

## **PRESS RELEASE**

### **MONETARY DEVELOPMENTS IN THE EURO AREA: MAY 2011**

The annual growth rate of the broad monetary aggregate M3 increased to 2.4% in May 2011, from 2.0% in April 2011.<sup>1</sup> The three-month average of the annual growth rates of M3 in the period from March 2011 to May 2011 stood at 2.2%, compared with 2.1% in the period from February 2011 to April 2011.

Twelve-month percentage changes; (adjusted for seasonal and end-of-month calendar effects)	<b>MARCH 2011</b>	<b>APRIL 2011</b>	<b>MAY 2011</b>	<b>MARCH 2011 - MAY 2011 (AVERAGE)</b>
<b>M3</b>	2.3	2.0	2.4	2.2
<b>M1</b>	2.9	1.6	1.2	1.9
<b>Loans to the private sector</b>	2.5	2.6	2.7	2.6
<b>Loans to the private sector, adjusted for sales and securitisation</b>	2.8	2.8	2.9	2.9

#### **M3 components**

Regarding the main components of M3, the annual growth rate of M1 decreased to 1.2% in May 2011, from 1.6% in April. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) increased to 3.9% in May, from 3.3% in the previous month. The annual growth rate of marketable instruments (M3-M2) increased to 2.7% in May, from -0.8% in April. Among the deposits included in M3, the annual growth rate of deposits placed by households stood at 2.3% in May, unchanged from the previous month, while the annual growth rate of deposits placed by non-financial corporations increased to 3.7% in May, from 3.3% in the previous month. Finally, the annual growth rate of deposits placed by non-monetary financial intermediaries (excluding insurance corporations and pension funds) increased to 11.2% in May, from 8.3% 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 3.1% in May 2011, compared with 3.2% in the previous month. The annual growth rate of credit extended to general government decreased to 6.2% in May, from 7.4% in April, while the annual growth rate of credit extended to the private sector stood at 2.4% in May, compared with 2.3% in the previous month. Among

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

the components of credit to the private sector, the annual growth rate of loans stood at 2.7% in May, compared with 2.6% in the previous month (adjusted for loan sales and securitisation<sup>2</sup>, the rate stood at 2.9%, compared with 2.8% in the previous month). The annual growth rate of loans to households stood at 3.4% in May, unchanged from the previous month (adjusted for loan sales and securitisation, the rate stood at 3.1%, compared with 3.0%). The annual growth rate of loans to non-financial corporations stood at 0.9% in May, unchanged from the previous month (adjusted for loan sales and securitisation, the rate stood at 1.8% in May, compared with 1.9% in the previous month). The annual growth rate of lending for house purchase, the most important component of household loans, stood at 4.4% in May, unchanged from the previous month. Finally, the annual growth rate of loans to non-monetary financial intermediaries (excluding insurance corporations and pension funds) increased to 7.3% in May, from 6.1% in the previous month.

### **Other counterparts**

Over the 12 months up to May 2011, the net external asset position of the euro area MFI sector increased by €52 billion, compared with an increase of €73 billion over the 12 months up to April. The annual growth rate of longer-term financial liabilities of the MFI sector increased to 4.2% in May, from 4.0% 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>

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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.

TABLE 1

## MONETARY DEVELOPMENTS IN THE EURO AREA: MAY 2011

DATA ADJUSTED FOR SEASONAL EFFECTS

(EUR billions and annual percentage changes<sup>a)</sup>)

	END-OF-MONTH LEVEL	MONTHLY FLOW <sup>b)</sup>			ANNUAL GROWTH RATE		
	MAY 2011	MARCH 2011	APRIL 2011	MAY 2011	MARCH 2011	APRIL 2011	MAY 2011
<b>COMPONENTS OF M3<sup>c)</sup></b>							
(1) <b>M3</b> (= items 1.3, 1.6 and 1.11)	9647	29	-1	49	2.3	2.0	2.4
(1.1) Currency in circulation	813	-2	0	10	3.7	4.3	4.4
(1.2) Overnight deposits	3878	23	-14	-17	2.8	1.1	0.5
(1.3) <b>M1</b> (items 1.1 and 1.2)	4691	22	-14	-7	2.9	1.6	1.2
(1.4) Deposits with an agreed maturity of up to two years	1854	4	11	16	-0.2	2.3	3.2
(1.5) Deposits redeemable at notice of up to three months	1934	2	-1	10	4.8	4.3	4.6
(1.6) Other short term deposits (items 1.4 and 1.5)	3788	6	10	26	2.3	3.3	3.9
(1.7) <b>M2</b> (items 1.3 and 1.6)	8478	28	-4	20	2.7	2.4	2.4
(1.8) Repurchase agreements	458	-16	5	39	21.9	20.0	29.8
(1.9) Money market fund shares/units	556	0	-5	-8	-13.1	-13.0	-13.0
(1.10) Debt securities issued with a maturity of up to two years	155	17	3	-2	-0.6	1.1	4.4
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	1169	2	3	29	-0.7	-0.8	2.7
<b>COUNTERPARTS OF M3</b>							
<b>MFI liabilities:</b>							
(2) <i>Holdings against central government<sup>d)</sup></i>	286	-29	24	-25	10.9	22.9	2.0
(3) <i>Longer-term financial liabilities vis-à-vis other euro area residents</i> (= items 3.1 to 3.4)	7534	14	47	17	3.9	4.0	4.2
(3.1) Deposits with an agreed maturity of over two years	2486	6	15	-3	3.9	3.8	3.9
(3.2) Deposits redeemable at notice of over three months	120	0	0	0	-9.3	-8.8	-7.9
(3.3) Debt securities issued with a maturity of over two years	2840	4	20	4	2.7	3.0	3.7
(3.4) Capital and reserves	2089	3	13	17	6.7	6.6	6.3
<b>MFI assets:</b>							
(4) <i>Credit to euro area residents</i> (= items 4.1 and 4.2)	16559	-51	11	21	3.2	3.2	3.1
(4.1) Credit to general government	3081	-30	-15	5	8.0	7.4	6.2
Loans	1181	-3	-23	-16	14.0	12.7	9.0
Securities other than shares	1899	-27	9	20	4.6	4.6	4.7
(4.2) Credit to other euro area residents	13478	-22	26	16	2.2	2.3	2.4
Loans <sup>e)</sup>	11197	3	28	31	2.5	2.6	2.7
<i>loans adjusted for sales and securitisation<sup>f)</sup></i>	ND	-18	33	34	2.8	2.8	2.9
Securities other than shares	1501	-29	-4	-7	-0.8	-1.0	-0.3
Shares and other equities	780	5	1	-8	3.4	4.5	4.1
(5) <i>Net external assets</i>	810	134	-14	12	ND	ND	ND
(6) <i>Other counterparts of M3 (residual)</i> (= M3 + items 2, 3 - items 4, 5)	98	-69	74	8	ND	ND	ND

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 the 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.

TABLE 2

## BREAKDOWN OF DEPOSITS IN M3 BY HOLDING SECTOR AND TYPE: MAY 2011

DATA ADJUSTED FOR SEASONAL EFFECTS

(EUR billions and annual percentage changes<sup>a)</sup>)

	END-OF-MONTH LEVEL	MONTHLY FLOW <sup>b)</sup>			ANNUAL GROWTH RATE		
	MAY 2011	MARCH 2011	APRIL 2011	MAY 2011	MARCH 2011	APRIL 2011	MAY 2011
<b>BREAKDOWN OF DEPOSITS IN M3</b>							
<b>Total deposits</b> (=items 1, 2, 3, 4 and 5)	8123	14	1	48	3.4	3.0	3.4
(1) <b>Deposits placed by households<sup>c)</sup></b>	5035	9	-4	12	2.2	2.3	2.3
(1.1) Overnight deposits	2255	4	-7	-1	2.4	2.0	1.7
(1.2) Deposits with an agreed maturity of up to two years	911	-1	2	2	-3.3	-1.7	-0.8
(1.3) Deposits redeemable at notice of up to three months	1835	4	0	9	5.2	4.9	4.7
(1.4) Repurchase agreements	35	0	2	2	-13.1	-3.2	5.9
(2) <b>Deposits placed by non-financial corporations</b>	1555	7	-2	-6	4.1	3.3	3.7
(2.1) Overnight deposits	997	9	-2	-12	2.2	0.3	-0.1
(2.2) Deposits with an agreed maturity of up to two years	462	0	-3	3	8.8	10.0	11.7
(2.3) Deposits redeemable at notice of up to three months	76	-2	-1	0	4.0	1.3	3.7
(2.4) Repurchase agreements	20	0	4	2	-3.1	18.7	31.1
(3) <b>Deposits placed by non-monetary financial intermediaries excluding insurance corporations and pension funds</b>	1079	-7	-1	42	11.7	8.3	11.2
(3.1) Overnight deposits	361	6	-3	-10	14.5	4.8	1.2
(3.2) Deposits with an agreed maturity of up to two years	325	3	9	12	-4.1	2.7	4.5
(3.3) Deposits redeemable at notice of up to three months	12	0	-1	1	-46.9	-53.2	-25.2
(3.4) Repurchase agreements	382	-15	-5	38	30.1	22.3	31.8
of which: with central counterparties <sup>d)</sup>	288	-7	3	41	.	.	.
(4) <b>Deposits placed by insurance corporations and pension funds</b>	188	-2	12	-3	-4.8	0.1	-2.6
(5) <b>Deposits placed by other general government</b>	266	7	-4	4	-1.6	-2.9	-1.6

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.

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) The series is not adjusted for seasonal effects.

TABLE 3

## CONTRIBUTIONS OF M3 COMPONENTS TO THE M3 ANNUAL GROWTH RATE: MAY 2011

DATA ADJUSTED FOR SEASONAL EFFECTS

(contributions in terms of the M3 annual percentage change<sup>a)</sup>)

	MARCH 2011	APRIL 2011	MAY 2011
(1) <b>M1</b>	1.4	0.8	0.6
(1.1) <i>of which</i> : Currency	0.3	0.3	0.4
(1.2) <i>of which</i> : Overnight deposits	1.1	0.5	0.2
(2) <b>M2 - M1</b> (= other short-term deposits)	0.9	1.3	1.5
(3) <b>M3 - M2</b> (= short-term marketable instruments)	-0.1	-0.1	0.3
(4) <b>M3</b> (= items 1, 2 and 3)	2.3	2.0	2.4

a) Figures may not add up due to rounding.

TABLE 4

## BREAKDOWN OF LOANS BY BORROWING SECTOR, TYPE AND ORIGINAL MATURITY: MAY 2011

DATA ADJUSTED FOR SEASONAL EFFECTS

(EUR billions and annual percentage changes<sup>a)</sup>)

	END-OF-MONTH LEVEL	MONTHLY FLOW <sup>b)</sup>			ANNUAL GROWTH RATE		
	MAY 2011	MARCH 2011	APRIL 2011	MAY 2011	MARCH 2011	APRIL 2011	MAY 2011
<b>BREAKDOWN OF LOANS<sup>c)</sup></b>							
(1) <b>Loans to households<sup>d)</sup></b>	5253	33	13	11	3.4	3.4	3.4
<i>loans adjusted for sales and securitisation<sup>e)</sup></i>	ND	12	15	12	3.0	3.0	3.1
(1.1) Credit for consumption	636	0	1	-2	-0.7	-0.5	-0.7
(1.2) Lending for house purchase	3787	34	11	9	4.4	4.4	4.4
(1.3) Other lending	831	-1	1	4	2.0	1.8	2.0
<i>of which: sole proprietors<sup>f)</sup></i>	402	-1	0	2	.	.	.
(2) <b>Loans to non-financial corporations</b>	4714	4	-2	10	0.8	0.9	0.9
<i>loans adjusted for sales and securitisation<sup>e)</sup></i>	ND	4	-1	10	1.8	1.9	1.8
(2.1) up to 1 year	1153	-1	3	4	-0.4	1.0	0.9
(2.2) over 1 year and up to 5 years	880	-2	-8	3	-1.8	-2.6	-2.1
(3.3) over 5 years	2681	7	3	3	2.3	2.1	1.9
(3) <b>Loans to non-monetary financial intermediaries except insurance corporations and pension funds</b>	1143	-29	19	9	5.6	6.1	7.3
<i>of which: reverse repos to central counterparties<sup>f)</sup></i>	162	-21	9	16	.	.	.
(4) <b>Loans to insurance corporations and pension funds</b>	87	-5	-2	1	5.7	1.0	2.6

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.