



EUROPEAN CENTRAL BANK

EUROSYSTEM

# PRESS RELEASE

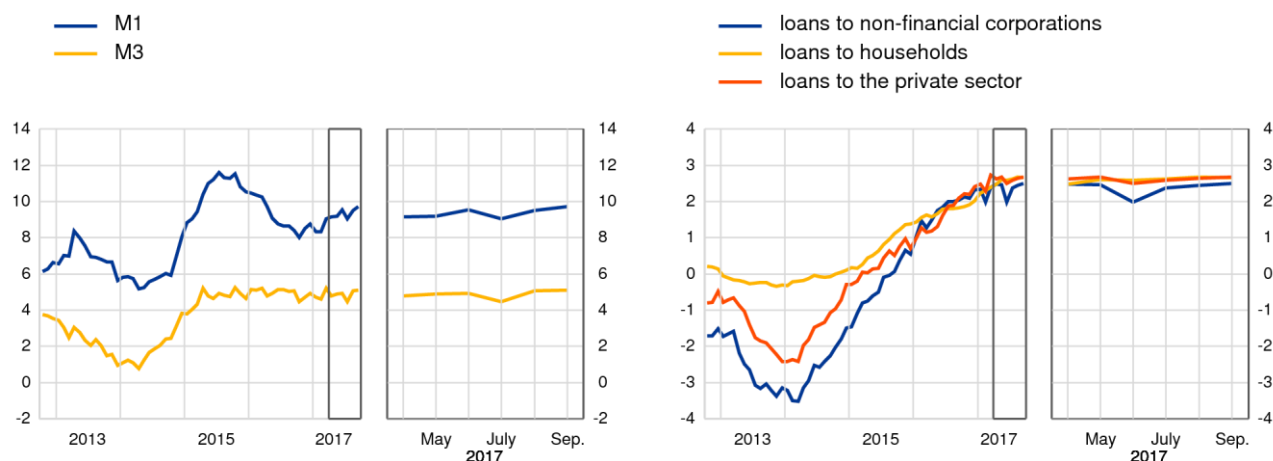
26 October 2017

## Monetary developments in the euro area: September 2017

- The annual growth rate of the broad monetary aggregate M3 stood at 5.1% in September 2017, after 5.0% in August 2017.
- The annual growth rate of the narrower aggregate M1, which includes currency in circulation and overnight deposits, increased to 9.7% in September, from 9.5% in August.
- The annual growth rate of adjusted loans to households stood at 2.7% in September, unchanged from the previous month.
- The annual growth rate of adjusted loans to non-financial corporations stood at 2.5% in September, compared with 2.4% in August.

### 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 stood at 5.1% in September 2017, after 5.0% in August, averaging 4.9% in the three months up to September. 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 9.7% in September, from 9.5% in August. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) was more negative at -3.3% in September, from -2.7% in August. The annual growth rate of marketable instruments (M3-M2) increased to 1.2% in September, from -0.4% in August.

Within M3, the annual growth rate of deposits placed by households stood at 4.6% in September, compared with 4.5% in August, while the annual growth rate of deposits placed by non-financial corporations

decreased to 7.7% in September, from 8.1% in August. Finally, the annual growth rate of deposits placed by non-monetary financial corporations (excluding insurance corporations and pension funds) decreased to 5.7% in September, from 6.4% in August.

### Credit to euro area residents

The annual growth rate of total credit to euro area residents stood at 4.2% in September 2017, unchanged from the previous month. The annual growth rate of credit to general government stood at 8.4% in September, unchanged from the previous month, while the annual growth rate of credit to the private sector stood at 2.8% in September, unchanged from the previous month.

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 September, compared with 2.6% in August. In particular, the annual growth rate of adjusted loans to households stood at 2.7% in September, unchanged from the previous month, and the annual growth rate of adjusted loans to non-financial corporations stood at 2.5% in September, compared with 2.4% in August.

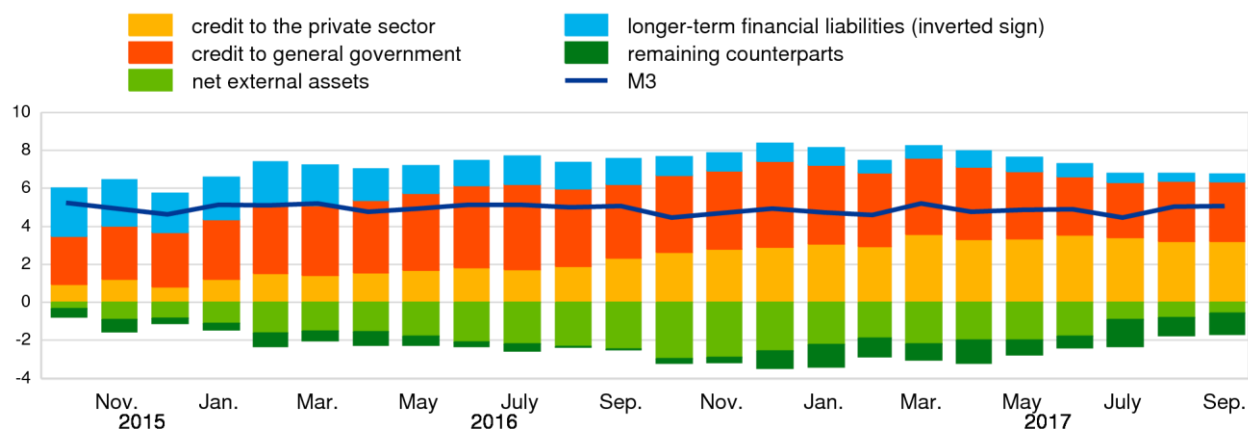
### Longer-term financial liabilities

The annual growth rate of longer-term financial liabilities of the MFI sector stood at -0.6% in September 2017, compared with -0.7% in August.

### M3 and its counterparts

The annual growth rate of the broad monetary aggregate M3 stood at 5.1% in September 2017. The contributions of M3 counterparts on the MFI balance sheet were as follows: longer-term financial liabilities contributed 0.4 percentage point, net external assets contributed -0.6 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: September 2017  
(EUR billions and annual percentage changes; data adjusted for seasonal effects <sup>a)</sup>)

	End-of-month level	Monthly flow			Annual growth rate		
	Sep 2017	Jul 2017	Aug 2017	Sep 2017	Jul 2017	Aug 2017	Sep 2017
<b>COMPONENTS OF M3</b>							
<b>1. M3</b>	<b>11797</b>	<b>20</b>	<b>98</b>	<b>41</b>	<b>4.5</b>	<b>5.0</b>	<b>5.1</b>
1.1. M2	11115	22	92	26	4.9	5.4	5.3
1.1.1. M1	7682	32	86	46	9.0	9.5	9.7
Currency in circulation	1103	-1	5	4	3.4	3.5	3.4
Overnight deposits	6579	33	81	43	10.0	10.6	10.8
1.1.2. Other short-term deposits (M2 - M1)	3432	-10	6	-20	-3.2	-2.7	-3.3
Deposits with an agreed maturity of up to two years	1223	-12	1	-23	-9.9	-9.1	-10.8
Deposits redeemable at notice of up to three months	2209	3	5	3	1.2	1.4	1.5
1.2. Marketable instruments (M3 - M2)	682	-2	6	15	-2.1	-0.4	1.2
Repurchase agreements	69	-1	6	-4	-18.5	-10.9	-13.8
Money market fund shares	532	-2	7	13	3.7	6.2	5.7
Debt securities issued with a maturity of up to two years	81	1	-7	6	-17.6	-24.7	-11.3
<b>COUNTERPARTS OF M3</b>							
<b>MFI liabilities:</b>							
<b>2. Holdings against central government <sup>b)</sup></b>	<b>378</b>	<b>26</b>	<b>30</b>	<b>32</b>	<b>-2.5</b>	<b>9.2</b>	<b>22.5</b>
<b>3. Longer-term financial liabilities vis-a-vis other euro area residents</b>	<b>6701</b>	<b>0</b>	<b>0</b>	<b>-14</b>	<b>-0.8</b>	<b>-0.7</b>	<b>-0.6</b>
3.1. Deposits with an agreed maturity of over two years	1976	-11	-8	-5	-4.0	-4.1	-3.9
3.2. Deposits redeemable at notice of over three months	62	-1	-1	-1	-11.4	-11.7	-12.4
3.3. Debt securities issued with a maturity of over two years	2017	4	-11	-23	-2.7	-2.9	-3.3
3.4. Capital and reserves	2647	8	20	15	3.7	4.1	4.4
<b>MFI assets:</b>							
<b>4. Credit to euro area residents</b>	<b>17563</b>	<b>75</b>	<b>55</b>	<b>41</b>	<b>4.2</b>	<b>4.2</b>	<b>4.2</b>
4.1. Credit to general government	4544	35	42	14	7.7	8.4	8.4
Loans	1052	-7	0	-4	-4.1	-3.9	-4.0
Debt securities	3478	41	41	18	11.9	12.9	12.8
Equity <sup>c)</sup>	14	0	0	0	4.9	5.3	3.0
4.2. Credit to the private sector <sup>d)</sup>	13019	40	13	27	3.0	2.8	2.8
Loans <sup>e)</sup>	10786	25	35	28	2.2	2.4	2.5
Adjusted loans <sup>f)</sup>	11103	46	22	25	2.6	2.6	2.7
Debt securities	1439	19	-16	-3	7.5	6.0	5.6
Equity and non-money market fund investment fund shares	795	-4	-5	3	5.7	2.6	2.6
<b>5. Net external assets</b>	<b>1032</b>	<b>38</b>	<b>-18</b>	<b>16</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>6. Other counterparts of M3 (residual)</b>	<b>281</b>	<b>-68</b>	<b>91</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>
of which:							
6.1. Repos with central counterparties (liabilities) <sup>c)</sup>	142	-26	-4	18	-35.6	-38.2	-30.4
6.2. Reverse repos to central counterparties (assets) <sup>c)</sup>	86	-33	-7	17	-39.5	-48.0	-33.3

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.

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: September 2017  
(EUR billions and annual percentage changes; data adjusted for seasonal effects <sup>a)</sup>)

	End-of-month level	Monthly flow			Annual growth rate		
	Sep 2017	Jul 2017	Aug 2017	Sep 2017	Jul 2017	Aug 2017	Sep 2017
<b>BREAKDOWN OF DEPOSITS IN M3</b>							
<b>Total deposits</b>	<b>10080</b>	<b>22</b>	<b>93</b>	<b>18</b>	<b>4.9</b>	<b>5.5</b>	<b>5.4</b>
<b>1. Deposits placed by households <sup>b)</sup></b>	<b>6253</b>	<b>10</b>	<b>31</b>	<b>21</b>	<b>4.5</b>	<b>4.5</b>	<b>4.6</b>
1.1. Overnight deposits	3632	13	32	26	10.0	9.9	9.9
1.2. Deposits with an agreed maturity of up to two years	583	-5	-4	-7	-12.6	-12.4	-12.6
1.3. Deposits redeemable at notice of up to three months	2037	3	3	1	1.5	1.5	1.6
1.4. Repurchase agreements	2	0	0	0	-30.3	-29.2	-25.6
<b>2. Deposits placed by non-financial corporations</b>	<b>2216</b>	<b>-15</b>	<b>30</b>	<b>9</b>	<b>6.8</b>	<b>8.1</b>	<b>7.7</b>
2.1. Overnight deposits	1806	-11	32	12	9.7	11.3	11.6
2.2. Deposits with an agreed maturity of up to two years	285	-4	-3	-2	-5.3	-5.2	-8.2
2.3. Deposits redeemable at notice of up to three months	121	0	1	0	1.1	1.6	1.2
2.4. Repurchase agreements	5	0	0	-1	-24.4	-32.1	-43.6
<b>3. Deposits placed by non-monetary financial corporations excluding insurance corporations and pension funds <sup>c)</sup></b>	<b>990</b>	<b>20</b>	<b>14</b>	<b>-10</b>	<b>5.4</b>	<b>6.4</b>	<b>5.7</b>
3.1. Overnight deposits	719	23	-1	6	14.3	13.0	14.0
3.2. Deposits with an agreed maturity of up to two years	204	-2	9	-12	-10.1	-6.3	-10.9
3.3. Deposits redeemable at notice of up to three months	22	0	1	0	-12.6	-1.6	-1.2
3.4. Repurchase agreements <sup>c)</sup>	45	-1	5	-4	-22.1	-11.5	-16.4
<b>4. Deposits placed by insurance corporations and pension funds</b>	<b>201</b>	<b>-4</b>	<b>9</b>	<b>-1</b>	<b>-9.9</b>	<b>-5.3</b>	<b>-2.4</b>
<b>5. Deposits placed by other general government</b>	<b>420</b>	<b>11</b>	<b>10</b>	<b>-1</b>	<b>6.8</b>	<b>9.3</b>	<b>9.0</b>

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: September 2017 (contributions in terms of the M3 annual percentage change; data adjusted for seasonal effects <sup>a)</sup>)

	Jul 2017	Aug 2017	Sep 2017
<b>1. M1</b>	<b>5.6</b>	<b>5.9</b>	<b>6.1</b>
1.1. Currency in circulation	0.3	0.3	0.3
1.2. Overnight deposits	5.3	5.6	5.7
<b>2. M2 - M1 (other short-term deposits)</b>	<b>-1.0</b>	<b>-0.9</b>	<b>-1.0</b>
<b>3. M3 - M2 (marketable instruments)</b>	<b>-0.1</b>	<b>0.0</b>	<b>0.1</b>
<b>M3 (items 1, 2 and 3)</b>	<b>4.5</b>	<b>5.0</b>	<b>5.1</b>

a) Figures may not add up due to rounding.

### 4 Breakdown of private sector loans by borrowing sector, type and original maturity: September 2017 (EUR billions and annual percentage changes; data adjusted for seasonal effects <sup>a)</sup>)

	End-of-month level	Monthly flow			Annual growth rate		
		Sep 2017	Jul 2017	Aug 2017	Sep 2017	Jul 2017	Aug 2017
<b>BREAKDOWN OF LOANS AS COUNTERPART TO M3</b>							
<b>1. Loans to households <sup>b)</sup></b>	<b>5524</b>	<b>1</b>	<b>23</b>	<b>17</b>	<b>2.9</b>	<b>3.1</b>	<b>3.1</b>
<i>Adjusted loans <sup>c)</sup></i>	<b>5828</b>	<b>12</b>	<b>11</b>	<b>9</b>	<b>2.6</b>	<b>2.7</b>	<b>2.7</b>
1.1. Credit for consumption	643	5	3	2	6.7	6.7	6.7
1.2. Lending for house purchase	4149	-1	20	17	3.1	3.3	3.4
1.3. Other lending	731	-4	0	-1	-1.4	-1.3	-1.2
<i>of which: sole proprietors</i>	377	-1	0	-2	-1.5	-1.4	-1.7
<b>2. Loans to non-financial corporations</b>	<b>4300</b>	<b>13</b>	<b>4</b>	<b>3</b>	<b>1.2</b>	<b>1.4</b>	<b>1.5</b>
<i>Adjusted loans <sup>c)</sup></i>	<b>4325</b>	<b>25</b>	<b>5</b>	<b>7</b>	<b>2.4</b>	<b>2.4</b>	<b>2.5</b>
2.1. up to 1 year	974	-1	-1	-7	-2.2	-1.8	-1.3
2.2. over 1 year and up to 5 years	813	6	4	9	3.7	3.8	4.3
2.3. over 5 years	2514	9	2	1	1.9	2.0	1.8
<b>3. Loans to non-monetary financial corporations except insurance corporations and pension funds <sup>d)</sup></b>	<b>851</b>	<b>9</b>	<b>7</b>	<b>11</b>	<b>3.4</b>	<b>3.5</b>	<b>3.7</b>
<i>Adjusted loans <sup>c)</sup></i>	<b>850</b>	<b>9</b>	<b>8</b>	<b>10</b>	<b>3.6</b>	<b>3.6</b>	<b>3.9</b>
<b>4. Loans to insurance corporations and pension funds</b>	<b>111</b>	<b>2</b>	<b>0</b>	<b>-4</b>	<b>3.7</b>	<b>4.0</b>	<b>1.9</b>
<i>Adjusted loans <sup>c)</sup></i>	<b>100</b>	<b>-1</b>	<b>-1</b>	<b>-1</b>	<b>2.1</b>	<b>1.0</b>	<b>0.9</b>

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.