



EUROPEAN CENTRAL BANK

EUROSYSTEM

PRESS RELEASE

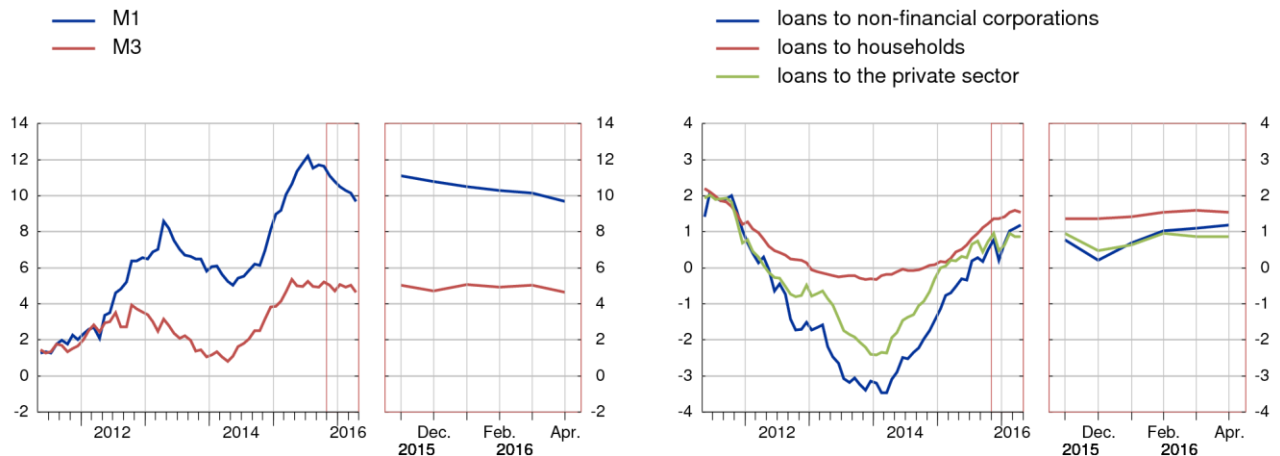
31 May 2016

Monetary developments in the euro area: April 2016

- The annual growth rate of the broad monetary aggregate M3 decreased to 4.6% in April 2016, from 5.0% in March.
- The annual growth rate of the narrower aggregate M1, which includes currency in circulation and overnight deposits, decreased to 9.7% in April, from 10.1% in March.
- The annual growth rate of loans to households stood at 1.5% in April, compared with 1.6% in March.
- The annual growth rate of loans to non-financial corporations stood at 1.2% in April, compared with 1.1% in March.

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 4.6% in April 2016, from 5.0% in March, averaging 4.9% in the three months up to April. 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 9.7% in April, from 10.1% in March. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) was more negative at -2.8% in April, from -2.4% in March. The annual growth rate of marketable instruments (M3-M2) was more negative at -1.6% in April, from -1.0% in March.

Within M3, the annual growth rate of deposits placed by households stood at 4.3% in April, unchanged from the previous month, while the annual growth rate of deposits placed by non-financial corporations increased to 8.4% in April, from 7.3% in March. Finally, the annual growth rate of deposits placed by

non-monetary financial corporations (excluding insurance corporations and pension funds) decreased to 0.8% in April, from 4.1% in March.

Credit to euro area residents

The annual growth rate of total credit to euro area residents increased to 3.3% in April 2016, from 3.1% in the previous month. The annual growth rate of credit to general government increased to 10.4% in April, from 10.1% in March, while the annual growth rate of credit to the private sector stood at 1.2% in April, compared with 1.1% in March.

Among the components of credit to the private sector, the annual growth rate of loans (adjusted for loan sales and securitisation) stood at 0.9% in April, unchanged from the previous month. In particular, the annual growth rate of loans to households stood at 1.5% in April, compared with 1.6% in March, and the annual growth rate of loans to non-financial corporations stood at 1.2% in April, compared with 1.1% in March.

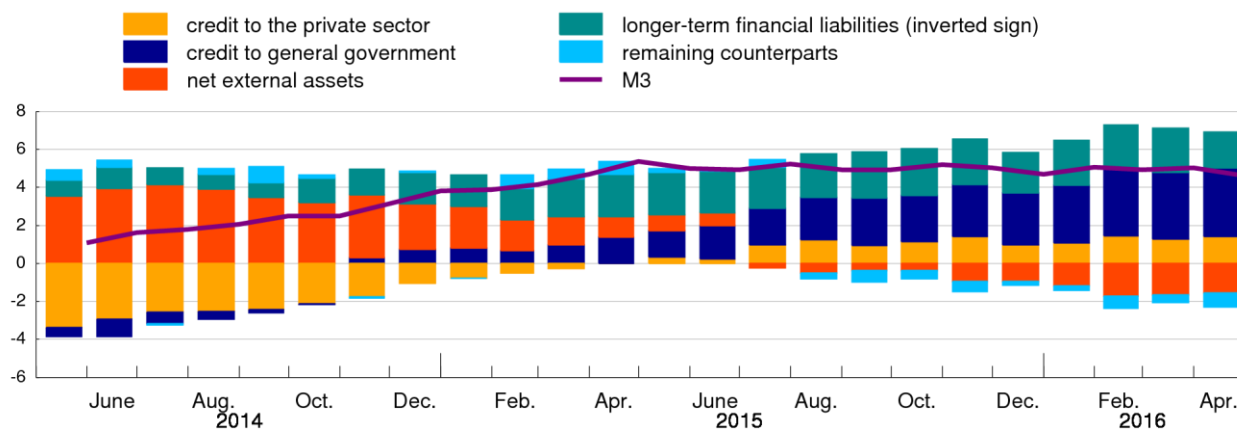
Longer-term financial liabilities

The annual growth rate of longer-term financial liabilities of the MFI sector became less negative at -2.8% in April 2016, from -3.3% in March.

M3 and its counterparts

The annual growth rate of the broad monetary aggregate M3 decreased to 4.6% in April 2016. The contributions of M3 counterparts on the MFI balance sheet were as follows. Longer-term financial liabilities contributed 1.9 percentage points, net external assets contributed -1.6 percentage points, credit to general government contributed 3.6 percentage points, and credit to the private sector contributed 1.4 percentage points; the remaining counterparts of M3 contributed -0.7 percentage point.

Contribution of the M3 counterparts to the annual growth rate of M3 (percentage points)



Notes:

- With this release, additional data are published on loans to households and non-financial corporations adjusted for sales and securitisation for the period 2003 to 2009. These series are adjusted for loan sales and securitisation on a best effort basis using information available to national central banks before MFI reporting requirements for such data were implemented through an ECB statistical regulation in 2010.
- The published quarterly balance sheet statistics on euro area money market funds and credit institutions are now enhanced with national breakdowns. Data are available from the ECB's Statistical Data Warehouse at <http://sdw.ecb.europa.eu/reports.do?node=1000003505>.
- 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: April 2016

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

	End-of-month level	Monthly flow			Annual growth rate		
	Apr 2016	Feb 2016	Mar 2016	Apr 2016	Feb 2016	Mar 2016	Apr 2016
COMPONENTS OF M3							
1. M3	11030	44	50	31	4.9	5.0	4.6
1.1. M2	10366	36	57	8	5.4	5.4	5.0
1.1.1. M1	6795	45	60	28	10.3	10.1	9.7
Currency in circulation	1048	2	5	-4	5.7	5.9	4.6
Overnight deposits	5748	43	55	32	11.2	11.0	10.7
1.1.2. Other short-term deposits (M2 - M1)	3571	-10	-2	-20	-2.6	-2.4	-2.8
Deposits with an agreed maturity of up to two years	1409	-18	-1	-19	-7.4	-6.8	-7.3
Deposits redeemable at notice of up to three months	2163	8	-1	-1	0.9	0.6	0.4
1.2. Marketable instruments (M3 - M2)	664	9	-8	22	-2.4	-1.0	-1.6
Repurchase agreements	93	6	-3	5	-28.1	-28.9	-26.9
Money market fund shares	472	-6	-5	9	7.6	7.6	6.5
Debt securities issued with a maturity of up to two years	98	9	1	9	-12.2	-2.8	-4.5
COUNTERPARTS OF M3							
MFI liabilities:							
2. Holdings against central government ^{b)}	317	-11	24	-2	10.0	11.4	17.4
3. Longer-term financial liabilities vis-a-vis other euro area residents	7048	-13	-15	9	-3.4	-3.3	-2.8
3.1. Deposits with an agreed maturity of over two years	2184	12	-1	1	-3.5	-3.3	-2.7
3.2. Deposits redeemable at notice of over three months	75	-1	-1	-1	-15.4	-15.2	-15.3
3.3. Debt securities issued with a maturity of over two years	2173	-31	3	-4	-9.4	-8.4	-7.8
3.4. Capital and reserves	2616	7	-16	13	3.0	1.9	2.4
MFI assets:							
4. Credit to euro area residents	16812	81	23	64	3.2	3.1	3.3
4.1. Credit to general government	4096	36	26	51	10.1	10.1	10.4
Loans	1123	0	-2	6	-2.4	-3.0	-2.6
Debt securities	2960	36	28	45	15.9	16.0	16.3
Equity ^{c)}	13	0	0	0	11.7	11.3	4.5
4.2. Credit to other euro area residents ^{d)}	12717	45	-3	13	1.2	1.1	1.2
Loans ^{e)}	10652	44	5	12	1.2	1.0	1.1
Loans adjusted for sales and securitisation ^{f)}	11036	41	1	10	0.9	0.9	0.9
Debt securities	1317	4	3	5	2.9	3.3	4.1
Equity and non-money market fund investment fund shares	748	-3	-11	-4	-1.4	-2.3	-2.4
5. Net external assets	1283	-74	27	-14	-	-	-
6. Other counterparts of M3 (residual)	299	13	8	-13	-	-	-
of which:							
6.1. Repos with central counterparties (liabilities)(+) ^{c)}	237	32	1	-10	8.2	4.6	12.0
6.2. Reverse repos to central counterparties (assets)(-) ^{c)}	140	1	10	-12	-1.8	-4.8	4.7

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

2 Breakdown of deposits in M3 by holding sector and type: April 2016 (EUR billions and annual percentage changes; data adjusted for seasonal effects ^{a)})

	End-of-month level	Monthly flow			Annual growth rate		
	Apr 2016	Feb 2016	Mar 2016	Apr 2016	Feb 2016	Mar 2016	Apr 2016
BREAKDOWN OF DEPOSITS IN M3							
Total deposits	9412	40	49	17	4.9	4.9	4.6
1. Deposits placed by households ^{b)}	5849	31	39	16	4.0	4.3	4.3
1.1. Overnight deposits	3159	25	39	19	10.5	10.7	10.5
1.2. Deposits with an agreed maturity of up to two years	693	-1	1	-1	-10.0	-8.7	-8.1
1.3. Deposits redeemable at notice of up to three months	1994	7	0	-1	0.4	0.2	0.0
1.4. Repurchase agreements	3	-1	0	1	-26.4	-30.7	-6.6
2. Deposits placed by non-financial corporations ^{c)}	2009	11	14	22	6.5	7.3	8.4
2.1. Overnight deposits	1562	9	8	27	10.5	10.8	12.0
2.2. Deposits with an agreed maturity of up to two years	323	1	6	-3	-7.5	-4.2	-3.4
2.3. Deposits redeemable at notice of up to three months	116	0	0	0	4.6	3.8	2.4
2.4. Repurchase agreements	9	0	1	-2	-29.2	-30.8	-23.5
3. Deposits placed by non-monetary financial corporations excluding insurance corporations and pension funds ^{c), d)}	963	-7	7	-17	6.9	4.1	0.8
3.1. Overnight deposits	647	2	8	-10	14.1	10.6	8.1
3.2. Deposits with an agreed maturity of up to two years	229	-14	4	-13	0.3	-1.6	-7.0
3.3. Deposits redeemable at notice of up to three months	22	-1	-1	1	24.7	16.2	18.6
3.4. Repurchase agreements ^{d)}	65	7	-4	5	-26.1	-28.5	-29.4
4. Deposits placed by insurance corporations and pension funds	214	8	-11	-6	1.8	-3.2	-7.3
5. Deposits placed by other general government	377	-3	1	2	7.8	9.8	9.2

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: April 2016

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

	Feb 2016	Mar 2016	Apr 2016
1. M1	6.0	6.0	5.7
1.1. Currency in circulation	0.5	0.6	0.4
1.2. Overnight deposits	5.4	5.4	5.3
2. M2 - M1 (other short-term deposits)	-0.9	-0.9	-1.0
3. M3 - M2 (marketable instruments)	-0.2	-0.1	-0.1
M3 (items 1, 2 and 3)	4.9	5.0	4.6

a) Figures may not add up due to rounding.

4 Breakdown of loans as counterpart to M3 by borrowing sector, type and original maturity: April 2016

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

	End-of-month level	Monthly flow			Annual growth rate		
	Apr 2016	Feb 2016	Mar 2016	Apr 2016	Feb 2016	Mar 2016	Apr 2016
BREAKDOWN OF LOANS AS COUNTERPART TO M3							
1. Loans to households ^{b)}	5344	18	11	6	2.2	2.2	2.2
<i>Loans adjusted for sales and securitisation ^{c)}</i>	5663	9	8	6	1.5	1.6	1.5
1.1. Credit for consumption	604	5	3	1	5.0	5.1	5.3
1.2. Lending for house purchase	3980	13	8	7	2.3	2.3	2.3
1.3. Other lending	759	0	1	-2	-0.3	-0.5	-0.8
<i>of which: sole proprietors ^{d)}</i>	388	0	0	-1	-1.6	-1.7	-1.7
2. Loans to non-financial corporations ^{e)}	4293	16	1	6	0.7	0.8	0.9
<i>Loans adjusted for sales and securitisation ^{c)}</i>	4357	19	1	6	1.0	1.1	1.2
2.1. up to 1 year	1044	1	1	0	-3.0	-2.6	-2.8
2.2. over 1 year and up to 5 years	772	10	-4	5	6.2	5.2	5.7
2.3. over 5 years	2477	4	4	0	0.7	1.0	1.1
3. Loans to non-monetary financial corporations except insurance corporations and pension funds ^{e), f)}	901	9	11	-5	-1.4	-1.3	-1.7
4. Loans to insurance corporations and pension funds	114	1	-18	5	-6.9	-19.1	-16.4

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.