

28 August 2012

## PRESS RELEASE

### MONETARY DEVELOPMENTS IN THE EURO AREA: JULY 2012

The annual growth rate of the broad monetary aggregate M3 increased to 3.8% in July 2012, from 3.2% in June 2012.<sup>1</sup> The three-month average of the annual growth rates of M3 in the period from May 2012 to July 2012 increased to 3.4%, from 3.0% in the period from April 2012 to June 2012.

Twelve-month percentage changes; (adjusted for seasonal and end-of-month calendar effects)	<b>MAY 2012</b>	<b>JUNE 2012</b>	<b>JULY 2012</b>	<b>MAY 2012 - JULY 2012 (AVERAGE)</b>
<b>M3</b>	3.1	3.2	3.8	3.4
<b>M1</b>	3.3	3.5	4.5	3.8
<b>Loans to the private sector</b>	-0.1	-0.2	0.1	-0.1
<b>Loans to the private sector, adjusted for sales and securitisation</b>	0.5	0.3	0.5	0.4

#### **M3 components**

Regarding the main components of M3, the annual growth rate of M1 increased to 4.5% in July 2012, from 3.5% in June. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) decreased to 2.2% in July, from 2.4% in the previous month. The annual growth rate of marketable instruments (M3-M2) increased to 6.4% in July, from 5.0% in June. Among the deposits included in M3, the annual growth rate of deposits placed by households increased to 2.7% in July, from 2.5% in the previous month, while the annual growth rate of deposits placed by non-financial corporations stood at -0.2% in July, compared with -0.3% 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 4.8% in July, from 3.3% in the previous month.

#### **Counterparts to M3: credit and loans**

<sup>1</sup> 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 decreased to 1.2% in July 2012, from 1.4% in the previous month. The annual growth rate of credit extended to general government stood at 9.4% in July, unchanged from the previous month, while the annual growth rate of credit extended to the private sector was more negative at -0.6% in July, from -0.4% in the previous month. Among the components of credit to the private sector, the annual growth rate of loans increased to 0.1% in July, from -0.2% in the previous month (adjusted for loan sales and securitisation<sup>2</sup>, the rate increased to 0.5%, from 0.3% in the previous month). The annual growth rate of loans to households stood at 0.3% in July, unchanged from the previous month (adjusted for loan sales and securitisation, the rate stood at 1.1%, unchanged from the previous month). The annual growth rate of lending for house purchase, the most important component of household loans, stood at 0.8% in July, unchanged from the previous month. The annual growth rate of loans to non-financial corporations was less negative at -0.4% in July, from -0.6% in the previous month (adjusted for loan sales and securitisation, the rate was less negative at -0.2% in July, from -0.4% in the previous month). Finally, the annual growth rate of loans to non-monetary financial intermediaries (excluding insurance corporations and pension funds) increased to 1.8% in July, from 0.2% in the previous month.

### **Other counterparts**

Over the 12 months up to July 2012, the net external asset position of the euro area MFI sector decreased by €37 billion, compared with a decrease of €70 billion over the 12 months up to June. The annual growth rate of longer-term financial liabilities of the MFI sector was more negative at -1.3% in July, from -0.5% in June.

### 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>

**Reproduction is permitted provided that the source is acknowledged.**

---

<sup>2</sup> 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: JULY 2012

DATA ADJUSTED FOR SEASONAL EFFECTS

(EUR billions and annual percentage changes<sup>a)</sup>)

	END-OF-MONTH LEVEL	MONTHLY FLOW <sup>b)</sup>			ANNUAL GROWTH RATE		
	JULY 2012	MAY 2012	JUNE 2012	JULY 2012	MAY 2012	JUNE 2012	JULY 2012
<b>COMPONENTS OF M3 <sup>c)</sup></b>							
(1) <b>M3</b> (= items 1.3, 1.6 and 1.11)	10004	89	18	70	3.1	3.2	3.8
(1.1) Currency in circulation	866	7	4	5	5.5	5.5	5.9
(1.2) Overnight deposits	4088	65	17	54	2.9	3.1	4.2
(1.3) <b>M1</b> (items 1.1 and 1.2)	4955	72	21	59	3.3	3.5	4.5
(1.4) Deposits with an agreed maturity of up to two years	1867	-33	-7	-14	1.6	1.5	0.7
(1.5) Deposits redeemable at notice of up to three months	2019	14	11	11	3.0	3.3	3.6
(1.6) Other short term deposits (items 1.4 and 1.5)	3886	-19	4	-3	2.3	2.4	2.2
(1.7) <b>M2</b> (items 1.3 and 1.6)	8840	52	25	56	2.9	3.0	3.5
(1.8) Repurchase agreements	436	34	-5	19	-1.5	0.8	2.4
(1.9) Money market fund shares/units	495	10	-9	-6	4.1	3.4	4.6
(1.10) Debt securities issued with a maturity of up to two years	233	-7	7	1	23.9	17.9	19.5
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	1164	37	-7	14	4.9	5.0	6.4
<b>COUNTERPARTS OF M3</b>							
<b>MFI liabilities:</b>							
(2) <i>Holdings against central government</i> <sup>d)</sup>	295	22	-17	0	10.8	-0.2	-4.2
(3) <i>Longer-term financial liabilities vis-à-vis other euro area residents</i> (= items 3.1 to 3.4)	7636	-48	-21	-26	-0.2	-0.5	-1.3
(3.1) Deposits with an agreed maturity of over two years	2416	-33	-18	-48	-1.1	-1.8	-3.7
(3.2) Deposits redeemable at notice of over three months	112	-1	-1	-1	-5.1	-5.8	-6.8
(3.3) Debt securities issued with a maturity of over two years	2754	-29	-10	1	-4.7	-5.1	-5.0
(3.4) Capital and reserves	2354	13	9	22	7.1	7.6	6.6
<b>MFI assets:</b>							
(4) <i>Credit to euro area residents</i> (= items 4.1 and 4.2)	16675	30	-19	0	1.5	1.4	1.2
(4.1) Credit to general government	3325	31	18	12	9.0	9.4	9.4
Loans	1188	10	17	2	-0.8	1.7	1.3
Securities other than shares	2137	21	2	10	15.3	14.3	14.5
(4.2) Credit to other euro area residents	13350	-1	-37	-12	-0.2	-0.4	-0.6
Loans <sup>e)</sup>	11190	-12	-1	37	-0.1	-0.2	0.1
<i>loans adjusted for sales and securitisation</i> <sup>f)</sup>	ND	-8	-5	44	0.5	0.3	0.5
Securities other than shares	1416	5	-34	-57	0.4	-0.5	-4.6
Shares and other equities	744	6	-3	8	-3.5	-3.3	-2.2
(5) <i>Net external assets</i>	973	14	-26	26	ND	ND	ND
(6) <i>Other counterparts of M3 (residual)</i> (= M3 + items 2, 3 - items 4, 5)	287	20	25	19	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: JULY 2012**

DATA ADJUSTED FOR SEASONAL EFFECTS

(EUR billions and annual percentage changes<sup>a)</sup>)

	END-OF-MONTH LEVEL	MONTHLY FLOW <sup>b)</sup>			ANNUAL GROWTH RATE		
	JULY 2012	MAY 2012	JUNE 2012	JULY 2012	MAY 2012	JUNE 2012	JULY 2012
<b>BREAKDOWN OF DEPOSITS IN M3</b>							
<b>Total deposits (=items 1, 2, 3, 4 and 5)</b>	8410	80	16	70	2.4	2.7	3.2
(1) <b>Deposits placed by households<sup>c)</sup></b>	5198	4	15	16	2.4	2.5	2.7
(1.1) Overnight deposits	2296	5	13	10	0.4	0.9	1.4
(1.2) Deposits with an agreed maturity of up to two years	976	-10	-6	-5	8.2	7.4	6.4
(1.3) Deposits redeemable at notice of up to three months	1912	11	9	12	2.9	3.2	3.5
(1.4) Repurchase agreements	14	-2	-2	-1	-53.1	-57.2	-59.7
(2) <b>Deposits placed by non-financial corporations</b>	1573	4	5	7	-0.3	-0.3	-0.2
(2.1) Overnight deposits	1057	12	7	15	3.1	3.3	4.2
(2.2) Deposits with an agreed maturity of up to two years	423	-11	-2	-8	-6.3	-7.5	-8.5
(2.3) Deposits redeemable at notice of up to three months	79	3	1	0	-1.6	-0.4	0.0
(2.4) Repurchase agreements	13	0	-1	0	-25.5	-17.1	-32.6
(3) <b>Deposits placed by non-monetary financial intermediaries excluding insurance corporations and pension funds</b>	1101	59	-1	28	0.9	3.3	4.8
(3.1) Overnight deposits	436	36	4	16	12.8	14.2	15.7
(3.2) Deposits with an agreed maturity of up to two years	260	-14	-6	-6	-17.9	-16.2	-17.0
(3.3) Deposits redeemable at notice of up to three months	12	-1	0	-1	19.4	9.4	7.4
(3.4) Repurchase agreements	393	38	2	18	5.0	8.7	11.9
of which: with central counterparties <sup>d)</sup>	296	34	6	0	7.9	9.4	12.5
(4) <b>Deposits placed by insurance corporations and pension funds</b>	206	2	-12	7	15.7	7.8	9.9
(5) <b>Deposits placed by other general government</b>	332	11	9	12	15.6	17.1	22.3

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) The series is not adjusted for seasonal effects.

TABLE 3

## CONTRIBUTIONS OF M3 COMPONENTS TO THE M3 ANNUAL GROWTH RATE: JULY 2012

DATA ADJUSTED FOR SEASONAL EFFECTS

(contributions in terms of the M3 annual percentage change<sup>a)</sup>)

	MAY 2012	JUNE 2012	JULY 2012
(1) <b>M1</b>	1.6	1.7	2.2
(1.1) <i>of which</i> : Currency	0.5	0.5	0.5
(1.2) <i>of which</i> : Overnight deposits	1.2	1.2	1.7
(2) <b>M2 - M1</b> (= other short-term deposits)	0.9	1.0	0.9
(3) <b>M3 - M2</b> (= short-term marketable instruments)	0.6	0.6	0.7
(4) <b>M3</b> (= items 1, 2 and 3)	3.1	3.2	3.8

a) Figures may not add up due to rounding.

TABLE 4

## BREAKDOWN OF LOANS BY BORROWING SECTOR, TYPE AND ORIGINAL MATURITY: JULY 2012

DATA ADJUSTED FOR SEASONAL EFFECTS

(EUR billions and annual percentage changes<sup>a)</sup>)

	END-OF-MONTH LEVEL	MONTHLY FLOW <sup>b)</sup>			ANNUAL GROWTH RATE		
		JULY 2012	MAY 2012	JUNE 2012	JULY 2012	MAY 2012	JUNE 2012
<b>BREAKDOWN OF LOANS<sup>c)</sup></b>							
(1) <b>Loans to households<sup>d)</sup></b>	5240	0	4	-8	0.3	0.3	0.3
<i>loans adjusted for sales and securitisation<sup>e)</sup></i>	<i>ND</i>	<i>0</i>	<i>-3</i>	<i>0</i>	<i>1.3</i>	<i>1.1</i>	<i>1.1</i>
(1.1) Credit for consumption	610	1	-4	-4	-1.9	-1.9	-2.0
(1.2) Lending for house purchase	3805	0	10	-5	0.8	0.8	0.8
(1.3) Other lending	826	-1	-2	1	0.0	-0.5	-0.5
<i>of which: sole proprietors<sup>f)</sup></i>	<i>417</i>	<i>-1</i>	<i>-1</i>	<i>0</i>	<i>1.1</i>	<i>0.8</i>	<i>1.0</i>
(2) <b>Loans to non-financial corporations</b>	4698	-11	-3	8	0.0	-0.6	-0.4
<i>loans adjusted for sales and securitisation<sup>e)</sup></i>	<i>ND</i>	<i>-7</i>	<i>-1</i>	<i>7</i>	<i>0.3</i>	<i>-0.4</i>	<i>-0.2</i>
(2.1) up to 1 year	1164	-5	1	15	0.2	-1.7	0.0
(2.2) over 1 year and up to 5 years	841	-1	-2	-3	-2.7	-2.7	-2.7
(2.3) over 5 years	2692	-4	-3	-4	0.8	0.5	0.1
(3) <b>Loans to non-monetary financial intermediaries except insurance corporations and pension funds</b>	1169	-3	-2	37	-1.9	0.2	1.8
<i>of which: reverse repos to central counterparties<sup>f)</sup></i>	<i>210</i>	<i>6</i>	<i>-4</i>	<i>33</i>	<i>10.0</i>	<i>14.5</i>	<i>30.4</i>
(4) <b>Loans to insurance corporations and pension funds</b>	83	1	1	-1	-6.4	-5.8	-8.5

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.