



EUROPEAN CENTRAL BANK

EUROSYSTEM

PRESS RELEASE

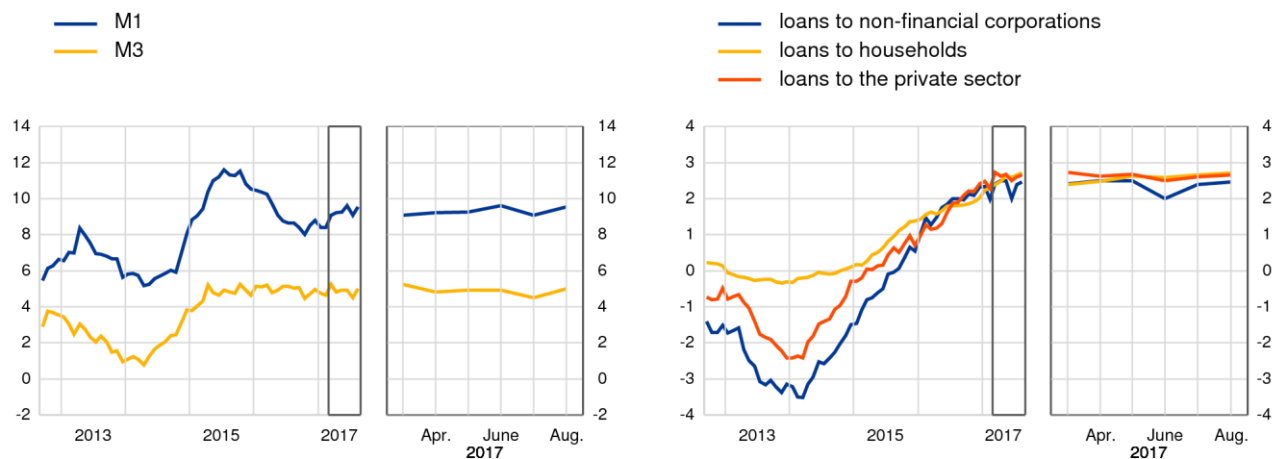
27 September 2017

Monetary developments in the euro area: August 2017

- The annual growth rate of the broad monetary aggregate M3 increased to 5.0% in August 2017, from 4.5% in July.
- The annual growth rate of the narrower aggregate M1, which includes currency in circulation and overnight deposits, increased to 9.5% in August, from 9.1% in July.
- The annual growth rate of adjusted loans to households stood at 2.7% in August, unchanged from the previous month.
- The annual growth rate of adjusted loans to non-financial corporations stood at 2.5% in August, compared with 2.4% in July.

Monetary aggregates and adjusted loans to the private sector

(annual growth rates)



Components of the broad monetary aggregate M3

The annual growth rate of the broad monetary aggregate M3 increased to 5.0% in August 2017, from 4.5% in July, averaging 4.8% in the three months up to August. The components of M3 showed the following developments. The annual growth rate of the narrower aggregate, including currency in circulation and overnight deposits (M1), increased to 9.5% in August, from 9.1% in July. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) was less negative at -2.7% in August, from -3.2% in July. The annual growth rate of marketable instruments (M3-M2) was less negative at -1.4% in August, from -2.4% in July.

Within M3, the annual growth rate of deposits placed by households stood at 4.5% in August, unchanged from the previous month, while the annual growth rate of deposits placed by non-financial corporations

increased to 8.1% in August, from 6.8% in July. Finally, the annual growth rate of deposits placed by non-monetary financial corporations (excluding insurance corporations and pension funds) increased to 6.4% in August, from 5.3% in July.

Credit to euro area residents

The annual growth rate of total credit to euro area residents stood at 4.2% in August 2017, unchanged from the previous month. The annual growth rate of credit to general government increased to 8.3% in August, from 7.6% in July, while the annual growth rate of credit to the private sector decreased to 2.8% in August, from 3.0% in July.

The annual growth rate of adjusted loans to the private sector (i.e. adjusted for loan sales, securitisation and notional cash pooling) stood at 2.7% in August, compared with 2.6% in July. In particular, the annual growth rate of adjusted loans to households stood at 2.7% in August, unchanged from the previous month, and the annual growth rate of adjusted loans to non-financial corporations stood at 2.5% in August, compared with 2.4% in July.

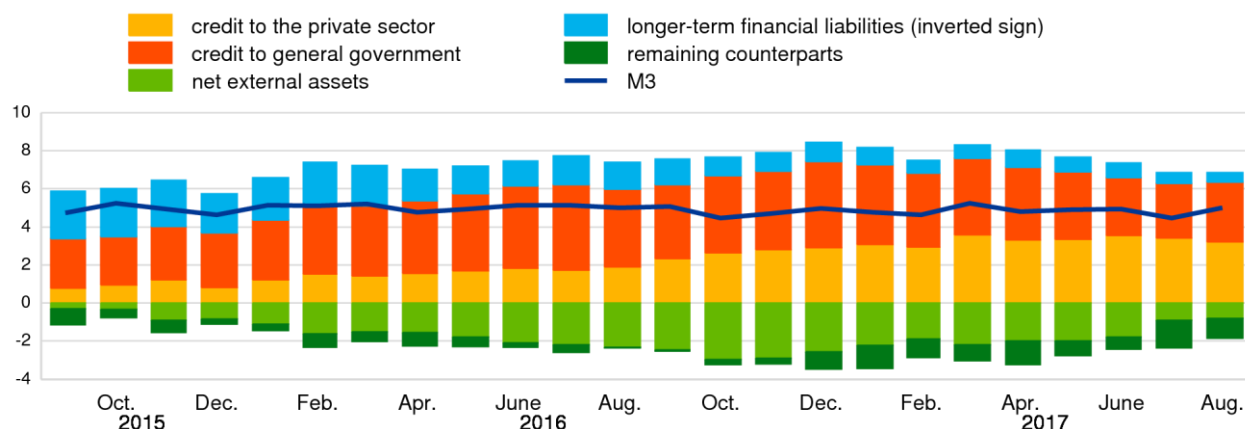
Longer-term financial liabilities

The annual growth rate of longer-term financial liabilities of the MFI sector stood at -0.8% in August 2017, compared with -0.9% in July.

M3 and its counterparts

The annual growth rate of the broad monetary aggregate M3 increased to 5.0% in August 2017. The contributions of M3 counterparts on the MFI balance sheet were as follows: longer-term financial liabilities contributed 0.5 percentage point, net external assets contributed -0.8 percentage point, credit to general government contributed 3.1 percentage points, and credit to the private sector contributed 3.2 percentage points; the remaining counterparts of M3 contributed -1.1 percentage points.

Contribution of the M3 counterparts to the annual growth rate of M3 (percentage points)



Notes:

- Data in this press release are adjusted for seasonal and end-of-month calendar effects, unless stated otherwise.
- Private sector refers to euro area non-MFIs excluding general government.
- Further tables, statistical data and methodological notes, as well as the 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 from the ECB's Statistical Data Warehouse at <http://sdw.ecb.europa.eu/reports.do?node=1000003503>

1 Monetary developments in the euro area: August 2017

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

	End-of-month level	Monthly flow			Annual growth rate		
	Aug 2017	Jun 2017	Jul 2017	Aug 2017	Jun 2017	Jul 2017	Aug 2017
COMPONENTS OF M3							
1. M3	11743	56	18	90	4.9	4.5	5.0
1.1. M2	11083	62	22	89	5.3	4.9	5.4
1.1.1. M1	7632	61	32	83	9.6	9.1	9.5
Currency in circulation	1099	3	-1	6	3.8	3.4	3.6
Overnight deposits	6532	58	33	78	10.6	10.1	10.6
1.1.2. Other short-term deposits (M2 - M1)	3451	1	-10	6	-3.0	-3.2	-2.7
Deposits with an agreed maturity of up to two years	1246	-4	-12	1	-9.4	-10.0	-9.1
Deposits redeemable at notice of up to three months	2206	5	3	5	1.1	1.2	1.4
1.2. Marketable instruments (M3 - M2)	660	-6	-4	1	-0.6	-2.4	-1.4
Repurchase agreements	72	-4	-1	6	-18.6	-18.5	-10.6
Money market fund shares	517	-3	-2	4	5.0	3.7	5.6
Debt securities issued with a maturity of up to two years	71	1	-1	-9	-13.9	-19.7	-28.6
COUNTERPARTS OF M3							
MFI liabilities:							
2. Holdings against central government ^{b)}	352	-14	26	30	-8.2	-2.4	9.2
3. Longer-term financial liabilities vis-a-vis other euro area residents	6729	-8	1	1	-1.2	-0.9	-0.8
3.1. Deposits with an agreed maturity of over two years	1981	-8	-11	-8	-4.0	-4.1	-4.2
3.2. Deposits redeemable at notice of over three months	63	0	-1	-1	-10.8	-11.4	-11.7
3.3. Debt securities issued with a maturity of over two years	2040	-5	5	-9	-3.7	-2.7	-2.8
3.4. Capital and reserves	2645	5	8	19	3.4	3.5	3.9
MFI assets:							
4. Credit to euro area residents	17531	15	75	55	4.4	4.2	4.2
4.1. Credit to general government	4539	-17	35	40	8.1	7.6	8.3
Loans	1059	-2	-7	0	-3.7	-4.1	-3.9
Debt securities	3465	-15	41	40	12.5	11.9	12.7
Equity ^{c)}	14	0	0	0	5.7	4.9	5.3
4.2. Credit to the private sector ^{d)}	12992	32	40	15	3.1	3.0	2.8
Loans ^{e)}	10761	9	26	34	2.4	2.3	2.5
Adjusted loans ^{f)}	11084	12	48	23	2.5	2.6	2.7
Debt securities	1443	4	18	-15	7.2	7.5	6.0
Equity and non-money market fund investment fund shares	788	19	-4	-5	6.5	5.7	2.7
5. Net external assets	1028	9	39	-18	-	-	-
6. Other counterparts of M3 (residual)	266	9	-69	84	-	-	-
of which:							
6.1. Repos with central counterparties (liabilities) ^{c)}	124	-8	-26	-4	-30.7	-35.6	-38.2
6.2. Reverse repos to central counterparties (assets) ^{c)}	69	5	-33	-7	-22.6	-39.5	-48.0

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.

Monthly flows refer to differences in levels adjusted for reclassifications, exchange rate variations, other revaluations and any other changes which do not arise from transactions.

M3 comprises liabilities of MFIs and specific units of central government (post offices, treasury) vis-à-vis non-MFI euro area residents excluding central government.

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

c) The series is not adjusted for seasonal effects.

d) Private sector refers to euro area non-MFIs excluding general government.

e) For further breakdowns see Table 4.

f) Adjusted for loan sales and securitisation (resulting in derecognition from the MFI statistical balance sheet) as well as for positions arising from notional cash pooling services provided by MFIs.

2 Breakdown of deposits in M3 by holding sector and type: August 2017

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

	End-of-month level	Monthly flow			Annual growth rate		
	Aug 2017	Jun 2017	Jul 2017	Aug 2017	Jun 2017	Jul 2017	Aug 2017
BREAKDOWN OF DEPOSITS IN M3							
Total deposits	10056	55	22	90	5.2	4.9	5.5
1. Deposits placed by households ^{b)}	6228	16	10	27	4.9	4.5	4.5
1.1. Overnight deposits	3602	19	13	29	10.7	10.1	9.9
1.2. Deposits with an agreed maturity of up to two years	589	-6	-5	-4	-12.4	-12.6	-12.4
1.3. Deposits redeemable at notice of up to three months	2034	3	2	3	1.4	1.4	1.4
1.4. Repurchase agreements	2	0	0	0	-25.5	-30.3	-29.2
2. Deposits placed by non-financial corporations	2206	26	-15	30	8.4	6.8	8.1
2.1. Overnight deposits	1793	23	-11	33	11.6	9.7	11.4
2.2. Deposits with an agreed maturity of up to two years	287	1	-4	-3	-3.9	-5.3	-5.2
2.3. Deposits redeemable at notice of up to three months	120	1	0	1	0.3	1.0	1.6
2.4. Repurchase agreements	6	0	0	0	-21.3	-24.4	-29.1
3. Deposits placed by non-monetary financial corporations excluding insurance corporations and pension funds ^{c)}	1000	9	20	15	3.2	5.3	6.4
3.1. Overnight deposits	713	11	23	-1	10.5	14.3	13.0
3.2. Deposits with an agreed maturity of up to two years	216	2	-2	9	-9.7	-10.2	-6.2
3.3. Deposits redeemable at notice of up to three months	21	1	0	1	-11.2	-13.2	-2.3
3.4. Repurchase agreements ^{c)}	49	-5	-1	5	-19.1	-22.1	-11.5
4. Deposits placed by insurance corporations and pension funds	202	2	-4	9	-5.1	-8.9	-4.2
5. Deposits placed by other general government	420	2	11	9	5.4	6.8	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.

Monthly flows refer to differences in levels adjusted for reclassifications, exchange rate variations, other revaluations and any other changes which do not arise from transactions.

b) Includes deposits by non-profit institutions serving households.

c) Excludes repurchase agreements with central counterparties.

3 Contributions of M3 components to the M3 annual growth rate: August 2017

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

	Jun 2017	Jul 2017	Aug 2017
1. M1	5.9	5.6	5.9
1.1. Currency in circulation	0.4	0.3	0.3
1.2. Overnight deposits	5.6	5.3	5.6
2. M2 - M1 (other short-term deposits)	-1.0	-1.0	-0.9
3. M3 - M2 (marketable instruments)	0.0	-0.1	-0.1
M3 (items 1, 2 and 3)	4.9	4.5	5.0

a) Figures may not add up due to rounding.

4 Breakdown of private sector loans by borrowing sector, type and original maturity: August 2017

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

	End-of-month level	Monthly flow			Annual growth rate		
	Aug 2017	Jun 2017	Jul 2017	Aug 2017	Jun 2017	Jul 2017	Aug 2017
BREAKDOWN OF LOANS AS COUNTERPART TO M3							
1. Loans to households ^{b)}	5508	18	2	24	3.0	2.9	3.1
<i>Adjusted loans ^{c)}</i>	5820	11	14	12	2.6	2.7	2.7
1.1. Credit for consumption	642	1	5	3	5.9	6.7	6.7
1.2. Lending for house purchase	4133	17	-1	20	3.3	3.1	3.4
1.3. Other lending	733	0	-3	0	-1.1	-1.3	-1.2
<i>of which: sole proprietors</i>	377	-1	-1	-1	-1.3	-1.5	-1.7
2. Loans to non-financial corporations	4302	-19	13	4	1.2	1.2	1.4
<i>Adjusted loans ^{c)}</i>	4325	-9	25	5	2.0	2.4	2.5
2.1. up to 1 year	981	-5	-1	-1	-2.6	-2.2	-1.8
2.2. over 1 year and up to 5 years	804	-4	6	3	3.8	3.7	3.9
2.3. over 5 years	2518	-10	9	2	2.0	1.9	2.0
3. Loans to non-monetary financial corporations except insurance corporations and pension funds ^{d)}	837	8	9	6	3.5	3.3	3.4
<i>Adjusted loans ^{c)}</i>	838	10	9	7	4.0	3.5	3.5
4. Loans to insurance corporations and pension funds	115	1	2	0	8.3	3.7	4.0
<i>Adjusted loans ^{c)}</i>	101	0	-1	-1	6.7	2.1	1.0

a) Figures may not add up due to rounding.

Monthly flows refer to differences in levels adjusted for write-offs/write-downs, reclassifications, exchange rate variations and any other changes which do not arise from transactions. Data refer to loans granted by monetary financial institutions (MFIs) to non-MFI euro area residents excluding general government.

b) Includes loans to non-profit institutions serving households.

c) Adjusted for loan sales and securitisation (resulting in derecognition from the MFI statistical balance sheet) as well as for positions arising from notional cash pooling services provided by MFIs.

d) Excludes reverse repos to central counterparties.