

## Press release

27 February 2024

# Monetary developments in the euro area: January 2024

- Annual growth rate of broad [monetary aggregate M3](#) stood at 0.1% in January 2024, after 0.2% in December 2023 (revised from 0.1%)
- Annual growth rate of narrower [monetary aggregate M1](#), comprising currency in circulation and overnight deposits, stood at -8.6% in January, compared with -8.5% in December
- Annual growth rate of [adjusted loans to households](#) stood at 0.3% in January, compared with 0.4% in December
- Annual growth rate of [adjusted loans to non-financial corporations](#) decreased to 0.2% in January from 0.5% in December

## Components of the broad monetary aggregate M3

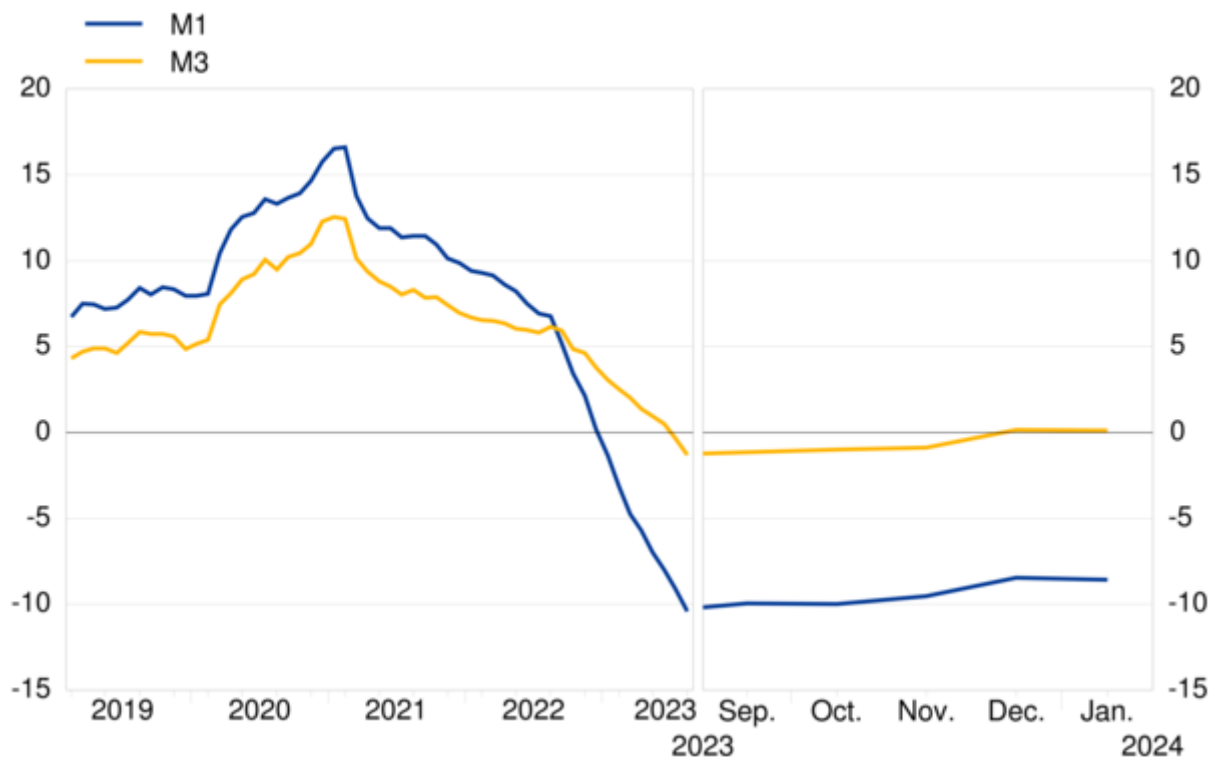
The annual growth rate of the broad monetary aggregate M3 stood at 0.1% in January 2024, after 0.2% in December, averaging -0.2% in the three months up to January. The [components of M3](#) showed the following developments. The annual growth rate of the narrower aggregate M1, which comprises currency in circulation and overnight deposits, stood at -8.6% in January, compared with -8.5% in December. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) decreased to 19.8% in January from 20.9% in December. The annual growth rate of marketable instruments (M3-M2) increased to 22.5% in January from 19.5% in December.

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## Chart 1 Monetary aggregates

(annual growth rates)



### [Data for monetary aggregates](#)

Looking at the [components' contributions to the annual growth rate of M3](#), the narrower aggregate M1 contributed -6.1 percentage points (down from -6.0 percentage points in December), short-term deposits other than overnight deposits (M2-M1) contributed 5.0 percentage points (down from 5.2 percentage points) and marketable instruments (M3-M2) contributed 1.2 percentage points (up from 1.0 percentage points).

From the perspective of the holding sectors of [deposits in M3](#), the annual growth rate of deposits placed by households stood at 0.3% in January, unchanged from the previous month, while the annual growth rate of deposits placed by non-financial corporations stood at -1.0% in January, compared with -0.9% in December. Finally, the annual growth rate of deposits placed by non-monetary financial corporations (excluding insurance corporations and pension funds) was -5.4% in January, compared with -4.1% in December.

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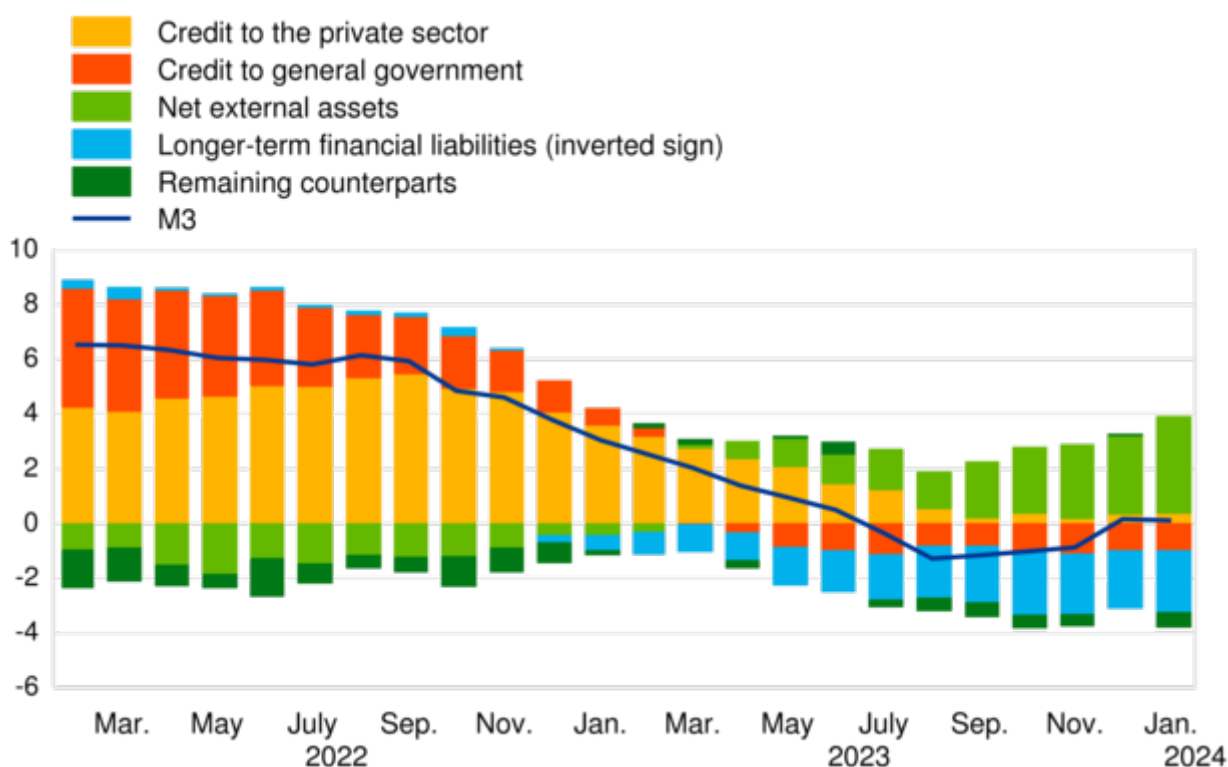
## Counterparts of the broad monetary aggregate M3

As a reflection of changes in the items on the monetary financial institution (MFI) consolidated balance sheet other than M3 ([counterparts of M3](#)), the annual growth rate of M3 in January 2024 can be broken down as follows: net external assets contributed 3.5 percentage points (up from 2.9 percentage points in December), credit to the private sector contributed 0.4 percentage points (up from 0.3 percentage points), credit to general government contributed -1.0 percentage points (as in the previous month), longer-term financial liabilities contributed -2.3 percentage points (down from -2.1 percentage points), and the remaining counterparts of M3 contributed -0.5 percentage points (down from 0.0 percentage points).

### Chart 2

Contribution of the M3 counterparts to the annual growth rate of M3

(percentage points)



[Data for contribution of the M3 counterparts to the annual growth rate of M3](#)

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## Credit to euro area residents

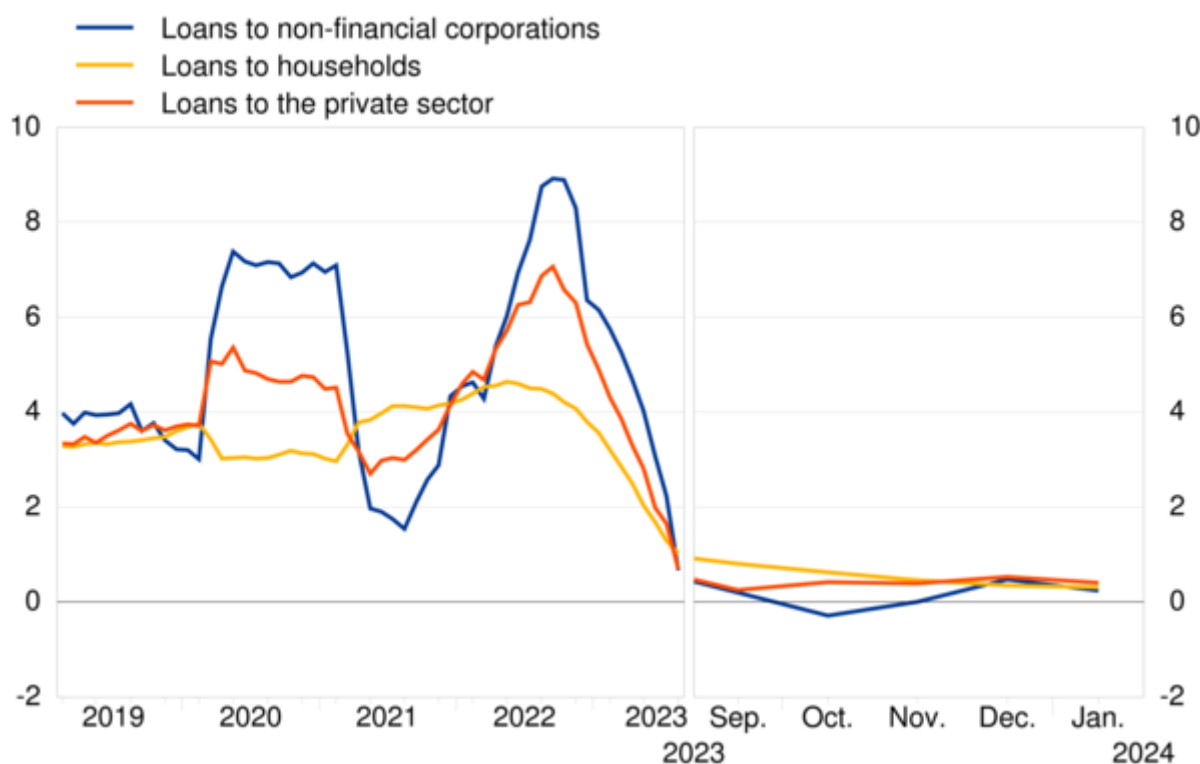
As regards the dynamics of credit, the annual growth rate of total [credit to euro area residents](#) stood at -0.4% in January 2024, compared with -0.5% in the previous month. The annual growth rate of [credit to general government](#) stood at -2.5% in January, and the annual growth rate of [credit to the private sector](#) stood at 0.4% in January, both unchanged from the previous month.

The annual growth rate of [adjusted loans to the private sector](#) (i.e. adjusted for loan sales, securitisation and notional cash pooling) stood at 0.4% in January, compared with 0.5% in December. Among the borrowing sectors, the annual growth rate of [adjusted loans to households](#) stood at 0.3% in January, compared with 0.4% in December, while the annual growth rate of [adjusted loans to non-financial corporations](#) decreased to 0.2% in January from 0.5% in December.

### Chart 3

#### Adjusted loans to the private sector

(annual growth rates)



[Data for adjusted loans to the private sector](#)

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## 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.
- Hyperlinks in the main body of the press release and in annex tables lead to data that may change with subsequent releases as a result of revisions. Figures shown in annex tables are a snapshot of the data as at the time of the current release.

## 1 Monetary developments in the euro area: January 2024

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

	End-of-month level	Monthly flow			Annual growth rate		
	Jan 2024	Nov 2023	Dec 2023	Jan 2024	Nov 2023	Dec 2023	Jan 2024
<b>COMPONENTS OF M3</b>							
<b>1. M3</b>	<b>16093</b>	<b>42</b>	<b>129</b>	<b>-43</b>	<b>-0.9</b>	<b>0.2</b>	<b>0.1</b>
1.1. M2	15073	31	105	-73	-1.9	-0.9	-1.1
1.1.1. M1	10266	-29	15	-109	-9.5	-8.5	-8.6
Currency in circulation	1533	-2	2	-3	-0.5	-0.3	-0.5
Overnight deposits	8733	-27	13	-106	-10.9	-9.7	-9.9
1.1.2. Other short-term deposits (M2 - M1)	4807	60	90	36	20.8	20.9	19.8
Deposits with an agreed maturity of up to two years	2361	66	78	48	68.6	66.7	62.3
Deposits redeemable at notice of up to three months	2447	-6	12	-12	-4.1	-3.9	-4.3
1.2. Marketable instruments (M3 - M2)	1019	11	24	30	17.8	19.5	22.5
Repurchase agreements	183	18	4	-2	18.2	32.9	24.8
Money market fund shares	750	8	21	11	13.0	14.4	17.6
Debt securities issued with a maturity of up to two years	87	-14	-1	21	93.6	47.4	72.5
<b>COUNTERPARTS OF M3</b>							
<b>MFI liabilities:</b>							
<b>2. Holdings against central government <sup>b)</sup></b>	<b>455</b>	<b>-32</b>	<b>54</b>	<b>-6</b>	<b>-40.3</b>	<b>-29.8</b>	<b>-20.7</b>
<b>3. Longer-term financial liabilities vis-a-vis other euro area residents</b>	<b>7375</b>	<b>16</b>	<b>10</b>	<b>61</b>	<b>5.3</b>	<b>4.9</b>	<b>5.2</b>
3.1. Deposits with an agreed maturity of over two years	1830	-5	-2	2	1.3	1.4	1.6
3.2. Deposits redeemable at notice of over three months	97	6	7	7	68.4	80.1	85.3
3.3. Debt securities issued with a maturity of over two years	2449	16	21	37	10.3	10.6	10.3
3.4. Capital and reserves	2999	-2	-16	15	2.9	1.5	2.0
<b>MFI assets:</b>							
<b>4. Credit to euro area residents</b>	<b>21744</b>	<b>-9</b>	<b>43</b>	<b>-38</b>	<b>-0.7</b>	<b>-0.5</b>	<b>-0.4</b>
4.1. Credit to general government	6248	-14	36	-45	-2.8	-2.5	-2.5
Loans	984	-2	9	-8	-1.7	-1.7	-1.0
Debt securities	5239	-12	27	-37	-3.1	-2.7	-2.8
Equity <sup>c)</sup>	25	0	0	0	0.1	1.0	2.4
4.2. Credit to the private sector <sup>d)</sup>	15495	5	7	7	0.2	0.4	0.4
Loans <sup>e)</sup>	13001	19	-5	-29	0.0	0.2	-0.1
Adjusted loans <sup>f)</sup>	13245	27	14	-12	0.4	0.5	0.4
Debt securities	1584	-7	-4	28	-0.2	-0.9	1.3
Equity and non-money market fund investment fund shares	910	-8	16	9	3.9	5.4	6.4
<b>5. Net external assets</b>	<b>1960</b>	<b>63</b>	<b>54</b>	<b>101</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>6. Other counterparts of M3 (residual)</b>	<b>218</b>	<b>-28</b>	<b>95</b>	<b>-51</b>	<b>-</b>	<b>-</b>	<b>-</b>
of which:							
6.1. Repos with central counterparties (liabilities) <sup>c)</sup>	166	7	-15	11	7.5	14.4	8.4
6.2. Reverse repos to central counterparties (assets) <sup>c)</sup>	160	11	-9	7	-2.7	5.9	4.2

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 Contributions to the M3 annual growth rate: January 2024

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

	Nov 2023	Dec 2023	Jan 2024
<b>COMPONENTS OF M3</b>			
1. M1	-6.8	-6.0	-6.1
1.1. Currency in circulation	-0.1	0.0	0.0
1.2. Overnight deposits	-6.7	-6.0	-6.0
2. M2 - M1 (other short-term deposits)	5.0	5.2	5.0
3. M3 - M2 (marketable instruments)	0.9	1.0	1.2
<b>COUNTERPARTS OF M3</b>			
4. Credit to the private sector	0.2	0.3	0.4
5. Credit to general government	-1.1	-1.0	-1.0
6. Net external assets	2.7	2.9	3.5
7. Longer-term financial liabilities (inverted sign) <sup>b)</sup>	-2.2	-2.1	-2.3
8. Remaining counterparts	-0.4	0.0	-0.5
<b>M3 (sum of items 1 to 3, or items 4 to 8)</b>	<b>-0.9</b>	<b>0.2</b>	<b>0.1</b>

a) Figures may not add up due to rounding.

b) Longer-term financial liabilities vis-a-vis euro area residents excluding central government.

### 3 Breakdown of deposits in M3 by holding sector and type: January 2024 (EUR billions and annual percentage changes; data adjusted for seasonal effects <sup>a)</sup>)

	End-of-month level	Monthly flow			Annual growth rate		
	Jan 2024	Nov 2023	Dec 2023	Jan 2024	Nov 2023	Dec 2023	Jan 2024
<b>BREAKDOWN OF DEPOSITS IN M3</b>							
<b>Total deposits</b>	<b>13723</b>	<b>51</b>	<b>106</b>	<b>-72</b>	<b>-1.8</b>	<b>-0.6</b>	<b>-0.9</b>
<b>1. Deposits placed by households <sup>b)</sup></b>	<b>8437</b>	<b>20</b>	<b>61</b>	<b>9</b>	<b>-0.3</b>	<b>0.3</b>	<b>0.3</b>
1.1. Overnight deposits	5081	-34	-4	-32	-8.5	-8.2	-8.3
1.2. Deposits with an agreed maturity of up to two years	1072	61	52	50	132.1	128.2	121.4
1.3. Deposits redeemable at notice of up to three months	2283	-7	12	-8	-4.3	-4.0	-4.3
1.4. Repurchase agreements	1	0	1	0	-18.6	67.4	39.2
<b>2. Deposits placed by non-financial corporations</b>	<b>3328</b>	<b>4</b>	<b>11</b>	<b>-9</b>	<b>-1.9</b>	<b>-0.9</b>	<b>-1.0</b>
2.1. Overnight deposits	2384	-6	21	-41	-13.0	-11.1	-11.2
2.2. Deposits with an agreed maturity of up to two years	804	6	-5	35	59.3	54.0	49.9
2.3. Deposits redeemable at notice of up to three months	128	1	0	-3	1.0	-1.0	-3.1
2.4. Repurchase agreements	11	4	-4	0	102.4	91.8	58.3
<b>3. Deposits placed by non-monetary financial corporations excluding insurance corporations and pension funds <sup>c)</sup></b>	<b>1211</b>	<b>24</b>	<b>17</b>	<b>-44</b>	<b>-8.4</b>	<b>-4.1</b>	<b>-5.4</b>
3.1. Overnight deposits	767	21	-8	-26	-16.8	-12.7	-13.1
3.2. Deposits with an agreed maturity of up to two years	280	-1	15	-20	18.4	15.7	10.9
3.3. Deposits redeemable at notice of up to three months	19	1	0	0	6.3	-0.2	-1.4
3.4. Repurchase agreements <sup>c)</sup>	145	4	9	2	5.0	20.8	18.6
<b>4. Deposits placed by insurance corporations and pension funds</b>	<b>222</b>	<b>13</b>	<b>12</b>	<b>-13</b>	<b>-9.1</b>	<b>-0.2</b>	<b>-4.8</b>
<b>5. Deposits placed by other general government</b>	<b>526</b>	<b>-11</b>	<b>5</b>	<b>-16</b>	<b>-5.1</b>	<b>-4.6</b>	<b>-6.7</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.



#### 4 Breakdown of private sector loans by borrowing sector, type and original maturity: January 2024 (EUR billions and annual percentage changes; data adjusted for seasonal effects <sup>a)</sup>)

	End-of-month level	Monthly flow			Annual growth rate		
	Jan 2024	Nov 2023	Dec 2023	Jan 2024	Nov 2023	Dec 2023	Jan 2024
<b>BREAKDOWN OF LOANS AS COUNTERPART TO M3</b>							
<b>1. Loans to households <sup>b)</sup></b>	<b>6634</b>	<b>12</b>	<b>-3</b>	<b>-13</b>	<b>0.2</b>	<b>0.1</b>	<b>-0.1</b>
<i>Adjusted loans <sup>c)</sup></i>	<b>6870</b>	<b>3</b>	<b>1</b>	<b>5</b>	<b>0.5</b>	<b>0.4</b>	<b>0.3</b>
1.1. Credit for consumption	735	1	2	1	2.7	2.8	2.8
1.2. Lending for house purchase	5215	9	-3	-12	0.3	0.2	-0.1
1.3. Other lending	684	1	-2	-1	-3.1	-3.1	-3.2
<i>of which: sole proprietors</i>	360	-2	0	-1	-3.2	-3.4	-3.3
<b>2. Loans to non-financial corporations</b>	<b>5111</b>	<b>-4</b>	<b>11</b>	<b>-14</b>	<b>-0.7</b>	<b>-0.1</b>	<b>-0.4</b>
<i>Adjusted loans <sup>c)</sup></i>	<b>5136</b>	<b>13</b>	<b>17</b>	<b>-12</b>	<b>0.0</b>	<b>0.5</b>	<b>0.2</b>
2.1. up to 1 year	894	8	13	-19	-7.9	-4.6	-5.8
2.2. over 1 year and up to 5 years	1093	-2	5	2	1.3	0.9	0.8
2.3. over 5 years	3124	-9	-6	4	0.9	0.9	0.8
<b>3. Loans to non-monetary financial corporations except insurance corporations and pension funds <sup>d)</sup></b>	<b>1125</b>	<b>12</b>	<b>-18</b>	<b>4</b>	<b>3.4</b>	<b>2.8</b>	<b>2.9</b>
<i>Adjusted loans <sup>c)</sup></i>	<b>1117</b>	<b>11</b>	<b>-7</b>	<b>0</b>	<b>2.9</b>	<b>2.6</b>	<b>2.9</b>
<b>4. Loans to insurance corporations and pension funds</b>	<b>132</b>	<b>-1</b>	<b>5</b>	<b>-7</b>	<b>-10.5</b>	<b>-5.4</b>	<b>-10.4</b>
<i>Adjusted loans <sup>c)</sup></i>	<b>122</b>	<b>0</b>	<b>3</b>	<b>-5</b>	<b>-8.8</b>	<b>-5.1</b>	<b>-9.8</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.