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PRESS RELEASE

MONETARY DEVELOPMENTS IN THE EURO AREA: AUGUST 2011

The annual growth rate of the broad monetary aggregate M3 increased to 2.8% in August 2011, from 2.1% in July 2011.¹ The three-month average of the annual growth rates of M3 in the period from June 2011 to August 2011 increased to 2.3%, from 2.1% in the period from May 2011 to July 2011.

Twelve-month changes; (adjusted for seasonal and end-of-month effects)	percentage calendar	JUNE 2011	JULY 2011	AUGUST 2011	JUNE 2011 - AUGUST 2011 (AVERAGE)
M3		1.9	2.1	2.8	2.3
M1		1.3	1.0	1.7	1.3
Loans to the private sector		2.5	2.4	2.6	2.5
Loans to the private sector, adjusted for sales and securitisation		2.8	2.6	2.8	2.7

M3 components

Regarding the main components of M3, the annual growth rate of M1 increased to 1.7% in August 2011, from 1.0% in July. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) decreased to 3.3% in August, from 3.7% in the previous month. The annual growth rate of marketable instruments (M3-M2) increased to 5.4% in August, from 1.2% in July. Among the deposits included in M3, the annual growth rate of deposits placed by households increased to 2.3% in August, from 2.1% in the previous month, while the annual growth rate of deposits placed by non-financial corporations decreased to 3.5% in August, from 4.6% in the previous month. Finally, the annual growth rate of deposits placed by non-monetary financial intermediaries (excluding insurance corporations and pension funds) increased to 10.4% in August, from 5.6% 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

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

granted to euro area residents stood at 2.5% in August 2011, unchanged from the previous month. The annual growth rate of credit extended to general government increased to 5.3% in August, from 4.9% in July, while the annual growth rate of credit extended to the private sector decreased to 1.8% in August, from 2.0% in the previous month. Among the components of credit to the private sector, the annual growth rate of loans increased to 2.6% in August, from 2.4% in the previous month (adjusted for loan sales and securitisation², the rate increased to 2.8%, from 2.6% in the previous month). The annual growth rate of loans to households stood at 3.0% in August, unchanged from the previous month (adjusted for loan sales and securitisation, the rate stood at 2.7%, unchanged from the previous month). The annual growth rate of lending for house purchase, the most important component of household loans, stood at 3.9% in August, unchanged from the previous month. The annual growth rate of loans to non-financial corporations stood at 1.6% in August, unchanged from the previous month (adjusted for loan sales and securitisation, the rate stood at 2.2% in August, unchanged from the previous month). Finally, the annual growth rate of loans to non-monetary financial intermediaries (excluding insurance corporations and pension funds) increased to 4.6% in August, from 3.6% in the previous month.

Other counterparts

Over the 12 months up to August 2011, the net external asset position of the euro area MFI sector increased by €190 billion, compared with an increase of €166 billion over the 12 months up to July. The annual growth rate of longer-term financial liabilities of the MFI sector increased to 4.8% in August, from 4.6% in July.

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>.*

European Central Bank

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² Adjusted for the derecognition of loans from the MFIs' statistical balance sheets due to their sale or securitisation.

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TABLE 1

MONETARY DEVELOPMENTS IN THE EURO AREA: AUGUST 2011

DATA ADJUSTED FOR SEASONAL EFFECTS

(EUR billions and annual percentage changes^{a)})

	END-OF-MONTH LEVEL	MONTHLY FLOW ^{b)}			ANNUAL GROWTH RATE		
	AUGUST 2011	JUNE 2011	JULY 2011	AUGUST 2011	JUNE 2011	JULY 2011	AUGUST 2011
COMPONENTS OF M3^{c)}							
(1) M3 (= items 1.3, 1.6 and 1.11)	9802	3	27	117	1.9	2.1	2.8
(1.1) Currency in circulation	825	3	1	9	4.1	4.3	4.5
(1.2) Overnight deposits	3954	12	11	42	0.7	0.3	1.1
(1.3) M1 (items 1.1 and 1.2)	4780	14	12	51	1.3	1.0	1.7
(1.4) Deposits with an agreed maturity of up to two years	1850	-7	3	2	3.1	3.5	3.0
(1.5) Deposits redeemable at notice of up to three months	1954	4	6	10	4.2	3.9	3.5
(1.6) Other short term deposits (items 1.4 and 1.5)	3804	-4	10	11	3.7	3.7	3.3
(1.7) M2 (items 1.3 and 1.6)	8584	11	22	62	2.3	2.2	2.4
(1.8) Repurchase agreements	500	-16	19	45	14.0	20.1	31.7
(1.9) Money market fund shares/units	546	-5	-13	11	-12.4	-12.2	-11.1
(1.10) Debt securities issued with a maturity of up to two years	172	13	-1	-2	8.4	7.0	6.3
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	1219	-8	5	54	-0.9	1.2	5.4
COUNTERPARTS OF M3							
MFI liabilities:							
(2) <i>Holdings against central government^{d)}</i>	275	21	18	-50	13.0	13.5	-1.1
(3) <i>Longer-term financial liabilities vis-à-vis other euro area residents</i> (= items 3.1 to 3.4)	7693	19	31	40	4.9	4.6	4.8
(3.1) Deposits with an agreed maturity of over two years	2510	2	-3	15	4.5	3.1	3.0
(3.2) Deposits redeemable at notice of over three months	120	0	0	0	-6.3	-4.6	-3.9
(3.3) Debt securities issued with a maturity of over two years	2857	6	-5	10	4.7	4.4	4.7
(3.4) Capital and reserves	2206	11	39	15	6.3	7.5	7.6
MFI assets:							
(4) <i>Credit to euro area residents</i> (= items 4.1 and 4.2)	16620	-15	36	71	2.7	2.5	2.5
(4.1) Credit to general government	3108	-2	12	33	4.7	4.9	5.3
Loans	1163	-17	11	-14	6.8	8.3	6.3
Securities other than shares	1945	15	2	47	3.8	3.1	5.0
(4.2) Credit to other euro area residents	13512	-13	23	39	2.2	2.0	1.8
Loans ^{e)}	11263	2	10	57	2.5	2.4	2.6
<i>loans adjusted for sales and securitisation^{f)}</i>	ND	3	21	59	2.8	2.6	2.8
Securities other than shares	1472	-30	7	-7	-1.7	-3.4	-4.5
Shares and other equities	776	15	6	-11	5.7	5.9	3.1
(5) <i>Net external assets</i>	949	40	1	17	ND	ND	ND
(6) <i>Other counterparts of M3 (residual)</i> (= M3 + items 2, 3 - items 4, 5)	202	17	39	19	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: AUGUST 2011

DATA ADJUSTED FOR SEASONAL EFFECTS

(EUR billions and annual percentage changes^{a)})

	END-OF-MONTH LEVEL	MONTHLY FLOW ^{b)}			ANNUAL GROWTH RATE		
	AUGUST 2011	JUNE 2011	JULY 2011	AUGUST 2011	JUNE 2011	JULY 2011	AUGUST 2011
BREAKDOWN OF DEPOSITS IN M3							
Total deposits (=items 1, 2, 3, 4 and 5)	8259	-8	40	98	2.7	2.8	3.6
(1) Deposits placed by households^{c)}	5089	6	11	37	2.1	2.1	2.3
(1.1) Overnight deposits	2286	2	1	29	1.2	0.8	1.3
(1.2) Deposits with an agreed maturity of up to two years	918	1	4	3	-0.2	1.4	2.0
(1.3) Deposits redeemable at notice of up to three months	1851	3	6	6	4.3	3.9	3.5
(1.4) Repurchase agreements	33	0	0	-1	10.0	11.7	10.7
(2) Deposits placed by non-financial corporations	1571	6	8	1	4.4	4.6	3.5
(2.1) Overnight deposits	1009	4	8	-1	1.5	2.1	1.1
(2.2) Deposits with an agreed maturity of up to two years	464	6	-4	0	11.8	10.1	8.7
(2.3) Deposits redeemable at notice of up to three months	79	0	1	2	-0.1	1.2	0.0
(2.4) Repurchase agreements	19	-4	4	0	8.2	38.1	37.2
(3) Deposits placed by non-monetary financial intermediaries excluding insurance corporations and pension funds	1112	-30	21	36	6.4	5.6	10.4
(3.1) Overnight deposits	383	0	11	0	1.4	-2.2	1.9
(3.2) Deposits with an agreed maturity of up to two years	293	-19	-1	-11	1.7	0.1	-4.0
(3.3) Deposits redeemable at notice of up to three months	12	1	-1	1	5.3	0.2	5.1
(3.4) Repurchase agreements	424	-12	12	47	16.0	20.1	33.9
of which: with central counterparties ^{d)}	316	2	-8	33	32.9	34.7	43.7
(4) Deposits placed by insurance corporations and pension funds	213	2	4	19	-7.1	-3.9	4.0
(5) Deposits placed by other general government	273	8	-5	5	-0.8	1.6	3.0

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) The series is not adjusted for seasonal effects.

TABLE 3

CONTRIBUTIONS OF M3 COMPONENTS TO THE M3 ANNUAL GROWTH RATE: AUGUST 2011

DATA ADJUSTED FOR SEASONAL EFFECTS

(contributions in terms of the M3 annual percentage change^{a)})

	JUNE 2011	JULY 2011	AUGUST 2011
(1) M1	0.6	0.5	0.8
(1.1) <i>of which</i> : Currency	0.3	0.4	0.4
(1.2) <i>of which</i> : Overnight deposits	0.3	0.1	0.5
(2) M2 - M1 (= other short-term deposits)	1.4	1.4	1.3
(3) M3 - M2 (= short-term marketable instruments)	-0.1	0.2	0.7
(4) M3 (= items 1, 2 and 3)	1.9	2.1	2.8

a) Figures may not add up due to rounding.

TABLE 4

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

DATA ADJUSTED FOR SEASONAL EFFECTS

(EUR billions and annual percentage changes^{a)})

	END-OF-MONTH LEVEL	MONTHLY FLOW ^{b)}			ANNUAL GROWTH RATE		
	AUGUST 2011	JUNE 2011	JULY 2011	AUGUST 2011	JUNE 2011	JULY 2011	AUGUST 2011
BREAKDOWN OF LOANS^{c)}							
(1) Loans to households^{d)}	5263	3	-7	14	3.2	3.0	3.0
<i>loans adjusted for sales and securitisation^{e)}</i>	<i>ND</i>	<i>3</i>	<i>4</i>	<i>15</i>	<i>2.9</i>	<i>2.7</i>	<i>2.7</i>
(1.1) Credit for consumption	630	-6	-3	3	-1.8	-2.0	-1.6
(1.2) Lending for house purchase	3797	6	-5	7	4.3	3.9	3.9
(1.3) Other lending	836	3	1	3	2.5	2.6	2.6
<i>of which: sole proprietors^{f)}</i>	<i>406</i>	<i>0</i>	<i>-1</i>	<i>2</i>	<i>0.4</i>	<i>0.5</i>	<i>0.1</i>
(2) Loans to non-financial corporations	4738	23	-4	13	1.5	1.6	1.6
<i>loans adjusted for sales and securitisation^{e)}</i>	<i>ND</i>	<i>23</i>	<i>-4</i>	<i>13</i>	<i>2.4</i>	<i>2.2</i>	<i>2.2</i>
(2.1) up to 1 year	1168	24	-9	2	4.3	4.1	4.0
(2.2) over 1 year and up to 5 years	868	-11	-2	4	-3.7	-3.5	-3.1
(3.3) over 5 years	2701	10	7	7	2.1	2.2	2.2
(3) Loans to non-monetary financial intermediaries except insurance corporations and pension funds	1164	-25	19	22	3.5	3.6	4.6
<i>of which: reverse repos to central counterparties^{f)}</i>	<i>175</i>	<i>-10</i>	<i>6</i>	<i>16</i>	<i>21.2</i>	<i>18.8</i>	<i>20.4</i>
(4) Loans to insurance corporations and pension funds	99	1	2	8	5.7	3.8	9.8

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.