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PRESS RELEASE

MONETARY DEVELOPMENTS IN THE EURO AREA: JUNE 2011

The annual growth rate of the broad monetary aggregate M3 decreased to 2.1% in June 2011, from 2.5% in May 2011.¹ The three-month average of the annual growth rates of M3 in the period from April 2011 to June 2011 stood at 2.2%, unchanged from the previous period.

Twelve-month percentage changes; (adjusted for seasonal and end-of-month calendar effects)	APRIL 2011	MAY 2011	JUNE 2011	APRIL 2011 - JUNE 2011 (AVERAGE)
M3	2.0	2.5	2.1	2.2
M1	1.6	1.2	1.2	1.4
Loans to the private sector	2.6	2.7	2.5	2.6
Loans to the private sector, adjusted for sales and securitisation	2.8	3.0	2.7	2.8

M3 components

Regarding the main components of M3, the annual growth rate of M1 stood at 1.2% in June 2011, unchanged from the previous month. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) decreased to 3.7% in June, from 3.9% in the previous month. The annual growth rate of marketable instruments (M3-M2) decreased to 0.5% in June, from 2.9% in May. Among the deposits included in M3, the annual growth rate of deposits placed by households decreased to 2.1% in June, from 2.3% in the previous month, while the annual growth rate of deposits placed by non-financial corporations increased to 4.5% in June, from 3.7% in the previous month. Finally, the annual growth rate of deposits placed by non-monetary financial intermediaries (excluding insurance corporations and pension funds) decreased to 6.1% in June, from 11.2% 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 decreased to 2.6% in June 2011, from 3.1% in the previous month. The annual growth rate of credit extended to general government decreased to 4.6% in June, from 5.7% in May, while the annual growth rate of credit extended to the private sector decreased to 2.2% in June, from 2.5% in the previous month. Among the

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

components of credit to the private sector, the annual growth rate of loans decreased to 2.5% in June, from 2.7% in the previous month (adjusted for loan sales and securitisation², the rate decreased to 2.7%, from 3.0% in the previous month). The annual growth rate of loans to households decreased to 3.2% in June, from 3.4% in May (adjusted for loan sales and securitisation, the rate decreased to 2.9%, from 3.1%). The annual growth rate of loans to non-financial corporations increased to 1.5% in June, from 0.9% (adjusted for loan sales and securitisation, the rate increased to 2.3% in June, from 1.8% in the previous month). The annual growth rate of lending for house purchase, the most important component of household loans, stood at 4.3% in June, compared with 4.4% in the previous month. Finally, the annual growth rate of loans to non-monetary financial intermediaries (excluding insurance corporations and pension funds) decreased to 3.4% in June, from 7.3% in the previous month.

Other counterparts

Over the 12 months up to June 2011, the net external asset position of the euro area MFI sector increased by €137 billion, compared with an increase of €54 billion over the 12 months up to May. The annual growth rate of longer-term financial liabilities of the MFI sector increased to 4.6% in June, from 4.3% in May.

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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² 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: JUNE 2011

DATA ADJUSTED FOR SEASONAL EFFECTS

(EUR billions and annual percentage changes^{a)})

	END-OF-MONTH LEVEL	MONTHLY FLOW ^{b)}			ANNUAL GROWTH RATE		
	JUNE 2011	APRIL 2011	MAY 2011	JUNE 2011	APRIL 2011	MAY 2011	JUNE 2011
COMPONENTS OF M3 ^{c)}							
(1) M3 (= items 1.3, 1.6 and 1.11)	9652	4	51	4	2.0	2.5	2.1
(1.1) Currency in circulation	815	0	10	3	4.3	4.3	4.1
(1.2) Overnight deposits	3891	-14	-17	13	1.1	0.6	0.7
(1.3) M1 (items 1.1 and 1.2)	4706	-14	-7	16	1.6	1.2	1.2
(1.4) Deposits with an agreed maturity of up to two years	1845	11	16	-8	2.3	3.2	3.1
(1.5) Deposits redeemable at notice of up to three months	1938	-1	11	4	4.3	4.6	4.3
(1.6) Other short term deposits (items 1.4 and 1.5)	3783	10	26	-4	3.3	3.9	3.7
(1.7) M2 (items 1.3 and 1.6)	8489	-4	20	12	2.4	2.4	2.3
(1.8) Repurchase agreements	442	8	39	-15	20.0	29.8	14.2
(1.9) Money market fund shares/units	549	-5	-8	-6	-13.0	-13.1	-12.6
(1.10) Debt securities issued with a maturity of up to two years	172	3	1	13	1.1	6.1	21.5
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	1163	7	32	-8	-0.8	2.9	0.5
COUNTERPARTS OF M3							
MFI liabilities:							
(2) Holdings against central government ^{d)}	307	24	-25	20	22.9	2.1	12.7
(3) Longer-term financial liabilities vis-à-vis other euro area residents (= items 3.1 to 3.4)	7527	47	24	4	4.0	4.3	4.6
(3.1) Deposits with an agreed maturity of over two years	2489	15	0	1	3.8	4.1	4.5
(3.2) Deposits redeemable at notice of over three months	120	0	0	0	-8.8	-7.9	-6.3
(3.3) Debt securities issued with a maturity of over two years	2840	20	6	1	3.0	3.7	4.5
(3.4) Capital and reserves	2077	13	18	3	6.6	6.4	5.8
MFI assets:							
(4) Credit to euro area residents (= items 4.1 and 4.2)	16517	11	21	-28	3.2	3.1	2.6
(4.1) Credit to general government	3060	-15	-10	-6	7.4	5.7	4.6
Loans	1164	-23	-16	-17	12.7	9.0	6.7
Securities other than shares	1896	9	6	11	4.6	3.9	3.6
(4.2) Credit to other euro area residents	13458	26	31	-23	2.3	2.5	2.2
Loans ^{e)}	11193	28	32	-1	2.6	2.7	2.5
loans adjusted for sales and securitisation ^{f)}	ND	32	35	0	2.8	3.0	2.7
Securities other than shares	1476	-4	2	-31	-1.0	0.2	-1.7
Shares and other equities	788	1	-3	9	4.5	4.8	4.9
(5) Net external assets	841	-10	14	42	ND	ND	ND
(6) Other counterparts of M3 (residual) (= M3 + items 2, 3 - items 4, 5)	127	74	16	15	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: JUNE 2011

DATA ADJUSTED FOR SEASONAL EFFECTS

(EUR billions and annual percentage changes^{a)})

	END-OF-MONTH LEVEL	MONTHLY FLOW ^{b)}			ANNUAL GROWTH RATE		
	JUNE 2011	APRIL 2011	MAY 2011	JUNE 2011	APRIL 2011	MAY 2011	JUNE 2011
BREAKDOWN OF DEPOSITS IN M3							
Total deposits (=items 1, 2, 3, 4 and 5)	8116	5	49	-6	3.0	3.4	2.7
(1) Deposits placed by households^{c)}	5041	-4	12	6	2.3	2.3	2.1
(1.1) Overnight deposits	2257	-7	-1	2	2.0	1.7	1.2
(1.2) Deposits with an agreed maturity of up to two years	911	2	2	1	-1.7	-0.9	-0.2
(1.3) Deposits redeemable at notice of up to three months	1839	0	9	4	4.9	4.7	4.3
(1.4) Repurchase agreements	35	2	2	0	-3.2	5.9	10.3
(2) Deposits placed by non-financial corporations	1562	-2	-6	7	3.3	3.7	4.5
(2.1) Overnight deposits	1002	-2	-11	5	0.3	0.0	1.7
(2.2) Deposits with an agreed maturity of up to two years	468	-3	3	6	10.0	11.7	12.0
(2.3) Deposits redeemable at notice of up to three months	76	-1	0	0	1.3	3.7	0.1
(2.4) Repurchase agreements	16	4	2	-4	18.7	29.8	8.0
(3) Deposits placed by non-monetary financial intermediaries excluding insurance corporations and pension funds	1050	3	42	-29	8.3	11.2	6.1
(3.1) Overnight deposits	362	-3	-11	1	5.0	1.1	0.6
(3.2) Deposits with an agreed maturity of up to two years	305	9	13	-19	2.5	4.4	1.7
(3.3) Deposits redeemable at notice of up to three months	13	-1	1	1	-53.2	-25.2	4.3
(3.4) Repurchase agreements	371	-1	38	-11	22.3	31.8	16.2
of which: with central counterparties ^{d)}	291	7	41	3	.	.	35.0
(4) Deposits placed by insurance corporations and pension funds	189	12	-3	1	0.1	-2.6	-7.3
(5) Deposits placed by other general government	273	-4	4	8	-2.9	-1.5	-0.7

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.

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: JUNE 2011

DATA ADJUSTED FOR SEASONAL EFFECTS

(contributions in terms of the M3 annual percentage change^{a)})

	APRIL 2011	MAY 2011	JUNE 2011
(1) M1	0.8	0.6	0.6
(1.1) <i>of which</i> : Currency	0.3	0.4	0.3
(1.2) <i>of which</i> : Overnight deposits	0.5	0.2	0.3
(2) M2 - M1 (= other short-term deposits)	1.3	1.5	1.4
(3) M3 - M2 (= short-term marketable instruments)	-0.1	0.4	0.1
(4) M3 (= items 1, 2 and 3)	2.0	2.5	2.1

a) Figures may not add up due to rounding.

TABLE 4

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

DATA ADJUSTED FOR SEASONAL EFFECTS

(EUR billions and annual percentage changes^{a)})

	END-OF-MONTH LEVEL	MONTHLY FLOW ^{b)}			ANNUAL GROWTH RATE		
	JUNE 2011	APRIL 2011	MAY 2011	JUNE 2011	APRIL 2011	MAY 2011	JUNE 2011
BREAKDOWN OF LOANS ^{c)}							
(1) Loans to households ^{d)}	5256	13	12	3	3.4	3.4	3.2
<i>loans adjusted for sales and securitisation ^{e)}</i>	ND	15	13	3	3.0	3.1	2.9
(1.1) Credit for consumption	631	1	-2	-5	-0.5	-0.5	-1.6
(1.2) Lending for house purchase	3793	11	9	6	4.4	4.4	4.3
(1.3) Other lending	833	1	5	2	1.8	2.1	2.5
<i>of which: sole proprietors ^{f)}</i>	405	0	2	1	.	.	0.6
(2) Loans to non-financial corporations	4730	-2	10	20	0.9	0.9	1.5
<i>loans adjusted for sales and securitisation ^{e)}</i>	ND	-1	11	21	1.9	1.8	2.3
(2.1) up to 1 year	1173	3	4	21	1.0	0.9	4.0
(2.2) over 1 year and up to 5 years	867	-8	3	-12	-2.6	-2.1	-3.7
(3.3) over 5 years	2690	3	4	11	2.1	1.9	2.1
(3) Loans to non-monetary financial intermediaries except insurance corporations and pension funds	1118	19	9	-26	6.1	7.3	3.4
<i>of which: reverse repos to central counterparties ^{f)}</i>	153	9	16	-10	.	.	21.2
(4) Loans to insurance corporations and pension funds	89	-2	2	1	1.0	3.0	5.6

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.