



EUROPEAN CENTRAL BANK

EUROSYSTEM

PRESS RELEASE

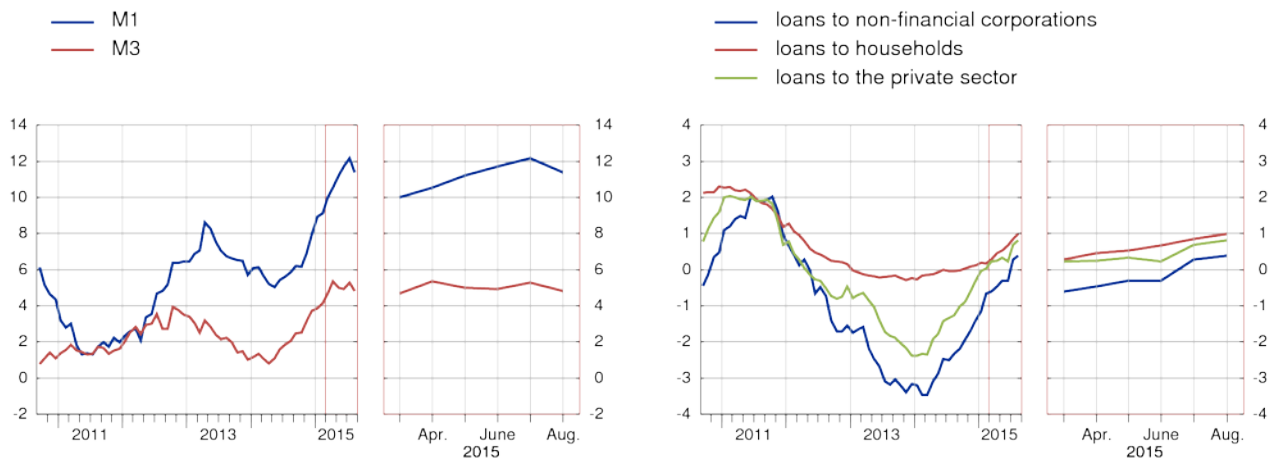
25 September 2015

Monetary developments in the euro area: August 2015

- The annual growth rate of the broad monetary aggregate M3 decreased to 4.8% in August 2015, from 5.3% in July.
- The annual growth rate of the narrower aggregate M1, which includes currency in circulation and overnight deposits, decreased to 11.4% in August, from 12.2% in July.
- The annual growth rate of loans to households (adjusted for loan sales and securitisation in accordance with the new method announced on 21 September¹) stood at 1.0% in August, after 0.9% in July.
- The annual growth rate of loans to non-financial corporations adjusted for loan sales and securitisation stood at 0.4% in August, after 0.3% in July.

Monetary aggregates and loans to the private sector

(annual growth rates, loans adjusted for sales and securitisation)



Components of the broad monetary aggregate M3

The annual growth rate of the broad monetary aggregate M3 decreased to 4.8% in August 2015, from 5.3% in July, averaging 5.0% in the three months up to August. The components of M3 showed the

¹ On 21 September, the ECB released new data on loans adjusted for sales and securitisation, based on an enhanced adjustment method. The new method enables a more comprehensive view of developments in loans originated by euro area MFIs by taking into account, on an ongoing basis, stocks and repayments of loans that are no longer recorded on MFIs' balance sheets (i.e. derecognised loans). For more information see the [press release](#) and accompanying [explanatory note](#) on the website of the ECB.

following developments. The annual growth rate of the narrower aggregate including currency in circulation and overnight deposits (M1) decreased to 11.4% in August, from 12.2% in July. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) stood at -4.5% in August, compared with -4.6% in July. The annual growth rate of marketable instruments (M3-M2) decreased to 1.1% in August, from 2.7% in July.

Within M3, the annual growth rate of deposits placed by households decreased to 2.9% in August, from 3.1% in July, while the annual growth rate of deposits placed by non-financial corporations decreased to 4.8% in August, from 5.5% in July. Finally, the annual growth rate of deposits placed by non-monetary financial corporations (excluding insurance corporations and pension funds) decreased to 14.1% in August, from 14.5% in July.

Credit to euro area residents

The annual growth rate of total credit to euro area residents increased to 2.2% in August 2015, from 1.8% in the previous month. The annual growth rate of credit to general government increased to 6.3% in August, from 5.5% in July, and the annual growth rate of credit to the private sector increased to 1.0% in August, from 0.7% in July.

Among the components of credit to the private sector, the annual growth rate of loans (adjusted for loan sales and securitisation) stood at 0.8% in August, compared with 0.7% in July. In particular, the annual growth rate of loans to households stood at 1.0% in August, compared with 0.9% in July, and the annual growth rate of loans to non-financial corporations stood at 0.4% in August, compared with 0.3% in July.

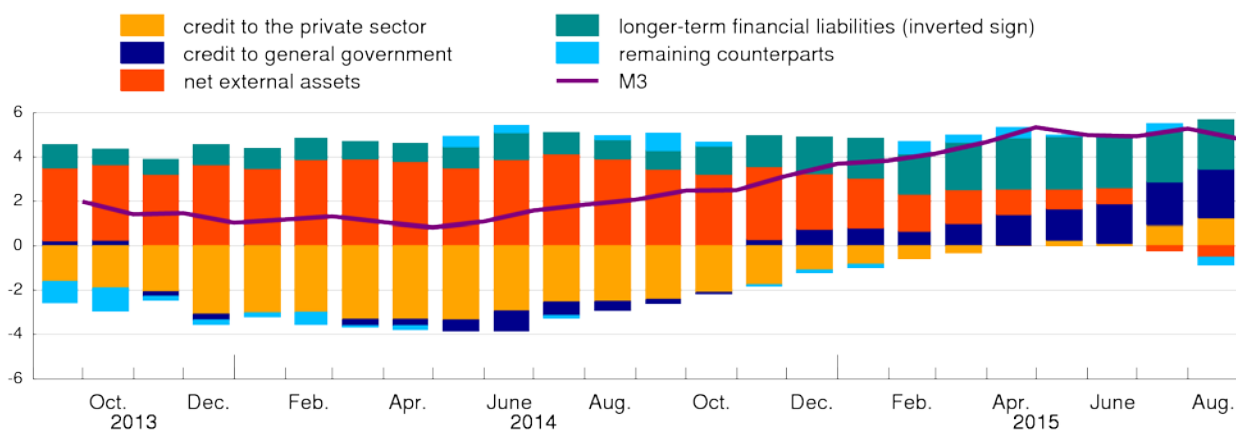
Longer-term financial liabilities

The annual growth rate of longer-term financial liabilities of the MFI sector stood at -3.1% in August 2015, unchanged from the previous month.

M3 and its counterparts

The annual growth rate of the broad monetary aggregate M3 decreased to 4.8% in August 2015. The contributions of M3 counterparts on the MFI balance sheet were as follows. Longer-term financial liabilities contributed 2.2 percentage points, net external assets contributed -0.5 percentage point, credit to general government contributed 2.2 percentage points, and credit to the private sector contributed 1.3 percentage points; the remaining counterparts of M3 contributed -0.3 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.
- 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>.

I Monetary developments in the euro area: AUGUST 2015

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

	END-OF-MONTH LEVEL	MONTHLY FLOW ^{b)}			ANNUAL GROWTH RATE		
	AUGUST 2015	JUNE 2015	JULY 2015	AUGUST 2015	JUNE 2015	JULY 2015	AUGUST 2015
COMPONENTS OF M3 ^{c)}							
(1) M3 (= items 1.3, 1.6 and 1.11)	10659	30	88	-4	4.9	5.3	4.8
(1.1) Currency in circulation	1026	8	6	4	8.8	8.9	8.6
(1.2) Overnight deposits	5381	43	74	6	12.3	12.8	11.9
(1.3) M1 (items 1.1 and 1.2)	6407	51	80	10	11.7	12.2	11.4
(1.4) Deposits with an agreed maturity of up to two years	1461	-6	-14	-7	-10.8	-11.5	-11.3
(1.5) Deposits redeemable at notice of up to three months	2167	5	1	4	0.7	0.8	0.8
(1.6) Other short term deposits (items 1.4 and 1.5)	3628	-1	-13	-3	-4.3	-4.6	-4.5
(1.7) M2 (items 1.3 and 1.6)	10035	50	67	7	5.2	5.4	5.1
(1.8) Repurchase agreements	102	-20	14	-3	-30.9	-19.2	-21.3
(1.9) Money market fund shares	440	-5	18	-4	6.8	7.9	8.0
(1.10) Debt securities issued with a maturity of up to two years	82	5	-12	-4	25.2	18.5	6.4
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	624	-20	21	-11	0.5	2.7	1.1
COUNTERPARTS OF M3							
MFI liabilities:							
(2) Holdings against central government ^{d)}	274	-11	-17	26	-6.0	-12.7	-1.5
(3) Longer-term financial liabilities vis-a-vis other euro area residents (= items 3.1 to 3.4)	7122	-25	-5	6	-3.1	-3.1	-3.1
(3.1) Deposits with an agreed maturity of over two years	2224	-13	13	-3	-5.4	-4.4	-4.3
(3.2) Deposits redeemable at notice of over three months	84	-1	-1	-2	-3.7	-5.1	-8.1
(3.3) Debt securities issued with a maturity of over two years	2295	-5	-21	-8	-8.1	-8.5	-8.6
(3.4) Capital and reserves	2518	-6	4	18	4.1	3.5	3.8
MFI assets:							
(4) Credit to euro area residents (= items 4.1 and 4.2)	16476	-1	110	69	1.2	1.8	2.2
(4.1) Credit to general government	3765	9	31	48	5.1	5.5	6.3
Loans	1132	-6	-5	0	1.6	0.8	1.0
Debt securities	2633	15	36	48	6.7	7.7	8.7
(4.2) Credit to other euro area residents	12711	-11	79	21	0.1	0.7	1.0
Loans ^{e)}	10605	-7	21	7	0.6	0.9	1.0
loans adjusted for sales and securitisation ^{f)}	11006	-14	30	9	0.2	0.7	0.8
Debt securities	1310	-9	47	15	-5.4	-2.1	-0.4
Equity and non-money market fund investment fund shares	796	5	11	0	2.6	3.0	3.0
(5) Net external assets	1346	19	-60	-20	ND	ND	ND
(6) Other counterparts of M3 (residual) (= M3 + items 2, 3 - items 4, 5)	233	-24	15	-22	ND	ND	ND
of which:							
(6.1) Repos with central counterparties (liabilities)(+) ^{g)}	207	2	-22	5	31.0	19.2	20.3
(6.2) Reverse repos to central counterparties (assets)(-) ^{g)}	128	3	-6	-9	20.7	13.6	9.8

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 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.

g) The series is not adjusted for seasonal effects.

2 Breakdown of deposits in M3 by holding sector and type: AUGUST 2015

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

	END-OF-MONTH LEVEL	MONTHLY FLOW ^{b)}			ANNUAL GROWTH RATE		
	AUGUST 2015	JUNE 2015	JULY 2015	AUGUST 2015	JUNE 2015	JULY 2015	AUGUST 2015
BREAKDOWN OF DEPOSITS IN M3							
Total deposits (= items 1, 2, 3, 4 and 5)	9112	21	75	0	4.3	4.7	4.3
(1) Deposits placed by households ^{c)}	5675	26	17	8	3.0	3.1	2.9
(1.1) Overnight deposits	2958	34	33	13	10.8	11.2	10.8
(1.2) Deposits with an agreed maturity of up to two years	714	-11	-14	-7	-13.9	-15.1	-15.3
(1.3) Deposits redeemable at notice of up to three months	2000	4	-3	2	0.2	0.1	0.2
(1.4) Repurchase agreements	3	-1	0	0	-38.0	-35.4	-36.9
(2) Deposits placed by non-financial corporations ^{d)}	1889	2	34	2	4.2	5.5	4.8
(2.1) Overnight deposits	1441	5	32	3	10.1	11.7	10.8
(2.2) Deposits with an agreed maturity of up to two years	326	-3	0	3	-14.1	-14.2	-13.0
(2.3) Deposits redeemable at notice of up to three months	114	0	1	1	4.5	4.6	4.9
(2.4) Repurchase agreements	8	0	0	-5	-23.3	-11.3	-49.1
(3) Deposits placed by non-monetary financial corporations excluding insurance corporations and pension funds ^{d), e)}	969	2	13	-9	13.7	14.5	14.1
(3.1) Overnight deposits	625	8	-1	-7	26.2	24.8	23.5
(3.2) Deposits with an agreed maturity of up to two years	249	9	-1	-2	3.3	2.5	2.6
(3.3) Deposits redeemable at notice of up to three months	22	1	1	1	24.9	25.9	27.1
(3.4) Repurchase agreements ^{e)}	73	-16	14	0	-30.9	-13.7	-11.2
(4) Deposits placed by insurance corporations and pension funds	225	-2	5	-8	-1.3	-1.6	-5.5
(5) Deposits placed by other general government	354	-7	6	6	5.1	5.7	5.7

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) 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).

e) Excludes repurchase agreements with central counterparties.

3 Contributions of M3 components to the M3 annual growth rate: AUGUST 2015

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

	JUNE 2015	JULY 2015	AUGUST 2015
(1) M1	6.6	6.8	6.4
(1.1) <i>of which: Currency</i>	0.8	0.8	0.8
(1.2) <i>of which: Overnight deposits</i>	5.7	6.0	5.6
(2) M2 - M1 (= other short-term deposits)	-1.6	-1.7	-1.7
(3) M3 - M2 (= short term marketable instruments)	0.0	0.2	0.1
(4) M3 (= items 1, 2 and 3)	4.9	5.3	4.8

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 2015

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

	END-OF-MONTH LEVEL	MONTHLY FLOW ^{b)}			ANNUAL GROWTH RATE		
	AUGUST 2015	JUNE 2015	JULY 2015	AUGUST 2015	JUNE 2015	JULY 2015	AUGUST 2015
BREAKDOWN OF LOANS AS COUNTERPART TO M3^{c)}							
(1) Loans to households^{d)}	5267	16	5	9	1.2	1.3	1.4
<i>loans adjusted for sales and securitisation^{e)}</i>	5603	9	9	8	0.7	0.9	1.0
(1.1) Credit for consumption	582	8	2	2	1.8	2.0	2.6
(1.2) Lending for house purchase	3916	8	4	6	1.5	1.6	1.6
(1.3) Other lending	770	0	-1	1	-0.8	-0.7	-0.5
<i>of which: sole proprietors^{f)}</i>	393	0	-1	0	-1.8	-1.5	-1.3
(2) Loans to non-financial corporations^{g)}	4294	4	9	-1	-0.1	0.4	0.4
<i>loans adjusted for sales and securitisation^{e)}</i>	4354	3	13	1	-0.3	0.3	0.4
(2.1) up to 1 year	1086	2	1	3	-1.1	-0.3	0.2
(2.2) over 1 year and up to 5 years	743	7	0	0	2.8	3.2	3.2
(2.3) over 5 years	2465	-5	7	-3	-0.6	-0.2	-0.3
(3) Loans to non-monetary financial corporations except insurance corporations and pension funds^{g), h)}	915	-19	12	1	-1.9	0.4	0.3
(4) Loans to insurance corporations and pension funds	129	-8	-5	-3	17.8	10.1	12.5

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.

g) 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).

h) Excludes reverse repos to central counterparties.