

# Press release

27 September 2018

## Monetary developments in the euro area: August 2018

- Annual growth rate of broad [monetary aggregate M3](#) decreased to 3.5% in August 2018 from 4.0% in July
- Annual growth rate of narrower [monetary aggregate M1](#), comprising currency in circulation and overnight deposits, decreased to 6.4% in August from 6.9% in July
- Annual growth rate of [adjusted loans to households](#) stood at 3.1% in August, compared with 3.0% in July
- Annual growth rate of [adjusted loans to non-financial corporations](#) increased to 4.2% in August from 4.0% in July

### Components of the broad monetary aggregate M3

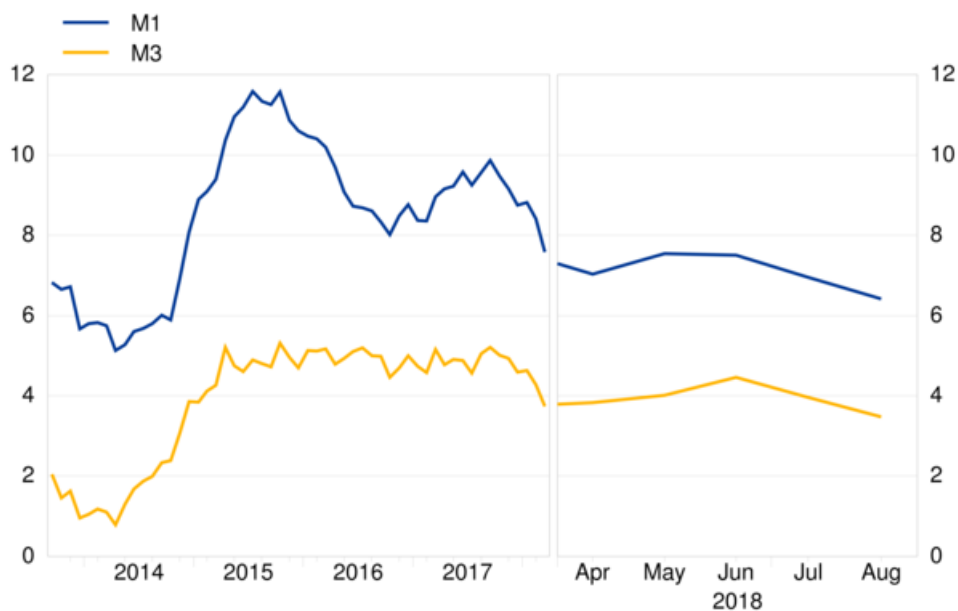
The annual growth rate of the broad monetary aggregate M3 decreased to 3.5% in August 2018 from 4.0% in July, averaging 4.0% in the three months up to August. The [components of M3](#) showed the following developments. The annual growth rate of the narrower aggregate M1, which comprises currency in circulation and overnight deposits, decreased to 6.4% in August from 6.9% in July. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) was -1.4% in August, compared with -1.1% in July. The annual growth rate of marketable instruments (M3-M2) was -4.3% in August, compared with -3.3% in July.

#### European Central Bank

Directorate General Communications, Global Media Relations Division  
Sonnemannstrasse 20, 60314 Frankfurt am Main, Germany  
Tel.: +49 69 1344 7455, e-mail: [media@ecb.europa.eu](mailto:media@ecb.europa.eu), website: [www.ecb.europa.eu](http://www.ecb.europa.eu)

## Chart 1 Monetary aggregates

(annual growth rates)



### [Data for monetary aggregates](#)

Looking at the [components' contributions to the annual growth rate of M3](#), the narrower aggregate M1 contributed 4.1 percentage points (down from 4.5 percentage points in July), short-term deposits other than overnight deposits (M2-M1) contributed -0.4 percentage point (down from -0.3 percentage point) and marketable instruments (M3-M2) contributed -0.2 percentage point (as in the previous month).

From the perspective of the holding sectors of [deposits in M3](#), the annual growth rate of deposits placed by households stood at 4.6% in August, compared with 4.7% in July, while the annual growth rate of deposits placed by non-financial corporations decreased to 4.1% in August from 4.5% in July. Finally, the annual growth rate of deposits placed by non-monetary financial corporations (excluding insurance corporations and pension funds) decreased to -1.8% in August from 1.9% in July.

### Counterparts of the broad monetary aggregate M3

As a reflection of changes in the items on the monetary financial institution (MFI) consolidated balance sheet other than M3 ([counterparts of M3](#)), the annual growth rate of M3 in August 2018 can be broken down as follows: credit to the private sector contributed 3.4 percentage points (up from 3.3 percentage points in July), credit to general government contributed 1.2 percentage points (down from 1.4

#### European Central Bank

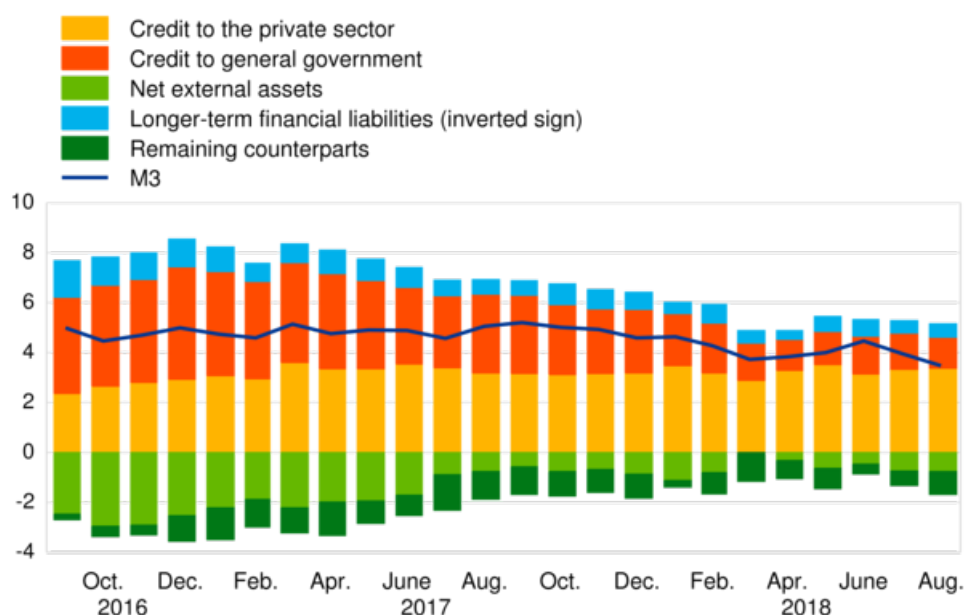
Directorate General Communications, Global Media Relations Division  
Sonnemannstrasse 20, 60314 Frankfurt am Main, Germany  
Tel.: +49 69 1344 7455, e-mail: [media@ecb.europa.eu](mailto:media@ecb.europa.eu), website: [www.ecb.europa.eu](http://www.ecb.europa.eu)

percentage points), longer-term financial liabilities contributed 0.6 percentage point (up from 0.5 percentage point), net external assets contributed -0.8 percentage point (down from -0.7 percentage point), and the remaining counterparts of M3 contributed -0.9 percentage point (down from -0.6 percentage point).

## Chart 2

### Contribution of the M3 counterparts to the annual growth rate of M3

(percentage points)



[Data for contribution of the M3 counterparts to the annual growth rate of M3](#)

## Credit to euro area residents

As regards the dynamics of credit, the annual growth rate of total [credit to euro area residents](#) stood at 3.1% in August 2018, compared with 3.2% in the previous month. The annual growth rate of [credit to general government](#) decreased to 3.2% in August from 3.7% in July, while the annual growth rate of [credit to the private sector](#) stood at 3.0% in August, 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 3.4% in August, compared with 3.3% in July. Among the borrowing sectors, the annual growth rate of [adjusted loans to households](#) stood at 3.1% in August, compared with 3.0% in July, and the annual growth rate of [adjusted loans to non-financial corporations](#) increased to

### European Central Bank

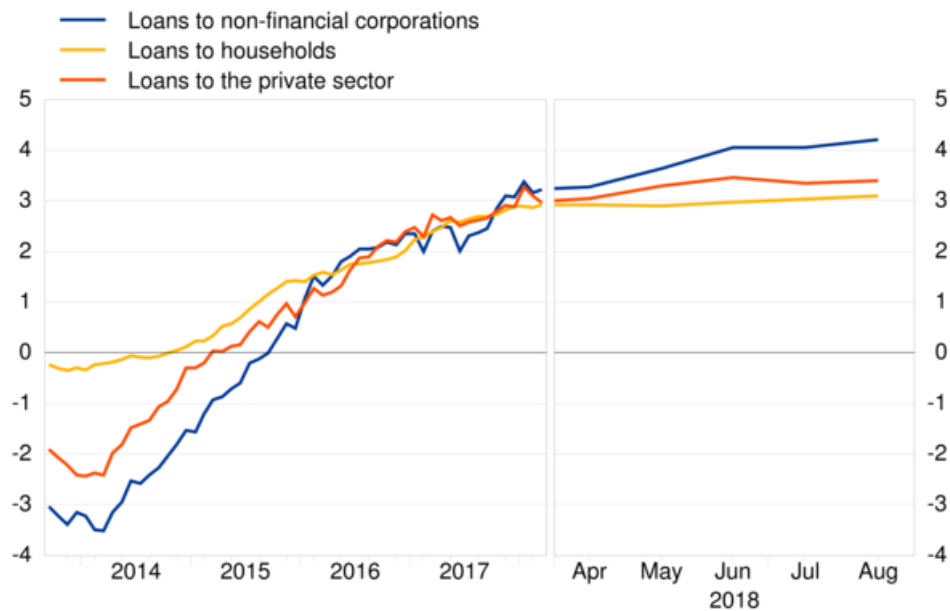
Directorate General Communications, Global Media Relations Division  
Sonnemannstrasse 20, 60314 Frankfurt am Main, Germany  
Tel.: +49 69 1344 7455, e-mail: [media@ecb.europa.eu](mailto:media@ecb.europa.eu), website: [www.ecb.europa.eu](http://www.ecb.europa.eu)

4.2% in August from 4.0% in July.

### Chart 3

#### Adjusted loans to the private sector

(annual growth rates)



[Data for adjusted loans to the private sector](#)

## Annex

[Table: Annex to the press release on monetary developments in the euro area](#)

### 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.
- Hyperlinks in the main body of the press release and in annex tables are dynamic. The data they lead to may therefore change with subsequent data releases as a result of revisions. Figures shown in annex tables are a snapshot of the data as at the time of the current release.

### European Central Bank

Directorate General Communications, Global Media Relations Division  
Sonnemannstrasse 20, 60314 Frankfurt am Main, Germany  
Tel.: +49 69 1344 7455, e-mail: [media@ecb.europa.eu](mailto:media@ecb.europa.eu), website: [www.ecb.europa.eu](http://www.ecb.europa.eu)

Reproduction is permitted provided that the source is acknowledged.