



EUROPEAN CENTRAL BANK

EUROSYSTEM

# PRESS RELEASE

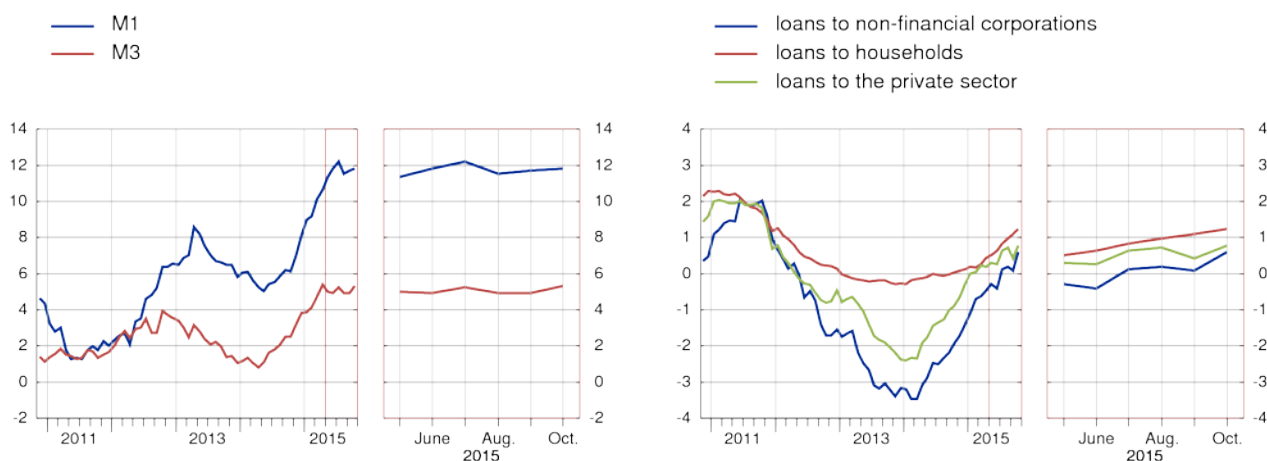
26 November 2015

## Monetary developments in the euro area: October 2015

- The annual growth rate of the broad monetary aggregate M3 increased to 5.3% in October 2015, from 4.9% in September.
- The annual growth rate of the narrower aggregate M1, which includes currency in circulation and overnight deposits, stood at 11.8% in October, compared with 11.7% in September.
- The annual growth rate of loans to households stood at 1.2% in October, compared with 1.1% in September.
- The annual growth rate of loans to non-financial corporations increased to 0.6% in October, from 0.1% in September.

### 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 increased to 5.3% in October 2015, from 4.9% 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) stood at 11.8% in October, compared with 11.7% in September. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) was less negative at -4.3% in October, from -4.7% in September. The annual growth rate of marketable instruments (M3-M2) increased to 3.4% in October, from 0.7% in September.

Within M3, the annual growth rate of deposits placed by households stood at 3.1% in October, compared with 3.0% in September, while the annual growth rate of deposits placed by non-financial corporations increased to 7.1% in October, from 5.1% in September. Finally, the annual growth rate of deposits placed by non-monetary financial corporations (excluding insurance corporations and pension funds) decreased to 10.9% in October, from 14.3% in September.

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

The annual growth rate of total credit to euro area residents increased to 2.3% in October 2015, from 2.1% in the previous month. The annual growth rate of credit to general government decreased to 6.9% in October, from 7.2% in September, while the annual growth rate of credit to the private sector increased to 0.9% in October, from 0.7% in September.

Among the components of credit to the private sector, the annual growth rate of loans (adjusted for loan sales and securitisation) increased to 0.8% in October, from 0.4% in September. In particular, the annual growth rate of loans to households stood at 1.2% in October, compared with 1.1% in September, and the annual growth rate of loans to non-financial corporations increased to 0.6% in October, from 0.1% in September.

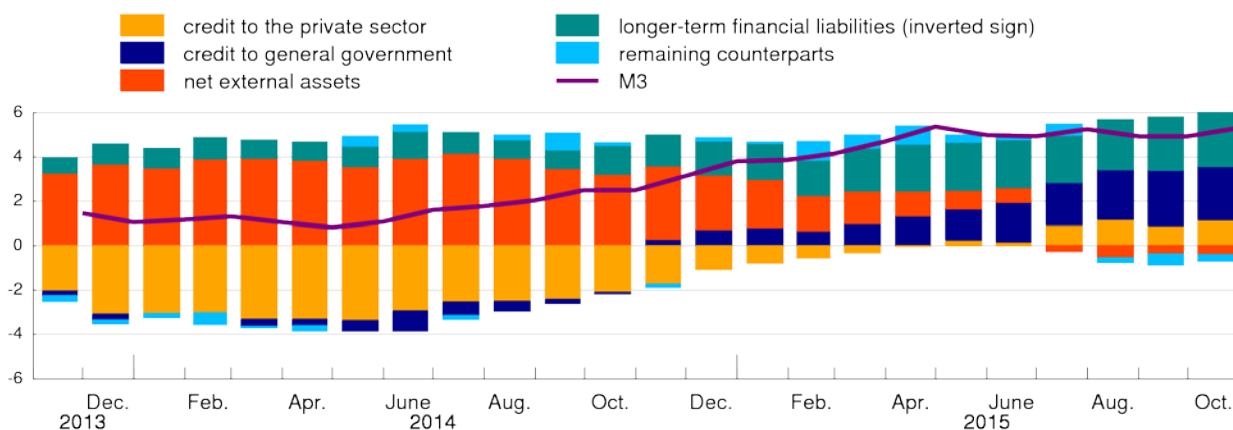
### **Longer-term financial liabilities**

The annual growth rate of longer-term financial liabilities of the MFI sector stood at -3.4% in October 2015, compared with -3.3% in September.

### **M3 and its counterparts**

The annual growth rate of the broad monetary aggregate M3 increased to 5.3% in October 2015. The contributions of M3 counterparts on the MFI balance sheet were as follows. Longer-term financial liabilities contributed 2.4 percentage points, net external assets contributed -0.4 percentage point, credit to general government contributed 2.4 percentage points, and credit to the private sector contributed 1.2 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: OCTOBER 2015

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

	END-OF-MONTH LEVEL	MONTHLY FLOW			ANNUAL GROWTH RATE		
	OCTOBER 2015	AUGUST 2015	SEPTEMBER 2015	OCTOBER 2015	AUGUST 2015	SEPTEMBER 2015	OCTOBER 2015
<b>COMPONENTS OF M3</b>							
(1) M3 (= items 1.3, 1.6 and 1.11)	10779	20	27	78	4.9	4.9	5.3
(1.1) Currency in circulation	1030	5	3	2	8.6	8.3	8.1
(1.2) Overnight deposits	5488	24	43	58	12.1	12.4	12.5
(1.3) M1 (items 1.1 and 1.2)	6518	29	46	60	11.5	11.7	11.8
(1.4) Deposits with an agreed maturity of up to two years	1438	-9	-12	-12	-11.3	-11.4	-10.9
(1.5) Deposits redeemable at notice of up to three months	2164	2	0	0	0.6	0.5	0.6
(1.6) Other short term deposits (items 1.4 and 1.5)	3602	-7	-13	-13	-4.6	-4.7	-4.3
(1.7) M2 (items 1.3 and 1.6)	10120	22	33	47	5.1	5.2	5.4
(1.8) Repurchase agreements	107	-2	-4	8	-21.1	-23.0	-18.8
(1.9) Money market fund shares	474	2	1	16	9.5	9.0	10.2
(1.10) Debt securities issued with a maturity of up to two years	78	-3	-4	6	7.8	-1.6	8.4
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	659	-3	-7	30	2.4	0.7	3.4
<b>COUNTERPARTS OF M3</b>							
<b>MFI liabilities:</b>							
(2) Holdings against central government <sup>b)</sup>	345	21	13	58	-1.4	11.8	29.5
(3) Longer-term financial liabilities vis-à-vis other euro area residents (= items 3.1 to 3.4)	7109	-14	-18	-33	-3.1	-3.3	-3.4
(3.1) Deposits with an agreed maturity of over two years	2208	-3	-1	-23	-4.3	-3.7	-4.2
(3.2) Deposits redeemable at notice of over three months	82	-1	-1	-1	-8.0	-9.3	-10.1
(3.3) Debt securities issued with a maturity of over two years	2256	-13	-25	-18	-8.5	-9.1	-8.8
(3.4) Capital and reserves	2562	3	8	10	3.6	3.0	3.1
<b>MFI assets:</b>							
(4) Credit to euro area residents (= items 4.1 and 4.2)	16528	62	5	33	2.1	2.1	2.3
(4.1) Credit to general government	3835	47	35	10	6.3	7.2	6.9
Loans	1119	0	-6	-8	1.0	0.5	0.2
Debt securities	2716	47	41	18	8.8	10.2	9.9
(4.2) Credit to other euro area residents	12693	15	-30	24	1.0	0.7	0.9
Loans <sup>c)</sup>	10606	4	-26	36	1.0	0.6	1.0
loans adjusted for sales and securitisation <sup>d)</sup>	11002	4	-28	35	0.7	0.4	0.8
Debt securities	1295	12	6	-20	-0.4	0.9	-0.1
Equity and non-money market fund investment fund shares	792	-1	-9	8	3.1	1.8	2.3
(5) Net external assets	1395	-19	7	10	ND	ND	ND
(6) Other counterparts of M3 (residual) (= M3 + items 2, 3 - items 4, 5) of which:	309	-16	9	59	ND	ND	ND
(6.1) Repos with central counterparties (liabilities)(+) <sup>e)</sup>	196	5	7	-17	20.3	30.5	7.2
(6.2) Reverse repos to central counterparties (assets)(-) <sup>e)</sup>	145	-9	12	4	9.8	15.7	19.5

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) For further breakdowns see Table 4.

d) Adjusted for the derecognition of loans from the MFI statistical balance sheet due to their sale or securitisation.

e) The series is not adjusted for seasonal effects.

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

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

	END-OF-MONTH LEVEL	MONTHLY FLOW			ANNUAL GROWTH RATE		
	OCTOBER 2015	AUGUST 2015	SEPTEMBER 2015	OCTOBER 2015	AUGUST 2015	SEPTEMBER 2015	OCTOBER 2015
<b>BREAKDOWN OF DEPOSITS IN M3</b>							
<b>Total deposits</b> (= items 1, 2, 3, 4 and 5)	9197	15	26	54	4.3	4.4	4.8
<b>(1) Deposits placed by households</b> <sup>b)</sup>	5706	11	21	10	2.9	3.0	3.1
(1.1) Overnight deposits	3003	18	28	15	10.9	11.1	11.0
(1.2) Deposits with an agreed maturity of up to two years	705	-7	-7	-2	-15.3	-15.5	-14.8
(1.3) Deposits redeemable at notice of up to three months	1994	0	0	-3	0.1	0.1	0.0
(1.4) Repurchase agreements	3	0	0	0	-36.9	-37.7	-26.0
<b>(2) Deposits placed by non-financial corporations</b> <sup>c)</sup>	1938	3	12	35	4.8	5.1	7.1
(2.1) Overnight deposits	1494	6	9	41	11.2	10.8	12.9
(2.2) Deposits with an agreed maturity of up to two years	317	1	-1	-8	-13.3	-12.3	-11.4
(2.3) Deposits redeemable at notice of up to three months	117	1	1	2	1.2	1.9	2.4
(2.4) Repurchase agreements	10	-4	2	0	-48.2	-32.3	-26.4
<b>(3) Deposits placed by non-monetary financial corporations excluding insurance corporations and pension funds</b> <sup>c), d)</sup>	965	2	-2	-5	14.5	14.3	10.9
(3.1) Overnight deposits	630	2	11	-8	23.4	24.9	20.3
(3.2) Deposits with an agreed maturity of up to two years	241	-2	-6	-3	3.7	0.4	-0.7
(3.3) Deposits redeemable at notice of up to three months	24	1	0	2	26.9	23.8	35.8
(3.4) Repurchase agreements <sup>d)</sup>	70	1	-7	4	-11.1	-14.5	-18.2
<b>(4) Deposits placed by insurance corporations and pension funds</b>	222	-7	-7	4	-5.6	-4.9	-3.8
<b>(5) Deposits placed by other general government</b>	366	6	2	9	6.1	5.8	9.7

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.

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 2015

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

	AUGUST 2015	SEPTEMBER 2015	OCTOBER 2015
<b>(1) M1</b>	6.5	6.6	6.7
(1.1) <i>of which: Currency</i>	0.8	0.8	0.8
(1.2) <i>of which: Overnight deposits</i>	5.7	5.9	6.0
<b>(2) M2 - M1 (= other short-term deposits)</b>	-1.7	-1.7	-1.6
<b>(3) M3 - M2 (= short term marketable instruments)</b>	0.1	0.0	0.2
<b>(4) M3 (= items 1, 2 and 3)</b>	4.9	4.9	5.3

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 2015

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

	END-OF-MONTH LEVEL	MONTHLY FLOW			ANNUAL GROWTH RATE		
	OCTOBER 2015	AUGUST 2015	SEPTEMBER 2015	OCTOBER 2015	AUGUST 2015	SEPTEMBER 2015	OCTOBER 2015
<b>BREAKDOWN OF LOANS AS COUNTERPART TO M3</b>							
<b>(1) Loans to households <sup>b)</sup></b>	5301	9	11	15	1.4	1.6	1.7
<i>loans adjusted for sales and securitisation <sup>c)</sup></i>	5629	8	8	9	1.0	1.1	1.2
(1.1) Credit for consumption	595	2	1	3	2.7	2.6	2.8
(1.2) Lending for house purchase	3939	6	9	13	1.6	1.8	2.0
(1.3) Other lending	767	0	0	-1	-0.5	-0.5	-0.5
<i>of which: sole proprietors <sup>d)</sup></i>	392	0	0	-2	-1.3	-1.5	-1.5
<b>(2) Loans to non-financial corporations <sup>e)</sup></b>	4291	-1	-10	16	0.2	0.1	0.5
<i>loans adjusted for sales and securitisation <sup>c)</sup></i>	4351	0	-9	19	0.2	0.1	0.6
(2.1) up to 1 year	1062	4	-24	3	0.0	-2.7	-2.3
(2.2) over 1 year and up to 5 years	756	0	4	11	2.5	3.6	5.1
(2.3) over 5 years	2472	-5	10	3	-0.4	0.2	0.4
<b>(3) Loans to non-monetary financial corporations except insurance corporations and pension funds <sup>e), f)</sup></b>	890	-2	-20	2	0.5	-2.1	-1.6
<b>(4) Loans to insurance corporations and pension funds</b>	124	-3	-7	3	12.4	-1.4	1.7

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 the derecognition of loans from the MFI statistical balance sheet due to their sale or securitisation.

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.