



EUROPEAN CENTRAL BANK

EUROSYSTEM

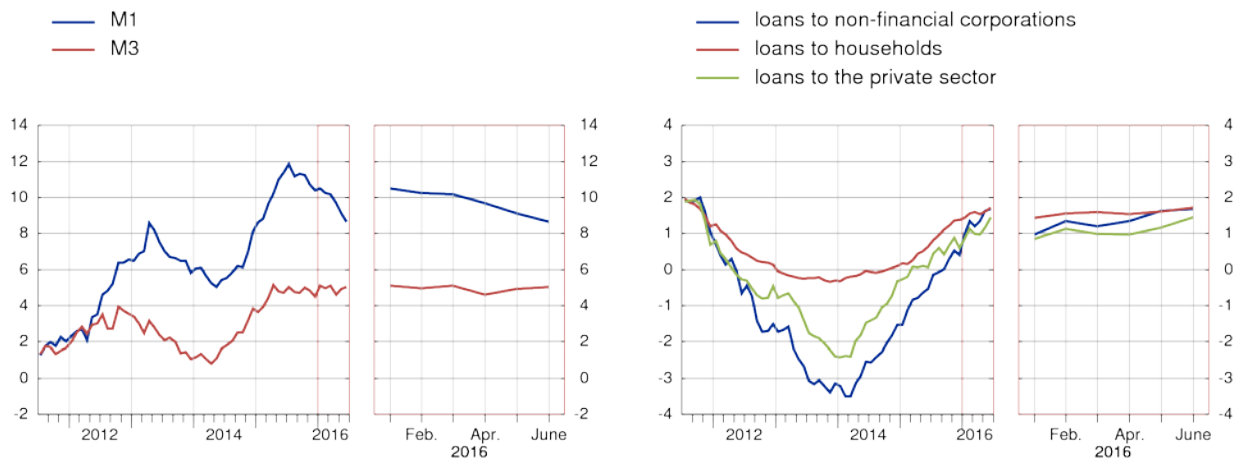
# PRESS RELEASE

27 July 2016

## Monetary developments in the euro area: June 2016

- The annual growth rate of the broad monetary aggregate M3 stood at 5.0% in June 2016, after 4.9% in May 2016.
- The annual growth rate of the narrower aggregate M1, which includes currency in circulation and overnight deposits, decreased to 8.6% in June, from 9.1% in May.
- The annual growth rate of loans to households stood at 1.7% in June, compared with 1.6% in May.
- The annual growth rate of loans to non-financial corporations stood at 1.7% in June, compared with 1.6% in May (revised from 1.4%)<sup>1</sup>.

### 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 June 2016, after 4.9% in May, averaging 4.9% in the three months up to June. 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 8.6% in June, from 9.1% in May. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) was less negative at -1.6% in June, from -2.0% in May. The annual growth rate of marketable instruments (M3-M2) increased to 6.6% in June, from 3.0% in

<sup>1</sup> As of the date of this press release, loans to the private sector are adjusted to take into account the impact of “notional cash pooling” in addition to the adjustment for loan sales and securitisation. Notional cash pooling positions result from certain cash management services provided by some MFIs (mainly in the Netherlands) to corporate groups. This new adjustment, based on available data collected by De Nederlandsche Bank, has led to revisions from December 2014 onwards. For more information, see the [explanatory note](#) on the website of the ECB.

May.

Within M3, the annual growth rate of deposits placed by households stood at 4.7% in June, compared with 4.6% in May, while the annual growth rate of deposits placed by non-financial corporations stood at 7.8% in June, compared with 7.9% in May. Finally, the annual growth rate of deposits placed by non-monetary financial corporations (excluding insurance corporations and pension funds) increased to 2.6% in June, from 2.1% in May.

### **Credit to euro area residents**

The annual growth rate of total credit to euro area residents increased to 3.8% in June 2016, from 3.5% in the previous month. The annual growth rate of credit to general government increased to 11.8% in June, from 11.1% in May, while the annual growth rate of credit to the private sector increased to 1.5% in June, from 1.3% in May.

The annual growth rate of adjusted loans to the private sector (i.e. adjusted for loan sales, securitisation and notional cash pooling) increased to 1.4% in June, from 1.2% in May. In particular, the annual growth rate of adjusted loans to households stood at 1.7% in June, compared with 1.6% in May, and the annual growth rate of adjusted loans to non-financial corporations stood at 1.7% in June, compared with 1.6% in May.

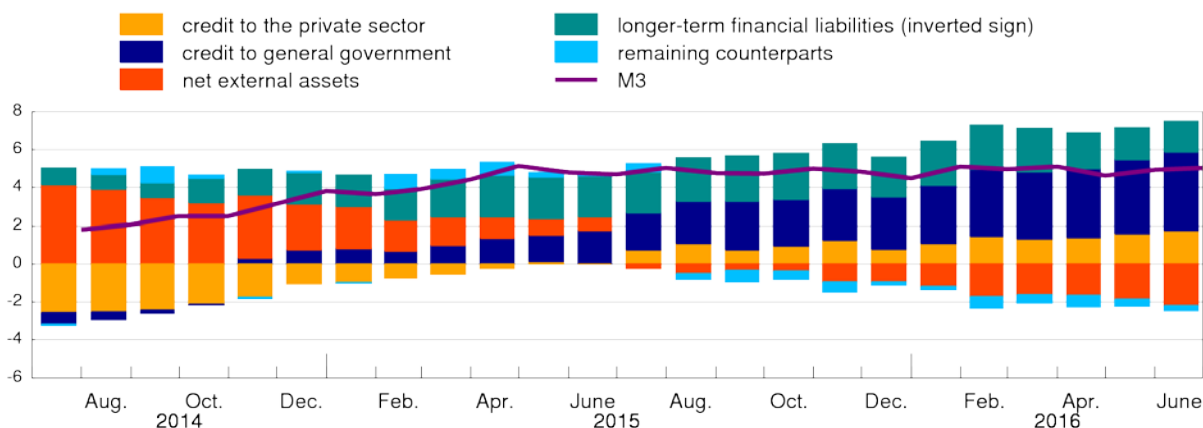
### **Longer-term financial liabilities**

The annual growth rate of longer-term financial liabilities of the MFI sector stood at -2.4% in June 2016, compared with -2.5% in May.

### **M3 and its counterparts**

The annual growth rate of the broad monetary aggregate M3 stood at 5.0% in June 2016. The contributions of M3 counterparts on the MFI balance sheet were as follows: longer-term financial liabilities contributed 1.6 percentage points, net external assets contributed -2.2 percentage points, credit to general government contributed 4.1 percentage points, and credit to the private sector contributed 1.8 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: June 2016

(EUR billions and annual percentage changes; data adjusted for seasonal effects <sup>a)</sup>)

	End-of-month level	Monthly flow			Annual growth rate		
	Jun 2016	Apr 2016	May 2016	Jun 2016	Apr 2016	May 2016	Jun 2016
<b>COMPONENTS OF M3</b>							
<b>1. M3</b>	<b>11114</b>	<b>26</b>	<b>41</b>	<b>41</b>	<b>4.6</b>	<b>4.9</b>	<b>5.0</b>
1.1. M2	10455	8	47	36	5.1	5.0	4.9
1.1.1. M1	6866	27	41	26	9.7	9.1	8.6
Currency in circulation	1053	-4	4	2	4.6	4.5	3.9
Overnight deposits	5812	31	37	23	10.7	10.0	9.5
1.1.2. Other short-term deposits (M2 - M1)	3589	-19	6	10	-2.8	-2.0	-1.6
Deposits with an agreed maturity of up to two years	1416	-18	-4	9	-7.3	-5.8	-4.7
Deposits redeemable at notice of up to three months	2173	-1	10	1	0.4	0.7	0.6
1.2. Marketable instruments (M3 - M2)	659	18	-5	5	-1.9	3.0	6.6
Repurchase agreements	83	3	0	-5	-27.3	-15.2	-2.1
Money market fund shares	483	7	4	8	6.1	8.5	11.0
Debt securities issued with a maturity of up to two years	93	9	-9	2	-4.2	-1.9	-4.2
<b>COUNTERPARTS OF M3</b>							
<b>MFI liabilities:</b>							
<b>2. Holdings against central government <sup>b)</sup></b>	<b>323</b>	<b>-2</b>	<b>-25</b>	<b>31</b>	<b>17.4</b>	<b>6.1</b>	<b>20.6</b>
<b>3. Longer-term financial liabilities vis-a-vis other euro area residents</b>	<b>7070</b>	<b>11</b>	<b>6</b>	<b>-29</b>	<b>-2.7</b>	<b>-2.5</b>	<b>-2.4</b>
3.1. Deposits with an agreed maturity of over two years	2161	1	-3	-23	-2.6	-2.5	-2.9
3.2. Deposits redeemable at notice of over three months	75	-1	0	-1	-14.6	-13.6	-13.3
3.3. Debt securities issued with a maturity of over two years	2176	-4	2	-9	-7.8	-6.9	-6.8
3.4. Capital and reserves	2658	15	6	3	2.4	2.1	2.6
<b>MFI assets:</b>							
<b>4. Credit to euro area residents</b>	<b>16935</b>	<b>59</b>	<b>71</b>	<b>51</b>	<b>3.2</b>	<b>3.5</b>	<b>3.8</b>
4.1. Credit to general government	4196	49	40	39	10.3	11.1	11.8
Loans	1112	6	1	-15	-2.6	-1.9	-2.8
Debt securities	3071	43	38	54	16.2	16.9	18.2
Equity <sup>c)</sup>	13	0	0	0	3.7	2.9	2.9
4.2. Credit to other euro area residents <sup>d)</sup>	12739	10	31	12	1.2	1.3	1.5
Loans <sup>e)</sup>	10640	8	13	-6	1.1	1.1	1.1
Adjusted loans <sup>f)</sup>	10946	8	18	25	1.0	1.2	1.4
Debt securities	1348	5	10	20	4.1	5.0	7.3
Equity and non-money market fund investment fund shares	751	-3	8	-3	-2.5	-2.4	-3.0
<b>5. Net external assets</b>	<b>1286</b>	<b>-23</b>	<b>-26</b>	<b>-13</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>6. Other counterparts of M3 (residual)</b>	<b>287</b>	<b>-1</b>	<b>-23</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>-</b>
of which:							
6.1. Repos with central counterparties (liabilities)(+) <sup>c)</sup>	238	-10	-10	11	11.0	0.5	3.5
6.2. Reverse repos to central counterparties (assets)(-) <sup>c)</sup>	144	-12	-1	5	3.2	-2.9	-2.9

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. 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 loan sales and securitisations (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: June 2016 (EUR billions and annual percentage changes; data adjusted for seasonal effects <sup>a)</sup>)

	End-of-month level	Monthly flow			Annual growth rate		
	Jun 2016	Apr 2016	May 2016	Jun 2016	Apr 2016	May 2016	Jun 2016
<b>BREAKDOWN OF DEPOSITS IN M3</b>							
<b>Total deposits</b>	<b>9485</b>	<b>15</b>	<b>43</b>	<b>29</b>	<b>4.7</b>	<b>4.9</b>	<b>5.0</b>
<b>1. Deposits placed by households <sup>b)</sup></b>	<b>5908</b>	<b>16</b>	<b>29</b>	<b>29</b>	<b>4.3</b>	<b>4.6</b>	<b>4.7</b>
1.1. Overnight deposits	3213	18	25	28	10.5	10.7	10.4
1.2. Deposits with an agreed maturity of up to two years	691	-1	-2	0	-8.1	-7.0	-5.7
1.3. Deposits redeemable at notice of up to three months	2001	-1	5	2	0.0	0.1	0.1
1.4. Repurchase agreements	3	1	0	-1	-6.6	-5.6	-0.7
<b>2. Deposits placed by non-financial corporations <sup>c)</sup></b>	<b>2010</b>	<b>23</b>	<b>0</b>	<b>0</b>	<b>8.5</b>	<b>7.9</b>	<b>7.8</b>
2.1. Overnight deposits	1571	27	4	3	12.1	11.0	10.8
2.2. Deposits with an agreed maturity of up to two years	314	-3	-4	-5	-3.3	-2.4	-2.9
2.3. Deposits redeemable at notice of up to three months	117	0	1	1	2.4	3.4	3.9
2.4. Repurchase agreements	8	-1	-1	1	-20.8	-32.8	-27.2
<b>3. Deposits placed by non-monetary financial corporations excluding insurance corporations and pension funds <sup>c), d)</sup></b>	<b>979</b>	<b>-20</b>	<b>13</b>	<b>4</b>	<b>0.6</b>	<b>2.1</b>	<b>2.6</b>
3.1. Overnight deposits	655	-10	9	-2	8.0	6.0	4.6
3.2. Deposits with an agreed maturity of up to two years	245	-13	2	12	-7.1	-5.6	-3.3
3.3. Deposits redeemable at notice of up to three months	24	1	4	-2	18.6	28.0	15.4
3.4. Repurchase agreements <sup>d)</sup>	55	3	-1	-4	-30.3	-12.7	2.0
<b>4. Deposits placed by insurance corporations and pension funds</b>	<b>212</b>	<b>-6</b>	<b>1</b>	<b>-3</b>	<b>-7.3</b>	<b>-7.2</b>	<b>-8.3</b>
<b>5. Deposits placed by other general government</b>	<b>376</b>	<b>3</b>	<b>0</b>	<b>-2</b>	<b>9.3</b>	<b>8.9</b>	<b>9.9</b>

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: June 2016

(contributions in terms of the M3 annual percentage change; data adjusted for seasonal effects <sup>a)</sup>)

	Apr 2016	May 2016	Jun 2016
<b>1. M1</b>	<b>5.7</b>	<b>5.4</b>	<b>5.2</b>
1.1. Currency in circulation	0.4	0.4	0.4
1.2. Overnight deposits	5.3	5.0	4.8
<b>2. M2 - M1 (other short-term deposits)</b>	<b>-1.0</b>	<b>-0.7</b>	<b>-0.5</b>
<b>3. M3 - M2 (marketable instruments)</b>	<b>-0.1</b>	<b>0.2</b>	<b>0.4</b>
<b>M3 (items 1, 2 and 3)</b>	<b>4.6</b>	<b>4.9</b>	<b>5.0</b>

a) Figures may not add up due to rounding.

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

(EUR billions and annual percentage changes; data adjusted for seasonal effects <sup>a)</sup>)

	End-of-month level	Monthly flow			Annual growth rate		
	Jun 2016	Apr 2016	May 2016	Jun 2016	Apr 2016	May 2016	Jun 2016
<b>BREAKDOWN OF LOANS AS COUNTERPART TO M3</b>							
<b>1. Loans to households <sup>b)</sup></b>	<b>5350</b>	<b>6</b>	<b>3</b>	<b>6</b>	<b>2.2</b>	<b>2.1</b>	<b>1.9</b>
<i>Adjusted loans <sup>c)</sup></i>	<b>5685</b>	<b>7</b>	<b>8</b>	<b>15</b>	<b>1.5</b>	<b>1.6</b>	<b>1.7</b>
1.1. Credit for consumption	603	1	-3	2	5.3	4.4	3.2
1.2. Lending for house purchase	3989	7	6	2	2.3	2.3	2.1
1.3. Other lending	759	-2	0	2	-0.8	-0.7	-0.4
<i>of which: sole proprietors <sup>d)</sup></i>	389	-1	1	0	-1.7	-1.4	-1.3
<b>2. Loans to non-financial corporations <sup>e)</sup></b>	<b>4299</b>	<b>6</b>	<b>14</b>	<b>-1</b>	<b>0.9</b>	<b>1.2</b>	<b>1.2</b>
<i>Adjusted loans <sup>c)</sup></i>	<b>4280</b>	<b>5</b>	<b>10</b>	<b>5</b>	<b>1.3</b>	<b>1.6</b>	<b>1.7</b>
2.1. up to 1 year	1042	0	6	-6	-2.6	-2.0	-2.2
2.2. over 1 year and up to 5 years	774	5	-1	4	5.7	5.0	5.2
2.3. over 5 years	2483	1	9	1	1.1	1.4	1.5
<b>3. Loans to non-monetary financial corporations except insurance corporations and pension funds <sup>e), f)</sup></b>	<b>887</b>	<b>-9</b>	<b>-2</b>	<b>-2</b>	<b>-2.0</b>	<b>-1.1</b>	<b>0.0</b>
<b>4. Loans to insurance corporations and pension funds</b>	<b>103</b>	<b>5</b>	<b>-2</b>	<b>-8</b>	<b>-16.5</b>	<b>-21.1</b>	<b>-23.6</b>

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

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.