



EUROPEAN CENTRAL BANK

EUROSYSTEM

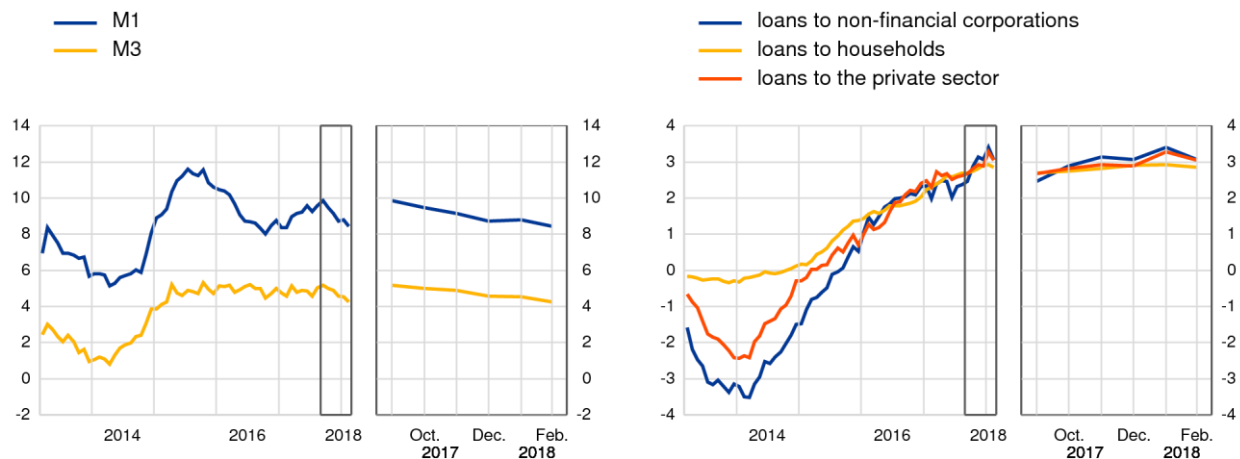
# PRESS RELEASE

27 March 2018

## Monetary developments in the euro area: February 2018

- The annual growth rate of the broad monetary aggregate M3 decreased to 4.2% in February 2018, from 4.5% in January (revised from 4.6%).
- The annual growth rate of the narrower aggregate M1, which includes currency in circulation and overnight deposits, decreased to 8.4% in February, from 8.8% in January.
- The annual growth rate of adjusted loans to households stood at 2.9% in February, unchanged from the previous month.
- The annual growth rate of adjusted loans to non-financial corporations decreased to 3.1% in February, from 3.4% in January.

### 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 decreased to 4.2% in February 2018, from 4.5% in January, averaging 4.4% in the three months up to February. The components of M3 showed the following developments. The annual growth rate of the narrower aggregate, including currency in circulation and overnight deposits (M1), decreased to 8.4% in February, compared with 8.8% in January. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) was -2.3% in February, compared with -1.9% in January. The annual growth rate of marketable instruments (M3-M2) stood at -6.4% in February, compared with -6.3% in January.

Within M3, the annual growth rate of deposits placed by households stood at 4.2% in February, compared with 4.1% in January, while the annual growth rate of deposits placed by non-financial corporations

decreased to 6.8% in February, compared with 8.7% in January. Finally, the annual growth rate of deposits placed by non-monetary financial corporations (excluding insurance corporations and pension funds) stood at 7.0% in February, compared with 6.9% in January.

### Credit to euro area residents

The annual growth rate of total credit to euro area residents decreased to 3.4% in February 2018, compared with 3.6% in the previous month. The annual growth rate of credit to general government decreased to 5.1% in February, compared with 5.4% in January, while the annual growth rate of credit to the private sector decreased to 2.8% in February, compared with 3.0% in January.

The annual growth rate of adjusted loans to the private sector (i.e. adjusted for loan sales, securitisation and notional cash pooling) decreased to 3.0% in February, compared with 3.3% in January. In particular, the annual growth rate of adjusted loans to households stood at 2.9% in February, unchanged from the previous month, and the annual growth rate of adjusted loans to non-financial corporations decreased to 3.1% in February, compared with 3.4% in January.

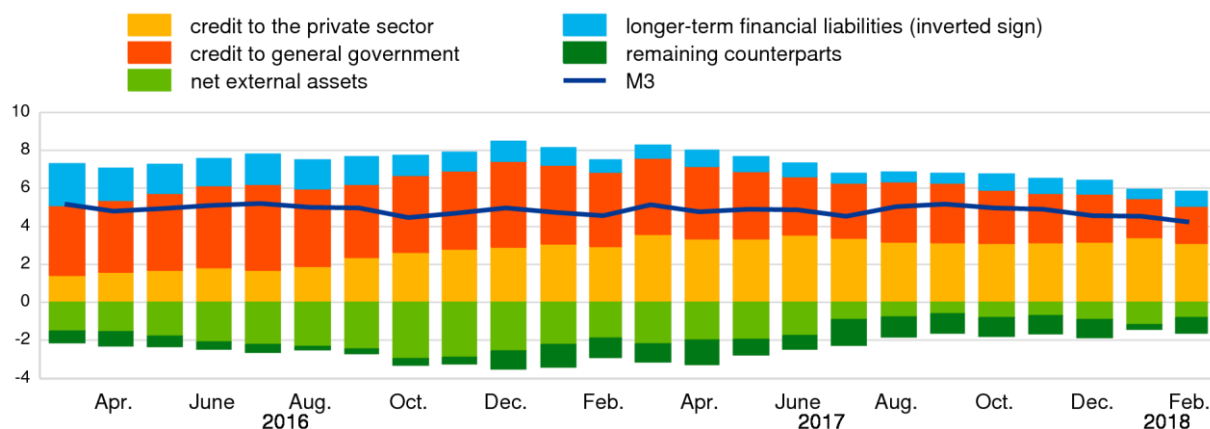
### Longer-term financial liabilities

The annual growth rate of longer-term financial liabilities of the MFI sector was -1.3% in February 2018, compared with -0.8% in January.

### M3 and its counterparts

The annual growth rate of the broad monetary aggregate M3 decreased to 4.2% in February 2018. The contributions of M3 counterparts on the MFI balance sheet were as follows: longer-term financial liabilities contributed 0.8 percentage point, net external assets contributed -0.8 percentage point, credit to general government contributed 2.0 percentage points, and credit to the private sector contributed 3.1 percentage points; the remaining counterparts of M3 contributed -0.8 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: February 2018

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

	End-of-month level	Monthly flow			Annual growth rate		
	Feb 2018	Dec 2017	Jan 2018	Feb 2018	Dec 2017	Jan 2018	Feb 2018
<b>COMPONENTS OF M3</b>							
<b>1. M3</b>	<b>11911</b>	<b>8</b>	<b>49</b>	<b>4</b>	<b>4.6</b>	<b>4.5</b>	<b>4.2</b>
1.1. M2	11275	22	62	16	5.1	5.2	4.9
1.1.1. M1	7830	26	51	34	8.7	8.8	8.4
Currency in circulation	1116	2	2	1	3.4	3.1	2.9
Overnight deposits	6714	24	49	33	9.7	9.8	9.4
1.1.2. Other short-term deposits (M2 - M1)	3446	-4	11	-18	-2.1	-1.9	-2.3
Deposits with an agreed maturity of up to two years	1180	-6	6	-20	-8.4	-8.1	-9.1
Deposits redeemable at notice of up to three months	2265	2	4	1	1.6	1.7	1.8
1.2. Marketable instruments (M3 - M2)	635	-14	-13	-12	-4.3	-6.3	-6.4
Repurchase agreements	73	-3	-1	-2	9.8	-1.6	7.9
Money market fund shares	499	-9	4	-15	-2.6	-1.1	-2.9
Debt securities issued with a maturity of up to two years	63	-2	-17	5	-24.0	-38.7	-35.3
<b>COUNTERPARTS OF M3</b>							
<b>MFI liabilities:</b>							
<b>2. Holdings against central government <sup>b)</sup></b>	<b>346</b>	<b>47</b>	<b>-40</b>	<b>30</b>	<b>14.4</b>	<b>5.0</b>	<b>16.7</b>
<b>3. Longer-term financial liabilities vis-a-vis other euro area residents</b>	<b>6715</b>	<b>-1</b>	<b>15</b>	<b>-29</b>	<b>-1.2</b>	<b>-0.8</b>	<b>-1.3</b>
3.1. Deposits with an agreed maturity of over two years	1955	5	-7	-6	-4.1	-4.0	-3.9
3.2. Deposits redeemable at notice of over three months	60	0	-1	-1	-12.4	-12.4	-13.0
3.3. Debt securities issued with a maturity of over two years	2016	5	20	-16	-3.4	-2.3	-2.7
3.4. Capital and reserves	2684	-11	3	-6	3.3	3.3	2.1
<b>MFI assets:</b>							
<b>4. Credit to euro area residents</b>	<b>17777</b>	<b>70</b>	<b>47</b>	<b>-1</b>	<b>3.8</b>	<b>3.6</b>	<b>3.4</b>
4.1. Credit to general government	4596	64	-30	-1	6.7	5.4	5.1
Loans	1023	-9	-1	-8	-4.0	-4.4	-4.1
Debt securities	3559	73	-30	7	10.2	8.7	8.1
Equity <sup>c)</sup>	14	0	0	0	4.9	2.8	3.2
4.2. Credit to the private sector <sup>d)</sup>	13181	6	77	-1	2.8	3.0	2.8
Loans <sup>e)</sup>	10937	-4	68	3	2.5	2.9	2.7
Adjusted loans <sup>f)</sup>	11222	16	69	-10	2.9	3.3	3.0
Debt securities	1457	14	11	8	4.6	4.5	4.9
Equity and non-money market fund investment fund shares	786	-4	-2	-12	3.2	2.2	0.2
<b>5. Net external assets</b>	<b>842</b>	<b>-12</b>	<b>-29</b>	<b>15</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>6. Other counterparts of M3 (residual)</b>	<b>353</b>	<b>-3</b>	<b>6</b>	<b>-9</b>	<b>-</b>	<b>-</b>	<b>-</b>
of which:							
6.1. Repos with central counterparties (liabilities) <sup>c)</sup>	125	-24	-11	-8	-29.6	-24.5	-27.1
6.2. Reverse repos to central counterparties (assets) <sup>c)</sup>	83	-39	-8	-3	-22.6	-19.3	-20.5

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.

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: February 2018 (EUR billions and annual percentage changes; data adjusted for seasonal effects <sup>a)</sup>)

	End-of-month level	Monthly flow			Annual growth rate		
	Feb 2018	Dec 2017	Jan 2018	Feb 2018	Dec 2017	Jan 2018	Feb 2018
<b>BREAKDOWN OF DEPOSITS IN M3</b>							
<b>Total deposits</b>	<b>10233</b>	<b>18</b>	<b>59</b>	<b>13</b>	<b>5.4</b>	<b>5.4</b>	<b>5.2</b>
<b>1. Deposits placed by households <sup>b)</sup></b>	<b>6360</b>	<b>8</b>	<b>31</b>	<b>29</b>	<b>4.2</b>	<b>4.1</b>	<b>4.2</b>
1.1. Overnight deposits	3760	17	28	35	8.9	8.6	8.7
1.2. Deposits with an agreed maturity of up to two years	549	-7	-5	-8	-12.7	-12.5	-12.5
1.3. Deposits redeemable at notice of up to three months	2049	0	7	1	1.7	1.7	1.7
1.4. Repurchase agreements	2	-1	1	0	-65.9	-37.1	-33.3
<b>2. Deposits placed by non-financial corporations</b>	<b>2267</b>	<b>-4</b>	<b>48</b>	<b>-22</b>	<b>8.6</b>	<b>8.7</b>	<b>6.8</b>
2.1. Overnight deposits	1813	-11	40	-12	11.2	10.8	9.0
2.2. Deposits with an agreed maturity of up to two years	288	5	9	-8	-0.9	0.4	-2.6
2.3. Deposits redeemable at notice of up to three months	158	0	-1	0	0.0	0.2	0.3
2.4. Repurchase agreements	9	2	1	-2	13.8	48.5	31.1
<b>3. Deposits placed by non-monetary financial corporations excluding insurance corporations and pension funds <sup>c)</sup></b>	<b>983</b>	<b>23</b>	<b>-25</b>	<b>-2</b>	<b>5.6</b>	<b>6.9</b>	<b>7.0</b>
3.1. Overnight deposits	721	26	-19	3	9.3	12.8	14.0
3.2. Deposits with an agreed maturity of up to two years	192	-2	-2	-3	-7.3	-7.3	-11.2
3.3. Deposits redeemable at notice of up to three months	27	2	0	1	9.1	10.4	14.6
3.4. Repurchase agreements <sup>c)</sup>	43	-3	-4	-3	11.1	-7.8	-3.6
<b>4. Deposits placed by insurance corporations and pension funds</b>	<b>208</b>	<b>-7</b>	<b>2</b>	<b>5</b>	<b>2.1</b>	<b>4.1</b>	<b>6.0</b>
<b>5. Deposits placed by other general government</b>	<b>416</b>	<b>-2</b>	<b>3</b>	<b>3</b>	<b>7.0</b>	<b>5.4</b>	<b>6.2</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.

### 3 Contributions of M3 components to the M3 annual growth rate: February 2018

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

	Dec 2017	Jan 2018	Feb 2018
<b>1. M1</b>	<b>5.5</b>	<b>5.5</b>	<b>5.3</b>
1.1. Currency in circulation	0.3	0.3	0.3
1.2. Overnight deposits	5.2	5.2	5.1
<b>2. M2 - M1 (other short-term deposits)</b>	<b>-0.7</b>	<b>-0.6</b>	<b>-0.7</b>
<b>3. M3 - M2 (marketable instruments)</b>	<b>-0.3</b>	<b>-0.4</b>	<b>-0.4</b>
<b>M3 (items 1, 2 and 3)</b>	<b>4.6</b>	<b>4.5</b>	<b>4.2</b>

a) Figures may not add up due to rounding.

### 4 Breakdown of private sector loans by borrowing sector, type and original maturity: February 2018

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

	End-of-month level	Monthly flow			Annual growth rate		
	Feb 2018	Dec 2017	Jan 2018	Feb 2018	Dec 2017	Jan 2018	Feb 2018
<b>BREAKDOWN OF LOANS AS COUNTERPART TO M3</b>							
<b>1. Loans to households <sup>b)</sup></b>	<b>5618</b>	<b>19</b>	<b>7</b>	<b>14</b>	<b>3.2</b>	<b>3.1</b>	<b>3.0</b>
<i>Adjusted loans <sup>c)</sup></i>	<b>5894</b>	<b>17</b>	<b>18</b>	<b>9</b>	<b>2.9</b>	<b>2.9</b>	<b>2.9</b>
1.1. Credit for consumption	662	2	6	3	7.1	7.2	7.3
1.2. Lending for house purchase	4223	17	2	7	3.3	3.1	2.9
1.3. Other lending	732	-1	-1	4	-0.5	-0.8	-0.1
<i>of which: sole proprietors</i>	376	-5	5	0	-2.3	-1.1	-1.0
<b>2. Loans to non-financial corporations</b>	<b>4347</b>	<b>-11</b>	<b>33</b>	<b>-7</b>	<b>1.9</b>	<b>2.3</b>	<b>1.9</b>
<i>Adjusted loans <sup>c)</sup></i>	<b>4378</b>	<b>10</b>	<b>26</b>	<b>-9</b>	<b>3.1</b>	<b>3.4</b>	<b>3.1</b>
2.1. up to 1 year	990	-9	22	-7	0.1	1.0	0.5
2.2. over 1 year and up to 5 years	822	-1	7	-5	4.6	5.3	4.6
2.3. over 5 years	2536	-1	4	5	1.7	1.8	1.7
<b>3. Loans to non-monetary financial corporations except insurance corporations and pension funds <sup>d)</sup></b>	<b>859</b>	<b>-6</b>	<b>24</b>	<b>-5</b>	<b>2.7</b>	<b>5.6</b>	<b>4.6</b>
<i>Adjusted loans <sup>c)</sup></i>	<b>848</b>	<b>-9</b>	<b>21</b>	<b>-11</b>	<b>2.6</b>	<b>5.6</b>	<b>4.4</b>
<b>4. Loans to insurance corporations and pension funds</b>	<b>114</b>	<b>-6</b>	<b>4</b>	<b>1</b>	<b>-3.2</b>	<b>-1.2</b>	<b>2.0</b>
<i>Adjusted loans <sup>c)</sup></i>	<b>103</b>	<b>-3</b>	<b>4</b>	<b>0</b>	<b>-3.2</b>	<b>-0.5</b>	<b>0.9</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.