

27 October 2011

PRESS RELEASE

MONETARY DEVELOPMENTS IN THE EURO AREA: SEPTEMBER 2011

The annual growth rate of the broad monetary aggregate M3 increased to 3.1% in September 2011, from 2.7% in August 2011.¹ The three-month average of the annual growth rates of M3 in the period from July 2011 to September 2011 increased to 2.6%, from 2.3% in the period from June 2011 to August 2011.

Twelve-month percentage changes; (adjusted for seasonal and end-of-month calendar effects)	JULY 2011	AUGUST 2011	SEPTEMBER 2011	JULY 2011 - SEPTEMBER 2011 (AVERAGE)
M3	2.1	2.7	3.1	2.6
M1	1.0	1.7	2.0	1.6
Loans to the private sector	2.4	2.5	2.5	2.5
Loans to the private sector, adjusted for sales and securitisation	2.6	2.7	2.7	2.7

M3 components

Regarding the main components of M3, the annual growth rate of M1 increased to 2.0% in September 2011, from 1.7% in August. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) stood at 3.1% in September, compared with 3.2% in the previous month. The annual growth rate of marketable instruments (M3-M2) increased to 7.3% in September, from 5.3% in August. Among the deposits included in M3, the annual growth rate of deposits placed by households increased to 2.4% in September, from 2.2% in the previous month, while the annual growth rate of deposits placed by non-financial corporations decreased to 3.0% in September, from 3.5% in the previous month. Finally, the annual growth rate of deposits placed by non-monetary financial intermediaries (excluding insurance corporations and pension funds) increased to 11.5% in September, from 10.4% in the previous month.

Counterparts to M3: credit and loans

Turning to the main counterparts of M3 on the asset side of the consolidated balance sheet of Monetary Financial Institutions (MFIs), the annual growth rate of total credit granted to euro area residents stood at 2.4% in September 2011, compared with 2.5% in the previous month. The annual growth rate of credit extended to general government increased to 5.6% in September, from 5.4% in August, while the annual

¹ The annual growth rates presented in this press release refer to aggregates adjusted for seasonal and end-of-month calendar effects.

growth rate of credit extended to the private sector decreased to 1.6% in September, from 1.8% in the previous month. Among the components of credit to the private sector, the annual growth rate of loans stood at 2.5% in September, unchanged from the previous month (adjusted for loan sales and securitisation², the rate stood at 2.7%, unchanged from the previous month). The annual growth rate of loans to households stood at 2.9% in September, unchanged from the previous month (adjusted for loan sales and securitisation, the rate stood at 2.6%, compared with 2.7% in the previous month). The annual growth rate of lending for house purchase, the most important component of household loans, stood at 3.9% in September, unchanged from the previous month. The annual growth rate of loans to non-financial corporations stood at 1.6% in September, compared with 1.5% in the previous month (adjusted for loan sales and securitisation, the rate stood at 2.2% in September, compared with 2.1% in the previous month). Finally, the annual growth rate of loans to non-monetary financial intermediaries (excluding insurance corporations and pension funds) stood at 4.6% in September, unchanged from the previous month.

Other counterparts

Over the 12 months up to September 2011, the net external asset position of the euro area MFI sector increased by €233 billion, compared with an increase of €194 billion over the 12 months up to August. The annual growth rate of longer-term financial liabilities of the MFI sector decreased to 4.4% in September, from 4.6% in August.

Notes

- Further predefined tables, statistical data and methodological notes, as well as the advance release calendar, are available on the ECB's website at <http://www.ecb.europa.eu/stats/money/aggregates/aggr/html/index.en.html>.

European Central Bank

Directorate Communications, Press and Information Division

Kaiserstrasse 29, D-60311 Frankfurt am Main

Tel.: +49 69 1344 7455, Fax: +49 69 1344 7404

Internet: <http://www.ecb.europa.eu>

Reproduction is permitted provided that the source is acknowledged.

² Adjusted for the derecognition of loans from the MFIs' statistical balance sheets due to their sale or securitisation.

TABLE 1

MONETARY DEVELOPMENTS IN THE EURO AREA: SEPTEMBER 2011

DATA ADJUSTED FOR SEASONAL EFFECTS

(EUR billions and annual percentage changes^{a)})

	END-OF-MONTH LEVEL	MONTHLY FLOW ^{b)}			ANNUAL GROWTH RATE		
	SEPTEMBER 2011	JULY 2011	AUGUST 2011	SEPTEMBER 2011	JULY 2011	AUGUST 2011	SEPTEMBER 2011
COMPONENTS OF M3 ^{c)}							
(1) M3 (= items 1.3, 1.6 and 1.11)	9849	27	114	40	2.1	2.7	3.1
(1.1) Currency in circulation	832	1	9	7	4.3	4.5	5.3
(1.2) Overnight deposits	3948	11	42	-12	0.3	1.1	1.4
(1.3) M1 (items 1.1 and 1.2)	4781	12	51	-5	1.0	1.7	2.0
(1.4) Deposits with an agreed maturity of up to two years	1865	3	1	11	3.5	3.0	3.1
(1.5) Deposits redeemable at notice of up to three months	1959	6	9	6	3.9	3.5	3.0
(1.6) Other short term deposits (items 1.4 and 1.5)	3824	10	10	17	3.7	3.2	3.1
(1.7) M2 (items 1.3 and 1.6)	8605	22	61	12	2.2	2.4	2.5
(1.8) Repurchase agreements	509	19	44	11	20.1	31.5	31.3
(1.9) Money market fund shares/units	553	-13	11	7	-12.2	-11.1	-9.5
(1.10) Debt securities issued with a maturity of up to two years	183	0	-2	11	7.1	6.1	13.5
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	1244	6	53	28	1.2	5.3	7.3
COUNTERPARTS OF M3							
MFI liabilities:							
(2) Holdings against central government ^{d)}	277	18	-50	2	13.5	-0.9	0.1
(3) Longer-term financial liabilities vis-à-vis other euro area residents (= items 3.1 to 3.4)	7702	31	26	6	4.7	4.6	4.4
(3.1) Deposits with an agreed maturity of over two years	2529	-3	10	16	3.1	2.8	3.1
(3.2) Deposits redeemable at notice of over three months	119	0	0	-1	-4.6	-3.9	-2.4
(3.3) Debt securities issued with a maturity of over two years	2872	-6	3	-6	4.4	4.4	3.4
(3.4) Capital and reserves	2181	39	14	-4	7.7	7.8	7.8
MFI assets:							
(4) Credit to euro area residents (= items 4.1 and 4.2)	16635	36	76	2	2.5	2.5	2.4
(4.1) Credit to general government	3123	12	36	16	4.9	5.4	5.6
Loans	1164	11	-14	1	8.3	6.3	6.1
Securities other than shares	1959	2	50	14	3.1	5.2	5.6
(4.2) Credit to other euro area residents	13512	24	40	-14	2.0	1.8	1.6
Loans ^{e)}	11275	10	48	6	2.4	2.5	2.5
loans adjusted for sales and securitisation ^{f)}	ND	22	50	4	2.6	2.7	2.7
Securities other than shares	1475	7	3	-7	-3.4	-3.9	-4.6
Shares and other equities	762	6	-11	-13	5.9	3.0	1.6
(5) Net external assets	980	1	20	43	ND	ND	ND
(6) Other counterparts of M3 (residual) (= M3 + items 2, 3 - items 4, 5)	213	39	-5	3	ND	ND	ND

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 the 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.

TABLE 2

BREAKDOWN OF DEPOSITS IN M3 BY HOLDING SECTOR AND TYPE: SEPTEMBER 2011

DATA ADJUSTED FOR SEASONAL EFFECTS

(EUR billions and annual percentage changes^{a)})

	END-OF-MONTH LEVEL	MONTHLY FLOW ^{b)}			ANNUAL GROWTH RATE		
	SEPTEMBER 2011	JULY 2011	AUGUST 2011	SEPTEMBER 2011	JULY 2011	AUGUST 2011	SEPTEMBER 2011
BREAKDOWN OF DEPOSITS IN M3							
Total deposits (=items 1, 2, 3, 4 and 5)	8281	40	96	16	2.8	3.6	3.6
(1) Deposits placed by households^{c)}	5105	11	35	15	2.1	2.2	2.4
(1.1) Overnight deposits	2290	1	28	3	0.8	1.3	1.7
(1.2) Deposits with an agreed maturity of up to two years	923	4	2	4	1.4	1.9	2.4
(1.3) Deposits redeemable at notice of up to three months	1859	6	6	7	3.9	3.5	3.1
(1.4) Repurchase agreements	33	0	-1	0	11.7	9.7	7.8
(2) Deposits placed by non-financial corporations	1567	8	1	-6	4.6	3.5	3.0
(2.1) Overnight deposits	997	8	-1	-15	2.1	1.1	0.4
(2.2) Deposits with an agreed maturity of up to two years	475	-4	0	10	10.1	8.7	8.6
(2.3) Deposits redeemable at notice of up to three months	78	1	2	-1	1.2	0.0	-0.7
(2.4) Repurchase agreements	17	4	0	0	38.1	36.8	37.1
(3) Deposits placed by non-monetary financial intermediaries excluding insurance corporations and pension funds	1127	21	36	12	5.6	10.4	11.5
(3.1) Overnight deposits	392	11	0	7	-2.2	1.9	4.0
(3.2) Deposits with an agreed maturity of up to two years	290	-1	-11	-5	0.1	-4.0	-3.8
(3.3) Deposits redeemable at notice of up to three months	12	-1	1	0	0.2	4.9	3.2
(3.4) Repurchase agreements	434	12	47	11	20.1	33.9	34.1
of which: with central counterparties ^{d)}	339	-8	33	25	34.7	43.5	47.7
(4) Deposits placed by insurance corporations and pension funds	210	4	19	-4	-3.9	3.8	4.2
(5) Deposits placed by other general government	272	-5	5	-2	1.6	2.9	1.0

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.

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) The series is not adjusted for seasonal effects.

TABLE 3

CONTRIBUTIONS OF M3 COMPONENTS TO THE M3 ANNUAL GROWTH RATE: SEPTEMBER 2011

DATA ADJUSTED FOR SEASONAL EFFECTS

(contributions in terms of the M3 annual percentage change^{a)})

	JULY 2011	AUGUST 2011	SEPTEMBER 2011
(1) M1	0.5	0.8	1.0
(1.1) <i>of which</i> : Currency	0.4	0.4	0.4
(1.2) <i>of which</i> : Overnight deposits	0.1	0.5	0.6
(2) M2 - M1 (= other short-term deposits)	1.4	1.2	1.2
(3) M3 - M2 (= short-term marketable instruments)	0.2	0.7	0.9
(4) M3 (= items 1, 2 and 3)	2.1	2.7	3.1

a) Figures may not add up due to rounding.

TABLE 4

BREAKDOWN OF LOANS BY BORROWING SECTOR, TYPE AND ORIGINAL MATURITY: SEPTEMBER 2011

DATA ADJUSTED FOR SEASONAL EFFECTS

(EUR billions and annual percentage changes^{a)})

	END-OF-MONTH LEVEL	MONTHLY FLOW ^{b)}			ANNUAL GROWTH RATE		
	SEPTEMBER 2011	JULY 2011	AUGUST 2011	SEPTEMBER 2011	JULY 2011	AUGUST 2011	SEPTEMBER 2011
BREAKDOWN OF LOANS^{c)}							
(1) Loans to households^{d)}	5270	-7	11	7	3.0	2.9	2.9
<i>loans adjusted for sales and securitisation^{e)}</i>	ND	4	13	6	2.7	2.7	2.6
(1.1) Credit for consumption	628	-3	1	-1	-2.0	-2.0	-1.9
(1.2) Lending for house purchase	3806	-5	9	7	3.9	3.9	3.9
(1.3) Other lending	836	1	1	0	2.6	2.3	2.4
<i>of which: sole proprietors^{f)}</i>	405	-1	0	0	0.5	-0.5	0.0
(2) Loans to non-financial corporations	4756	-4	7	16	1.6	1.5	1.6
<i>loans adjusted for sales and securitisation^{e)}</i>	ND	-3	7	16	2.2	2.1	2.2
(2.1) up to 1 year	1173	-9	1	3	4.1	4.0	3.6
(2.2) over 1 year and up to 5 years	869	-2	1	1	-3.5	-3.5	-3.8
(3.3) over 5 years	2714	7	4	13	2.2	2.1	2.5
(3) Loans to non-monetary financial intermediaries except insurance corporations and pension funds	1154	19	22	-13	3.6	4.6	4.6
<i>of which: reverse repos to central counterparties^{f)}</i>	178	6	16	3	18.8	20.4	20.1
(4) Loans to insurance corporations and pension funds	95	2	8	-4	3.8	9.8	7.4

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.