



EUROPEAN CENTRAL BANK

EUROSISTEM

# PRESS RELEASE

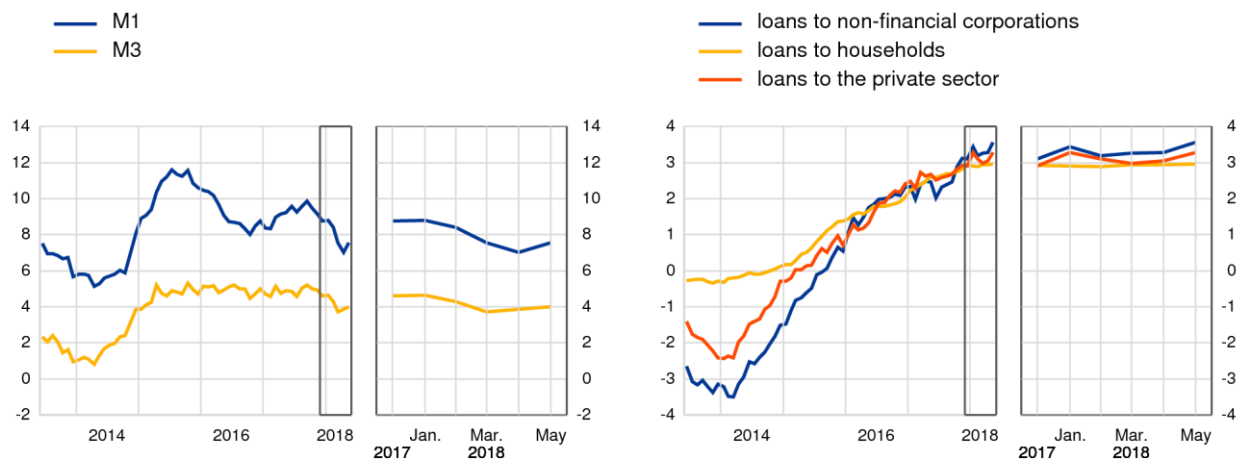
27 June 2018

## Monetary developments in the euro area: May 2018

- Annual growth rate of broad monetary aggregate M3 increased to 4.0% in May 2018 from 3.8% in April (revised from 3.9%)
- Annual growth rate of narrower aggregate M1, comprising currency in circulation and overnight deposits, increased to 7.5% in May from 7.0% in April
- Annual growth rate of adjusted loans to households stood at 2.9% in May, unchanged from previous month
- Annual growth rate of adjusted loans to non-financial corporations increased to 3.6% in May from 3.3% in April

### 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 increased to 4.0% in May 2018 from 3.8% in April, averaging 3.9% in the three months up to May. The components of M3 showed the following developments. The annual growth rate of the narrower aggregate M1, which comprises currency in circulation and overnight deposits, increased to 7.5% in May from 7.0% in April. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) was -1.7% in May, compared with -1.9% in April. The annual growth rate of marketable instruments (M3-M2) was -5.1% in May, compared with -1.2% in April.

Within M3, the annual growth rate of deposits placed by households stood at 4.2% in May, compared with 4.1% in April, while the annual growth rate of deposits placed by non-financial corporations increased to

5.8% in May from 5.6% in April. Finally, the annual growth rate of deposits placed by non-monetary financial corporations (excluding insurance corporations and pension funds) increased to 3.4% in May from 1.4% in April.

### Credit to euro area residents

The annual growth rate of total credit to euro area residents increased to 3.2% in May 2018 from 3.0% in the previous month. The annual growth rate of credit to general government stood at 3.2% in May, unchanged from the previous month, while the annual growth rate of credit to the private sector increased to 3.1% in May from 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) increased to 3.3% in May from 3.0% in April. Among the borrowing sectors, the annual growth rate of adjusted loans to households stood at 2.9% in May, unchanged from the previous month, and the annual growth rate of adjusted loans to non-financial corporations increased to 3.6% in May from 3.3% in April.

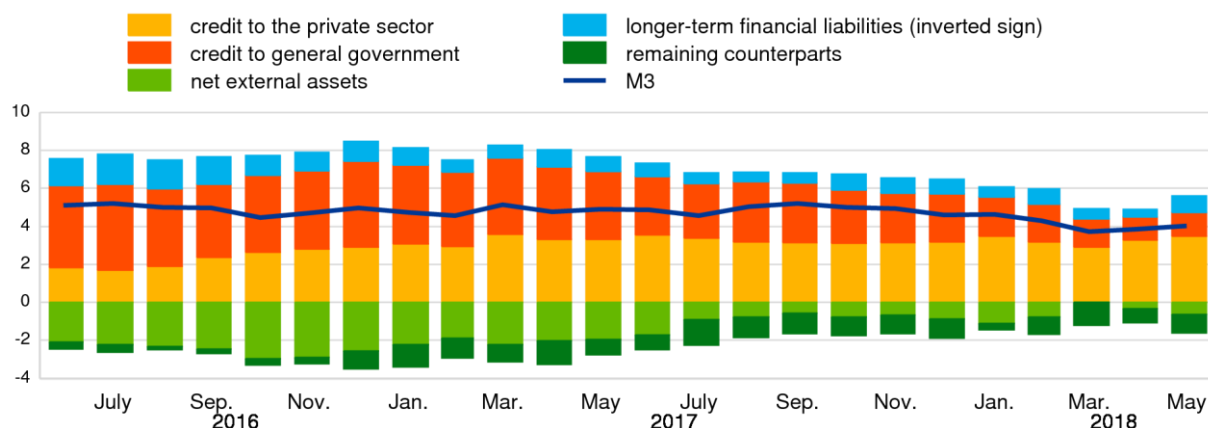
### Longer-term financial liabilities

The annual growth rate of longer-term financial liabilities of the monetary financial institution (MFI) sector was -1.5% in May 2018, compared with -0.7% in April.

### M3 and its counterparts

The annual growth rate of the broad monetary aggregate M3 increased to 4.0% in May 2018 from 3.8% in April. The contributions of M3 counterparts on the MFI balance sheet were as follows: credit to the private sector contributed 3.5 percentage points to the annual growth rate of M3 in May (up from 3.3 percentage points in April), credit to general government contributed 1.2 percentage points (as in the previous month), longer-term financial liabilities contributed 0.9 percentage point (up from 0.4 percentage point), net external assets contributed -0.6 percentage point (down from -0.3 percentage point), and the remaining counterparts of M3 contributed -1.0 percentage point (down from -0.7 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 2018

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

	End-of-month level	Monthly flow			Annual growth rate		
	May 2018	Mar 2018	Apr 2018	May 2018	Mar 2018	Apr 2018	May 2018
<b>COMPONENTS OF M3</b>							
<b>1. M3</b>	<b>12047</b>	<b>32</b>	<b>22</b>	<b>68</b>	<b>3.7</b>	<b>3.8</b>	<b>4.0</b>
1.1. M2	11406	17	13	93	4.4	4.2	4.6
1.1.1. M1	7978	23	21	91	7.5	7.0	7.5
Currency in circulation	1128	-2	9	6	2.4	2.8	3.2
Overnight deposits	6849	25	12	85	8.4	7.7	8.3
1.1.2. Other short-term deposits (M2 - M1)	3429	-6	-8	2	-2.1	-1.9	-1.7
Deposits with an agreed maturity of up to two years	1162	-6	-13	0	-8.6	-8.3	-7.7
Deposits redeemable at notice of up to three months	2266	1	5	1	1.7	1.8	1.7
1.2. Marketable instruments (M3 - M2)	641	15	9	-25	-7.0	-1.2	-5.1
Repurchase agreements	71	-1	3	-7	-1.6	5.3	-3.5
Money market fund shares	504	3	5	-6	-4.8	-1.7	-2.9
Debt securities issued with a maturity of up to two years	65	12	1	-12	-23.2	-4.1	-20.7
<b>COUNTERPARTS OF M3</b>							
<b>MFI liabilities:</b>							
<b>2. Holdings against central government <sup>b)</sup></b>	<b>329</b>	<b>-7</b>	<b>10</b>	<b>-20</b>	<b>11.8</b>	<b>7.2</b>	<b>5.9</b>
<b>3. Longer-term financial liabilities vis-a-vis other euro area residents</b>	<b>6740</b>	<b>19</b>	<b>6</b>	<b>-48</b>	<b>-0.9</b>	<b>-0.7</b>	<b>-1.5</b>
3.1. Deposits with an agreed maturity of over two years	1951	-6	3	-8	-4.1	-3.6	-3.7
3.2. Deposits redeemable at notice of over three months	59	0	0	0	-12.5	-12.8	-10.3
3.3. Debt securities issued with a maturity of over two years	2021	8	-10	-15	-1.6	-1.7	-2.9
3.4. Capital and reserves	2710	16	13	-25	2.4	2.7	1.5
<b>MFI assets:</b>							
<b>4. Credit to euro area residents</b>	<b>17870</b>	<b>18</b>	<b>39</b>	<b>73</b>	<b>2.9</b>	<b>3.0</b>	<b>3.2</b>
4.1. Credit to general government	4571	-12	-5	20	3.9	3.2	3.2
Loans	1023	-2	0	2	-4.0	-4.1	-3.6
Debt securities	3533	-10	-5	17	6.4	5.5	5.4
Equity <sup>c)</sup>	14	0	0	0	0.1	-0.5	1.1
4.2. Credit to the private sector <sup>d)</sup>	13299	31	44	54	2.6	2.9	3.1
Loans <sup>e)</sup>	11009	32	12	48	2.6	2.7	3.0
Adjusted loans <sup>f)</sup>	11301	32	16	51	3.0	3.0	3.3
Debt securities	1490	7	18	5	4.0	5.2	4.5
Equity and non-money market fund investment fund shares	800	-8	15	0	-0.1	1.9	1.9
<b>5. Net external assets</b>	<b>858</b>	<b>79</b>	<b>-37</b>	<b>-53</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>6. Other counterparts of M3 (residual)</b>	<b>389</b>	<b>-54</b>	<b>36</b>	<b>-21</b>	<b>-</b>	<b>-</b>	<b>-</b>
of which:							
6.1. Repos with central counterparties (liabilities) <sup>c)</sup>	177	11	-11	30	-25.6	-28.3	-6.8
6.2. Reverse repos to central counterparties (assets) <sup>c)</sup>	188	5	-12	33	-21.0	-26.4	-11.0

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 2018 (EUR billions and annual percentage changes; data adjusted for seasonal effects <sup>a)</sup>)

	End-of-month level	Monthly flow			Annual growth rate		
	May 2018	Mar 2018	Apr 2018	May 2018	Mar 2018	Apr 2018	May 2018
<b>BREAKDOWN OF DEPOSITS IN M3</b>							
<b>Total deposits</b>	<b>10349</b>	<b>18</b>	<b>7</b>	<b>80</b>	<b>4.6</b>	<b>4.3</b>	<b>4.7</b>
<b>1. Deposits placed by households <sup>b)</sup></b>	<b>6433</b>	<b>16</b>	<b>30</b>	<b>25</b>	<b>4.0</b>	<b>4.1</b>	<b>4.2</b>
1.1. Overnight deposits	3842	21	26	27	8.3	8.3	8.4
1.2. Deposits with an agreed maturity of up to two years	537	-6	-4	-3	-12.4	-11.9	-11.6
1.3. Deposits redeemable at notice of up to three months	2053	1	7	2	1.6	1.8	1.7
1.4. Repurchase agreements	1	0	0	0	-42.2	-40.6	-48.3
<b>2. Deposits placed by non-financial corporations</b>	<b>2297</b>	<b>-9</b>	<b>12</b>	<b>21</b>	<b>5.3</b>	<b>5.6</b>	<b>5.8</b>
2.1. Overnight deposits	1864	7	18	23	8.0	8.4	8.8
2.2. Deposits with an agreed maturity of up to two years	270	-13	-5	-2	-7.4	-7.6	-8.2
2.3. Deposits redeemable at notice of up to three months	156	-1	-2	1	-0.1	-0.5	-0.9
2.4. Repurchase agreements	7	-1	0	-1	17.9	13.2	7.2
<b>3. Deposits placed by non-monetary financial corporations excluding insurance corporations and pension funds <sup>c)</sup></b>	<b>984</b>	<b>9</b>	<b>-41</b>	<b>27</b>	<b>5.2</b>	<b>1.4</b>	<b>3.4</b>
3.1. Overnight deposits	711	-1	-41	28	9.3	2.5	5.1
3.2. Deposits with an agreed maturity of up to two years	207	9	2	5	-4.2	-0.5	2.6
3.3. Deposits redeemable at notice of up to three months	25	0	0	-1	15.6	15.6	13.8
3.4. Repurchase agreements <sup>c)</sup>	41	1	-2	-5	-11.1	-9.6	-19.8
<b>4. Deposits placed by insurance corporations and pension funds</b>	<b>218</b>	<b>2</b>	<b>2</b>	<b>6</b>	<b>10.4</b>	<b>7.1</b>	<b>11.6</b>
<b>5. Deposits placed by other general government</b>	<b>418</b>	<b>-1</b>	<b>4</b>	<b>1</b>	<b>5.4</b>	<b>5.0</b>	<b>4.6</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) Excludes repurchase agreements with central counterparties.

### 3 Contributions of M3 components to the M3 annual growth rate: May 2018

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

	Mar 2018	Apr 2018	May 2018
<b>1. M1</b>	<b>4.8</b>	<b>4.5</b>	<b>4.8</b>
1.1. Currency in circulation	0.2	0.3	0.3
1.2. Overnight deposits	4.6	4.2	4.5
<b>2. M2 - M1 (other short-term deposits)</b>	<b>-0.6</b>	<b>-0.6</b>	<b>-0.5</b>
<b>3. M3 - M2 (marketable instruments)</b>	<b>-0.4</b>	<b>-0.1</b>	<b>-0.3</b>
<b>M3 (items 1, 2 and 3)</b>	<b>3.7</b>	<b>3.8</b>	<b>4.0</b>

a) Figures may not add up due to rounding.

### 4 Breakdown of private sector loans by borrowing sector, type and original maturity: May 2018

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

	End-of-month level	Monthly flow			Annual growth rate		
	May 2018	Mar 2018	Apr 2018	May 2018	Mar 2018	Apr 2018	May 2018
<b>BREAKDOWN OF LOANS AS COUNTERPART TO M3</b>							
<b>1. Loans to households <sup>b)</sup></b>	<b>5653</b>	<b>21</b>	<b>12</b>	<b>14</b>	<b>3.0</b>	<b>3.0</b>	<b>3.1</b>
<i>Adjusted loans <sup>c)</sup></i>	<b>5929</b>	<b>17</b>	<b>13</b>	<b>17</b>	<b>2.9</b>	<b>2.9</b>	<b>2.9</b>
1.1. Credit for consumption	670	3	4	5	7.2	7.4	7.2
1.2. Lending for house purchase	4257	18	8	6	3.0	2.9	3.1
1.3. Other lending	726	1	-1	2	-0.4	-0.4	-0.2
<i>of which: sole proprietors</i>	372	-2	1	0	-1.5	-1.1	-1.2
<b>2. Loans to non-financial corporations</b>	<b>4381</b>	<b>12</b>	<b>12</b>	<b>24</b>	<b>2.2</b>	<b>2.3</b>	<b>2.7</b>
<i>Adjusted loans <sup>c)</sup></i>	<b>4413</b>	<b>17</b>	<b>11</b>	<b>22</b>	<b>3.3</b>	<b>3.3</b>	<b>3.6</b>
2.1. up to 1 year	1011	17	3	4	2.6	3.2	3.3
2.2. over 1 year and up to 5 years	820	-1	-2	5	4.3	3.6	4.1
2.3. over 5 years	2549	-4	11	14	1.4	1.6	2.0
<b>3. Loans to non-monetary financial corporations except insurance corporations and pension funds <sup>d)</sup></b>	<b>855</b>	<b>0</b>	<b>-18</b>	<b>8</b>	<b>2.4</b>	<b>2.8</b>	<b>3.9</b>
<i>Adjusted loans <sup>c)</sup></i>	<b>850</b>	<b>-1</b>	<b>-13</b>	<b>10</b>	<b>2.3</b>	<b>2.7</b>	<b>3.9</b>
<b>4. Loans to insurance corporations and pension funds</b>	<b>121</b>	<b>-2</b>	<b>6</b>	<b>3</b>	<b>-0.4</b>	<b>3.7</b>	<b>8.1</b>
<i>Adjusted loans <sup>c)</sup></i>	<b>109</b>	<b>-1</b>	<b>4</b>	<b>3</b>	<b>-0.9</b>	<b>2.7</b>	<b>5.7</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 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.