

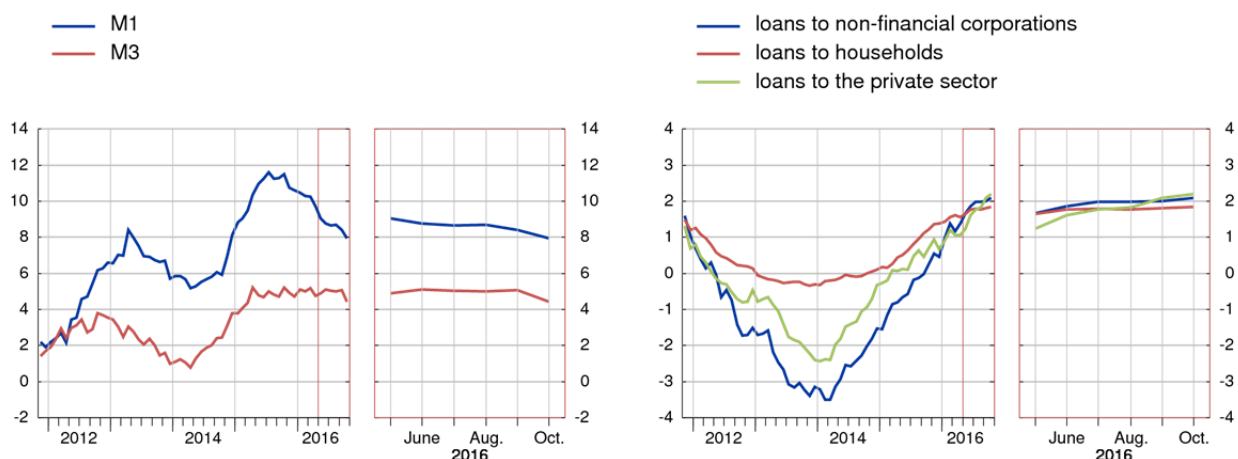
# PRESS RELEASE

28 November 2016

## Monetary developments in the euro area: October 2016

- The annual growth rate of the broad monetary aggregate M3 decreased to 4.4% in October 2016, from 5.1% in September (revised from 5.0%).
- The annual growth rate of the narrower aggregate M1, which includes currency in circulation and overnight deposits, decreased to 7.9% in October, from 8.4% in September.
- The annual growth rate of adjusted loans to households stood at 1.8% in October, unchanged from the previous month.
- The annual growth rate of adjusted loans to non-financial corporations stood at 2.1% in October, compared with 2.0% 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 4.4% in October 2016, from 5.1% in September, averaging 4.8% 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 7.9% in October, from 8.4% in September. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) was more negative at -1.5% in October, from -1.0% in September. The annual growth rate of marketable instruments (M3-M2) decreased to 1.7% in October, from 5.5% in September.

Within M3, the annual growth rate of deposits placed by households stood at 5.2% in October, compared with 5.1% in September, while the annual growth rate of deposits placed by non-financial corporations decreased to 5.5% in October, from 7.4% in September. Finally, the annual growth rate of deposits placed

by non-monetary financial corporations (excluding insurance corporations and pension funds) decreased to -1.8% in October, from 0.7% in September.

### Credit to euro area residents

The annual growth rate of total credit to euro area residents increased to 4.2% in October 2016, from 3.9% in the previous month. The annual growth rate of credit to general government increased to 10.6% in October, from 10.1% in September, while the annual growth rate of credit to the private sector increased to 2.3% in October, from 2.0% in September.

The annual growth rate of adjusted loans to the private sector (i.e. adjusted for loan sales, securitisation and notional cash pooling) stood at 2.2% in October, compared with 2.1% in September. In particular, the annual growth rate of adjusted loans to households stood at 1.8% in October, unchanged from the previous month, and the annual growth rate of adjusted loans to non-financial corporations stood at 2.1% in October, compared with 2.0% in September.

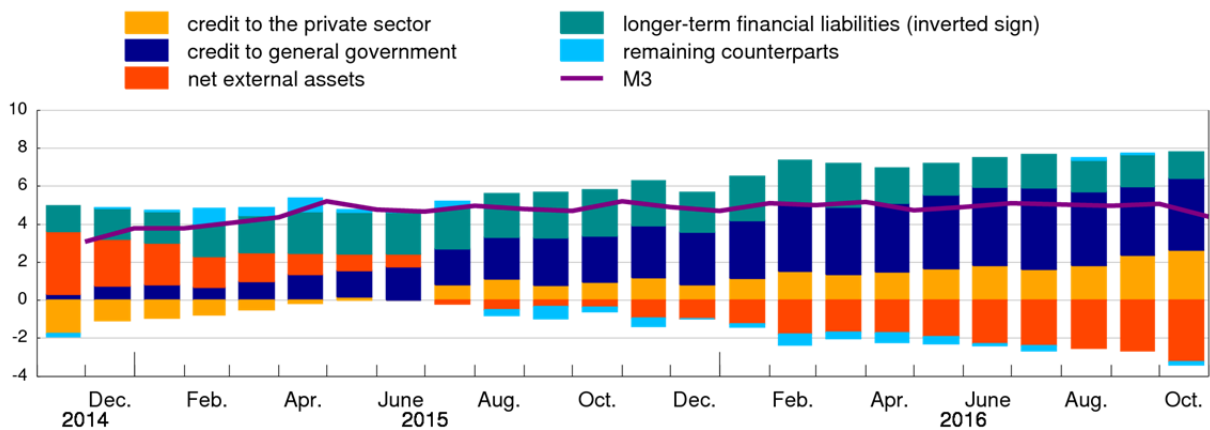
### Longer-term financial liabilities

The annual growth rate of longer-term financial liabilities of the MFI sector became less negative at -2.1% in October 2016, from -2.6% in September.

### M3 and its counterparts

The annual growth rate of the broad monetary aggregate M3 decreased to 4.4% in October 2016. The contributions of M3 counterparts on the MFI balance sheet were as follows: longer-term financial liabilities contributed 1.4 percentage points, net external assets contributed -3.3 percentage points, credit to general government contributed 3.8 percentage points, and credit to the private sector contributed 2.6 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>

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

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

	End-of-month level	Monthly flow			Annual growth rate		
	Oct 2016	Aug 2016	Sep 2016	Oct 2016	Aug 2016	Sep 2016	Oct 2016
<b>COMPONENTS OF M3</b>							
<b>1. M3</b>	<b>11232</b>	<b>32</b>	<b>34</b>	<b>6</b>	<b>5.0</b>	<b>5.1</b>	<b>4.4</b>
1.1. M2	10564	37	26	7	5.1	5.0	4.6
1.1.1. M1	7045	47	26	32	8.7	8.4	7.9
Currency in circulation	1072	3	5	6	3.6	3.7	4.0
Overnight deposits	5972	44	20	26	9.7	9.3	8.7
1.1.2. Other short-term deposits (M2 - M1)	3519	-11	1	-24	-1.3	-1.0	-1.5
Deposits with an agreed maturity of up to two years	1344	-12	1	-25	-4.1	-3.3	-4.7
Deposits redeemable at notice of up to three months	2175	1	0	1	0.5	0.5	0.6
1.2. Marketable instruments (M3 - M2)	669	-5	8	-2	3.4	5.5	1.7
Repurchase agreements	74	0	-2	-6	-14.9	-13.9	-28.3
Money market fund shares	504	-5	15	9	4.7	8.1	6.9
Debt securities issued with a maturity of up to two years	90	1	-6	-5	18.5	13.6	12.5
<b>COUNTERPARTS OF M3</b>							
<b>MFI liabilities:</b>							
<b>2. Holdings against central government <sup>b)</sup></b>	<b>324</b>	<b>-8</b>	<b>-9</b>	<b>13</b>	<b>15.0</b>	<b>4.9</b>	<b>-7.5</b>
<b>3. Longer-term financial liabilities vis-a-vis other euro area residents</b>	<b>6966</b>	<b>-7</b>	<b>-21</b>	<b>2</b>	<b>-2.5</b>	<b>-2.6</b>	<b>-2.1</b>
3.1. Deposits with an agreed maturity of over two years	2088	-7	-10	-1	-3.9	-4.3	-3.4
3.2. Deposits redeemable at notice of over three months	72	-1	-1	-1	-12.3	-12.4	-12.0
3.3. Debt securities issued with a maturity of over two years	2121	-7	-15	-8	-6.7	-6.4	-6.1
3.4. Capital and reserves	2685	7	4	12	2.8	2.6	2.8
<b>MFI assets:</b>							
<b>4. Credit to euro area residents</b>	<b>17101</b>	<b>45</b>	<b>36</b>	<b>83</b>	<b>3.7</b>	<b>3.9</b>	<b>4.2</b>
4.1. Credit to general government	4291	9	12	38	10.9	10.1	10.6
Loans	1100	-1	-3	-5	-2.8	-2.5	-2.6
Debt securities	3178	10	15	44	16.7	15.3	16.0
Equity <sup>c)</sup>	13	0	0	0	3.3	4.6	4.4
4.2. Credit to other euro area residents <sup>d)</sup>	12810	36	24	44	1.6	2.0	2.3
Loans <sup>e)</sup>	10655	13	21	33	1.4	1.9	2.0
Adjusted loans <sup>f)</sup>	10956	18	22	29	1.8	2.1	2.2
Debt securities	1376	5	1	11	4.1	3.5	5.7
Equity and non-money market fund investment fund shares	778	18	2	0	-0.5	0.8	0.1
<b>5. Net external assets</b>	<b>1113</b>	<b>-33</b>	<b>-13</b>	<b>-61</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>6. Other counterparts of M3 (residual)</b>	<b>308</b>	<b>5</b>	<b>-19</b>	<b>-1</b>	<b>-</b>	<b>-</b>	<b>-</b>
of which:							
6.1. Repos with central counterparties (liabilities)(+) <sup>c)</sup>	193	2	3	-13	1.4	1.5	4.4
6.2. Reverse repos to central counterparties (assets)(-) <sup>c)</sup>	134	6	-4	5	1.1	-8.2	-6.3

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

	End-of-month level	Monthly flow			Annual growth rate		
	Oct 2016	Aug 2016	Sep 2016	Oct 2016	Aug 2016	Sep 2016	Oct 2016
<b>BREAKDOWN OF DEPOSITS IN M3</b>							
<b>Total deposits</b>	<b>9566</b>	<b>33</b>	<b>19</b>	<b>-4</b>	<b>5.0</b>	<b>5.0</b>	<b>4.3</b>
<b>1. Deposits placed by households <sup>b)</sup></b>	<b>5985</b>	<b>28</b>	<b>18</b>	<b>23</b>	<b>5.2</b>	<b>5.1</b>	<b>5.2</b>
1.1. Overnight deposits	3334	32	24	28	10.8	10.6	10.7
1.2. Deposits with an agreed maturity of up to two years	643	-6	-6	-7	-4.8	-4.9	-5.4
1.3. Deposits redeemable at notice of up to three months	2005	3	0	1	0.4	0.4	0.6
1.4. Repurchase agreements	3	0	0	0	-12.1	-18.2	-20.0
<b>2. Deposits placed by non-financial corporations <sup>c)</sup></b>	<b>2037</b>	<b>2</b>	<b>16</b>	<b>-10</b>	<b>7.2</b>	<b>7.4</b>	<b>5.5</b>
2.1. Overnight deposits	1604	5	7	0	10.1	9.9	7.9
2.2. Deposits with an agreed maturity of up to two years	307	-4	8	-8	-4.3	-1.4	-2.9
2.3. Deposits redeemable at notice of up to three months	118	1	1	0	2.1	1.7	0.8
2.4. Repurchase agreements	7	0	0	-2	11.9	-8.5	-29.6
<b>3. Deposits placed by non-monetary financial corporations excluding insurance corporations and pension funds <sup>c), d)</sup></b>	<b>945</b>	<b>4</b>	<b>-8</b>	<b>-25</b>	<b>1.0</b>	<b>0.7</b>	<b>-1.8</b>
3.1. Overnight deposits	644	6	-5	-10	3.7	1.9	1.9
3.2. Deposits with an agreed maturity of up to two years	228	0	-2	-10	-1.3	0.1	-3.9
3.3. Deposits redeemable at notice of up to three months	22	-2	0	-1	2.9	4.8	-5.0
3.4. Repurchase agreements <sup>d)</sup>	51	-1	-2	-4	-16.9	-10.2	-26.4
<b>4. Deposits placed by insurance corporations and pension funds</b>	<b>206</b>	<b>-1</b>	<b>-7</b>	<b>0</b>	<b>-6.2</b>	<b>-5.7</b>	<b>-9.4</b>
<b>5. Deposits placed by other general government</b>	<b>393</b>	<b>0</b>	<b>0</b>	<b>7</b>	<b>9.2</b>	<b>8.0</b>	<b>8.1</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: October 2016

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

	Aug 2016	Sep 2016	Oct 2016
<b>1. M1</b>	<b>5.2</b>	<b>5.1</b>	<b>4.8</b>
1.1. Currency in circulation	0.3	0.4	0.4
1.2. Overnight deposits	4.9	4.7	4.4
<b>2. M2 - M1 (other short-term deposits)</b>	<b>-0.5</b>	<b>-0.3</b>	<b>-0.5</b>
<b>3. M3 - M2 (marketable instruments)</b>	<b>0.2</b>	<b>0.3</b>	<b>0.1</b>
<b>M3 (items 1, 2 and 3)</b>	<b>5.0</b>	<b>5.1</b>	<b>4.4</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: October 2016

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

	End-of-month level	Monthly flow			Annual growth rate		
	Oct 2016	Aug 2016	Sep 2016	Oct 2016	Aug 2016	Sep 2016	Oct 2016
<b>BREAKDOWN OF LOANS AS COUNTERPART TO M3</b>							
<b>1. Loans to households <sup>b)</sup></b>	<b>5389</b>	<b>11</b>	<b>14</b>	<b>8</b>	<b>2.0</b>	<b>2.1</b>	<b>1.9</b>
<i>Adjusted loans <sup>c)</sup></i>	<b>5713</b>	<b>8</b>	<b>10</b>	<b>10</b>	<b>1.8</b>	<b>1.8</b>	<b>1.8</b>
1.1. Credit for consumption	612	3	1	4	3.5	3.4	3.5
1.2. Lending for house purchase	4019	9	15	5	2.3	2.4	2.3
1.3. Other lending	758	-1	-1	-2	-0.7	-0.9	-1.1
<i>of which: sole proprietors <sup>d)</sup></i>	387	0	0	-1	-1.4	-1.5	-1.2
<b>2. Loans to non-financial corporations <sup>e)</sup></b>	<b>4302</b>	<b>-4</b>	<b>-1</b>	<b>16</b>	<b>1.1</b>	<b>1.4</b>	<b>1.7</b>
<i>Adjusted loans <sup>c)</sup></i>	<b>4287</b>	<b>1</b>	<b>2</b>	<b>11</b>	<b>2.0</b>	<b>2.0</b>	<b>2.1</b>
2.1. up to 1 year	1022	-6	-11	13	-4.1	-3.1	-1.2
2.2. over 1 year and up to 5 years	787	2	6	0	6.4	6.7	5.5
2.3. over 5 years	2493	0	5	2	1.9	1.8	1.7
<b>3. Loans to non-monetary financial corporations except insurance corporations and pension funds <sup>e), f)</sup></b>	<b>851</b>	<b>6</b>	<b>9</b>	<b>5</b>	<b>1.2</b>	<b>5.2</b>	<b>5.7</b>
<i>Adjusted loans <sup>c)</sup></i>	<b>852</b>	<b>9</b>	<b>12</b>	<b>4</b>	<b>2.7</b>	<b>6.0</b>	<b>6.3</b>
<b>4. Loans to insurance corporations and pension funds</b>	<b>115</b>	<b>0</b>	<b>-1</b>	<b>5</b>	<b>-14.1</b>	<b>-10.7</b>	<b>-7.8</b>
<i>Adjusted loans <sup>c)</sup></i>	<b>103</b>	<b>0</b>	<b>-1</b>	<b>4</b>	<b>-8.0</b>	<b>-8.0</b>	<b>-6.2</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) 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.