



EUROPEAN CENTRAL BANK

EUROSYSTEM

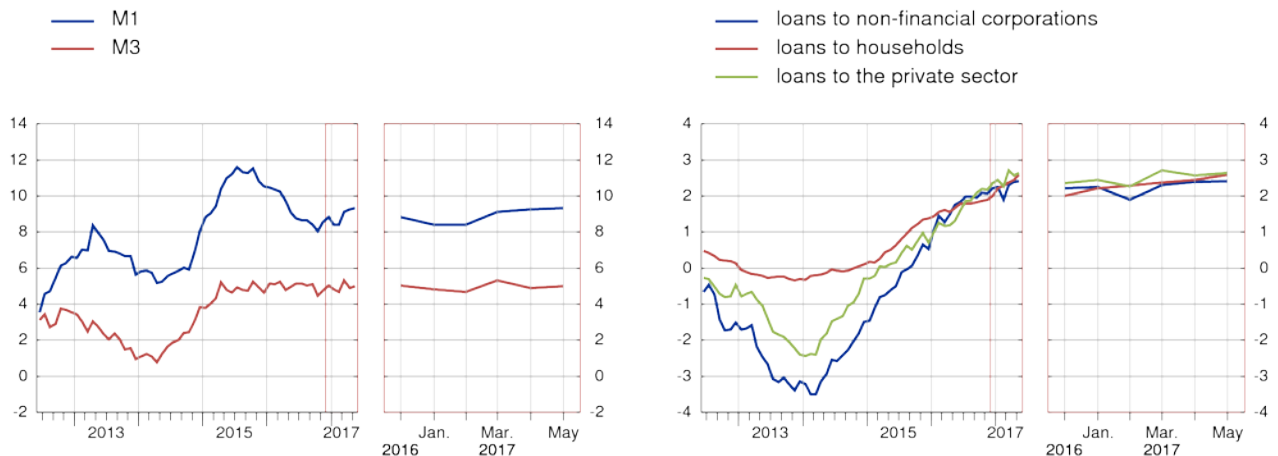
PRESS RELEASE

28 June 2017

Monetary developments in the euro area: May 2017

- The annual growth rate of the broad monetary aggregate M3 stood at 5.0% in May 2017, after 4.9% in April 2017.
- The annual growth rate of the narrower aggregate M1, which includes currency in circulation and overnight deposits, stood at 9.3% in May, unchanged from the previous month.
- The annual growth rate of adjusted loans to households increased to 2.6% in May, from 2.4% in April.
- The annual growth rate of adjusted loans to non-financial corporations stood at 2.4% in May, unchanged from the previous month.

Monetary aggregates and adjusted loans to the private sector (annual growth rates)



Components of the broad monetary aggregate M3

The annual growth rate of the broad monetary aggregate M3 stood at 5.0% in May 2017, after 4.9% in April, averaging 5.1% 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), stood at 9.3% in May, unchanged from the previous month. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) stood at -2.9% in May, compared with -2.8% in April. The annual growth rate of marketable instruments (M3-M2) increased to 3.1% in May, from 1.7% in April. Within M3, the annual growth rate of deposits placed by households decreased to 5.1% in May, from 5.3% in April, while the annual growth rate of deposits placed by non-financial corporations increased to 7.5% in May, from 7.1% in April. Finally, the annual growth rate of deposits placed by non-monetary financial corporations (excluding insurance corporations and pension funds) increased to 2.8% in May, from 1.4% in April.

Credit to euro area residents

The annual growth rate of total credit to euro area residents stood at 4.6% in May 2017, compared with 4.7% in the previous month. The annual growth rate of credit to general government decreased to 9.6% in May, from 10.4% in April, while the annual growth rate of credit to the private sector stood at 3.0% in May, compared with 2.9% in April.

The annual growth rate of adjusted loans to the private sector (i.e. adjusted for loan sales, securitisation and notional cash pooling) stood at 2.6% in May, unchanged from the previous month. In particular, the annual growth rate of adjusted loans to households increased to 2.6% in May, from 2.4% in April, and the annual growth rate of adjusted loans to non-financial corporations stood at 2.4% in May, unchanged from the previous month.

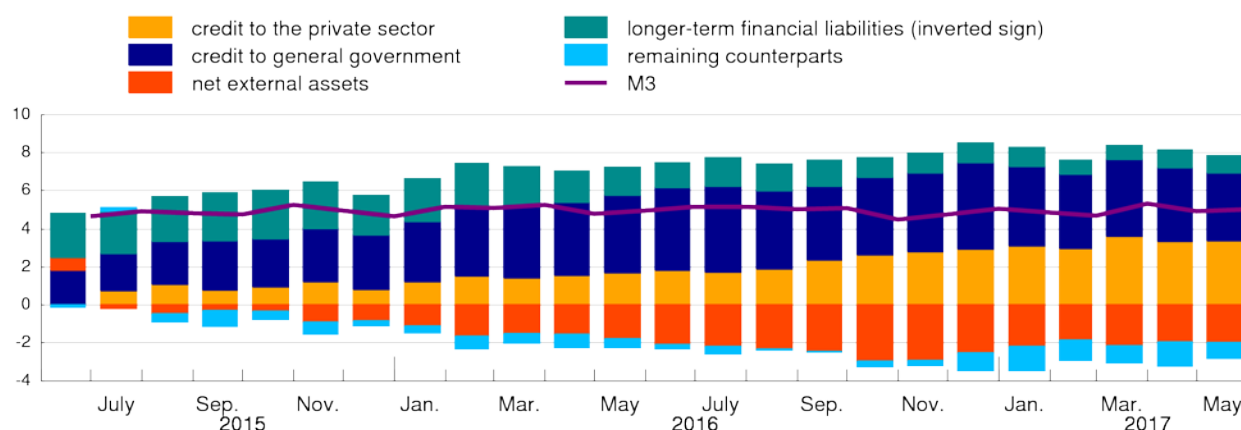
Longer-term financial liabilities

The annual growth rate of longer-term financial liabilities of the MFI sector stood at -1.4% in May 2017, compared with -1.5% in April.

M3 and its counterparts

The annual growth rate of the broad monetary aggregate M3 stood at 5.0% in May 2017. The contributions of M3 counterparts on the MFI balance sheet were as follows: longer-term financial liabilities contributed 0.9 percentage point, net external assets contributed -2.0 percentage points, credit to general government contributed 3.6 percentage points, and credit to the private sector contributed 3.4 percentage points; the remaining counterparts of M3 contributed -0.9 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.

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- 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 2017

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

	End-of-month level	Monthly flow			Annual growth rate		
	May 2017	Mar 2017	Apr 2017	May 2017	Mar 2017	Apr 2017	May 2017
COMPONENTS OF M3							
1. M3	11608	119	-11	47	5.3	4.9	5.0
1.1. M2	10932	83	29	40	5.1	5.1	5.1
1.1.1. M1	7476	100	51	46	9.1	9.3	9.3
Currency in circulation	1092	2	4	0	3.7	4.2	3.9
Overnight deposits	6384	97	47	46	10.1	10.2	10.3
1.1.2. Other short-term deposits (M2 - M1)	3456	-16	-22	-6	-2.5	-2.8	-2.9
Deposits with an agreed maturity of up to two years	1268	-18	-25	-9	-7.4	-8.6	-8.7
Deposits redeemable at notice of up to three months	2188	2	3	3	0.8	0.9	0.8
1.2. Marketable instruments (M3 - M2)	676	36	-40	7	9.0	1.7	3.1
Repurchase agreements	73	7	0	0	-14.4	-16.9	-16.3
Money market fund shares	511	24	-18	-1	13.9	8.6	7.7
Debt securities issued with a maturity of up to two years	91	5	-22	8	6.0	-15.3	-1.8
COUNTERPARTS OF M3							
MFI liabilities:							
2. Holdings against central government ^{b)}	310	8	32	-25	-4.6	5.5	3.2
3. Longer-term financial liabilities vis-a-vis other euro area residents	6825	-7	-15	7	-1.2	-1.5	-1.4
3.1. Deposits with an agreed maturity of over two years	2016	7	-8	-5	-4.0	-4.4	-4.4
3.2. Deposits redeemable at notice of over three months	67	0	0	-1	-10.1	-9.0	-9.6
3.3. Debt securities issued with a maturity of over two years	2074	-21	-6	7	-4.9	-4.9	-4.5
3.4. Capital and reserves	2667	8	-1	7	4.5	3.9	3.8
MFI assets:							
4. Credit to euro area residents	17458	120	20	43	5.0	4.7	4.6
4.1. Credit to general government	4477	47	28	12	10.9	10.4	9.6
Loans	1067	-3	4	-5	-4.2	-4.2	-4.8
Debt securities	3396	51	24	17	16.8	15.9	15.0
Equity ^{c)}	15	0	0	0	5.7	6.4	9.3
4.2. Credit to the private sector ^{d)}	12981	73	-8	31	3.2	2.9	3.0
Loans ^{e)}	10747	48	-5	14	2.4	2.2	2.2
Adjusted loans ^{f)}	11058	56	-4	25	2.7	2.6	2.6
Debt securities	1439	26	0	14	8.4	7.8	8.1
Equity and non-money market fund investment fund shares	794	-1	-2	4	4.4	4.4	4.3
5. Net external assets	1036	-4	-3	-31	-	-	-
6. Other counterparts of M3 (residual)	250	4	-12	16	-	-	-
of which:							
6.1. Repos with central counterparties (liabilities) ^{c)}	162	11	-8	-12	-21.2	-21.6	-23.9
6.2. Reverse repos to central counterparties (assets) ^{c)}	104	7	-8	1	-25.3	-24.8	-23.6

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) Private sector refers to euro area non-MFIs excluding general government.

e) For further breakdowns see Table 4.

f) Adjusted for loan sales and securitisation (resulting in derecognition from the MFI statistical balance sheet) as well as for positions arising from notional cash pooling services provided by MFIs.

2 Breakdown of deposits in M3 by holding sector and type: May 2017 (EUR billions and annual percentage changes; data adjusted for seasonal effects ^{a)})

	End-of-month level	Monthly flow			Annual growth rate		
	May 2017	Mar 2017	Apr 2017	May 2017	Mar 2017	Apr 2017	May 2017
BREAKDOWN OF DEPOSITS IN M3							
Total deposits	9913	88	25	40	5.1	5.0	5.1
1. Deposits placed by households ^{b)}	6174	28	18	18	5.3	5.3	5.1
1.1. Overnight deposits	3542	34	22	19	11.5	11.4	11.2
1.2. Deposits with an agreed maturity of up to two years	606	-7	-8	-5	-10.0	-11.0	-11.6
1.3. Deposits redeemable at notice of up to three months	2023	2	4	5	1.0	1.2	1.3
1.4. Repurchase agreements	3	0	0	-1	2.1	-9.8	-23.9
2. Deposits placed by non-financial corporations	2172	30	-2	10	8.2	7.1	7.5
2.1. Overnight deposits	1754	27	5	11	11.8	10.6	10.9
2.2. Deposits with an agreed maturity of up to two years	294	3	-7	0	-4.9	-6.8	-5.6
2.3. Deposits redeemable at notice of up to three months	117	0	0	-1	-0.3	-0.4	-1.6
2.4. Repurchase agreements	6	0	0	-1	-32.6	-20.0	-22.4
3. Deposits placed by non-monetary financial corporations excluding insurance corporations and pension funds ^{c)}	975	36	-8	17	1.6	1.4	2.8
3.1. Overnight deposits	694	40	2	19	5.7	6.6	8.6
3.2. Deposits with an agreed maturity of up to two years	213	-11	-9	-2	-5.8	-7.6	-6.5
3.3. Deposits redeemable at notice of up to three months	19	0	0	-1	-3.5	-6.3	-20.6
3.4. Repurchase agreements ^{c)}	50	7	-1	1	-11.5	-16.2	-14.6
4. Deposits placed by insurance corporations and pension funds	196	-4	9	-4	-12.7	-7.0	-8.3
5. Deposits placed by other general government	396	-3	8	-2	3.6	5.4	4.3

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) Excludes repurchase agreements with central counterparties.

3 Contributions of M3 components to the M3 annual growth rate: May 2017

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

	Mar 2017	Apr 2017	May 2017
1. M1	5.6	5.7	5.8
1.1. Currency in circulation	0.4	0.4	0.4
1.2. Overnight deposits	5.2	5.3	5.4
2. M2 - M1 (other short-term deposits)	-0.8	-0.9	-0.9
3. M3 - M2 (marketable instruments)	0.5	0.1	0.2
M3 (items 1, 2 and 3)	5.3	4.9	5.0

a) Figures may not add up due to rounding.

4 Breakdown of private sector loans by borrowing sector, type and original maturity: May 2017

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

	End-of-month level	Monthly flow			Annual growth rate		
	May 2017	Mar 2017	Apr 2017	May 2017	Mar 2017	Apr 2017	May 2017
BREAKDOWN OF LOANS AS COUNTERPART TO M3							
1. Loans to households ^{b)}	5475	18	11	9	2.5	2.6	2.7
<i>Adjusted loans ^{c)}</i>	5794	15	11	18	2.4	2.4	2.6
1.1. Credit for consumption	637	4	2	7	4.4	4.7	6.2
1.2. Lending for house purchase	4097	14	11	1	2.9	3.0	2.9
1.3. Other lending	741	0	-2	1	-1.1	-1.1	-1.0
<i>of which: sole proprietors</i>	382	0	-1	1	-1.2	-1.4	-1.1
2. Loans to non-financial corporations	4341	7	7	9	1.7	1.6	1.6
<i>Adjusted loans ^{c)}</i>	4348	19	11	10	2.3	2.4	2.4
2.1. up to 1 year	993	-5	-4	6	-2.8	-3.0	-2.7
2.2. over 1 year and up to 5 years	810	6	3	-1	4.8	4.9	4.7
2.3. over 5 years	2538	6	8	4	2.6	2.6	2.4
3. Loans to non-monetary financial corporations except insurance corporations and pension funds ^{d)}	821	23	-26	-1	5.2	2.8	2.4
<i>Adjusted loans ^{c)}</i>	813	21	-26	-2	6.3	3.9	3.8
4. Loans to insurance corporations and pension funds	111	1	2	-3	3.6	1.5	0.3
<i>Adjusted loans ^{c)}</i>	103	1	0	-1	10.5	7.1	7.3

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 loan sales and securitisation (resulting in derecognition from the MFI statistical balance sheet) as well as for positions arising from notional cash pooling services provided by MFIs.

d) Excludes reverse repos to central counterparties.