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PRESS RELEASE

MONETARY DEVELOPMENTS IN THE EURO AREA: MAY 2012

The annual growth rate of the broad monetary aggregate M3 increased to 2.9% in May 2012, from 2.5% in April 2012.¹ The three-month average of the annual growth rates of M3 in the period from March 2012 to May 2012 stood at 2.8%, compared with 2.7% in the period from February 2012 to April 2012.

Twelve-month percentage changes; (adjusted for seasonal and end-of-month calendar effects)	MARCH 2012	APRIL 2012	MAY 2012	MARCH 2012 - MAY 2012 (AVERAGE)
M3	3.0	2.5	2.9	2.8
M1	2.8	1.8	3.3	2.6
Loans to the private sector	0.6	0.2	-0.1	0.3
Loans to the private sector, adjusted for sales and securitisation	1.2	0.8	0.4	0.8

M3 components

Regarding the main components of M3, the annual growth rate of M1 increased to 3.3% in May 2012, from 1.8% in April. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) decreased to 2.3% in May, from 3.3% in the previous month. The annual growth rate of marketable instruments (M3-M2) increased to 3.4% in May, from 2.5% in April. Among the deposits included in M3, the annual growth rate of deposits placed by households stood at 2.4% in May, compared with 2.5% in the previous month, while the annual growth rate of deposits placed by non-financial corporations was less negative at -0.2% in May, from -0.8% 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 0.4% in May, from -0.8% in the previous month.

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

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 1.5% in May 2012, compared with 1.4% in the previous month. The annual growth rate of credit extended to general government increased to 9.0% in May, from 7.6% in April, while the annual growth rate of credit extended to the private sector decreased to -0.2% in May, from 0.0% in the previous month. Among the components of credit to the private sector, the annual growth rate of loans decreased to -0.1% in May, from 0.2% in the previous month (adjusted for loan sales and securitisation², the rate decreased to 0.4%, from 0.8% in the previous month). The annual growth rate of loans to households decreased to 0.3% in May, from 0.5% in April (adjusted for loan sales and securitisation, the rate decreased to 1.3%, from 1.5% in the previous month). The annual growth rate of lending for house purchase, the most important component of household loans, decreased to 0.7% in May, from 1.0% in the previous month. The annual growth rate of loans to non-financial corporations decreased to 0.1% in May, from 0.4% in the previous month (adjusted for loan sales and securitisation, the rate decreased to 0.2% in May, from 0.6% in the previous month). Finally, the annual growth rate of loans to non-monetary financial intermediaries (excluding insurance corporations and pension funds) was more negative at -2.1% in May, from -1.4% in the previous month.

Other counterparts

Over the 12 months up to May 2012, the net external asset position of the euro area MFI sector decreased by €36 billion, compared with a decrease of €39 billion over the 12 months up to April. The annual growth rate of longer-term financial liabilities of the MFI sector decreased to -0.1% in May, from 0.7% in April.

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>.*

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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: MAY 2012

DATA ADJUSTED FOR SEASONAL EFFECTS

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

	END-OF-MONTH LEVEL	MONTHLY FLOW ^{b)}			ANNUAL GROWTH RATE		
	MAY 2012	MARCH 2012	APRIL 2012	MAY 2012	MARCH 2012	APRIL 2012	MAY 2012
COMPONENTS OF M3^{c)}							
(1) M3 (= items 1.3, 1.6 and 1.11)	9911	56	-48	86	3,0	2,5	2,9
(1,1) Currency in circulation	857	-5	2	7	5,5	5,5	5,5
(1,2) Overnight deposits	4016	34	-58	65	2,2	1,0	2,9
(1,3) M1 (items 1.1 and 1.2)	4872	29	-56	72	2,8	1,8	3,3
(1,4) Deposits with an agreed maturity of up to two years	1888	4	12	-34	3,9	3,9	1,6
(1,5) Deposits redeemable at notice of up to three months	1997	7	7	14	2,5	2,7	3,0
(1,6) Other short term deposits (items 1.4 and 1.5)	3885	11	19	-20	3,2	3,3	2,3
(1,7) M2 (items 1.3 and 1.6)	8757	40	-37	52	3,0	2,5	2,9
(1,8) Repurchase agreements	422	-19	-9	35	4,3	-0,7	-1,3
(1,9) Money market fund shares/units	513	10	4	11	-3,1	-1,6	1,6
(1,10) Debt securities issued with a maturity of up to two years	219	25	-6	-12	20,2	21,5	21,3
(1,11) Marketable instruments (items 1.8, 1.9 and 1.10)	1154	16	-12	34	3,7	2,5	3,4
COUNTERPARTS OF M3							
MFI liabilities:							
(2) <i>Holdings against central government</i> ^{d)}	312	-9	-30	22	11,1	-4,1	10,7
(3) <i>Longer-term financial liabilities vis-à-vis other euro area residents</i> (= items 3.1 to 3.4)	7645	-36	-4	-42	1,3	0,7	-0,1
(3.1) Deposits with an agreed maturity of over two years	2483	-29	-12	-32	1,2	0,2	-1,1
(3.2) Deposits redeemable at notice of over three months	113	-1	1	-1	-5,2	-4,6	-5,1
(3.3) Debt securities issued with a maturity of over two years	2756	-25	-9	-28	-2,5	-3,5	-4,6
(3.4) Capital and reserves	2293	18	16	18	7,0	7,3	7,4
MFI assets:							
(4) <i>Credit to euro area residents</i> (= items 4.1 and 4.2)	16686	36	-57	33	1,8	1,4	1,5
(4.1) Credit to general government	3263	31	-7	32	7,4	7,6	9,0
Loans	1168	3	0	9	-4,3	-2,9	-0,9
Securities other than shares	2095	29	-6	22	15,3	14,4	15,4
(4.2) Credit to other euro area residents	13424	4	-51	1	0,5	0,0	-0,2
Loans ^{e)}	11166	-6	-21	-11	0,6	0,2	-0,1
<i>loans adjusted for sales and securitisation</i> ^{f)}	ND	-5	-22	-11	1,2	0,8	0,4
Securities other than shares	1521	-4	-14	6	1,1	0,3	0,6
Shares and other equities	737	14	-16	7	-2,3	-4,5	-3,4
(5) <i>Net external assets</i>	941	-2	-13	12	ND	ND	ND
(6) <i>Other counterparts of M3 (residual)</i> (= M3 + items 2, 3 - items 4, 5)	240	-22	-12	21	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: MAY 2012

DATA ADJUSTED FOR SEASONAL EFFECTS

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

	END-OF-MONTH LEVEL	MONTHLY FLOW ^{b)}			ANNUAL GROWTH RATE		
	MAY 2012	MARCH 2012	APRIL 2012	MAY 2012	MARCH 2012	APRIL 2012	MAY 2012
BREAKDOWN OF DEPOSITS IN M3							
Total deposits (=items 1, 2, 3, 4 and 5)	8323	25	-48	81	2,8	2,0	2,4
(1) Deposits placed by households^{c)}	5166	20	15	3	2,2	2,5	2,4
(1,1) Overnight deposits	2272	-1	10	5	-0,4	0,2	0,4
(1,2) Deposits with an agreed maturity of up to two years	987	15	1	-10	9,6	9,5	8,2
(1,3) Deposits redeemable at notice of up to three months	1891	6	6	11	2,5	2,8	2,9
(1,4) Repurchase agreements	16	-1	-2	-2	-36,4	-45,1	-52,7
(2) Deposits placed by non-financial corporations	1561	-2	-12	6	-0,2	-0,8	-0,2
(2,1) Overnight deposits	1036	3	-3	14	1,1	1,0	3,3
(2,2) Deposits with an agreed maturity of up to two years	433	-5	-8	-11	-1,8	-3,3	-6,4
(2,3) Deposits redeemable at notice of up to three months	78	0	1	3	-6,7	-5,3	-1,6
(2,4) Repurchase agreements	15	0	-1	0	-4,2	-19,0	-25,4
(3) Deposits placed by non-monetary financial intermediaries excluding insurance corporations and pension funds	1074	-6	-49	56	4,4	-0,8	0,4
(3,1) Overnight deposits	416	29	-61	35	16,9	2,2	12,3
(3,2) Deposits with an agreed maturity of up to two years	271	-14	17	-14	-15,1	-12,0	-18,0
(3,3) Deposits redeemable at notice of up to three months	14	1	0	-1	32,0	37,3	19,4
(3,4) Repurchase agreements	374	-22	-4	36	7,9	5,5	5,3
of which: with central counterparties ^{d)}	291	-10	2	35	14,6	12,5	8,3
(4) Deposits placed by insurance corporations and pension funds	212	-6	5	5	16,8	14,0	18,2
(5) Deposits placed by other general government	309	20	-8	11	14,9	12,5	15,4

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: MAY 2012

DATA ADJUSTED FOR SEASONAL EFFECTS

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

	MARCH 2012	APRIL 2012	MAY 2012
(1) M1	1,4	0,9	1,6
(1.1) <i>of which</i> : Currency	0,5	0,5	0,5
(1.2) <i>of which</i> : Overnight deposits	0,9	0,4	1,2
(2) M2 - M1 (= other short-term deposits)	1,2	1,3	0,9
(3) M3 - M2 (= short-term marketable instruments)	0,4	0,3	0,4
(4) M3 (= items 1, 2 and 3)	3,0	2,5	2,9

a) Figures may not add up due to rounding.

TABLE 4

BREAKDOWN OF LOANS BY BORROWING SECTOR, TYPE AND ORIGINAL MATURITY: MAY 2012

DATA ADJUSTED FOR SEASONAL EFFECTS

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

	END-OF-MONTH LEVEL	MONTHLY FLOW ^{b)}			ANNUAL GROWTH RATE		
	MAY 2012	MARCH 2012	APRIL 2012	MAY 2012	MARCH 2012	APRIL 2012	MAY 2012
BREAKDOWN OF LOANS^{c)}							
(1) Loans to households^{d)}	5252	7	7	2	0,6	0,5	0,3
<i>loans adjusted for sales and securitisation^{e)}</i>	<i>ND</i>	<i>6</i>	<i>6</i>	<i>1</i>	<i>1,7</i>	<i>1,5</i>	<i>1,3</i>
(1.1) Credit for consumption	621	-2	-2	1	-2,1	-2,4	-1,9
(1.2) Lending for house purchase	3802	10	7	1	1,1	1,0	0,7
(1.3) Other lending	830	-2	1	-1	0,7	0,7	0,1
<i>of which: sole proprietors^{f)}</i>	<i>418</i>	<i>-1</i>	<i>-1</i>	<i>-1</i>	<i>2,0</i>	<i>1,7</i>	<i>1,0</i>
(2) Loans to non-financial corporations	4698	-8	7	-10	0,3	0,4	0,1
<i>loans adjusted for sales and securitisation^{e)}</i>	<i>ND</i>	<i>-7</i>	<i>7</i>	<i>-9</i>	<i>0,5</i>	<i>0,6</i>	<i>0,2</i>
(2.1) up to 1 year	1150	-5	18	-5	-0,4	0,9	0,2
(2.2) over 1 year and up to 5 years	845	0	-1	-1	-2,9	-2,2	-2,5
(3.3) over 5 years	2704	-2	-10	-4	1,6	1,1	0,8
(3) Loans to non-monetary financial intermediaries except insurance corporations and pension funds	1133	-8	-28	-4	2,3	-1,4	-2,1
<i>of which: reverse repos to central counterparties^{f)}</i>	<i>181</i>	<i>2</i>	<i>-11</i>	<i>6</i>	<i>34,4</i>	<i>18,4</i>	<i>10,3</i>
(4) Loans to insurance corporations and pension funds	82	4	-7	1	-0,2	-6,5	-6,3

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.