

## PRESS RELEASE

### MONETARY DEVELOPMENTS IN THE EURO AREA: NOVEMBER 2011

The annual growth rate of the broad monetary aggregate M3 decreased to 2.0% in November 2011, from 2.6% in October 2011.<sup>1</sup> The three-month average of the annual growth rates of M3 in the period from September 2011 to November 2011 decreased to 2.5%, from 2.8% in the period from August 2011 to October 2011.

Twelve-month percentage changes; (adjusted for seasonal and end-of-month calendar effects)	SEPTEMBER 2011	OCTOBER 2011	NOVEMBER 2011	SEPTEMBER 2011 - NOVEMBER 2011 (AVERAGE)
<b>M3</b>	2.9	2.6	2.0	2.5
<b>M1</b>	2.0	1.7	2.1	1.9
<b>Loans to the private sector</b>	2.5	2.7	1.7	2.3
<b>Loans to the private sector, adjusted for sales and securitisation</b>	2.7	3.0	1.9	2.5

#### **M3 components**

Regarding the main components of M3, the annual growth rate of M1 increased to 2.1% in November 2011, from 1.7% in October. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) decreased to 2.1% in November, from 2.3% in the previous month. The annual growth rate of marketable instruments (M3-M2) decreased to 1.1% in November, from 7.8% in October. Among the deposits included in M3, the annual growth rate of deposits placed by households stood at 2.0% in November, compared with 2.1% in the previous month, while the annual growth rate of deposits placed by non-financial corporations decreased to 1.4% in November, from 1.8% 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 2.7% in November, from 9.7% 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 0.8% in November 2011, from 1.6% in the previous month. The annual growth rate of credit extended

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

to general government increased to 0.2% in November, from -0.5% in October, while the annual growth rate of credit extended to the private sector decreased to 1.0% in November, from 2.1% in the previous month. Among the components of credit to the private sector, the annual growth rate of loans decreased to 1.7% in November, from 2.7% in the previous month (adjusted for loan sales and securitisation<sup>2</sup>, the rate decreased to 1.9%, from 3.0% in the previous month). The annual growth rate of loans to households stood at 2.1% in November, compared with 2.2% in October (adjusted for loan sales and securitisation, the rate decreased to 2.3%, from 2.5% in the previous month). The annual growth rate of lending for house purchase, the most important component of household loans, stood at 3.0% in November, unchanged from the previous month. The annual growth rate of loans to non-financial corporations decreased to 1.6% in November, from 1.8% in the previous month (adjusted for loan sales and securitisation, the rate decreased to 1.8% in November, from 2.2% in the previous month). Finally, the annual growth rate of loans to non-monetary financial intermediaries (excluding insurance corporations and pension funds) decreased to 0.4% in November, from 8.5% in the previous month.

### **Other counterparts**

Over the 12 months up to November 2011, the net external asset position of the euro area MFI sector increased by €188 billion, compared with an increase of €224 billion over the 12 months up to October. The annual growth rate of longer-term financial liabilities of the MFI sector decreased to 3.3% in November, from 4.2% in October.

### 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>.

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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.

TABLE 1

## MONETARY DEVELOPMENTS IN THE EURO AREA: NOVEMBER 2011

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		
	NOVEMBER 2011	SEPTEMBER 2011	OCTOBER 2011	NOVEMBER 2011	SEPTEMBER 2011	OCTOBER 2011	NOVEMBER 2011
<b>COMPONENTS OF M3<sup>c)</sup></b>							
(1) <b>M3</b> (= items 1.3, 1.6 and 1.11)	9775	21	-48	-13	2.9	2.6	2.0
(1.1) Currency in circulation	847	7	11	4	5.3	6.5	6.5
(1.2) Overnight deposits	3942	-12	-21	11	1.4	0.7	1.2
(1.3) <b>M1</b> (items 1.1 and 1.2)	4789	-5	-10	15	2.0	1.7	2.1
(1.4) Deposits with an agreed maturity of up to two years	1829	12	-13	-20	3.2	1.9	1.6
(1.5) Deposits redeemable at notice of up to three months	1972	5	5	8	3.0	2.7	2.6
(1.6) Other short term deposits (items 1.4 and 1.5)	3801	17	-8	-12	3.1	2.3	2.1
(1.7) <b>M2</b> (items 1.3 and 1.6)	8590	11	-18	2	2.5	1.9	2.1
(1.8) Repurchase agreements	464	11	-22	-23	31.1	34.8	12.4
(1.9) Money market fund shares/units	549	3	-9	6	-9.5	-8.9	-8.9
(1.10) Debt securities issued with a maturity of up to two years	171	-5	2	1	2.8	8.5	13.0
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	1185	9	-29	-16	5.8	7.8	1.1
<b>COUNTERPARTS OF M3</b>							
<b>MFI liabilities:</b>							
(2) <i>Holdings against central government</i> <sup>d)</sup>	248	-3	-3	-16	0.0	-23.2	-25.8
(3) <i>Longer-term financial liabilities vis-à-vis other euro area residents</i> (= items 3.1 to 3.4)	7724	14	21	-14	4.2	4.2	3.3
(3.1) Deposits with an agreed maturity of over two years	2550	16	40	-21	3.1	4.5	2.8
(3.2) Deposits redeemable at notice of over three months	116	-1	-1	-2	-2.4	-1.1	-2.0
(3.3) Debt securities issued with a maturity of over two years	2867	1	-19	-2	3.6	2.5	2.1
(3.4) Capital and reserves	2191	-2	1	10	6.8	6.6	6.0
<b>MFI assets:</b>							
(4) <i>Credit to euro area residents</i> (= items 4.1 and 4.2)	16654	7	56	9	2.3	1.6	0.8
(4.1) Credit to general government	3126	16	-2	43	5.6	-0.5	0.2
Loans	1161	2	-5	3	6.1	-1.2	-5.6
Securities other than shares	1965	14	3	40	5.6	0.1	3.9
(4.2) Credit to other euro area residents	13528	-8	58	-35	1.5	2.1	1.0
Loans <sup>e)</sup>	11254	12	24	-16	2.5	2.7	1.7
<i>loans adjusted for sales and securitisation</i> <sup>f)</sup>	ND	10	53	-13	2.7	3.0	1.9
Securities other than shares	1524	-6	41	-14	-4.6	-0.1	-2.0
Shares and other equities	750	-14	-7	-5	-0.9	-2.0	-3.7
(5) <i>Net external assets</i>	903	16	-59	-25	ND	ND	ND
(6) <i>Other counterparts of M3 (residual)</i> (= M3 + items 2, 3 - items 4, 5)	190	9	-27	-27	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: NOVEMBER 2011

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		
	NOVEMBER 2011	SEPTEMBER 2011	OCTOBER 2011	NOVEMBER 2011	SEPTEMBER 2011	OCTOBER 2011	NOVEMBER 2011
<b>BREAKDOWN OF DEPOSITS IN M3</b>							
<b>Total deposits (=items 1, 2, 3, 4 and 5)</b>	8207	16	-51	-24	3.6	3.0	2.2
(1) <b>Deposits placed by households<sup>c)</sup></b>	5112	14	4	3	2.3	2.1	2.0
(1.1) Overnight deposits	2281	2	-6	-3	1.6	1.0	0.9
(1.2) Deposits with an agreed maturity of up to two years	934	4	4	7	2.4	2.8	3.8
(1.3) Deposits redeemable at notice of up to three months	1866	7	7	0	3.1	3.0	2.5
(1.4) Repurchase agreements	31	0	-1	-2	7.3	6.7	2.8
(2) <b>Deposits placed by non-financial corporations</b>	1558	-8	-2	-4	2.8	1.8	1.4
(2.1) Overnight deposits	1001	-15	4	-2	0.4	0.2	0.4
(2.2) Deposits with an agreed maturity of up to two years	457	10	-7	-6	8.4	5.2	3.3
(2.3) Deposits redeemable at notice of up to three months	82	-1	-1	5	-0.6	-4.6	0.5
(2.4) Repurchase agreements	19	-2	3	-1	25.7	45.0	16.3
(3) <b>Deposits placed by non-monetary financial intermediaries excluding insurance corporations and pension funds</b>	1066	6	-40	-30	11.5	9.7	2.7
(3.1) Overnight deposits	389	5	-13	10	4.2	1.5	5.8
(3.2) Deposits with an agreed maturity of up to two years	271	-11	-4	-21	-4.4	-8.7	-13.4
(3.3) Deposits redeemable at notice of up to three months	13	0	-1	2	3.2	-2.9	19.1
(3.4) Repurchase agreements	393	12	-23	-21	34.3	39.5	13.3
of which: with central counterparties <sup>d)</sup>	304	24	-13	-22	47.4	58.9	17.2
(4) <b>Deposits placed by insurance corporations and pension funds</b>	197	6	-5	-3	6.6	7.3	8.6
(5) <b>Deposits placed by other general government</b>	275	-2	-7	10	1.1	-0.2	4.5

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). 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: NOVEMBER 2011

DATA ADJUSTED FOR SEASONAL EFFECTS

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

	SEPTEMBER 2011	OCTOBER 2011	NOVEMBER 2011
(1) <b>M1</b>	1.0	0.8	1.0
(1.1) <i>of which</i> : Currency	0.4	0.5	0.5
(1.2) <i>of which</i> : Overnight deposits	0.6	0.3	0.5
(2) <b>M2 - M1</b> (= other short-term deposits)	1.2	0.9	0.8
(3) <b>M3 - M2</b> (= short-term marketable instruments)	0.7	0.9	0.1
(4) <b>M3</b> (= items 1, 2 and 3)	2.9	2.6	2.0

a) Figures may not add up due to rounding.

TABLE 4

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

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		
	NOVEMBER 2011	SEPTEMBER 2011	OCTOBER 2011	NOVEMBER 2011	SEPTEMBER 2011	OCTOBER 2011	NOVEMBER 2011
<b>BREAKDOWN OF LOANS<sup>c)</sup></b>							
(1) <b>Loans to households<sup>d)</sup></b>	5240	7	-18	8	2.9	2.2	2.1
<i>loans adjusted for sales and securitisation<sup>e)</sup></i>	<i>ND</i>	<i>6</i>	<i>10</i>	<i>11</i>	<i>2.6</i>	<i>2.5</i>	<i>2.3</i>
(1.1) Credit for consumption	626	-1	-1	-1	-1.9	-1.9	-2.2
(1.2) Lending for house purchase	3778	8	-18	8	3.9	3.0	3.0
(1.3) Other lending	836	0	1	1	2.3	2.2	1.6
<i>of which: sole proprietors<sup>f)</sup></i>	<i>410</i>	<i>0</i>	<i>-1</i>	<i>2</i>	<i>0.0</i>	<i>0.1</i>	<i>-0.6</i>
(2) <b>Loans to non-financial corporations</b>	4758	19	7	-7	1.6	1.8	1.6
<i>loans adjusted for sales and securitisation<sup>e)</sup></i>	<i>ND</i>	<i>19</i>	<i>9</i>	<i>-7</i>	<i>2.2</i>	<i>2.2</i>	<i>1.8</i>
(2.1) up to 1 year	1177	7	5	-5	4.0	4.6	3.8
(2.2) over 1 year and up to 5 years	866	2	0	-3	-3.7	-3.2	-3.1
(3.3) over 5 years	2715	10	3	1	2.4	2.4	2.2
(3) <b>Loans to non-monetary financial intermediaries except insurance corporations and pension funds</b>	1163	-12	38	-17	4.5	8.5	0.4
<i>of which: reverse repos to central counterparties<sup>f)</sup></i>	<i>187</i>	<i>3</i>	<i>34</i>	<i>-25</i>	<i>20.1</i>	<i>58.5</i>	<i>8.9</i>
(4) <b>Loans to insurance corporations and pension funds</b>	93	-2	-3	-1	9.8	5.7	1.4

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.