEL	MONTHLY FLOW ^{b)}			ANNUAL GROWTH RATE		
		OCTOBER 2011	AUGUST 2011	SEPTEMBER 2011	OCTOBER 2011	AUGUST 2011	SEPTEMBER 2011
BREAKDOWN OF LOANS^{c)}							
(1) Loans to households^{d)}	5231	8	7	-18	2.9	2.9	2.2
<i>loans adjusted for sales and securitisation^{e)}</i>	<i>ND</i>	<i>10</i>	<i>5</i>	<i>10</i>	<i>2.7</i>	<i>2.6</i>	<i>2.5</i>
(1.1) Credit for consumption	627	1	-1	0	-2.0	-1.9	-1.9
(1.2) Lending for house purchase	3769	6	8	-18	3.9	3.9	3.0
(1.3) Other lending	835	1	0	0	2.3	2.3	2.2
<i>of which: sole proprietors^{f)}</i>	<i>407</i>	<i>0</i>	<i>0</i>	<i>-2</i>	<i>-0.5</i>	<i>0.0</i>	<i>-0.2</i>
(2) Loans to non-financial corporations	4761	10	19	7	1.5	1.6	1.9
<i>loans adjusted for sales and securitisation^{e)}</i>	<i>ND</i>	<i>10</i>	<i>19</i>	<i>9</i>	<i>2.1</i>	<i>2.2</i>	<i>2.3</i>
(2.1) up to 1 year	1181	2	7	5	4.0	4.0	4.6
(2.2) over 1 year and up to 5 years	868	1	2	0	-3.5	-3.7	-3.2
(3.3) over 5 years	2712	7	10	3	2.0	2.4	2.4
(3) Loans to non-monetary financial intermediaries except insurance corporations and pension funds	1199	22	-13	49	4.5	4.5	8.7
<i>of which: reverse repos to central counterparties^{f)}</i>	<i>212</i>	<i>16</i>	<i>3</i>	<i>34</i>	<i>20.4</i>	<i>20.1</i>	<i>58.4</i>
(4) Loans to insurance corporations and pension funds	94	8	-2	-3	9.8	9.7	6.1

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.