

Press release

27 February 2019

Monetary developments in the euro area: January 2019

- Annual growth rate of broad [monetary aggregate M3](#) decreased to 3.8% in January 2019 from 4.1% in December 2018
- Annual growth rate of narrower [monetary aggregate M1](#), comprising currency in circulation and overnight deposits, decreased to 6.2% in January from 6.6% in December
- Annual growth rate of [adjusted loans to households](#) stood at 3.2% in January, unchanged from previous month
- Annual growth rate of [adjusted loans to non-financial corporations](#) decreased to 3.3% in January from 3.9% in December

Components of the broad monetary aggregate M3

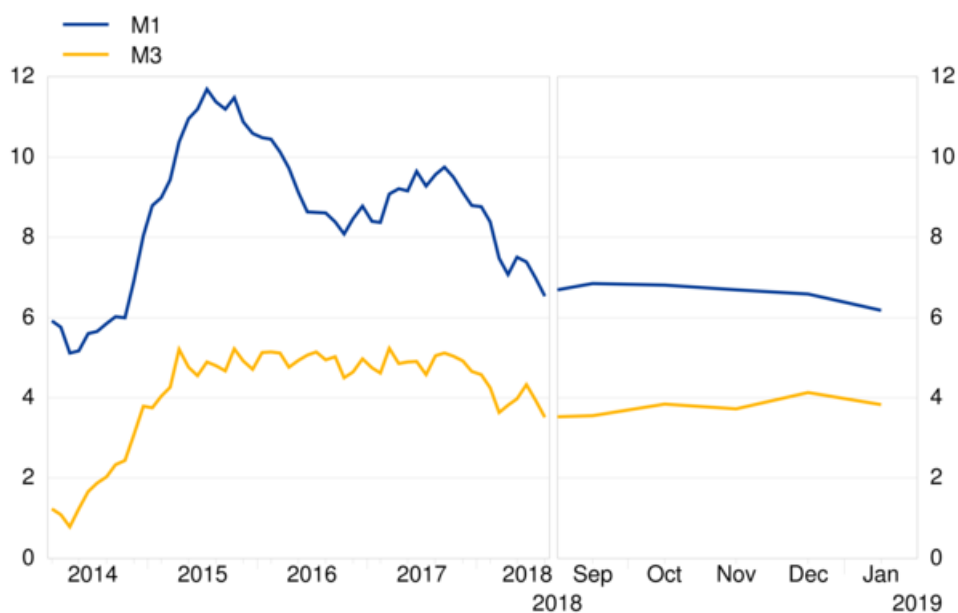
The annual growth rate of the broad monetary aggregate M3 decreased to 3.8% in January 2019 from 4.1% in December 2018, averaging 3.9% in the three months up to January. The [components of M3](#) showed the following developments. The annual growth rate of the narrower aggregate M1, which comprises currency in circulation and overnight deposits, decreased to 6.2% in January from 6.6% in December. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) stood at -0.8% in January, unchanged from the previous month. The annual growth rate of marketable instruments (M3-M2) decreased to 0.4% in January from 0.9% in December.

European Central Bank

Directorate General Communications, Global Media Relations Division
Sonnemannstrasse 20, 60314 Frankfurt am Main, Germany
Tel.: +49 69 1344 7455, e-mail: media@ecb.europa.eu, website: www.ecb.europa.eu

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 4.0 percentage points (down from 4.3 percentage points in December), short-term deposits other than overnight deposits (M2-M1) contributed -0.2 percentage point (as in the previous month) and marketable instruments (M3-M2) contributed 0.0 percentage point (down from 0.1 percentage point).

From the perspective of the holding sectors of [deposits in M3](#), the annual growth rate of deposits placed by households stood at 5.3% in January, compared with 5.2% in December, while the annual growth rate of deposits placed by non-financial corporations decreased to 2.5% in January from 4.0% in December. Finally, the annual growth rate of deposits placed by non-monetary financial corporations (excluding insurance corporations and pension funds) was -1.6% in January, compared with -0.2% in December.

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 2019 can be broken down as follows: credit to the private sector contributed 2.8 percentage points (down from 3.1

European Central Bank

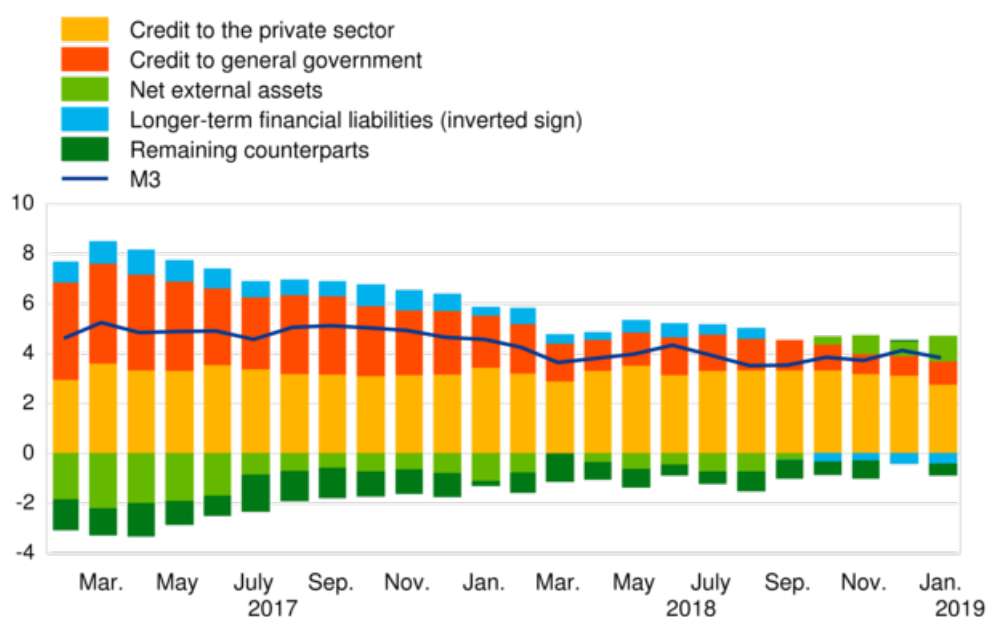
Directorate General Communications, Global Media Relations Division
Sonnemannstrasse 20, 60314 Frankfurt am Main, Germany
Tel.: +49 69 1344 7455, e-mail: media@ecb.europa.eu, website: www.ecb.europa.eu

percentage points in December), net external assets contributed 1.0 percentage point (up from 0.6 percentage point), credit to general government contributed 0.9 percentage point (up from 0.8 percentage point), longer-term financial liabilities contributed -0.4 percentage point (as in the previous month), and the remaining counterparts of M3 contributed -0.4 percentage point (down from 0.0 percentage point).

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](#)

Credit to euro area residents

As regards the dynamics of credit, the annual growth rate of total [credit to euro area residents](#) stood at 2.5% in January 2019, compared with 2.6% in the previous month. The annual growth rate of [credit to general government](#) increased to 2.4% in January from 2.0% in December, while the annual growth rate of [credit to the private sector](#) decreased to 2.5% in January from 2.9% in December.

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 January from 3.4% in December. Among the borrowing sectors, the annual growth rate of [adjusted loans to households](#) stood at 3.2% in January, unchanged from the previous month, while the annual growth rate of [adjusted loans to non-financial corporations](#)

European Central Bank

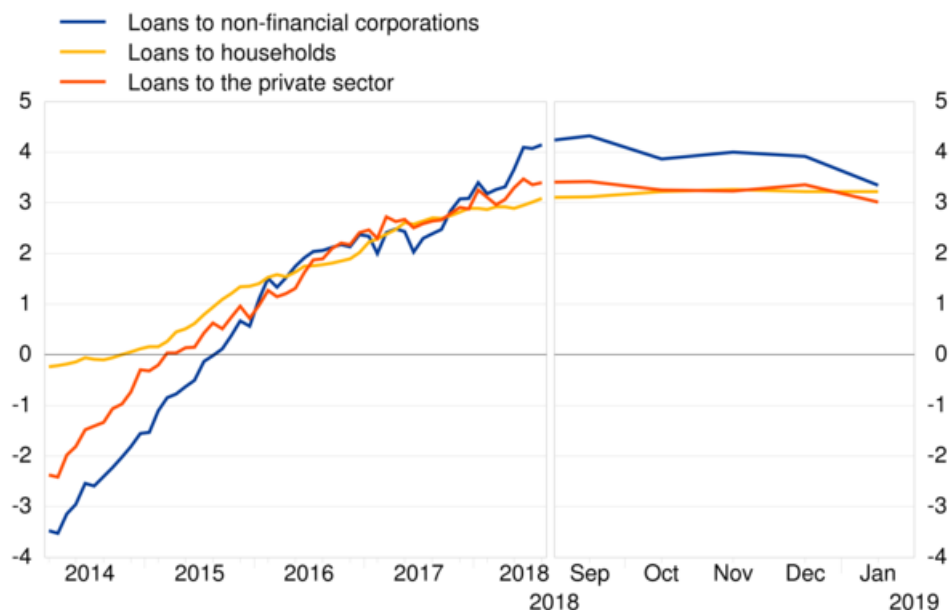
Directorate General Communications, Global Media Relations Division
Sonnemannstrasse 20, 60314 Frankfurt am Main, Germany
Tel.: +49 69 1344 7455, e-mail: media@ecb.europa.eu, website: www.ecb.europa.eu

decreased to 3.3% in January from 3.9% in December.

Chart 3

Adjusted loans to the private sector

(annual growth rates)



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

Annex

[Table: Annex to the press release on monetary developments in the euro area](#)

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 are dynamic. The data they lead to may therefore change with subsequent data 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.

European Central Bank

Directorate General Communications, Global Media Relations Division
Sonnenmannstrasse 20, 60314 Frankfurt am Main, Germany
Tel.: +49 69 1344 7455, e-mail: media@ecb.europa.eu, website: www.ecb.europa.eu

Reproduction is permitted provided that the source is acknowledged.

1 Monetary developments in the euro area: January 2019

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

	End-of-month level	Monthly flow			Annual growth rate		
	Jan 2019	Nov 2018	Dec 2018	Jan 2019	Nov 2018	Dec 2018	Jan 2019
COMPONENTS OF M3							
1. M3	12374	41	70	5	3.7	4.1	3.8
1.1. M2	11717	45	36	18	4.3	4.3	4.0
1.1.1. M1	8295	52	30	17	6.7	6.6	6.2
Currency in circulation	1167	4	4	5	4.3	4.5	4.7
Overnight deposits	7127	48	26	12	7.1	6.9	6.4
1.1.2. Other short-term deposits (M2 - M1)	3423	-7	6	1	-1.0	-0.8	-0.8
Deposits with an agreed maturity of up to two years	1124	-12	3	-4	-6.7	-6.0	-6.2
Deposits redeemable at notice of up to three months	2299	5	3	5	2.0	2.0	2.0
1.2. Marketable instruments (M3 - M2)	657	-3	34	-13	-5.8	0.9	0.4
Repurchase agreements	76	2	1	1	-8.1	-4.5	-2.8
Money market fund shares	517	-2	20	-8	-3.1	2.2	-0.1
Debt securities issued with a maturity of up to two years	65	-3	13	-7	-22.4	-2.3	9.1
COUNTERPARTS OF M3							
MFI liabilities:							
2. Holdings against central government ^{b)}	377	-8	-11	-1	24.7	11.3	18.9
3. Longer-term financial liabilities vis-a-vis other euro area residents	6859	-7	12	15	0.5	0.7	0.8
3.1. Deposits with an agreed maturity of over two years	1940	-6	6	-6	-2.2	-2.0	-1.9
3.2. Deposits redeemable at notice of over three months	56	-1	0	0	-9.1	-8.1	-7.7
3.3. Debt securities issued with a maturity of over two years	2112	-2	1	16	0.8	0.8	0.8
3.4. Capital and reserves	2751	3	5	5	2.5	2.8	2.9
MFI assets:							
4. Credit to euro area residents	18139	19	64	22	2.7	2.6	2.5
4.1. Credit to general government	4686	-8	58	-11	2.1	2.0	2.4
Loans	1007	3	4	-1	-3.9	-2.8	-2.8
Debt securities	3668	-12	55	-10	3.8	3.4	3.9
Equity ^{c)}	11	1	-1	0	7.3	-0.2	-1.7
4.2. Credit to the private sector ^{d)}	13453	27	7	33	2.9	2.9	2.5
Loans ^{e)}	11158	30	8	34	2.8	2.8	2.5
Adjusted loans ^{f)}	11500	32	35	21	3.2	3.4	3.0
Debt securities	1523	-6	8	0	6.6	6.2	5.3
Equity and non-money market fund investment fund shares	772	3	-9	-2	-1.8	-2.7	-2.7
5. Net external assets	1067	45	-24	25	-	-	-
6. Other counterparts of M3 (residual)	405	-37	31	-28	-	-	-
of which:							
6.1. Repos with central counterparties (liabilities) ^{c)}	199	29	-9	12	-0.1	11.0	28.2
6.2. Reverse repos to central counterparties (assets) ^{c)}	208	30	-10	14	-24.6	2.2	22.7

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.

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 2019

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

	Nov 2018	Dec 2018	Jan 2019
COMPONENTS OF M3			
1. M1	4.4	4.3	4.0
1.1. Currency in circulation	0.4	0.4	0.4
1.2. Overnight deposits	4.0	3.9	3.6
2. M2 - M1 (other short-term deposits)	-0.3	-0.2	-0.2
3. M3 - M2 (marketable instruments)	-0.3	0.1	0.0
COUNTERPARTS OF M3			
4. Credit to the private sector	3.2	3.1	2.8
5. Credit to general government	0.8	0.8	0.9
6. Net external assets	0.7	0.6	1.0
7. Longer-term financial liabilities (inverted sign) ^{b)}	-0.3	-0.4	-0.4
8. Remaining counterparts	-0.7	0.0	-0.4
M3 (sum of items 1 to 3, or items 4 to 8)	3.7	4.1	3.8

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 2019 (EUR billions and annual percentage changes; data adjusted for seasonal effects ^{a)})

	End-of-month level	Monthly flow			Annual growth rate		
	Jan 2019	Nov 2018	Dec 2018	Jan 2019	Nov 2018	Dec 2018	Jan 2019
BREAKDOWN OF DEPOSITS IN M3							
Total deposits	10626	43	33	14	4.2	4.2	3.9
1. Deposits placed by households ^{b)}	6681	23	35	35	4.9	5.2	5.3
1.1. Overnight deposits	4069	21	31	29	8.6	8.8	8.8
1.2. Deposits with an agreed maturity of up to two years	517	-3	0	0	-9.0	-8.0	-7.1
1.3. Deposits redeemable at notice of up to three months	2093	5	5	5	2.1	2.3	2.3
1.4. Repurchase agreements	2	0	0	1	-42.4	65.1	-6.2
2. Deposits placed by non-financial corporations	2325	7	16	-6	3.8	4.0	2.5
2.1. Overnight deposits	1900	0	11	2	5.4	5.6	4.4
2.2. Deposits with an agreed maturity of up to two years	272	5	6	-9	-3.4	-2.5	-7.0
2.3. Deposits redeemable at notice of up to three months	146	0	-1	0	-1.2	-1.8	-0.5
2.4. Repurchase agreements	8	2	0	0	0.5	-14.5	-21.6
3. Deposits placed by non-monetary financial corporations excluding insurance corporations and pension funds ^{c)}	976	9	2	-27	0.3	-0.2	-1.6
3.1. Overnight deposits	722	20	2	-25	4.0	3.0	0.5
3.2. Deposits with an agreed maturity of up to two years	180	-9	-1	-3	-7.9	-8.5	-8.5
3.3. Deposits redeemable at notice of up to three months	27	0	0	0	7.8	3.0	-0.3
3.4. Repurchase agreements ^{c)}	48	-2	2	2	-22.0	-14.4	-5.3
4. Deposits placed by insurance corporations and pension funds	204	0	-8	3	1.6	-2.2	-1.4
5. Deposits placed by other general government	440	4	-13	9	6.9	4.4	5.9

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 2019 (EUR billions and annual percentage changes; data adjusted for seasonal effects ^{a)})

	End-of-month level	Monthly flow			Annual growth rate		
	Jan 2019	Nov 2018	Dec 2018	Jan 2019	Nov 2018	Dec 2018	Jan 2019
BREAKDOWN OF LOANS AS COUNTERPART TO M3							
1. Loans to households ^{b)}	5758	18	9	18	3.2	3.0	3.2
<i>Adjusted loans ^{c)}</i>	6037	18	14	15	3.3	3.2	3.2
1.1. Credit for consumption	687	4	0	4	6.7	6.2	6.1
1.2. Lending for house purchase	4367	14	13	14	3.3	3.2	3.5
1.3. Other lending	704	0	-5	0	-0.8	-1.3	-1.3
<i>of which: sole proprietors</i>	374	0	-2	0	-1.1	-1.4	-1.5
2. Loans to non-financial corporations	4409	23	-13	3	3.0	2.8	2.2
<i>Adjusted loans ^{c)}</i>	4489	23	9	-1	4.0	3.9	3.3
2.1. up to 1 year	980	6	8	-14	1.3	1.9	-0.4
2.2. over 1 year and up to 5 years	847	8	-9	2	5.2	4.1	3.5
2.3. over 5 years	2582	9	-12	14	3.0	2.8	2.8
3. Loans to non-monetary financial corporations except insurance corporations and pension funds ^{d)}	862	-11	5	14	-1.8	-0.4	-1.6
<i>Adjusted loans ^{c)}</i>	856	-12	4	7	-1.5	-0.5	-1.3
4. Loans to insurance corporations and pension funds	128	0	7	0	5.2	16.5	13.0
<i>Adjusted loans ^{c)}</i>	118	3	8	-1	8.1	18.3	13.9

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.