



EUROPEAN CENTRAL BANK

EUROSYSTEM

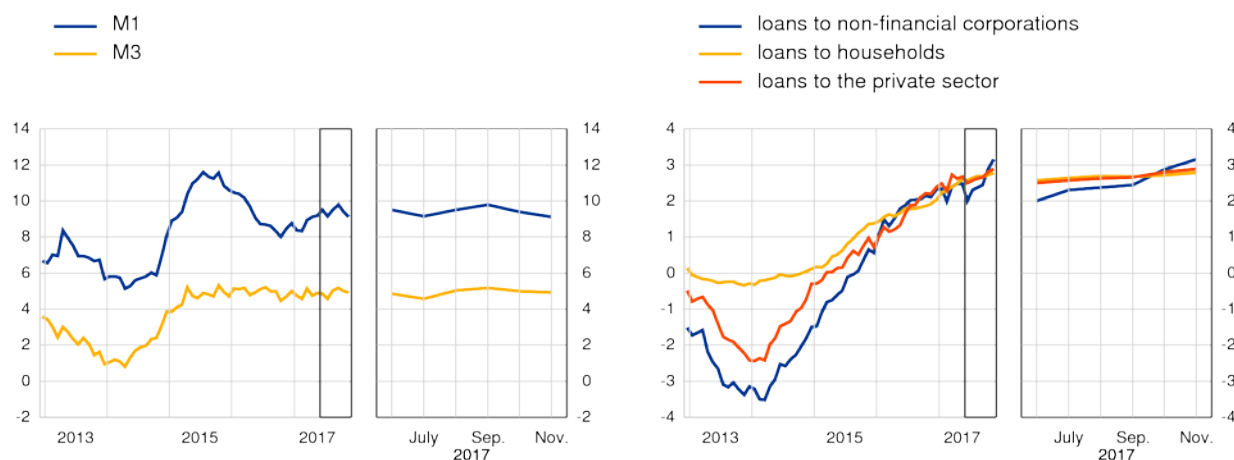
PRESS RELEASE

29 December 2017

Monetary developments in the euro area: November 2017

- The annual growth rate of the broad monetary aggregate M3 stood at 4.9% in November 2017, after 5.0% in October 2017.
- The annual growth rate of the narrower aggregate M1, which includes currency in circulation and overnight deposits, decreased to 9.1% in November, from 9.4% in October.
- The annual growth rate of adjusted loans to households stood at 2.8% in November, compared with 2.7% in October.
- The annual growth rate of adjusted loans to non-financial corporations increased to 3.1% in November, from 2.9% in October.

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 4.9% in November 2017, after 5.0% in October, averaging 5.0% in the three months up to November. 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 9.1% in November, from 9.4% in October. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) was less negative at -2.5% in November, from -2.7% in October. The annual growth rate of marketable instruments (M3-M2) was less negative at -0.4% in November, from -0.8% in October.

Within M3, the annual growth rate of deposits placed by households decreased to 4.4% in November, from 4.8% in October, and the annual growth rate of deposits placed by non-financial corporations stood at 8.4%

in November, compared with 8.3% in October. Finally, the annual growth rate of deposits placed by non-monetary financial corporations (excluding insurance corporations and pension funds) increased to 6.4% in November, from 4.2% in October.

Credit to euro area residents

The annual growth rate of total credit to euro area residents stood at 3.8% in November 2017, compared with 3.9% in the previous month. The annual growth rate of credit to general government decreased to 6.8% in November, from 7.4% in October, while the annual growth rate of credit to the private sector stood at 2.8% in November, 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 2.9% in November, compared with 2.8% in October. In particular, the annual growth rate of adjusted loans to households stood at 2.8% in November, compared with 2.7% in October, and the annual growth rate of adjusted loans to non-financial corporations increased to 3.1% in November, from 2.9% in October.

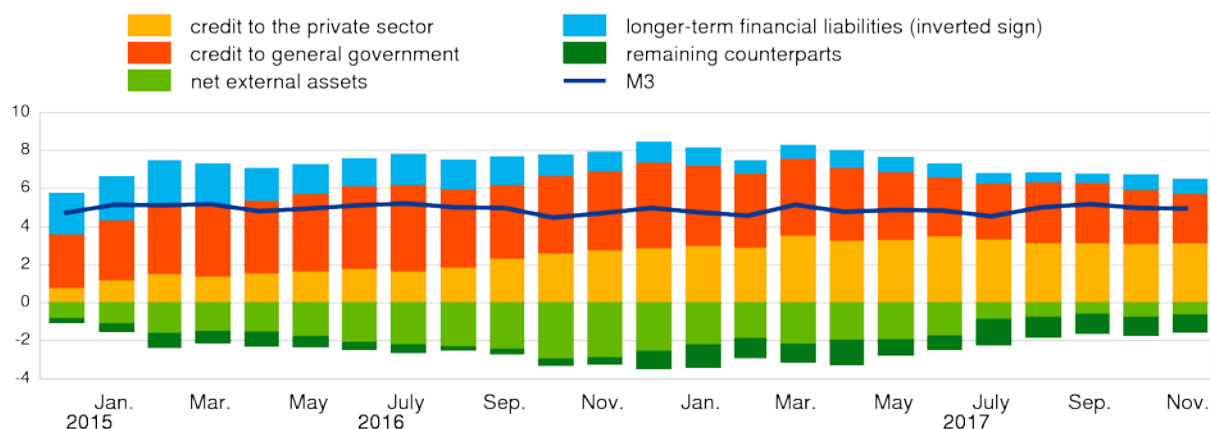
Longer-term financial liabilities

The annual growth rate of longer-term financial liabilities of the MFI sector stood at -1.2% in November 2017, compared with -1.3% in October.

M3 and its counterparts

The annual growth rate of the broad monetary aggregate M3 stood at 4.9% in November 2017. The contributions of M3 counterparts on the MFI balance sheet were as follows: longer-term financial liabilities contributed 0.7 percentage point, net external assets contributed -0.7 percentage point, credit to general government contributed 2.6 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: November 2017

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

	End-of-month level	Monthly flow			Annual growth rate		
	Nov 2017	Sep 2017	Oct 2017	Nov 2017	Sep 2017	Oct 2017	Nov 2017
COMPONENTS OF M3							
1. M3	11864	47	10	71	5.2	5.0	4.9
1.1. M2	11184	36	20	64	5.4	5.4	5.3
1.1.1. M1	7768	49	19	71	9.8	9.4	9.1
Currency in circulation	1110	4	6	0	3.5	3.5	3.3
Overnight deposits	6658	45	13	71	10.9	10.4	10.1
1.1.2. Other short-term deposits (M2 - M1)	3416	-14	0	-8	-3.2	-2.7	-2.5
Deposits with an agreed maturity of up to two years	1200	-17	-7	-8	-10.5	-9.9	-9.4
Deposits redeemable at notice of up to three months	2216	3	7	0	1.5	1.8	1.8
1.2. Marketable instruments (M3 - M2)	680	11	-9	8	1.1	-0.8	-0.4
Repurchase agreements	79	-4	2	10	-13.2	-6.1	10.2
Money market fund shares	521	10	-4	-7	5.7	3.4	1.7
Debt securities issued with a maturity of up to two years	81	5	-8	4	-12.1	-20.2	-19.9
COUNTERPARTS OF M3							
MFI liabilities:							
2. Holdings against central government ^{b)}	306	22	-23	-36	22.1	8.6	3.1
3. Longer-term financial liabilities vis-a-vis other euro area residents	6662	-12	-29	-5	-0.7	-1.3	-1.2
3.1. Deposits with an agreed maturity of over two years	1931	-5	-25	-1	-3.9	-5.0	-4.5
3.2. Deposits redeemable at notice of over three months	60	-1	-1	-1	-12.5	-12.6	-12.8
3.3. Debt securities issued with a maturity of over two years	2016	-22	-10	-7	-3.4	-3.7	-3.7
3.4. Capital and reserves	2655	16	7	3	4.3	3.9	3.7
MFI assets:							
4. Credit to euro area residents	17668	42	41	62	4.2	3.9	3.8
4.1. Credit to general government	4582	17	4	19	8.4	7.4	6.8
Loans	1042	-3	-6	-3	-4.0	-4.2	-3.9
Debt securities	3526	20	10	23	12.8	11.5	10.5
Equity ^{c)}	14	0	0	0	3.0	3.3	3.2
4.2. Credit to the private sector ^{d)}	13086	25	37	43	2.8	2.8	2.8
Loans ^{e)}	10855	27	44	36	2.5	2.6	2.6
Adjusted loans ^{f)}	11165	27	44	31	2.7	2.8	2.9
Debt securities	1426	-2	-9	-1	5.6	4.4	3.8
Equity and non-money market fund investment fund shares	805	0	3	8	2.6	2.8	4.4
5. Net external assets	957	6	-64	3	-	-	-
6. Other counterparts of M3 (residual)	207	10	-19	-35	-	-	-
of which:							
6.1. Repos with central counterparties (liabilities) ^{c)}	167	16	18	9	-31.2	-17.4	-13.3
6.2. Reverse repos to central counterparties (assets) ^{c)}	132	16	24	23	-33.4	-17.6	9.6

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: November 2017 (EUR billions and annual percentage changes; data adjusted for seasonal effects ^{a)})

	End-of-month level	Monthly flow			Annual growth rate		
	Nov 2017	Sep 2017	Oct 2017	Nov 2017	Sep 2017	Oct 2017	Nov 2017
BREAKDOWN OF DEPOSITS IN M3							
Total deposits	10152	28	16	73	5.5	5.5	5.5
1. Deposits placed by households ^{b)}	6294	23	37	1	4.6	4.8	4.4
1.1. Overnight deposits	3682	28	39	8	9.9	10.1	9.3
1.2. Deposits with an agreed maturity of up to two years	567	-6	-8	-7	-12.6	-12.9	-12.9
1.3. Deposits redeemable at notice of up to three months	2042	2	6	0	1.6	1.8	1.7
1.4. Repurchase agreements	2	0	0	0	-25.3	-21.7	-17.5
2. Deposits placed by non-financial corporations	2245	12	9	18	8.1	8.3	8.4
2.1. Overnight deposits	1834	13	14	13	11.8	11.8	11.5
2.2. Deposits with an agreed maturity of up to two years	282	-1	-6	2	-7.4	-7.1	-5.7
2.3. Deposits redeemable at notice of up to three months	121	0	1	0	1.1	1.7	2.7
2.4. Repurchase agreements	8	0	0	2	-42.3	-20.0	-4.8
3. Deposits placed by non-monetary financial corporations excluding insurance corporations and pension funds ^{c)}	991	-11	-33	54	5.7	4.2	6.4
3.1. Overnight deposits	716	0	-41	47	13.6	9.2	10.2
3.2. Deposits with an agreed maturity of up to two years	199	-8	5	-2	-10.3	-6.5	-5.8
3.3. Deposits redeemable at notice of up to three months	22	0	0	0	-0.8	2.0	1.6
3.4. Repurchase agreements ^{c)}	55	-4	3	8	-15.5	-6.8	12.8
4. Deposits placed by insurance corporations and pension funds	208	2	2	5	-2.0	-1.5	1.0
5. Deposits placed by other general government	414	2	0	-5	8.9	7.3	8.0

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.

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: November 2017

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

	Sep 2017	Oct 2017	Nov 2017
1. M1	6.1	5.9	5.7
1.1. Currency in circulation	0.3	0.3	0.3
1.2. Overnight deposits	5.8	5.5	5.4
2. M2 - M1 (other short-term deposits)	-1.0	-0.8	-0.8
3. M3 - M2 (marketable instruments)	0.1	0.0	0.0
M3 (items 1, 2 and 3)	5.2	5.0	4.9

a) Figures may not add up due to rounding.

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

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

	End-of-month level	Monthly flow			Annual growth rate		
	Nov 2017	Sep 2017	Oct 2017	Nov 2017	Sep 2017	Oct 2017	Nov 2017
BREAKDOWN OF LOANS AS COUNTERPART TO M3							
1. Loans to households ^{b)}	5549	19	11	17	3.1	3.2	3.1
<i>Adjusted loans ^{c)}</i>	5851	11	12	15	2.7	2.7	2.8
1.1. Credit for consumption	651	3	3	5	6.8	6.7	7.0
1.2. Lending for house purchase	4166	17	8	11	3.4	3.4	3.3
1.3. Other lending	731	-1	0	2	-1.2	-1.0	-0.8
<i>of which: sole proprietors</i>	377	-2	0	0	-1.6	-1.5	-1.1
2. Loans to non-financial corporations	4344	4	27	20	1.4	1.7	1.8
<i>Adjusted loans ^{c)}</i>	4365	8	28	19	2.4	2.9	3.1
2.1. up to 1 year	986	-3	14	-2	-1.4	-0.9	-1.1
2.2. over 1 year and up to 5 years	825	8	5	9	4.2	4.5	5.0
2.3. over 5 years	2533	0	9	13	1.7	1.9	2.0
3. Loans to non-monetary financial corporations except insurance corporations and pension funds ^{d)}	846	7	5	-4	3.6	3.5	2.9
<i>Adjusted loans ^{c)}</i>	847	9	4	-5	3.8	3.7	3.0
4. Loans to insurance corporations and pension funds	115	-3	0	3	2.0	-1.6	0.1
<i>Adjusted loans ^{c)}</i>	102	-1	-1	2	0.9	-3.2	-2.0

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) Excludes reverse repos to central counterparties.