



EUROPEAN CENTRAL BANK

EUROSYSTEM

PRESS RELEASE

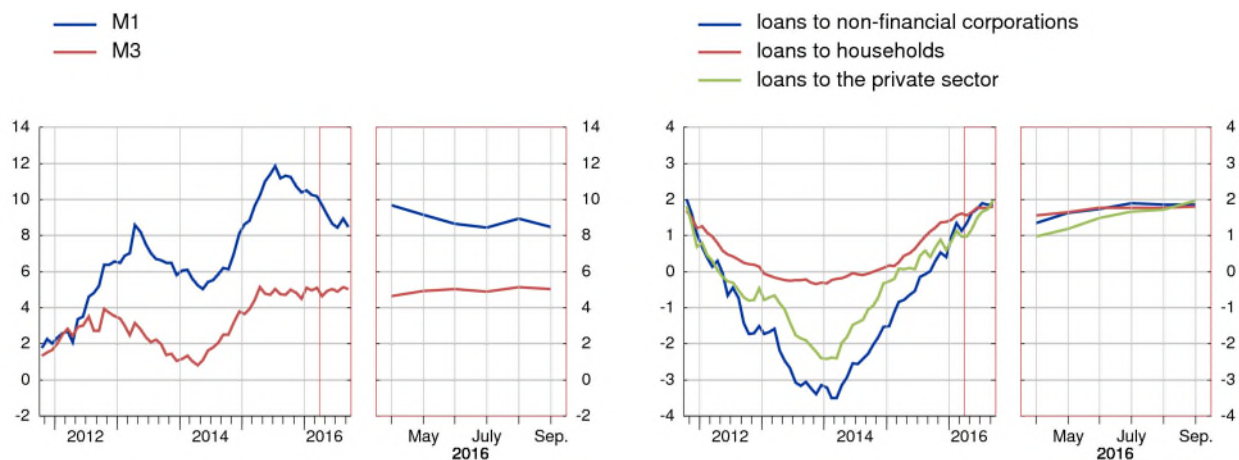
27 October 2016

Monetary developments in the euro area: September 2016

- The annual growth rate of the broad monetary aggregate M3 stood at 5.0% in September 2016, after 5.1% in August 2016.
- The annual growth rate of the narrower aggregate M1, which includes currency in circulation and overnight deposits, decreased to 8.5% in September, from 8.9% in August.
- The annual growth rate of adjusted loans to households stood at 1.8% in September, unchanged from the previous month.
- The annual growth rate of adjusted loans to non-financial corporations stood at 1.9% in September, unchanged from the previous month.

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 5.0% in September 2016, after 5.1% in August, averaging 5.0% 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), decreased to 8.5% in September, from 8.9% in August. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) was less negative at -1.3% in September, from -1.5% in August. The annual growth rate of marketable instruments (M3-M2) increased to 5.5% in September, from 4.4% in August.

Within M3, the annual growth rate of deposits placed by households stood at 5.2% in September,

unchanged from the previous month, while the annual growth rate of deposits placed by non-financial corporations stood at 7.2% in September, compared with 7.1% in August. Finally, the annual growth rate of deposits placed by non-monetary financial corporations (excluding insurance corporations and pension funds) decreased to 0.4% in September, from 1.6% in August.

Credit to euro area residents

The annual growth rate of total credit to euro area residents increased to 3.9% in September 2016, from 3.7% in the previous month. The annual growth rate of credit to general government decreased to 10.1% in September, from 10.9% in August, while the annual growth rate of credit to the private sector increased to 2.0% in September, from 1.5% in August.

The annual growth rate of adjusted loans to the private sector (i.e. adjusted for loan sales, securitisation and notional cash pooling) increased to 2.0% in September, from 1.7% in August. In particular, the annual growth rate of adjusted loans to households stood at 1.8% in September, unchanged from the previous month, and the annual growth rate of adjusted loans to non-financial corporations stood at 1.9% in September, unchanged from the previous month.

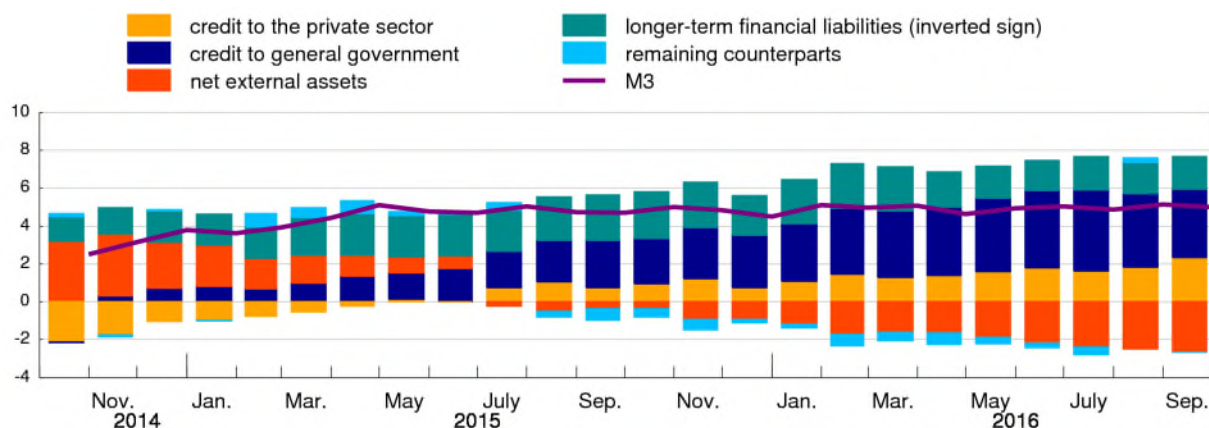
Longer-term financial liabilities

The annual growth rate of longer-term financial liabilities of the MFI sector stood at -2.6% in September 2016, compared with -2.5% in August.

M3 and its counterparts

The annual growth rate of the broad monetary aggregate M3 stood at 5.0% in September 2016. The contributions of M3 counterparts on the MFI balance sheet were as follows: longer-term financial liabilities contributed 1.7 percentage points, net external assets contributed -2.6 percentage points, credit to general government contributed 3.6 percentage points, and credit to the private sector contributed 2.3 percentage points; the contribution of the remaining counterparts of M3 was negligible.

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 2016

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

	End-of-month level	Monthly flow			Annual growth rate		
	Sep 2016	Jul 2016	Aug 2016	Sep 2016	Jul 2016	Aug 2016	Sep 2016
COMPONENTS OF M3							
1. M3	11237	63	48	14	4.9	5.1	5.0
1.1. M2	10577	53	55	15	4.9	5.2	5.0
1.1.1. M1	7010	63	64	19	8.4	8.9	8.5
Currency in circulation	1066	3	5	4	3.5	3.6	3.7
Overnight deposits	5945	60	58	15	9.4	9.9	9.4
1.1.2. Other short-term deposits (M2 - M1)	3566	-9	-9	-4	-1.4	-1.5	-1.3
Deposits with an agreed maturity of up to two years	1389	-10	-11	-4	-4.4	-4.5	-4.0
Deposits redeemable at notice of up to three months	2177	1	2	0	0.6	0.5	0.6
1.2. Marketable instruments (M3 - M2)	661	9	-7	-1	5.0	4.4	5.5
Repurchase agreements	80	-1	0	-2	-16.9	-14.8	-13.7
Money market fund shares	493	4	-6	13	7.8	6.0	8.6
Debt securities issued with a maturity of up to two years	88	6	-1	-11	16.4	18.5	11.0
COUNTERPARTS OF M3							
MFI liabilities:							
2. Holdings against central government ^{b)}	302	8	-12	-17	29.2	15.1	4.0
3. Longer-term financial liabilities vis-a-vis other euro area residents	6957	-26	-4	-27	-2.6	-2.5	-2.6
3.1. Deposits with an agreed maturity of over two years	2071	-8	-4	-10	-3.7	-3.7	-4.2
3.2. Deposits redeemable at notice of over three months	73	-1	-1	-1	-13.0	-12.4	-12.4
3.3. Debt securities issued with a maturity of over two years	2122	-22	-5	-18	-7.0	-6.7	-6.5
3.4. Capital and reserves	2691	5	6	2	2.6	2.7	2.5
MFI assets:							
4. Credit to euro area residents	17046	107	43	32	3.8	3.7	3.9
4.1. Credit to general government	4272	55	5	7	12.2	10.9	10.1
Loans	1105	-3	0	-4	-2.7	-2.8	-2.5
Debt securities	3154	58	5	11	18.7	16.8	15.3
Equity ^{c)}	13	0	0	0	3.7	3.3	5.0
4.2. Credit to other euro area residents ^{d)}	12774	53	38	25	1.4	1.5	2.0
Loans ^{e)}	10622	35	6	26	1.3	1.3	1.8
Adjusted loans ^{f)}	10934	36	14	20	1.7	1.7	2.0
Debt securities	1369	15	6	-1	4.6	4.1	3.6
Equity and non-money market fund investment fund shares	783	3	26	0	-3.7	-0.3	0.9
5. Net external assets	1167	-73	-31	-11	-	-	-
6. Other counterparts of M3 (residual)	283	10	21	-51	-	-	-
of which:							
6.1. Repos with central counterparties (liabilities)(+) ^{c)}	219	-25	2	3	1.8	1.4	1.5
6.2. Reverse repos to central counterparties (assets)(-) ^{c)}	130	-16	6	-4	-10.6	1.1	-8.2

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) Euro area non-MFIs excluding general government are also referred to in the press release as the private sector.

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 2016 (EUR billions and annual percentage changes; data adjusted for seasonal effects ^{a)})

	End-of-month level	Monthly flow			Annual growth rate		
	Sep 2016	Jul 2016	Aug 2016	Sep 2016	Jul 2016	Aug 2016	Sep 2016
BREAKDOWN OF DEPOSITS IN M3							
Total deposits	9591	50	50	9	4.8	5.1	4.9
1. Deposits placed by households ^{b)}	5987	22	38	18	4.8	5.2	5.2
1.1. Overnight deposits	3308	27	43	24	10.1	10.9	10.7
1.2. Deposits with an agreed maturity of up to two years	671	-5	-9	-5	-4.7	-5.0	-4.7
1.3. Deposits redeemable at notice of up to three months	2006	0	4	0	0.3	0.4	0.5
1.4. Repurchase agreements	2	0	0	0	-10.9	-12.2	-18.9
2. Deposits placed by non-financial corporations ^{c)}	2046	22	-1	14	7.3	7.1	7.2
2.1. Overnight deposits	1600	22	4	4	10.3	10.1	9.7
2.2. Deposits with an agreed maturity of up to two years	319	-1	-3	9	-3.3	-4.5	-1.6
2.3. Deposits redeemable at notice of up to three months	118	1	-1	1	3.7	2.1	1.7
2.4. Repurchase agreements	9	0	0	0	-29.7	11.2	-8.1
3. Deposits placed by non-monetary financial corporations excluding insurance corporations and pension funds ^{c), d)}	965	-12	13	-14	0.4	1.6	0.4
3.1. Overnight deposits	655	-7	11	-4	3.9	5.2	2.9
3.2. Deposits with an agreed maturity of up to two years	233	-6	4	-9	-4.6	-2.6	-3.7
3.3. Deposits redeemable at notice of up to three months	23	-1	0	0	7.8	2.8	4.7
3.4. Repurchase agreements ^{d)}	54	2	-1	-2	-15.0	-16.6	-10.9
4. Deposits placed by insurance corporations and pension funds	208	5	-1	-6	-8.0	-5.4	-5.6
5. Deposits placed by other general government	385	13	-1	-3	11.8	9.6	8.2

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) In accordance with the ESA 2010, in December 2014 holding companies of non-financial groups were reclassified from the non-financial corporations sector to the financial corporations sector. These entities are included in MFI balance sheet statistics with financial corporations other than MFIs and insurance corporations and pension funds (ICPFs).

d) Excludes repurchase agreements with central counterparties.

3 Contributions of M3 components to the M3 annual growth rate: September 2016

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

	Jul 2016	Aug 2016	Sep 2016
1. M1	5.1	5.4	5.1
1.1. Currency in circulation	0.3	0.3	0.4
1.2. Overnight deposits	4.7	5.0	4.8
2. M2 - M1 (other short-term deposits)	-0.5	-0.5	-0.4
3. M3 - M2 (marketable instruments)	0.3	0.3	0.3
M3 (items 1, 2 and 3)	4.9	5.1	5.0

a) Figures may not add up due to rounding.

4 Breakdown of loans as counterpart to M3 by borrowing sector, type and original maturity: September 2016

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

	End-of-month level	Monthly flow			Annual growth rate		
	Sep 2016	Jul 2016	Aug 2016	Sep 2016	Jul 2016	Aug 2016	Sep 2016
BREAKDOWN OF LOANS AS COUNTERPART TO M3							
1. Loans to households ^{b)}	5380	7	11	14	1.9	2.0	2.0
<i>Adjusted loans ^{c)}</i>	5710	9	7	11	1.8	1.8	1.8
1.1. Credit for consumption	608	0	3	1	3.2	3.4	3.3
1.2. Lending for house purchase	4020	8	9	16	2.2	2.3	2.4
1.3. Other lending	752	-2	-1	-2	-0.6	-0.8	-1.0
<i>of which: sole proprietors ^{d)}</i>	387	-1	0	0	-1.4	-1.5	-1.5
2. Loans to non-financial corporations ^{e)}	4289	10	-8	1	1.3	1.1	1.4
<i>Adjusted loans ^{c)}</i>	4277	11	-1	0	1.9	1.9	1.9
2.1. up to 1 year	1007	-4	-7	-13	-2.8	-4.0	-3.0
2.2. over 1 year and up to 5 years	786	7	1	6	6.2	6.4	6.6
2.3. over 5 years	2495	7	-2	9	1.7	1.8	1.8
3. Loans to non-monetary financial corporations except insurance corporations and pension funds ^{e), f)}	845	11	3	13	0.2	0.7	4.4
<i>Adjusted loans ^{c)}</i>	848	12	9	11	1.2	1.8	4.7
4. Loans to insurance corporations and pension funds	108	7	0	-2	-16.1	-14.1	-10.8
<i>Adjusted loans ^{c)}</i>	99	4	0	-2	-8.4	-7.9	-8.0

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) The series is not adjusted for seasonal effects.

e) In accordance with the ESA 2010, in December 2014 holding companies of non-financial groups were reclassified from the non-financial corporations sector to the financial corporations sector. These entities are included in MFI balance sheet statistics with financial corporations other than MFIs and insurance corporations and pension funds (ICPFs).

f) Excludes reverse repos to central counterparties.