



EUROPEAN CENTRAL BANK

EUROSYSTEM

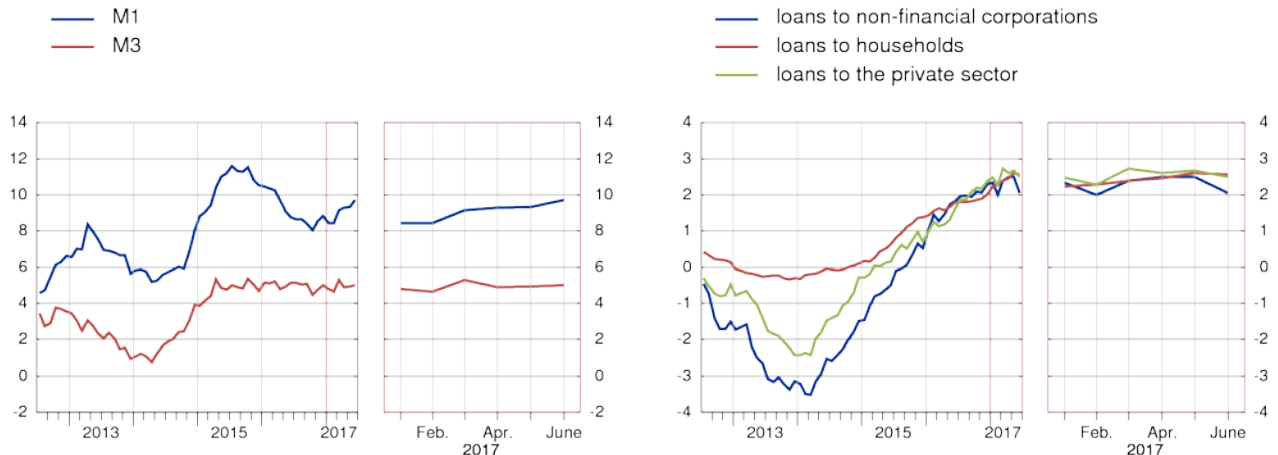
PRESS RELEASE

27 July 2017

Monetary developments in the euro area: June 2017

- The annual growth rate of the broad monetary aggregate M3 stood at 5.0% in June 2017, after 4.9% in May 2017 (revised from 5.0%).
- The annual growth rate of the narrower aggregate M1, which includes currency in circulation and overnight deposits, increased to 9.7% in June, from 9.3% in May.
- The annual growth rate of adjusted loans to households stood at 2.6% in June, unchanged from the previous month.
- The annual growth rate of adjusted loans to non-financial corporations decreased to 2.1% in June, from 2.5% in May¹.

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 2017, 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), increased to 9.7% in June, from 9.3% in May. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) was more negative at -3.0% in June, from -2.8% in May. The annual growth rate of marketable instruments (M3-M2) decreased to -0.8% in June, from 1.2% in May. Within M3, the annual growth rate of deposits placed by households decreased to 4.9% in June, from 5.1%

¹ The decline in the annual growth rate of loans to non-financial corporations in June reflects to a significant extent intragroup transactions.

in May, while the annual growth rate of deposits placed by non-financial corporations increased to 8.4% in June, from 7.5% in May. Finally, the annual growth rate of deposits placed by non-monetary financial corporations (excluding insurance corporations and pension funds) increased to 3.7% in June, from 2.7% in May.

Credit to euro area residents

The annual growth rate of total credit to euro area residents stood at 4.4% in June 2017, compared with 4.5% in the previous month. The annual growth rate of credit to general government decreased to 8.1% in June, from 9.5% in May, while the annual growth rate of credit to the private sector increased to 3.1% in June, from 2.9% in May.

The annual growth rate of adjusted loans to the private sector (i.e. adjusted for loan sales, securitisation and notional cash pooling) decreased to 2.5% in June, from 2.7% in May. In particular, the annual growth rate of adjusted loans to households stood at 2.6% in June, unchanged from the previous month, and the annual growth rate of adjusted loans to non-financial corporations decreased to 2.1% in June, from 2.5% in May.

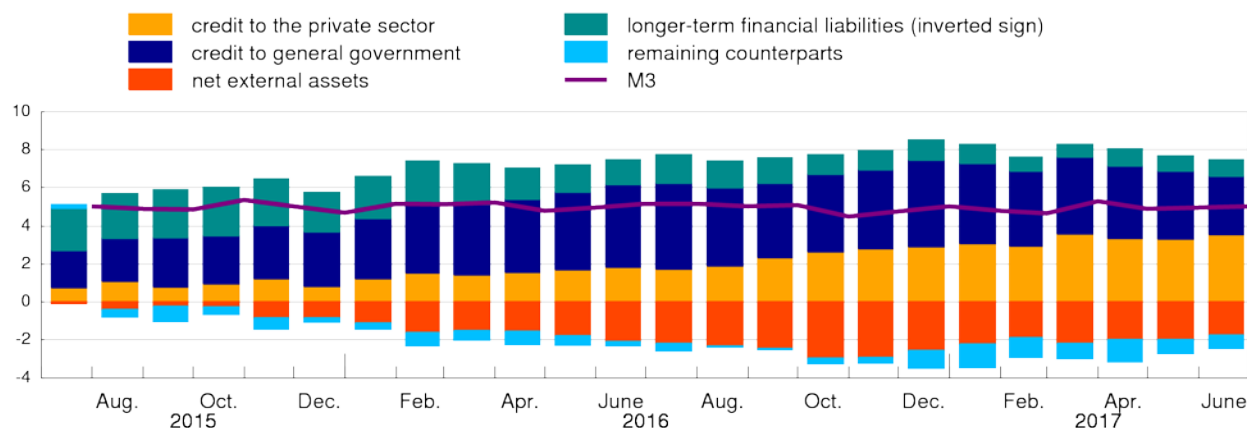
Longer-term financial liabilities

The annual growth rate of longer-term financial liabilities of the MFI sector became more negative at -1.4% in June 2017, from -1.2% in May.

M3 and its counterparts

The annual growth rate of the broad monetary aggregate M3 stood at 5.0% in June 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 -1.7 percentage points, credit to general government contributed 3.0 percentage points, and credit to the private sector contributed 3.5 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:

- 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 2017

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

	End-of-month level	Monthly flow			Annual growth rate		
	Jun 2017	Apr 2017	May 2017	Jun 2017	Apr 2017	May 2017	Jun 2017
COMPONENTS OF M3							
1. M3	11650	-8	39	60	4.9	4.9	5.0
1.1. M2	10986	29	41	66	5.1	5.2	5.4
1.1.1. M1	7532	51	45	64	9.3	9.3	9.7
Currency in circulation	1095	4	0	3	4.2	3.9	3.8
Overnight deposits	6436	47	45	61	10.2	10.3	10.8
1.1.2. Other short-term deposits (M2 - M1)	3455	-22	-4	2	-2.8	-2.8	-3.0
Deposits with an agreed maturity of up to two years	1260	-25	-9	-3	-8.6	-8.6	-9.2
Deposits redeemable at notice of up to three months	2195	3	5	5	0.9	0.9	1.0
1.2. Marketable instruments (M3 - M2)	664	-37	-3	-5	1.3	1.2	-0.8
Repurchase agreements	68	0	0	-4	-16.9	-17.0	-18.3
Money market fund shares	514	-17	-2	-3	8.0	6.9	5.0
Debt securities issued with a maturity of up to two years	81	-19	-1	1	-15.3	-10.9	-14.7
COUNTERPARTS OF M3							
MFI liabilities:							
2. Holdings against central government ^{b)}	297	32	-25	-14	5.5	3.2	-8.2
3. Longer-term financial liabilities vis-a-vis other euro area residents	6764	-20	16	-21	-1.5	-1.2	-1.4
3.1. Deposits with an agreed maturity of over two years	2000	-8	-5	-8	-4.4	-4.5	-4.1
3.2. Deposits redeemable at notice of over three months	67	0	0	0	-9.0	-8.8	-8.1
3.3. Debt securities issued with a maturity of over two years	2063	-6	14	-8	-4.9	-4.2	-4.2
3.4. Capital and reserves	2635	-6	8	-5	4.1	4.0	3.3
MFI assets:							
4. Credit to euro area residents	17422	18	41	17	4.7	4.5	4.4
4.1. Credit to general government	4458	23	14	-16	10.3	9.5	8.1
Loans	1065	2	-3	-2	-4.4	-4.8	-3.8
Debt securities	3378	21	18	-15	15.9	14.9	12.5
Equity ^{c)}	15	0	0	0	6.4	7.1	7.9
4.2. Credit to the private sector ^{d)}	12964	-5	27	33	2.9	2.9	3.1
Loans ^{e)}	10725	-5	14	9	2.2	2.2	2.4
Adjusted loans ^{f)}	11040	6	23	14	2.6	2.7	2.5
Debt securities	1436	3	13	4	7.8	8.0	7.2
Equity and non-money market fund investment fund shares	804	-3	0	20	4.3	3.7	6.4
5. Net external assets	1031	-3	-28	13	-	-	-
6. Other counterparts of M3 (residual)	257	-12	16	-5	-	-	-
of which:							
6.1. Repos with central counterparties (liabilities) ^{c)}	154	-8	-11	-8	-21.6	-23.5	-30.6
6.2. Reverse repos to central counterparties (assets) ^{c)}	110	-8	1	5	-24.8	-23.6	-22.7

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) 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: June 2017 (EUR billions and annual percentage changes; data adjusted for seasonal effects ^{a)})

	End-of-month level	Monthly flow			Annual growth rate		
	Jun 2017	Apr 2017	May 2017	Jun 2017	Apr 2017	May 2017	Jun 2017
BREAKDOWN OF DEPOSITS IN M3							
Total deposits	9960	25	41	59	5.0	5.1	5.3
1. Deposits placed by households ^{b)}	6189	18	18	16	5.3	5.1	4.9
1.1. Overnight deposits	3561	22	19	20	11.4	11.2	10.8
1.2. Deposits with an agreed maturity of up to two years	599	-8	-5	-6	-11.0	-11.6	-12.3
1.3. Deposits redeemable at notice of up to three months	2026	4	5	3	1.2	1.3	1.4
1.4. Repurchase agreements	2	0	-1	0	-9.8	-23.9	-25.4
2. Deposits placed by non-financial corporations	2196	-2	11	25	7.1	7.5	8.4
2.1. Overnight deposits	1775	5	10	23	10.6	10.8	11.6
2.2. Deposits with an agreed maturity of up to two years	295	-7	1	2	-6.8	-5.6	-3.8
2.3. Deposits redeemable at notice of up to three months	119	0	1	1	-0.4	0.0	-0.1
2.4. Repurchase agreements	7	0	-1	0	-20.0	-22.4	-21.2
3. Deposits placed by non-monetary financial corporations excluding insurance corporations and pension funds ^{c)}	976	-8	16	12	1.4	2.7	3.7
3.1. Overnight deposits	700	2	18	13	6.6	8.5	11.3
3.2. Deposits with an agreed maturity of up to two years	210	-9	-2	2	-7.6	-6.1	-9.6
3.3. Deposits redeemable at notice of up to three months	20	0	-1	1	-6.3	-21.0	-12.9
3.4. Repurchase agreements ^{c)}	45	-1	0	-4	-16.2	-15.6	-18.7
4. Deposits placed by insurance corporations and pension funds	199	9	-4	3	-6.5	-7.9	-4.8
5. Deposits placed by other general government	401	8	-1	3	5.4	4.7	5.4

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: June 2017

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

	Apr 2017	May 2017	Jun 2017
1. M1	5.7	5.8	6.0
1.1. Currency in circulation	0.4	0.4	0.4
1.2. Overnight deposits	5.3	5.4	5.6
2. M2 - M1 (other short-term deposits)	-0.9	-0.9	-1.0
3. M3 - M2 (marketable instruments)	0.1	0.1	0.0
M3 (items 1, 2 and 3)	4.9	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: June 2017

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

	End-of-month level	Monthly flow			Annual growth rate		
	Jun 2017	Apr 2017	May 2017	Jun 2017	Apr 2017	May 2017	Jun 2017
BREAKDOWN OF LOANS AS COUNTERPART TO M3							
1. Loans to households ^{b)}	5486	12	9	18	2.6	2.7	3.0
<i>Adjusted loans ^{c)}</i>	5797	11	18	12	2.5	2.6	2.6
1.1. Credit for consumption	634	3	7	1	4.6	6.2	5.8
1.2. Lending for house purchase	4115	11	1	17	3.0	2.9	3.3
1.3. Other lending	737	-2	1	0	-1.1	-1.1	-1.2
<i>of which: sole proprietors</i>	381	-1	1	0	-1.4	-1.1	-1.2
2. Loans to non-financial corporations	4301	7	9	-18	1.7	1.6	1.3
<i>Adjusted loans ^{c)}</i>	4313	10	9	-7	2.5	2.5	2.1
2.1. up to 1 year	989	-3	7	-4	-2.9	-2.5	-2.4
2.2. over 1 year and up to 5 years	797	3	1	-4	5.0	5.0	3.8
2.3. over 5 years	2515	8	1	-9	2.6	2.3	2.0
3. Loans to non-monetary financial corporations except insurance corporations and pension funds ^{d)}	826	-26	0	8	2.5	2.1	3.5
<i>Adjusted loans ^{c)}</i>	827	-16	-3	9	3.7	3.6	3.9
4. Loans to insurance corporations and pension funds	112	2	-3	1	1.5	0.3	8.2
<i>Adjusted loans ^{c)}</i>	103	0	-1	0	7.1	7.3	6.6

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.