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## PRESS RELEASE

### MONETARY DEVELOPMENTS IN THE EURO AREA: MAY 2014

The annual growth rate of the broad monetary aggregate M3 increased to 1.0% in May 2014, from 0.7% in April 2014.<sup>1</sup> The three-month average of the annual growth rates of M3 in the period from March 2014 to May 2014 stood at 0.9%, compared with 1.0% in the period from February 2014 to April 2014.

Twelve-month percentage changes; (adjusted for seasonal and end-of-month calendar effects)	<b>MARCH 2014</b>	<b>APRIL 2014</b>	<b>MAY 2014</b>	<b>MARCH 2014 - MAY 2014 (AVERAGE)</b>
<b>M3</b>	1.0	0.7	1.0	0.9
<b>M1</b>	5.6	5.2	5.0	5.3
<b>Loans to the private sector</b>	-2.2	-1.8	-2.0	-2.0
<b>Loans to the private sector, adjusted for sales and securitisation</b>	-2.0	-1.6	-1.4	-1.6

#### **M3 components**

Regarding the main components of M3, the annual growth rate of M1 decreased to 5.0% in May 2014, from 5.2% in April. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) was less negative at -1.9% in May, from -2.4% in the previous month. The annual growth rate of marketable instruments (M3-M2) was less negative at -13.4% in May, from -15.3% in April. Among the deposits included in M3, the annual growth rate of deposits placed by households stood at 1.6% in May, compared with 1.5% in the previous month, while the annual growth rate of deposits placed by non-financial corporations increased to 5.9% in May, from 5.7% in the previous month. Finally, the annual growth rate of deposits placed by non-monetary financial intermediaries (excluding insurance corporations and pension funds) was less negative at -3.9% in May, from -5.2% in the previous month.

#### **Counterparts to M3: credit and loans**

Turning to the main counterparts of M3 on the asset side of the consolidated balance sheet of Monetary Financial Institutions (MFIs), the annual growth rate of total credit granted to euro area residents stood at -2.3% in May 2014, compared with -2.2% in the previous month. The annual

<sup>1</sup> The annual growth rates presented in this press release refer to aggregates adjusted for seasonal and end-of-month calendar effects.

growth rate of credit extended to general government was more negative at -1.4% in May, from -0.9% in April, while the annual growth rate of credit extended to the private sector stood at -2.5% in May, unchanged from the previous month. Among the components of credit to the private sector, the annual growth rate of loans was more negative at -2.0% in May, from -1.8% in the previous month (adjusted for loan sales and securitisation<sup>2</sup>, the rate was less negative at -1.4%, from -1.6% in the previous month). The annual growth rate of loans to households decreased to -0.7% in May, from 0.0% in April (adjusted for loan sales and securitisation, the rate stood at 0.5%, compared with 0.4% in the previous month). The annual growth rate of lending for house purchase, the most important component of household loans, decreased to -0.3% in May, from 0.7% in the previous month. The annual growth rate of loans to non-financial corporations was less negative at -2.6% in May, from -2.8% in the previous month (adjusted for loan sales and securitisation, the rate was less negative at -2.5% in May, from -2.8% in the previous month). Finally, the annual growth rate of loans to non-monetary financial intermediaries (excluding insurance corporations and pension funds) was less negative at -6.7% in May, from -7.4% in the previous month.

### **Other counterparts**

Over the 12 months up to May 2014, the net external asset position of the euro area MFI sector increased by €345 billion, compared with an increase of €372 billion over the 12 months up to April. The annual growth rate of longer-term financial liabilities of the MFI sector stood at -1.2% in May, compared with -1.1% in April.

### Notes

- Further predefined tables, statistical data and methodological notes, as well as the advance 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 in the ECB's Statistical Data Warehouse at <http://sdw.ecb.europa.eu/reports.do?node=1000003503>.

### **European Central Bank**

Directorate General Communications and Language Services

Press and Information Division

Kaiserstrasse 29, D-60311 Frankfurt am Main

Tel.: +49 69 1344 7455, Fax: +49 69 1344 7404

Internet: <http://www.ecb.europa.eu>

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<sup>2</sup> Adjusted for the derecognition of loans from the MFIs' statistical balance sheets due to their sale or securitisation.

# I Monetary developments in the euro area: MAY 2014

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

	END-OF-MONTH LEVEL	MONTHLY FLOW <sup>b)</sup>			ANNUAL GROWTH RATE		
	MAY 2014	MARCH 2014	APRIL 2014	MAY 2014	MARCH 2014	APRIL 2014	MAY 2014
<b>COMPONENTS OF M3 <sup>c)</sup></b>							
<b>(1) M3</b> (= items 1.3, 1.6 and 1.11)	9924	-31	-5	45	1.0	0.7	1.0
(1.1) Currency in circulation	929	7	-1	3	6.5	5.3	5.5
(1.2) Overnight deposits	4602	-11	10	28	5.4	5.2	4.9
<b>(1.3) M1</b> (items 1.1 and 1.2)	5531	-4	9	31	5.6	5.2	5.0
(1.4) Deposits with an agreed maturity of up to two years	1673	3	-3	8	-6.4	-6.0	-4.7
(1.5) Deposits redeemable at notice of up to three months	2127	5	0	3	1.1	0.7	0.5
(1.6) Other short term deposits (items 1.4 and 1.5)	3800	9	-3	11	-2.3	-2.4	-1.9
<b>(1.7) M2</b> (items 1.3 and 1.6)	9331	5	6	41	2.2	2.0	2.1
(1.8) Repurchase agreements	121	-13	2	1	-9.9	-7.9	-7.1
(1.9) Money market fund shares/units	395	-19	0	-7	-12.0	-10.8	-11.2
(1.10) Debt securities issued with a maturity of up to two years	77	-3	-13	9	-28.4	-39.1	-27.9
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	593	-35	-11	4	-14.6	-15.3	-13.4
<b>COUNTERPARTS OF M3</b>							
<b>MFI liabilities:</b>							
<b>(2) Holdings against central government <sup>d)</sup></b>	277	-3	6	13	-12.2	1.6	-8.5
<b>(3) Longer-term financial liabilities vis-a-vis other euro area residents</b> (= items 3.1 to 3.4)	7322	24	-25	-12	-1.0	-1.1	-1.2
(3.1) Deposits with an agreed maturity of over two years	2311	-2	-37	-12	-1.7	-2.7	-3.5
(3.2) Deposits redeemable at notice of over three months	91	0	0	0	-9.6	-8.3	-6.7
(3.3) Debt securities issued with a maturity of over two years	2481	3	-5	5	-4.6	-4.1	-3.2
(3.4) Capital and reserves	2440	23	16	-5	4.0	4.3	3.6
<b>MFI assets:</b>							
<b>(4) Credit to euro area residents</b> (= items 4.1 and 4.2)	16078	-23	-28	-18	-2.2	-2.2	-2.3
(4.1) Credit to general government	3466	-11	0	1	-0.9	-0.9	-1.4
Loans	1116	-3	-8	10	-3.1	-3.9	-1.6
Securities other than shares	2350	-8	8	-8	0.2	0.6	-1.3
(4.2) Credit to other euro area residents	12612	-12	-28	-19	-2.5	-2.5	-2.5
Loans <sup>e)</sup>	10495	-4	22	-54	-2.2	-1.8	-2.0
loans adjusted for sales and securitisation <sup>f)</sup>	ND	-4	23	-5	-2.0	-1.6	-1.4
Securities other than shares	1320	-11	-43	35	-6.8	-9.8	-7.7
Shares and other equities	797	4	-7	0	1.0	0.2	-0.7
<b>(5) Net external assets</b>	1305	32	11	27	ND	ND	ND
<b>(6) Other counterparts of M3 (residual)</b> (= M3 + items 2, 3 - items 4, 5)	140	-20	-8	37	ND	ND	ND
of which:							
(6.1) Repos with central counterparties (liabilities)(+) <sup>g)</sup>	147	-1	-14	-16	-12.8	-16.8	-27.8
(6.2) Reverse repos to central counterparties (assets)(-) <sup>g)</sup>	96	3	-13	-9	0.0	-10.0	-19.9

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.

b) Monthly difference in levels adjusted for reclassifications, exchange rate variations, other revaluations and any other changes which do not arise from transactions.

c) Liabilities of MFIs and specific units of central government (post offices, treasury) vis-à-vis non-MFI euro area residents excluding central government.

d) Includes holdings of the central government of deposits with the MFI sector and of securities issued by the MFI 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.

g) The series is not adjusted for seasonal effects.

## 2 Breakdown of deposits in M3 by holding sector and type: MAY 2014

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

	END-OF-MONTH LEVEL	MONTHLY FLOW <sup>b)</sup>			ANNUAL GROWTH RATE		
	MAY 2014	MARCH 2014	APRIL 2014	MAY 2014	MARCH 2014	APRIL 2014	MAY 2014
<b>BREAKDOWN OF DEPOSITS IN M3</b>							
<b>Total deposits</b> (= items 1, 2, 3, 4 and 5)	8523	-16	9	40	1.6	1.5	1.6
<b>(1) Deposits placed by households <sup>c)</sup></b>	5461	13	6	15	1.6	1.5	1.6
(1.1) Overnight deposits	2604	9	9	13	7.2	6.9	6.8
(1.2) Deposits with an agreed maturity of up to two years	861	-1	-4	0	-9.9	-9.5	-8.9
(1.3) Deposits redeemable at notice of up to three months	1990	5	1	3	0.6	0.3	0.2
(1.4) Repurchase agreements	5	0	0	-1	-30.9	-21.8	-26.1
<b>(2) Deposits placed by non-financial corporations</b>	1746	-11	5	6	5.7	5.7	5.9
(2.1) Overnight deposits	1236	-2	3	7	8.0	7.9	7.7
(2.2) Deposits with an agreed maturity of up to two years	398	-6	-1	1	-1.4	-1.7	0.5
(2.3) Deposits redeemable at notice of up to three months	97	0	0	0	5.6	5.6	5.3
(2.4) Repurchase agreements	15	-3	2	-2	23.4	51.8	26.5
<b>(3) Deposits placed by non-monetary financial intermediaries excluding insurance corporations and pension funds <sup>d)</sup></b>	802	-16	0	22	-5.5	-5.2	-3.9
(3.1) Overnight deposits	473	-17	-4	15	-4.1	-4.8	-4.2
(3.2) Deposits with an agreed maturity of up to two years	231	9	5	3	-5.6	-3.0	-0.7
(3.3) Deposits redeemable at notice of up to three months	16	0	-1	0	23.3	13.4	13.0
(3.4) Repurchase agreements <sup>d)</sup>	81	-8	0	4	-17.2	-16.0	-13.3
<b>(4) Deposits placed by insurance corporations and pension funds</b>	206	0	0	0	-4.4	-4.4	-4.7
<b>(5) Deposits placed by other general government</b>	309	-3	-2	-3	2.2	0.5	-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.

b) Monthly difference in levels adjusted for reclassifications, exchange rate variations, other revaluations and any other changes which do not arise from transactions.

c) Includes deposits by non-profit institutions serving households.

d) Excludes repurchase agreements with central counterparties.

### 3 Contributions of M3 components to the M3 annual growth rate: MAY 2014

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

	MARCH 2014	APRIL 2014	MAY 2014
<b>(1) M1</b>	3.0	2.7	2.7
(1.1) <i>of which:</i> Currency	0.6	0.5	0.5
(1.2) <i>of which:</i> Overnight deposits	2.4	2.3	2.2
<b>(2) M2 - M1 (= other short-term deposits)</b>	-0.9	-0.9	-0.7
<b>(3) M3 - M2 (= short term marketable instruments)</b>	-1.1	-1.1	-0.9
<b>(4) M3 (= items 1, 2 and 3)</b>	1.0	0.7	1.0

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 2014

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

	END-OF-MONTH LEVEL	MONTHLY FLOW <sup>b)</sup>			ANNUAL GROWTH RATE		
	MAY 2014	MARCH 2014	APRIL 2014	MAY 2014	MARCH 2014	APRIL 2014	MAY 2014
<b>BREAKDOWN OF LOANS AS COUNTERPART TO M3<sup>c)</sup></b>							
<b>(1) Loans to households<sup>d)</sup></b>	5192	3	5	-43	-0.1	0.0	-0.7
<i>loans adjusted for sales and securitisation<sup>e)</sup></i>	ND	2	3	3	0.4	0.4	0.5
(1.1) Credit for consumption	568	1	-1	-2	-1.9	-2.1	-2.2
(1.2) Lending for house purchase	3833	2	5	-39	0.6	0.7	-0.3
(1.3) Other lending	791	0	1	-2	-1.9	-1.7	-1.7
<i>of which: sole proprietors<sup>f)</sup></i>	398	0	-1	-1	-2.1	-2.0	-2.1
<b>(2) Loans to non-financial corporations</b>	4319	-4	-6	-8	-3.1	-2.8	-2.6
<i>loans adjusted for sales and securitisation<sup>e)</sup></i>	ND	-3	-3	-4	-3.1	-2.8	-2.5
(2.1) up to 1 year	1038	12	-11	-9	-4.9	-5.1	-4.9
(2.2) over 1 year and up to 5 years	740	-6	7	-1	-5.0	-3.6	-3.8
(2.3) over 5 years	2541	-10	-3	2	-1.7	-1.5	-1.2
<b>(3) Loans to non-monetary financial intermediaries except insurance corporations and pension funds<sup>g)</sup></b>	888	-2	24	1	-10.6	-7.4	-6.7
<b>(4) Loans to insurance corporations and pension funds</b>	96	-1	-1	-4	9.0	5.4	2.8

a) Figures may not add up due to rounding.

b) Monthly difference in levels adjusted for write-offs/write-downs, reclassifications, exchange rate variations and any other changes which do not arise from transactions.

c) Loans granted by monetary financial institutions (MFIs) to non-MFI euro area residents excluding general government.

d) Includes loans to non-profit institutions serving households.

e) Adjusted for the derecognition of loans from the MFI statistical balance sheet due to their sale or securitisation.

f) The series is not adjusted for seasonal effects.

g) Excludes reverse repos to central counterparties.