



EUROPEAN CENTRAL BANK

EUROSISTEM

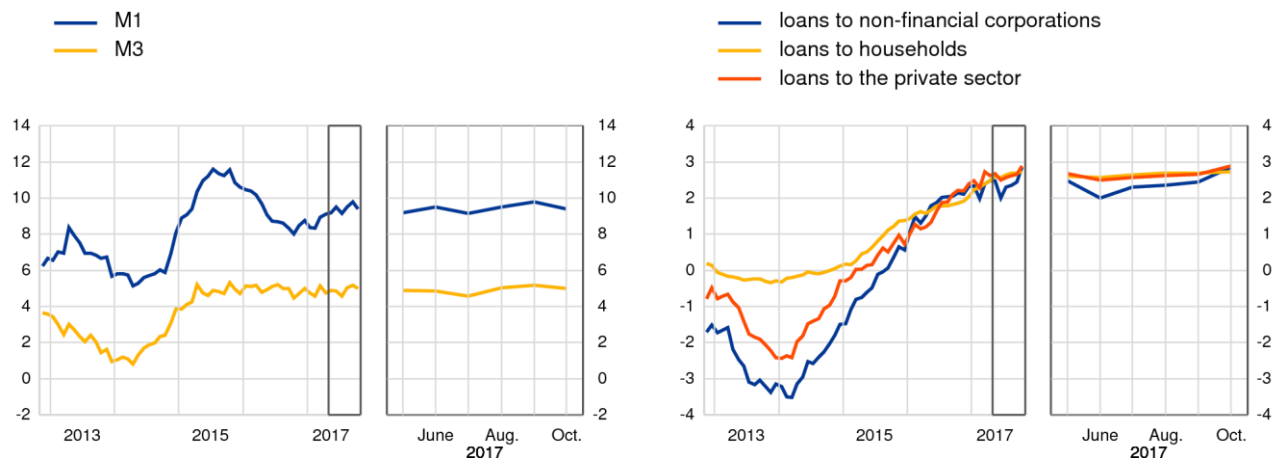
# PRESS RELEASE

28 November 2017

## Monetary developments in the euro area: October 2017

- The annual growth rate of the broad monetary aggregate M3 decreased to 5.0% in October 2017, from 5.2% in September (revised from 5.1%).
- The annual growth rate of the narrower aggregate M1, which includes currency in circulation and overnight deposits, decreased to 9.4% in October, from 9.8% in September.
- The annual growth rate of adjusted loans to households stood at 2.7% in October, unchanged from the previous month.
- The annual growth rate of adjusted loans to non-financial corporations increased to 2.9% in October, from 2.4% in September.

### 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 decreased to 5.0% in October 2017, from 5.2% in September, averaging 5.1% in the three months up to October. 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 9.4% in October, from 9.8% in September. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) was less negative at -2.7% in October, from -3.2% in September. The annual growth rate of marketable instruments (M3-M2) decreased to -0.7%

in October, from 1.0% in September.

Within M3, the annual growth rate of deposits placed by households increased to 4.8% in October, from 4.6% in September, and the annual growth rate of deposits placed by non-financial corporations increased to 8.3% in October, from 8.1% in September. Finally, the annual growth rate of deposits placed by non-monetary financial corporations (excluding insurance corporations and pension funds) decreased to 4.7% in October, from 5.7% in September.

### **Credit to euro area residents**

The annual growth rate of total credit to euro area residents decreased to 4.0% in October 2017, from 4.2% in the previous month. The annual growth rate of credit to general government decreased to 7.4% in October, from 8.4% in September, while the annual growth rate of credit to the private sector stood at 2.9% in October, compared with 2.8% in September.

The annual growth rate of adjusted loans to the private sector (i.e. adjusted for loan sales, securitisation and notional cash pooling) increased to 2.9% in October, from 2.7% in September. In particular, the annual growth rate of adjusted loans to households stood at 2.7% in October, unchanged from the previous month, and the annual growth rate of adjusted loans to non-financial corporations increased to 2.9% in October, from 2.4% in September.

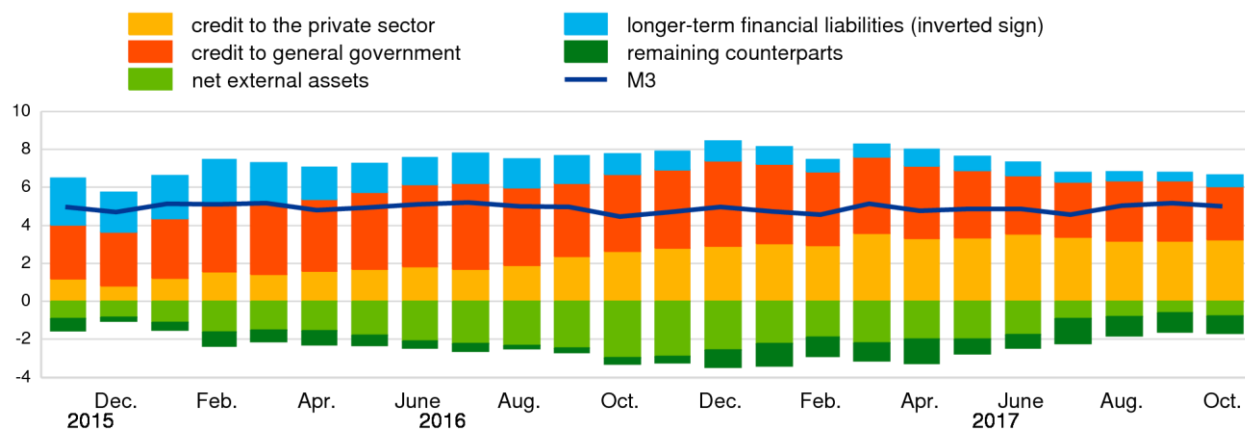
### **Longer-term financial liabilities**

The annual growth rate of longer-term financial liabilities of the MFI sector became more negative at -1.0% in October 2017, from -0.7% in September.

### **M3 and its counterparts**

The annual growth rate of the broad monetary aggregate M3 decreased to 5.0% in October 2017. The contributions of M3 counterparts on the MFI balance sheet were as follows: longer-term financial liabilities contributed 0.6 percentage point, net external assets contributed -0.8 percentage point, credit to general government contributed 2.8 percentage points, and credit to the private sector contributed 3.2 percentage points; the remaining counterparts of M3 contributed -0.9 percentage point.

### 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: October 2017

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

	End-of-month level	Monthly flow			Annual growth rate		
	Oct 2017	Aug 2017	Sep 2017	Oct 2017	Aug 2017	Sep 2017	Oct 2017
<b>COMPONENTS OF M3</b>							
<b>1. M3</b>	<b>11804</b>	<b>68</b>	<b>45</b>	<b>12</b>	<b>5.0</b>	<b>5.2</b>	<b>5.0</b>
1.1. M2	11133	67	36	20	5.4	5.4	5.4
1.1.1. M1	7701	68	49	20	9.5	9.8	9.4
Currency in circulation	1110	5	4	6	3.5	3.5	3.5
Overnight deposits	6591	63	45	14	10.6	10.9	10.5
1.1.2. Other short-term deposits (M2 - M1)	3431	-1	-14	0	-2.7	-3.2	-2.7
Deposits with an agreed maturity of up to two years	1216	-6	-17	-7	-9.2	-10.5	-9.9
Deposits redeemable at notice of up to three months	2215	5	3	7	1.4	1.5	1.8
1.2. Marketable instruments (M3 - M2)	671	2	10	-9	-0.4	1.0	-0.7
Repurchase agreements	73	4	-4	6	-11.3	-13.2	-0.4
Money market fund shares	529	3	10	-2	6.2	5.7	3.7
Debt securities issued with a maturity of up to two years	69	-5	4	-13	-24.0	-12.9	-26.2
<b>COUNTERPARTS OF M3</b>							
<b>MFI liabilities:</b>							
<b>2. Holdings against central government <sup>b)</sup></b>	<b>342</b>	<b>24</b>	<b>22</b>	<b>-23</b>	<b>9.0</b>	<b>22.1</b>	<b>8.6</b>
<b>3. Longer-term financial liabilities vis-a-vis other euro area residents</b>	<b>6698</b>	<b>0</b>	<b>-12</b>	<b>-14</b>	<b>-0.8</b>	<b>-0.7</b>	<b>-1.0</b>
3.1. Deposits with an agreed maturity of over two years	1961	-8	-5	-17	-4.1	-3.9	-4.6
3.2. Deposits redeemable at notice of over three months	61	-1	-1	-1	-11.8	-12.5	-12.6
3.3. Debt securities issued with a maturity of over two years	2013	-9	-21	-9	-2.9	-3.4	-3.6
3.4. Capital and reserves	2662	18	15	12	3.9	4.3	4.1
<b>MFI assets:</b>							
<b>4. Credit to euro area residents</b>	<b>17629</b>	<b>58</b>	<b>42</b>	<b>51</b>	<b>4.2</b>	<b>4.2</b>	<b>4.0</b>
4.1. Credit to general government	4558	39	17	3	8.4	8.4	7.4
Loans	1045	-1	-3	-6	-3.9	-4.0	-4.2
Debt securities	3499	41	20	9	12.9	12.8	11.5
Equity <sup>c)</sup>	14	0	0	0	5.3	3.0	1.3
4.2. Credit to the private sector <sup>d)</sup>	13071	19	25	48	2.8	2.8	2.9
Loans <sup>e)</sup>	10837	34	27	53	2.4	2.5	2.7
Adjusted loans <sup>f)</sup>	11154	22	27	53	2.6	2.7	2.9
Debt securities	1433	-14	-2	-9	6.0	5.6	4.4
Equity and non-money market fund investment fund shares	800	-1	-1	3	2.6	2.6	2.8
<b>5. Net external assets</b>	<b>968</b>	<b>-14</b>	<b>6</b>	<b>-63</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>6. Other counterparts of M3 (residual)</b>	<b>247</b>	<b>47</b>	<b>8</b>	<b>-13</b>	<b>-</b>	<b>-</b>	<b>-</b>
of which:							
6.1. Repos with central counterparties (liabilities) <sup>c)</sup>	154	-4	16	14	-38.2	-31.2	-19.6
6.2. Reverse repos to central counterparties (assets) <sup>c)</sup>	109	-7	16	24	-48.0	-33.4	-17.6

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: October 2017

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

	End-of-month level	Monthly flow			Annual growth rate		
	Oct 2017	Aug 2017	Sep 2017	Oct 2017	Aug 2017	Sep 2017	Oct 2017
<b>BREAKDOWN OF DEPOSITS IN M3</b>							
<b>Total deposits</b>	<b>10096</b>	<b>66</b>	<b>28</b>	<b>21</b>	<b>5.4</b>	<b>5.5</b>	<b>5.5</b>
<b>1. Deposits placed by households <sup>b)</sup></b>	<b>6293</b>	<b>27</b>	<b>23</b>	<b>37</b>	<b>4.5</b>	<b>4.6</b>	<b>4.8</b>
1.1. Overnight deposits	3675	29	28	39	9.9	9.9	10.1
1.2. Deposits with an agreed maturity of up to two years	574	-5	-6	-8	-12.4	-12.6	-12.9
1.3. Deposits redeemable at notice of up to three months	2042	3	2	6	1.5	1.6	1.8
1.4. Repurchase agreements	2	0	0	0	-28.8	-25.3	-21.7
<b>2. Deposits placed by non-financial corporations</b>	<b>2229</b>	<b>15</b>	<b>12</b>	<b>9</b>	<b>8.1</b>	<b>8.1</b>	<b>8.3</b>
2.1. Overnight deposits	1822	17	13	14	11.3	11.8	11.8
2.2. Deposits with an agreed maturity of up to two years	280	-2	-1	-6	-5.1	-7.4	-7.2
2.3. Deposits redeemable at notice of up to three months	121	1	0	1	1.6	1.1	1.7
2.4. Repurchase agreements	5	0	0	0	-32.2	-42.3	-21.7
<b>3. Deposits placed by non-monetary financial corporations excluding insurance corporations and pension funds <sup>c)</sup></b>	<b>951</b>	<b>13</b>	<b>-11</b>	<b>-28</b>	<b>6.4</b>	<b>5.7</b>	<b>4.7</b>
3.1. Overnight deposits	670	6	0	-41	13.1	13.6	9.2
3.2. Deposits with an agreed maturity of up to two years	208	2	-8	5	-7.0	-10.3	-6.5
3.3. Deposits redeemable at notice of up to three months	21	1	0	0	-1.6	-0.8	2.0
3.4. Repurchase agreements <sup>c)</sup>	51	4	-4	8	-12.0	-15.5	1.8
<b>4. Deposits placed by insurance corporations and pension funds</b>	<b>203</b>	<b>5</b>	<b>2</b>	<b>2</b>	<b>-5.9</b>	<b>-2.0</b>	<b>-1.5</b>
<b>5. Deposits placed by other general government</b>	<b>421</b>	<b>8</b>	<b>2</b>	<b>1</b>	<b>8.7</b>	<b>8.9</b>	<b>7.6</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: October 2017

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

	Aug 2017	Sep 2017	Oct 2017
<b>1. M1</b>	<b>5.9</b>	<b>6.1</b>	<b>5.9</b>
1.1. Currency in circulation	0.3	0.3	0.3
1.2. Overnight deposits	5.6	5.8	5.6
<b>2. M2 - M1 (other short-term deposits)</b>	<b>-0.9</b>	<b>-1.0</b>	<b>-0.8</b>
<b>3. M3 - M2 (marketable instruments)</b>	<b>0.0</b>	<b>0.1</b>	<b>0.0</b>
<b>M3 (items 1, 2 and 3)</b>	<b>5.0</b>	<b>5.2</b>	<b>5.0</b>

a) Figures may not add up due to rounding.

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

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

	End-of-month level	Monthly flow			Annual growth rate		
	Oct 2017	Aug 2017	Sep 2017	Oct 2017	Aug 2017	Sep 2017	Oct 2017
<b>BREAKDOWN OF LOANS AS COUNTERPART TO M3</b>							
<b>1. Loans to households <sup>b)</sup></b>	<b>5534</b>	<b>24</b>	<b>19</b>	<b>11</b>	<b>3.1</b>	<b>3.1</b>	<b>3.2</b>
<i>Adjusted loans <sup>c)</sup></i>	<b>5840</b>	<b>12</b>	<b>11</b>	<b>12</b>	<b>2.7</b>	<b>2.7</b>	<b>2.7</b>
1.1. Credit for consumption	647	4	3	3	6.7	6.8	6.7
1.2. Lending for house purchase	4157	20	17	8	3.3	3.4	3.4
1.3. Other lending	731	0	-1	0	-1.3	-1.2	-1.0
<i>of which: sole proprietors</i>	377	0	-2	0	-1.3	-1.6	-1.5
<b>2. Loans to non-financial corporations</b>	<b>4330</b>	<b>5</b>	<b>4</b>	<b>27</b>	<b>1.4</b>	<b>1.5</b>	<b>1.7</b>
<i>Adjusted loans <sup>c)</sup></i>	<b>4351</b>	<b>5</b>	<b>8</b>	<b>28</b>	<b>2.4</b>	<b>2.4</b>	<b>2.9</b>
2.1. up to 1 year	991	-2	-3	14	-1.8	-1.3	-0.8
2.2. over 1 year and up to 5 years	816	3	8	4	3.8	4.2	4.5
2.3. over 5 years	2523	3	0	9	1.9	1.7	1.9
<b>3. Loans to non-monetary financial corporations except insurance corporations and pension funds <sup>d)</sup></b>	<b>861</b>	<b>5</b>	<b>7</b>	<b>15</b>	<b>3.5</b>	<b>3.6</b>	<b>4.7</b>
<i>Adjusted loans <sup>c)</sup></i>	<b>864</b>	<b>6</b>	<b>9</b>	<b>14</b>	<b>3.6</b>	<b>3.8</b>	<b>4.9</b>
<b>4. Loans to insurance corporations and pension funds</b>	<b>112</b>	<b>1</b>	<b>-3</b>	<b>0</b>	<b>4.0</b>	<b>2.0</b>	<b>-1.6</b>
<i>Adjusted loans <sup>c)</sup></i>	<b>100</b>	<b>-1</b>	<b>-1</b>	<b>-1</b>	<b>1.1</b>	<b>0.9</b>	<b>-3.2</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.