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Monetary developments in the euro area: February 2015

The annual growth rate of the broad monetary aggregate M3 increased to 4.0% in February 2015¹, from 3.7% in January 2015 (revised down from the previous release)². The three-month average of the annual growth rates of M3 in the period from December 2014 to February 2015 increased to 3.8%, from 3.5% in the period from November 2014 to January 2015.

Twelve-month percentage changes; (adjusted for seasonal and end-of-month calendar effects)	DECEMBER 2014	JANUARY 2015	FEBRUARY 2015	DECEMBER 2014 - FEBRUARY 2015 (AVERAGE)
M3	3.6	3.7	4.0	3.8
M1	7.9	8.9	9.1	8.6
Loans to the private sector	-0.5	-0.2	-0.1	-0.3
Loans to the private sector, adjusted for sales and securitisation	0.1	0.4	0.6	0.4

M3 components

Regarding the main components of M3, the annual growth rate of M1 increased to 9.1% in February 2015, from 8.9% in January. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) was more negative at -3.3% in February, from -3.1% in the previous

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

² This release includes revisions to the annual growth rate of M3 in December 2014 (-0.2 percentage point) and January 2015 (-0.4 percentage point), in particular resulting from revisions to MFI debt securities issued with maturity up to two years. Among the counterparts to M3, credit to other euro area residents and net external assets were mainly affected. These revisions, which are more significant than usual, follow the implementation of the new ECB Regulation on MFI balance sheet statistics (ECB/2013/33) and other changes to statistical reporting introduced in some euro area countries taking effect from end 2014.

month. The annual growth rate of marketable instruments (M3-M2) increased to 4.0% in February, from 0.6% in January. Among the deposits included in M3, the annual growth rate of deposits placed by households stood at 2.4% in February, compared with 2.5% in the previous month, while the annual growth rate of deposits placed by non-financial corporations stood at 4.6% in February, compared with 4.7% in the previous month. Finally, the annual growth rate of deposits placed by non-monetary financial corporations (excluding insurance corporations and pension funds) increased to 8.1% in February, from 5.9% 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 0.0% in February 2015, unchanged from the previous month. The annual growth rate of credit extended to general government decreased to 1.8% in February, from 2.3% in January, while the annual growth rate of credit extended to the private sector was less negative at -0.4% in February, from -0.6% in the previous month. Among the components of credit to the private sector, the annual growth rate of loans stood at -0.1% in February, compared with -0.2% in the previous month (adjusted for loan sales and securitisation³, the rate increased to 0.6%, from 0.4% in the previous month). The annual growth rate of loans to households stood at -0.2% in February, compared with -0.1% in January (adjusted for loan sales and securitisation, the rate stood at 1.0%, compared with 0.9% in the previous month). The annual growth rate of lending for house purchase, the most important component of household loans, stood at 0.0% in February, compared with 0.1% in the previous month. The annual growth rate of loans to non-financial corporations was less negative at -0.7% in February, from -1.2% in the previous month (adjusted for loan sales and securitisation, the rate was less negative at -0.4% in February, from -0.9% in the previous month). Finally, the annual growth rate of loans to non-monetary financial corporations (excluding insurance corporations and pension funds) decreased to 0.8% in February, from 1.4% in the previous month.

Other counterparts

Over the 12 months up to February 2015, the net external asset position of the euro area MFI sector increased by €149 billion, compared with an increase of €206 billion over the 12 months

³ Adjusted for the derecognition of loans from the MFIs' statistical balance sheets due to their sale or securitisation.

up to January. The annual growth rate of longer-term financial liabilities of the MFI sector stood at -2.6% in February, compared with -2.5% in January.

Notes

- Euro area-wide reporting under Regulation ECB/2013/33 of 24 September 2013 concerning the balance sheet of the monetary financial institutions sector, together with other changes to the statistical reporting framework and practices in several euro area countries, started with effect from the December 2014 reference period. This Regulation implements the European System of Accounts 2010 (ESA 2010) for MFI balance sheet statistics.
- 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/agqr/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>.
- Data refer to the changing composition of the euro area, i.e. they cover the EU Member States that had adopted the euro at the time to which the statistics relate. Data on outstanding amounts include Lithuania as of January 2015.

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I Monetary developments in the euro area: FEBRUARY 2015

(EUR billions and annual percentage changes; data adjusted for seasonal effects ^{a)})

	END-OF-MONTH LEVEL	MONTHLY FLOW ^{b)}			ANNUAL GROWTH RATE		
	FEBRUARY 2015	DECEMBER 2014	JANUARY 2015	FEBRUARY 2015	DECEMBER 2014	JANUARY 2015	FEBRUARY 2015
COMPONENTS OF M3 ^{c)}							
(1) M3 (= items 1.3, 1.6 and 1.11)	10440	2	53	61	3.6	3.7	4.0
(1.1) Currency in circulation	992	11	16	8	6.4	7.7	7.9
(1.2) Overnight deposits	5106	13	81	48	8.2	9.1	9.3
(1.3) M1 (items 1.1 and 1.2)	6098	23	97	55	7.9	8.9	9.1
(1.4) Deposits with an agreed maturity of up to two years	1533	-18	-34	-21	-5.7	-6.9	-7.6
(1.5) Deposits redeemable at notice of up to three months	2124	-10	-8	3	0.2	-0.1	0.0
(1.6) Other short term deposits (items 1.4 and 1.5)	3656	-28	-43	-18	-2.4	-3.1	-3.3
(1.7) M2 (items 1.3 and 1.6)	9754	-5	55	38	3.6	4.0	4.0
(1.8) Repurchase agreements	132	-6	-3	12	0.6	-4.3	0.4
(1.9) Money market fund shares	444	-4	7	5	1.6	0.1	2.4
(1.10) Debt securities issued with a maturity of up to two years	110	18	-6	7	22.9	13.4	21.4
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	686	7	-2	23	3.8	0.6	4.0
COUNTERPARTS OF M3							
MFI liabilities:							
(2) Holdings against central government ^{d)}	264	4	40	-42	-1.1	23.9	-2.6
(3) Longer-term financial liabilities vis-a-vis other euro area residents (= items 3.1 to 3.4)	7306	-47	-23	-14	-2.2	-2.5	-2.6
(3.1) Deposits with an agreed maturity of over two years	2263	-7	-20	-4	-5.1	-5.8	-5.7
(3.2) Deposits redeemable at notice of over three months	92	2	0	-1	2.0	2.6	0.8
(3.3) Debt securities issued with a maturity of over two years	2395	-34	-14	-11	-6.1	-6.0	-5.9
(3.4) Capital and reserves	2556	-8	11	2	4.5	4.2	3.8
MFI assets:							
(4) Credit to euro area residents (= items 4.1 and 4.2)	16291	44	45	-13	-0.2	0.0	0.0
(4.1) Credit to general government	3634	21	34	-22	2.0	2.3	1.8
Loans	1146	8	13	3	1.5	1.6	1.5
Debt securities	2488	13	20	-25	2.3	2.6	2.0
(4.2) Credit to other euro area residents	12657	23	11	9	-0.8	-0.6	-0.4
Loans ^{e)}	10596	18	20	9	-0.5	-0.2	-0.1
loans adjusted for sales and securitisation ^{f)}	ND	19	21	17	0.1	0.4	0.6
Debt securities	1272	-13	0	-7	-6.2	-6.2	-5.5
Equity and non-money market fund investment fund shares	789	18	-9	7	4.4	3.3	4.0
(5) Net external assets	1456	-27	-7	-21	ND	ND	ND
(6) Other counterparts of M3 (residual) (= M3 + items 2, 3 - items 4, 5)	263	-58	32	40	ND	ND	ND
of which:							
(6.1) Repos with central counterparties (liabilities)(+) ^{g)}	226	0	18	23	0.4	22.0	26.8
(6.2) Reverse repos to central counterparties (assets)(-) ^{g)}	145	9	-8	13	14.5	26.4	28.4

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: FEBRUARY 2015

(EUR billions and annual percentage changes; data adjusted for seasonal effects ^{a)})

	END-OF-MONTH LEVEL	MONTHLY FLOW ^{b)}			ANNUAL GROWTH RATE		
	FEBRUARY 2015	DECEMBER 2014	JANUARY 2015	FEBRUARY 2015	DECEMBER 2014	JANUARY 2015	FEBRUARY 2015
BREAKDOWN OF DEPOSITS IN M3							
Total deposits (= items 1, 2, 3, 4 and 5)	8894	-22	36	42	3.3	3.4	3.6
(1) Deposits placed by households ^{c)}	5564	7	-4	8	2.6	2.5	2.4
(1.1) Overnight deposits	2810	25	25	22	8.3	8.6	8.9
(1.2) Deposits with an agreed maturity of up to two years	769	-15	-21	-16	-7.5	-9.2	-10.6
(1.3) Deposits redeemable at notice of up to three months	1981	-1	-9	1	-0.1	-0.2	-0.2
(1.4) Repurchase agreements	4	-2	1	0	-37.2	-20.3	-24.7
(2) Deposits placed by non-financial corporations ^{d)}	1852	-19	24	12	4.0	4.7	4.6
(2.1) Overnight deposits	1393	-20	36	13	7.5	9.8	9.6
(2.2) Deposits with an agreed maturity of up to two years	348	-3	-4	-4	-6.3	-8.0	-8.8
(2.3) Deposits redeemable at notice of up to three months	97	-3	0	1	1.3	1.5	1.4
(2.4) Repurchase agreements	14	6	-8	3	14.5	-34.7	-21.8
(3) Deposits placed by non-monetary financial corporations excluding insurance corporations and pension funds ^{d), e)}	904	9	-7	18	5.3	5.9	8.1
(3.1) Overnight deposits	567	16	10	6	9.7	12.2	12.8
(3.2) Deposits with an agreed maturity of up to two years	230	5	-16	2	-0.8	-1.9	0.2
(3.3) Deposits redeemable at notice of up to three months	18	-4	-1	0	9.7	-11.6	-0.8
(3.4) Repurchase agreements ^{e)}	89	-7	-1	11	-3.4	-4.8	4.3
(4) Deposits placed by insurance corporations and pension funds	227	-12	9	-1	3.2	0.5	0.4
(5) Deposits placed by other general government	347	-6	14	5	5.8	7.9	6.8

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) In accordance with the ESA 2010, in December 2014 holding companies of non-financial groups were reclassified from the non-financial corporations sector to the financial corporations sector. These entities are included in MFI balance sheet statistics with financial corporations other than MFIs and insurance corporations and pension funds (ICPFs).

e) Excludes repurchase agreements with central counterparties.

3 Contributions of M3 components to the M3 annual growth rate: FEBRUARY 2015

(contributions in terms of the M3 annual percentage change; data adjusted for seasonal effects ^{a)})

	DECEMBER 2014	JANUARY 2015	FEBRUARY 2015
(1) M1	4.3	4.9	5.0
(1.1) <i>of which: Currency</i>	0.6	0.7	0.7
(1.2) <i>of which: Overnight deposits</i>	3.8	4.2	4.3
(2) M2 - M1 (= other short-term deposits)	-0.9	-1.2	-1.3
(3) M3 - M2 (= short term marketable instruments)	0.2	0.0	0.3
(4) M3 (= items 1, 2 and 3)	3.6	3.7	4.0

a) Figures may not add up due to rounding.

4 Breakdown of loans as counterpart to M3 by borrowing sector, type and original maturity: FEBRUARY 2015

(EUR billions and annual percentage changes; data adjusted for seasonal effects ^{a)})

	END-OF-MONTH LEVEL	MONTHLY FLOW ^{b)}			ANNUAL GROWTH RATE		
	FEBRUARY 2015	DECEMBER 2014	JANUARY 2015	FEBRUARY 2015	DECEMBER 2014	JANUARY 2015	FEBRUARY 2015
BREAKDOWN OF LOANS AS COUNTERPART TO M3^{c)}							
(1) Loans to households^{d)}	5223	2	7	1	-0.3	-0.1	-0.2
<i>loans adjusted for sales and securitisation^{e)}</i>	ND	3	8	6	0.8	0.9	1.0
(1.1) Credit for consumption	565	-4	0	0	-0.8	-0.8	-0.8
(1.2) Lending for house purchase	3884	5	8	4	-0.1	0.1	0.0
(1.3) Other lending	774	1	-1	-2	-0.9	-0.7	-0.9
<i>of which: sole proprietors^{f)}</i>	397	0	0	-1	-1.2	-0.8	-1.1
(2) Loans to non-financial corporations^{g)}	4312	10	-1	8	-1.4	-1.2	-0.7
<i>loans adjusted for sales and securitisation^{e)}</i>	ND	10	-1	11	-1.1	-0.9	-0.4
(2.1) up to 1 year	1090	8	-3	2	-1.2	-0.8	0.4
(2.2) over 1 year and up to 5 years	736	-2	5	1	0.1	1.1	1.0
(2.3) over 5 years	2486	4	-3	6	-1.9	-1.9	-1.7
(3) Loans to non-monetary financial corporations except insurance corporations and pension funds^{g), h)}	924	3	3	2	0.5	1.4	0.8
(4) Loans to insurance corporations and pension funds	137	3	10	-2	11.8	19.3	15.3

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) In accordance with the ESA 2010, in December 2014 holding companies of non-financial groups were reclassified from the non-financial corporations sector to the financial corporations sector. These entities are included in MFI balance sheet statistics with financial corporations other than MFIs and insurance corporations and pension funds (ICPFs).

h) Excludes reverse repos to central counterparties.