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## PRESS RELEASE

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

The annual growth rate of the broad monetary aggregate M3 decreased to 3.3% in December 2012, from 3.8% in November 2012.<sup>1</sup> The three-month average of the annual growth rates of M3 in the period from October 2012 to December 2012 increased to 3.7%, from 3.4% in the period from September 2012 to November 2012.

Twelve-month percentage changes; (adjusted for seasonal and end-of-month calendar effects)	<b>OCTOBER 2012</b>	<b>NOVEMBER 2012</b>	<b>DECEMBER 2012</b>	<b>OCTOBER 2012 - DECEMBER 2012 (AVERAGE)</b>
<b>M3</b>	3.9	3.8	3.3	3.7
<b>M1</b>	6.5	6.7	6.2	6.5
<b>Loans to the private sector</b>	-0.8	-0.8	-0.7	-0.8
<b>Loans to the private sector, adjusted for sales and securitisation</b>	-0.5	-0.5	-0.2	-0.4

#### **M3 components**

Regarding the main components of M3, the annual growth rate of M1 decreased to 6.2% in December 2012, from 6.7% in November. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) increased to 2.1% in December, from 1.8% in the previous month. The annual growth rate of marketable instruments (M3-M2) was more negative at -7.6% in December, from -3.7% in November. Among the deposits included in M3, the annual growth rate of deposits placed by households increased to 4.4% in December, from 3.8% in the previous month, while the annual growth rate of deposits placed by non-financial corporations increased to 4.6% in December, from 4.2% 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 1.2% in December, from 1.5% 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 stood at 0.4% in December 2012, compared with 0.3% in the previous month. The annual growth rate of credit extended to general government decreased to 5.8% in December, from 8.4% in November, while the annual growth rate of credit extended to the private sector was less negative at -0.8% in December, from -1.6% in the previous month. Among the components of credit to the private sector, the annual growth rate of loans stood at -0.7% in December, compared with -0.8% in the previous month (adjusted for loan sales and securitisation<sup>2</sup>, the rate was less negative at -0.2%, from -0.5% in the previous month). The annual growth rate of loans to households stood at 0.5% in December, compared with 0.4% in November (adjusted for loan sales and securitisation, the rate stood at 0.7%, compared with 0.8% in the previous month). The annual growth rate of lending for house purchase, the most important component of household loans, stood at 1.3% in December, compared with 1.2% in the previous month. The annual growth rate of loans to non-financial corporations was more negative at -2.3% in December, from -1.9% in the previous month (adjusted for loan sales and securitisation, the rate was less negative at -1.3% in December, from -1.5% in the previous month). Finally, the annual growth rate of loans to non-monetary financial intermediaries (excluding insurance corporations and pension funds) increased to 0.7% in December, from -1.7% in the previous month.

### **Other counterparts**

Over the 12 months up to December 2012, the net external asset position of the euro area MFI sector increased by €99 billion, compared with an increase of €81 billion over the 12 months up to November. The annual growth rate of longer-term financial liabilities of the MFI sector was less negative at -1.6% in December, from -1.8% in November.

### 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 new set of tables showing MFI balance sheets for the euro area, euro area countries and non-euro area EU 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=1000003157>.
- December 2012 figures are partly affected by the orderly restructuring of the Spanish banking sector. This has involved, in particular, the transfer of loans to the asset management company for assets arising from bank restructuring (SAREB) and a corresponding increase of securities other than shares held by MFIs (issued by SAREB). While most of the effect on monthly loan flows and growth rates is adjusted for in the series "loans adjusted for sales and securitisation", other factors linked to the orderly restructuring of the Spanish banking sector led to further reductions of loans to non-financial corporations that had a sizeable downward impact even

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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.

*on loan flows corrected for sales and securitisation. Furthermore, the increase of MFI capital and reserves is mirrored by an increase of the same size in MFI holdings of euro area securities other than shares issued by the European Stability Mechanism (ESM).*

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TABLE 1

## MONETARY DEVELOPMENTS IN THE EURO AREA: DECEMBER 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		
	DECEMBER 2012	OCTOBER 2012	NOVEMBER 2012	DECEMBER 2012	OCTOBER 2012	NOVEMBER 2012	DECEMBER 2012
<b>COMPONENTS OF M3 <sup>c)</sup></b>							
(1) <b>M3</b> (= items 1.3, 1.6 and 1.11)	9741	112	-5	-42	3.9	3.8	3.3
(1.1) Currency in circulation	864	3	-7	2	3.5	2.2	2.5
(1.2) Overnight deposits	4222	68	30	-32	7.1	7.7	7.0
(1.3) <b>M1</b> (items 1.1 and 1.2)	5086	70	23	-30	6.5	6.7	6.2
(1.4) Deposits with an agreed maturity of up to two years	1808	10	-11	14	-1.8	-1.9	-1.9
(1.5) Deposits redeemable at notice of up to three months	2077	22	12	-1	4.9	5.2	5.9
(1.6) Other short term deposits (items 1.4 and 1.5)	3884	32	1	13	1.7	1.8	2.1
(1.7) <b>M2</b> (items 1.3 and 1.6)	8970	103	23	-17	4.3	4.5	4.4
(1.8) Repurchase agreements	123	5	1	-3	-22.2	-20.1	-11.2
(1.9) Money market fund shares/units	469	9	-7	-14	1.9	0.4	-4.4
(1.10) Debt securities issued with a maturity of up to two years	178	-5	-22	-7	13.8	0.5	-13.1
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	770	9	-28	-24	-0.4	-3.7	-7.6
<b>COUNTERPARTS OF M3</b>							
<b>MFI liabilities:</b>							
(2) <i>Holdings against central government</i> <sup>d)</sup>	306	-30	23	4	5.7	19.4	-1.3
(3) <i>Longer-term financial liabilities vis-à-vis other euro area residents</i> (= items 3.1 to 3.4)	7563	-10	-20	0	-1.8	-1.8	-1.6
(3.1) Deposits with an agreed maturity of over two years	2387	-4	-15	-20	-5.9	-5.7	-6.4
(3.2) Deposits redeemable at notice of over three months	106	-1	-1	-2	-9.1	-9.0	-9.9
(3.3) Debt securities issued with a maturity of over two years	2679	-9	2	-15	-4.8	-4.6	-4.2
(3.4) Capital and reserves	2390	4	-5	37	7.3	6.6	7.5
<b>MFI assets:</b>							
(4) <i>Credit to euro area residents</i> (= items 4.1 and 4.2)	16454	5	-35	11	0.6	0.3	0.4
(4.1) Credit to general government	3398	14	13	-41	9.3	8.4	5.8
Loans	1164	11	-7	-21	2.9	2.2	-0.4
Securities other than shares	2234	3	20	-20	13.1	12.0	9.4
(4.2) Credit to other euro area residents	13056	-9	-48	53	-1.5	-1.6	-0.8
Loans <sup>e)</sup>	10863	-1	-12	-25	-0.8	-0.8	-0.7
<i>loans adjusted for sales and securitisation</i> <sup>f)</sup>	ND	5	-12	2	-0.5	-0.5	-0.2
Securities other than shares	1420	-2	-36	61	-8.0	-9.6	-4.9
Shares and other equities	773	-6	1	17	2.1	2.9	5.3
(5) <i>Net external assets</i>	1029	33	69	23	ND	ND	ND
(6) <i>Other counterparts of M3 (residual)</i> (= M3 + items 2, 3 - items 4, 5)	126	34	-36	-71	ND	ND	ND
<i>of which:</i>							
(6.1) Repos with central counterparties (liabilities) (+) <sup>g)</sup>	257	-14	9	-36	-8.1	1.6	4.2
(6.2) Reverse repos to central counterparties (assets) (-) <sup>g)</sup>	196	4	-9	-21	5.4	14.9	24.7

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.

g) The series is not adjusted for seasonal effects.

TABLE 2

**BREAKDOWN OF DEPOSITS IN M3 BY HOLDING SECTOR AND TYPE: DECEMBER 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		
	DECEMBER 2012	OCTOBER 2012	NOVEMBER 2012	DECEMBER 2012	OCTOBER 2012	NOVEMBER 2012	DECEMBER 2012
<b>BREAKDOWN OF DEPOSITS IN M3</b>							
<b>Total deposits</b> (=items 1, 2, 3, 4 and 5)	8229	105	32	-22	3.9	4.2	4.3
(1) <b>Deposits placed by households</b> <sup>c)</sup>	5302	34	29	4	3.3	3.8	4.4
(1.1) Overnight deposits	2357	10	17	4	2.5	3.4	4.3
(1.2) Deposits with an agreed maturity of up to two years	979	5	2	2	5.3	4.5	4.0
(1.3) Deposits redeemable at notice of up to three months	1955	20	10	-1	4.4	5.0	5.4
(1.4) Repurchase agreements	11	-1	0	-1	-63.7	-62.8	-53.9
(2) <b>Deposits placed by non-financial corporations</b>	1615	17	13	-5	2.8	4.2	4.6
(2.1) Overnight deposits	1112	14	11	-6	9.8	10.9	10.2
(2.2) Deposits with an agreed maturity of up to two years	404	1	3	1	-12.1	-10.1	-8.6
(2.3) Deposits redeemable at notice of up to three months	88	2	0	0	7.5	10.1	13.8
(2.4) Repurchase agreements	10	0	-1	0	-36.3	-38.5	-27.6
(3) <b>Deposits placed by non-monetary financial intermediaries excluding insurance corporations and pension funds</b> <sup>d)</sup>	799	39	-17	5	3.9	1.5	1.2
(3.1) Overnight deposits	452	33	0	-28	23.4	21.4	11.5
(3.2) Deposits with an agreed maturity of up to two years	246	-1	-17	34	-20.4	-22.9	-14.3
(3.3) Deposits redeemable at notice of up to three months	14	0	1	1	12.5	-34.6	-12.6
(3.4) Repurchase agreements <sup>d)</sup>	86	7	-1	-1	-3.6	-2.9	5.5
(4) <b>Deposits placed by insurance corporations and pension funds</b>	207	1	6	-1	2.8	7.3	7.5
(5) <b>Deposits placed by other general government</b>	306	14	0	-25	21.9	18.6	9.0

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.

TABLE 3

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

DATA ADJUSTED FOR SEASONAL EFFECTS

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

	OCTOBER 2012	NOVEMBER 2012	DECEMBER 2012
(1) <b>M1</b>	3.3	3.4	3.1
(1.1) <i>of which</i> : Currency	0.3	0.2	0.2
(1.2) <i>of which</i> : Overnight deposits	3.0	3.2	2.9
(2) <b>M2 - M1</b> (= other short-term deposits)	0.7	0.7	0.9
(3) <b>M3 - M2</b> (= short-term marketable instruments)	0.0	-0.3	-0.7
(4) <b>M3</b> (= items 1, 2 and 3)	3.9	3.8	3.3

a) Figures may not add up due to rounding.

TABLE 4

## BREAKDOWN OF LOANS AS COUNTERPART TO M3 BY BORROWING SECTOR, TYPE AND ORIGINAL MATURITY: DECEMBER 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		
	DECEMBER 2012	OCTOBER 2012	NOVEMBER 2012	DECEMBER 2012	OCTOBER 2012	NOVEMBER 2012	DECEMBER 2012
<b>BREAKDOWN OF LOANS AS COUNTERPART TO M3 <sup>c)</sup></b>							
(1) <b>Loans to households <sup>d)</sup></b>	5244	4	6	-2	0.4	0.4	0.5
<i>loans adjusted for sales and securitisation <sup>e)</sup></i>	<i>ND</i>	8	6	-3	0.8	0.8	0.7
(1.1) Credit for consumption	602	-1	0	0	-2.9	-2.9	-2.9
(1.2) Lending for house purchase	3825	3	6	3	1.2	1.2	1.3
(1.3) Other lending	817	2	0	-5	-0.6	-0.7	-0.6
<i>of which: sole proprietors <sup>f)</sup></i>	420	0	0	3	0.8	0.4	-1.2
(2) <b>Loans to non-financial corporations</b>	4545	-9	-7	-51	-1.8	-1.9	-2.3
<i>loans adjusted for sales and securitisation <sup>e)</sup></i>	<i>ND</i>	-8	-7	-22	-1.5	-1.5	-1.3
(2.1) up to 1 year	1135	2	-2	2	-2.2	-2.0	0.2
(2.2) over 1 year and up to 5 years	795	-3	-4	-12	-4.4	-4.5	-5.3
(3.3) over 5 years	2615	-9	0	-42	-0.9	-1.0	-2.4
(3) <b>Loans to non-monetary financial intermediaries except insurance corporations and pension funds <sup>g)</sup></b>	984	0	-8	26	-2.2	-1.7	0.7
(4) <b>Loans to insurance corporations and pension funds</b>	89	4	-3	1	-2.3	-4.4	-2.0

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.