



EUROPEAN CENTRAL BANK

EUROSYSTEM

PRESS RELEASE

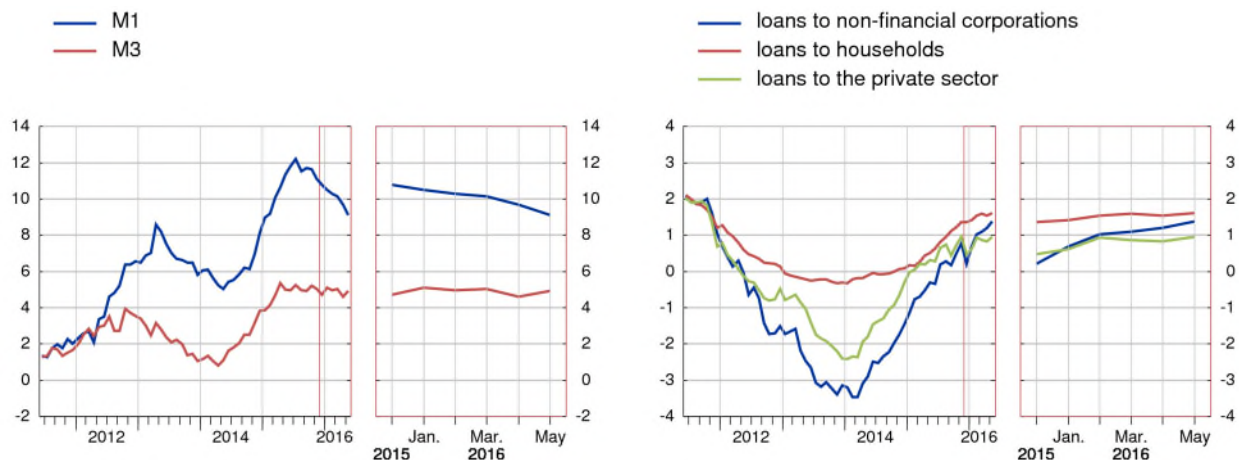
27 June 2016

Monetary developments in the euro area: May 2016

- The annual growth rate of the broad monetary aggregate M3 increased to 4.9% in May 2016, from 4.6% in April.
- The annual growth rate of the narrower aggregate M1, which includes currency in circulation and overnight deposits, decreased to 9.1% in May, from 9.7% in April.
- The annual growth rate of loans to households stood at 1.6% in May, compared with 1.5% in April.
- The annual growth rate of loans to non-financial corporations increased to 1.4% in May, from 1.2% in April.

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 4.9% in May 2016, from 4.6% in April, averaging 4.8% in the three months up to May. 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 9.1% in May, from 9.7% in April. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) was less negative at -2.0% in May, from -2.8% in April. The annual growth rate of marketable instruments (M3-M2) increased to 2.8% in May, from -2.1% in April. Within M3, the annual growth rate of deposits placed by households increased to 4.6% in May, from 4.3% in April, while the annual growth rate of deposits placed by non-financial corporations decreased to 8.0% in May, from 8.4% in April. Finally, the annual growth rate of deposits placed by non-monetary financial

corporations (excluding insurance corporations and pension funds) increased to 2.0% in May, from 0.5% in April.

Credit to euro area residents

The annual growth rate of total credit to euro area residents increased to 3.5% in May 2016, from 3.2% in the previous month. The annual growth rate of credit to general government increased to 11.1% in May, from 10.3% in April, while the annual growth rate of credit to the private sector increased to 1.3% in May, from 1.1% in April.

Among the components of credit to the private sector, the annual growth rate of loans (adjusted for loan sales and securitisation) increased to 1.0% in May, from 0.8% in April. In particular, the annual growth rate of loans to households stood at 1.6% in May, compared with 1.5% in April, and the annual growth rate of loans to non-financial corporations increased to 1.4% in May, from 1.2% in April.

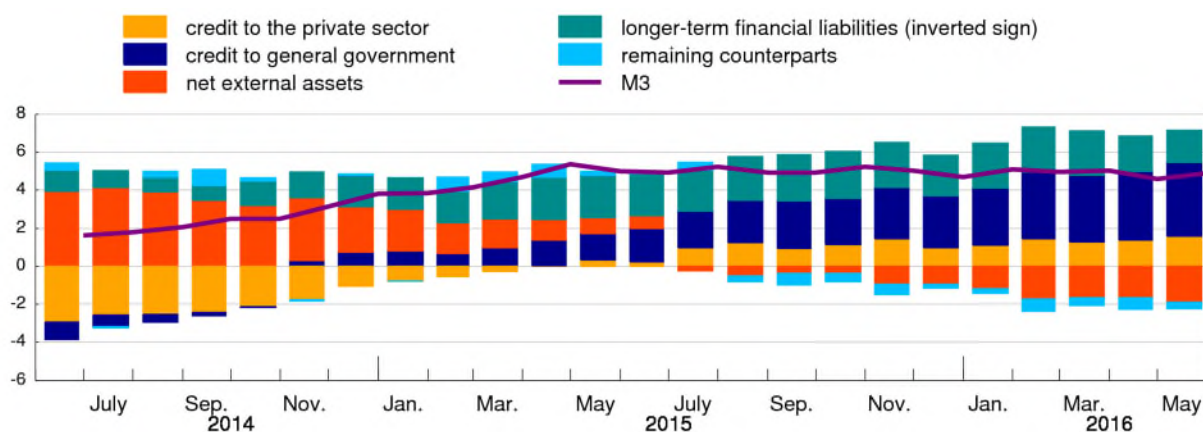
Longer-term financial liabilities

The annual growth rate of longer-term financial liabilities of the MFI sector became less negative at -2.5% in May 2016, from -2.7% in April.

M3 and its counterparts

The annual growth rate of the broad monetary aggregate M3 increased to 4.9% in May 2016. The contributions of M3 counterparts on the MFI balance sheet were as follows. Longer-term financial liabilities contributed 1.7 percentage points, net external assets contributed -1.9 percentage points, credit to general government contributed 3.9 percentage points, and credit to the private sector contributed 1.6 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.
- 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: May 2016

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

	End-of-month level	Monthly flow			Annual growth rate		
	May 2016	Mar 2016	Apr 2016	May 2016	Mar 2016	Apr 2016	May 2016
COMPONENTS OF M3							
1. M3	11069	50	27	40	5.0	4.6	4.9
1.1. M2	10416	57	9	44	5.4	5.1	5.0
1.1.1. M1	6837	60	29	37	10.1	9.7	9.1
Currency in circulation	1051	5	-4	4	5.9	4.6	4.5
Overnight deposits	5786	55	33	34	11.0	10.7	10.0
1.1.2. Other short-term deposits (M2 - M1)	3579	-2	-19	6	-2.4	-2.8	-2.0
Deposits with an agreed maturity of up to two years	1407	-1	-18	-3	-6.8	-7.3	-5.8
Deposits redeemable at notice of up to three months	2172	-1	-1	9	0.6	0.4	0.7
1.2. Marketable instruments (M3 - M2)	653	-7	18	-4	-0.9	-2.1	2.8
Repurchase agreements	88	-3	3	0	-28.9	-28.4	-16.7
Money market fund shares	476	-5	7	6	7.6	6.1	8.9
Debt securities issued with a maturity of up to two years	88	2	9	-10	-2.1	-4.1	-2.3
COUNTERPARTS OF M3							
MFI liabilities:							
2. Holdings against central government ^{b)}	292	24	-2	-25	11.4	17.4	6.1
3. Longer-term financial liabilities vis-a-vis other euro area residents	7055	-15	10	6	-3.3	-2.7	-2.5
3.1. Deposits with an agreed maturity of over two years	2182	-1	1	-3	-3.3	-2.6	-2.6
3.2. Deposits redeemable at notice of over three months	75	-1	-2	0	-15.2	-15.9	-14.8
3.3. Debt securities issued with a maturity of over two years	2186	3	-4	2	-8.4	-7.8	-6.9
3.4. Capital and reserves	2612	-16	14	7	1.8	2.4	2.2
MFI assets:							
4. Credit to euro area residents	16888	24	59	70	3.1	3.2	3.5
4.1. Credit to general government	4146	26	49	40	10.1	10.3	11.1
Loans	1127	-2	6	1	-3.0	-2.6	-1.9
Debt securities	3006	28	43	39	16.0	16.2	16.9
Equity ^{c)}	13	0	0	0	11.3	3.7	2.9
4.2. Credit to other euro area residents ^{d)}	12741	-2	10	31	1.1	1.1	1.3
Loans ^{e)}	10657	5	8	12	1.0	1.0	1.1
Loans adjusted for sales and securitisation ^{f)}	11049	1	6	18	0.9	0.8	1.0
Debt securities	1331	3	5	11	3.3	4.1	5.1
Equity and non-money market fund investment fund shares	754	-11	-3	7	-2.4	-2.4	-2.4
5. Net external assets	1238	27	-23	-28	-	-	-
6. Other counterparts of M3 (residual)	290	9	-1	-22	-	-	-
of which:							
6.1. Repos with central counterparties (liabilities)(+) ^{c)}	227	1	-10	-10	4.6	12.0	1.8
6.2. Reverse repos to central counterparties (assets)(-) ^{c)}	139	10	-12	-1	-4.8	4.7	-1.5

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) 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: May 2016 (EUR billions and annual percentage changes; data adjusted for seasonal effects ^{a)})

	End-of-month level	Monthly flow			Annual growth rate		
	May 2016	Mar 2016	Apr 2016	May 2016	Mar 2016	Apr 2016	May 2016
BREAKDOWN OF DEPOSITS IN M3							
Total deposits	9453	49	16	40	4.9	4.6	4.8
1. Deposits placed by households ^{b)}	5878	39	17	28	4.3	4.3	4.6
1.1. Overnight deposits	3184	39	19	25	10.7	10.6	10.7
1.2. Deposits with an agreed maturity of up to two years	691	1	-1	-2	-8.7	-8.1	-7.0
1.3. Deposits redeemable at notice of up to three months	1999	0	-1	5	0.2	0.0	0.1
1.4. Repurchase agreements	4	0	1	0	-30.7	-6.6	-5.3
2. Deposits placed by non-financial corporations ^{c)}	2011	14	22	0	7.3	8.4	8.0
2.1. Overnight deposits	1568	8	27	4	10.8	12.0	11.1
2.2. Deposits with an agreed maturity of up to two years	319	6	-3	-4	-4.2	-3.3	-2.3
2.3. Deposits redeemable at notice of up to three months	116	0	0	1	3.8	2.4	3.6
2.4. Repurchase agreements	8	1	-2	-1	-30.8	-23.5	-33.2
3. Deposits placed by non-monetary financial corporations excluding insurance corporations and pension funds ^{c), d)}	974	7	-20	14	4.0	0.5	2.0
3.1. Overnight deposits	657	8	-10	9	10.6	8.0	6.1
3.2. Deposits with an agreed maturity of up to two years	232	4	-13	2	-1.7	-7.1	-5.5
3.3. Deposits redeemable at notice of up to three months	26	-1	1	4	16.2	18.6	28.1
3.4. Repurchase agreements ^{d)}	59	-4	3	-1	-28.5	-31.4	-14.9
4. Deposits placed by insurance corporations and pension funds	215	-11	-6	1	-3.2	-7.3	-7.2
5. Deposits placed by other general government	375	1	3	-3	9.8	9.3	7.9

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: May 2016

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

	Mar 2016	Apr 2016	May 2016
1. M1	6.0	5.7	5.4
1.1. Currency in circulation	0.6	0.4	0.4
1.2. Overnight deposits	5.4	5.3	5.0
2. M2 - M1 (other short-term deposits)	-0.9	-1.0	-0.7
3. M3 - M2 (marketable instruments)	-0.1	-0.1	0.2
M3 (items 1, 2 and 3)	5.0	4.6	4.9

a) Figures may not add up due to rounding.

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

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

	End-of-month level	Monthly flow			Annual growth rate		
	May 2016	Mar 2016	Apr 2016	May 2016	Mar 2016	Apr 2016	May 2016
BREAKDOWN OF LOANS AS COUNTERPART TO M3							
1. Loans to households ^{b)}	5347	11	6	3	2.2	2.2	2.1
<i>Loans adjusted for sales and securitisation ^{c)}</i>	5672	8	6	10	1.6	1.5	1.6
1.1. Credit for consumption	601	3	1	-3	5.1	5.3	4.4
1.2. Lending for house purchase	3986	8	7	6	2.3	2.3	2.3
1.3. Other lending	759	1	-2	0	-0.5	-0.8	-0.7
<i>of which: sole proprietors ^{d)}</i>	389	0	-1	1	-1.7	-1.7	-1.4
2. Loans to non-financial corporations ^{e)}	4308	1	6	13	0.8	0.9	1.2
<i>Loans adjusted for sales and securitisation ^{c)}</i>	4369	1	7	9	1.1	1.2	1.4
2.1. up to 1 year	1051	1	0	6	-2.6	-2.8	-2.0
2.2. over 1 year and up to 5 years	771	-4	5	-1	5.1	5.6	4.9
2.3. over 5 years	2485	4	1	8	1.0	1.1	1.5
3. Loans to non-monetary financial corporations except insurance corporations and pension funds ^{e), f)}	892	11	-9	-1	-1.3	-2.2	-1.3
4. Loans to insurance corporations and pension funds	111	-18	5	-2	-19.1	-16.4	-21.0

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.