

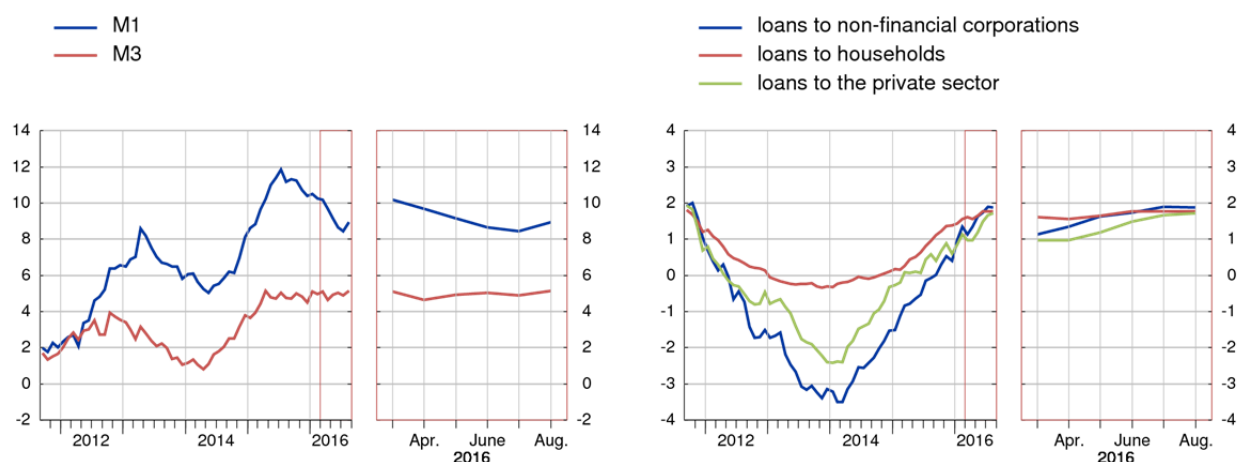
# PRESS RELEASE

27 September 2016

## Monetary developments in the euro area: August 2016

- The annual growth rate of the broad monetary aggregate M3 increased to 5.1% in August 2016, from 4.9% in July (revised from 4.8%).
- The annual growth rate of the narrower aggregate M1, which includes currency in circulation and overnight deposits, increased to 8.9% in August, from 8.4% in July.
- The annual growth rate of adjusted loans to households stood at 1.8% in August, unchanged from the previous month.
- The annual growth rate of adjusted loans to non-financial corporations stood at 1.9% in August, 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 increased to 5.1% in August 2016, from 4.9% in July, averaging 5.0% in the three months up to August. 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 8.9% in August, from 8.4% in July. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) stood at -1.5% in August, compared with -1.4% in July. The annual growth rate of marketable instruments (M3-M2) decreased to 4.5% in August, from 5.0% in July.

Within M3, the annual growth rate of deposits placed by households increased to 5.2% in August, from 4.8% in July, while the annual growth rate of deposits placed by non-financial corporations decreased to

7.1% in August, from 7.3% in July. Finally, the annual growth rate of deposits placed by non-monetary financial corporations (excluding insurance corporations and pension funds) increased to 1.5% in August, from 0.4% in July.

### Credit to euro area residents

The annual growth rate of total credit to euro area residents stood at 3.7% in August 2016, compared with 3.8% in the previous month. The annual growth rate of credit to general government decreased to 10.9% in August, from 12.2% in July, while the annual growth rate of credit to the private sector stood at 1.5% in August, compared with 1.4% in July.

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

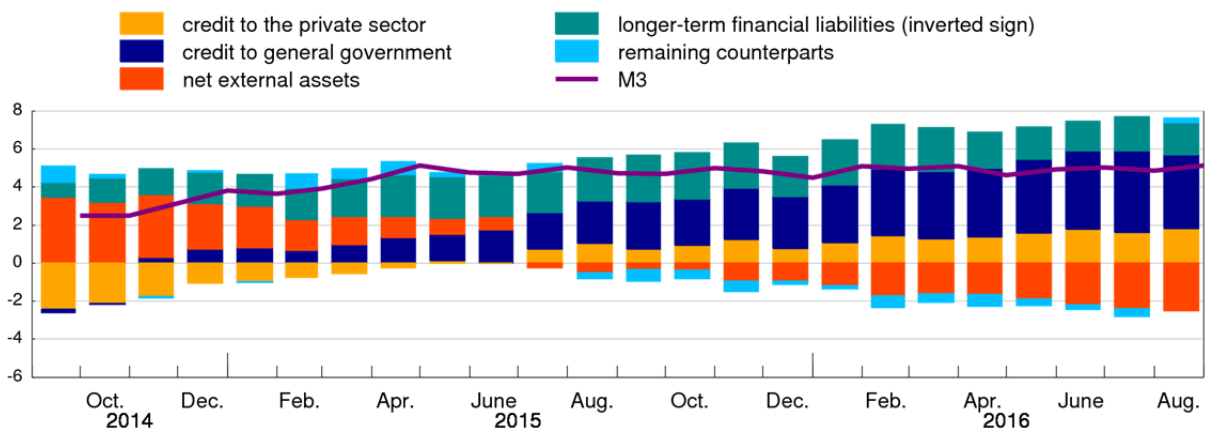
### Longer-term financial liabilities

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

### M3 and its counterparts

The annual growth rate of the broad monetary aggregate M3 increased to 5.1% in August 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 -2.5 percentage points, credit to general government contributed 3.9 percentage points, and credit to the private sector contributed 1.8 percentage points; the remaining counterparts of M3 contributed 0.2 percentage point.

### Contribution of the M3 counterparts to the annual growth rate of M3 (percentage points)



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**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>

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## 1 Monetary developments in the euro area: August 2016

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

	End-of-month level	Monthly flow			Annual growth rate		
	Aug 2016	Jun 2016	Jul 2016	Aug 2016	Jun 2016	Jul 2016	Aug 2016
<b>COMPONENTS OF M3</b>							
<b>1. M3</b>	<b>11226</b>	<b>40</b>	<b>63</b>	<b>48</b>	<b>5.0</b>	<b>4.9</b>	<b>5.1</b>
1.1. M2	10564	37	53	54	4.9	4.9	5.2
1.1.1. M1	6992	26	63	63	8.7	8.4	8.9
Currency in circulation	1060	2	3	4	3.9	3.5	3.5
Overnight deposits	5931	24	60	59	9.6	9.4	10.0
1.1.2. Other short-term deposits (M2 - M1)	3572	11	-9	-9	-1.5	-1.4	-1.5
Deposits with an agreed maturity of up to two years	1396	9	-10	-11	-4.6	-4.4	-4.5
Deposits redeemable at notice of up to three months	2176	2	1	2	0.6	0.6	0.5
1.2. Marketable instruments (M3 - M2)	662	4	9	-5	6.5	5.0	4.5
Repurchase agreements	83	-5	-1	0	-2.1	-16.9	-14.8
Money market fund shares	482	7	4	-4	10.7	7.8	6.4
Debt securities issued with a maturity of up to two years	98	2	6	-2	-4.0	16.4	17.7
<b>COUNTERPARTS OF M3</b>							
<b>MFI liabilities:</b>							
<b>2. Holdings against central government <sup>b)</sup></b>	<b>319</b>	<b>31</b>	<b>8</b>	<b>-12</b>	<b>20.6</b>	<b>29.2</b>	<b>15.1</b>
<b>3. Longer-term financial liabilities vis-a-vis other euro area residents</b>	<b>7038</b>	<b>-25</b>	<b>-27</b>	<b>-4</b>	<b>-2.3</b>	<b>-2.6</b>	<b>-2.5</b>
3.1. Deposits with an agreed maturity of over two years	2148	-22	-8	-6	-2.9	-3.7	-3.8
3.2. Deposits redeemable at notice of over three months	73	-1	-1	-1	-13.3	-13.0	-12.4
3.3. Debt securities issued with a maturity of over two years	2143	-10	-22	-4	-6.9	-7.0	-6.7
3.4. Capital and reserves	2674	7	4	6	2.8	2.6	2.7
<b>MFI assets:</b>							
<b>4. Credit to euro area residents</b>	<b>17083</b>	<b>51</b>	<b>106</b>	<b>44</b>	<b>3.8</b>	<b>3.8</b>	<b>3.7</b>
4.1. Credit to general government	4261	35	54	5	11.7	12.2	10.9
Loans	1109	-15	-3	0	-2.8	-2.7	-2.8
Debt securities	3139	51	57	5	18.1	18.7	16.8
Equity <sup>c)</sup>	13	0	0	0	3.0	3.7	3.3
4.2. Credit to other euro area residents <sup>d)</sup>	12821	15	53	39	1.5	1.4	1.5
Loans <sup>e)</sup>	10667	-2	35	6	1.2	1.3	1.3
Adjusted loans <sup>f)</sup>	10985	29	36	14	1.5	1.7	1.7
Debt securities	1371	20	15	7	7.3	4.6	4.2
Equity and non-money market fund investment fund shares	783	-3	3	26	-3.0	-3.7	-0.3
<b>5. Net external assets</b>	<b>1177</b>	<b>-11</b>	<b>-73</b>	<b>-32</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>6. Other counterparts of M3 (residual)</b>	<b>324</b>	<b>7</b>	<b>10</b>	<b>20</b>	<b>-</b>	<b>-</b>	<b>-</b>
of which:							
6.1. Repos with central counterparties (liabilities)(+) <sup>c)</sup>	215	11	-25	2	3.5	1.8	1.4
6.2. Reverse repos to central counterparties (assets)(-) <sup>c)</sup>	135	5	-16	6	-2.9	-10.6	1.1

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: August 2016 (EUR billions and annual percentage changes; data adjusted for seasonal effects <sup>a)</sup>)

	End-of-month level	Monthly flow			Annual growth rate		
	Aug 2016	Jun 2016	Jul 2016	Aug 2016	Jun 2016	Jul 2016	Aug 2016
<b>BREAKDOWN OF DEPOSITS IN M3</b>							
<b>Total deposits</b>	<b>9586</b>	<b>30</b>	<b>50</b>	<b>50</b>	<b>5.0</b>	<b>4.8</b>	<b>5.1</b>
<b>1. Deposits placed by households <sup>b)</sup></b>	<b>5969</b>	<b>31</b>	<b>22</b>	<b>38</b>	<b>4.7</b>	<b>4.8</b>	<b>5.2</b>
1.1. Overnight deposits	3284	29	27	43	10.4	10.1	10.9
1.2. Deposits with an agreed maturity of up to two years	677	0	-5	-9	-5.7	-4.7	-5.0
1.3. Deposits redeemable at notice of up to three months	2006	3	0	4	0.2	0.3	0.4
1.4. Repurchase agreements	3	-1	0	0	-0.8	-10.9	-12.2
<b>2. Deposits placed by non-financial corporations <sup>c)</sup></b>	<b>2033</b>	<b>1</b>	<b>22</b>	<b>0</b>	<b>7.8</b>	<b>7.3</b>	<b>7.1</b>
2.1. Overnight deposits	1597	5	22	4	10.9	10.3	10.1
2.2. Deposits with an agreed maturity of up to two years	310	-5	-1	-3	-2.9	-3.3	-4.4
2.3. Deposits redeemable at notice of up to three months	117	1	1	-1	3.8	3.7	2.1
2.4. Repurchase agreements	9	1	0	0	-27.8	-29.7	11.2
<b>3. Deposits placed by non-monetary financial corporations excluding insurance corporations and pension funds <sup>c), d)</sup></b>	<b>981</b>	<b>4</b>	<b>-12</b>	<b>13</b>	<b>2.8</b>	<b>0.4</b>	<b>1.5</b>
3.1. Overnight deposits	659	-2	-7	11	4.6	3.9	5.2
3.2. Deposits with an agreed maturity of up to two years	243	13	-6	3	-2.6	-4.6	-2.8
3.3. Deposits redeemable at notice of up to three months	23	-2	-1	0	15.4	7.8	2.8
3.4. Repurchase agreements <sup>d)</sup>	56	-4	2	-1	2.1	-15.0	-16.6
<b>4. Deposits placed by insurance corporations and pension funds</b>	<b>215</b>	<b>-4</b>	<b>5</b>	<b>-1</b>	<b>-8.8</b>	<b>-8.0</b>	<b>-5.4</b>
<b>5. Deposits placed by other general government</b>	<b>388</b>	<b>-2</b>	<b>13</b>	<b>0</b>	<b>9.8</b>	<b>11.8</b>	<b>9.7</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) 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: August 2016

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

	Jun 2016	Jul 2016	Aug 2016
<b>1. M1</b>	<b>5.2</b>	<b>5.1</b>	<b>5.4</b>
1.1. Currency in circulation	0.4	0.3	0.3
1.2. Overnight deposits	4.8	4.7	5.0
<b>2. M2 - M1 (other short-term deposits)</b>	<b>-0.5</b>	<b>-0.5</b>	<b>-0.5</b>
<b>3. M3 - M2 (marketable instruments)</b>	<b>0.4</b>	<b>0.3</b>	<b>0.3</b>
<b>M3 (items 1, 2 and 3)</b>	<b>5.0</b>	<b>4.9</b>	<b>5.1</b>

a) Figures may not add up due to rounding.

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

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

	End-of-month level	Monthly flow			Annual growth rate		
	Aug 2016	Jun 2016	Jul 2016	Aug 2016	Jun 2016	Jul 2016	Aug 2016
<b>BREAKDOWN OF LOANS AS COUNTERPART TO M3</b>							
<b>1. Loans to households <sup>b)</sup></b>	<b>5366</b>	<b>7</b>	<b>7</b>	<b>11</b>	<b>1.9</b>	<b>2.0</b>	<b>2.0</b>
<i>Adjusted loans <sup>c)</sup></i>	<b>5700</b>	<b>16</b>	<b>9</b>	<b>7</b>	<b>1.8</b>	<b>1.8</b>	<b>1.8</b>
1.1. Credit for consumption	608	3	0	3	3.5	3.2	3.4
1.2. Lending for house purchase	4004	3	8	9	2.1	2.2	2.3
1.3. Other lending	755	2	-2	-1	-0.4	-0.5	-0.8
<i>of which: sole proprietors <sup>d)</sup></i>	387	0	-1	0	-1.3	-1.4	-1.5
<b>2. Loans to non-financial corporations <sup>e)</sup></b>	<b>4293</b>	<b>1</b>	<b>10</b>	<b>-8</b>	<b>1.3</b>	<b>1.3</b>	<b>1.2</b>
<i>Adjusted loans <sup>c)</sup></i>	<b>4283</b>	<b>7</b>	<b>11</b>	<b>-1</b>	<b>1.7</b>	<b>1.9</b>	<b>1.9</b>
2.1. up to 1 year	1023	-6	-5	-7	-2.2	-2.8	-4.0
2.2. over 1 year and up to 5 years	781	4	7	1	5.3	6.2	6.4
2.3. over 5 years	2489	2	7	-2	1.6	1.7	1.8
<b>3. Loans to non-monetary financial corporations except insurance corporations and pension funds <sup>e), f)</sup></b>	<b>898</b>	<b>-2</b>	<b>11</b>	<b>3</b>	<b>0.0</b>	<b>0.2</b>	<b>0.7</b>
<i>Adjusted loans <sup>c)</sup></i>	<b>902</b>	<b>4</b>	<b>12</b>	<b>9</b>	<b>0.6</b>	<b>1.2</b>	<b>1.8</b>
<b>4. Loans to insurance corporations and pension funds</b>	<b>110</b>	<b>-8</b>	<b>7</b>	<b>0</b>	<b>-23.6</b>	<b>-16.1</b>	<b>-14.1</b>
<i>Adjusted loans <sup>c)</sup></i>	<b>101</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>-14.3</b>	<b>-8.4</b>	<b>-7.9</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) 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.