

## Press release

28 March 2019

# Monetary developments in the euro area: February 2019

- Annual growth rate of broad [monetary aggregate M3](#) increased to 4.3% in February 2019 from 3.8% in January
- Annual growth rate of narrower [monetary aggregate M1](#), comprising currency in circulation and overnight deposits, increased to 6.6% in February from 6.2% in January
- Annual growth rate of [adjusted loans to households](#) stood at 3.3% in February, compared with 3.2% in January
- Annual growth rate of [adjusted loans to non-financial corporations](#) increased to 3.7% in February from 3.4% in January

## Components of the broad monetary aggregate M3

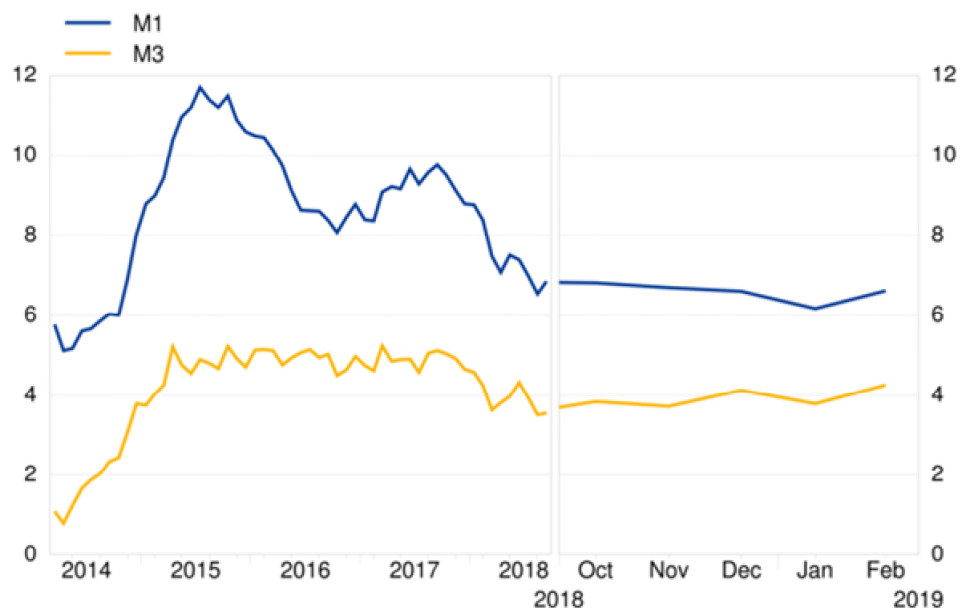
The annual growth rate of the broad monetary aggregate M3 increased to 4.3% in February 2019 from 3.8% in January, averaging 4.1% in the three months up to February. The [components of M3](#) showed the following developments. The annual growth rate of the narrower aggregate M1, which comprises currency in circulation and overnight deposits, increased to 6.6% in February from 6.2% in January. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) was -0.2% in February, compared with -0.8% in January. The annual growth rate of marketable instruments (M3-M2) was -0.4% in February, compared with -0.1% in January.

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

From the perspective of the holding sectors of [deposits in M3](#), the annual growth rate of deposits placed by households increased to 5.6% in February from 5.3% in January, while the annual growth rate of deposits placed by non-financial corporations increased to 4.3% in February from 2.5% in January. Finally, the annual growth rate of deposits placed by non-monetary financial corporations (excluding insurance corporations and pension funds) was -3.6% in February, compared with -1.7% in January.

## 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 February 2019 can be broken down as follows: credit to the private sector contributed 3.1 percentage points (up from 2.8 percentage points in January), net external assets contributed 1.3 percentage points (up from 1.0 percentage point),

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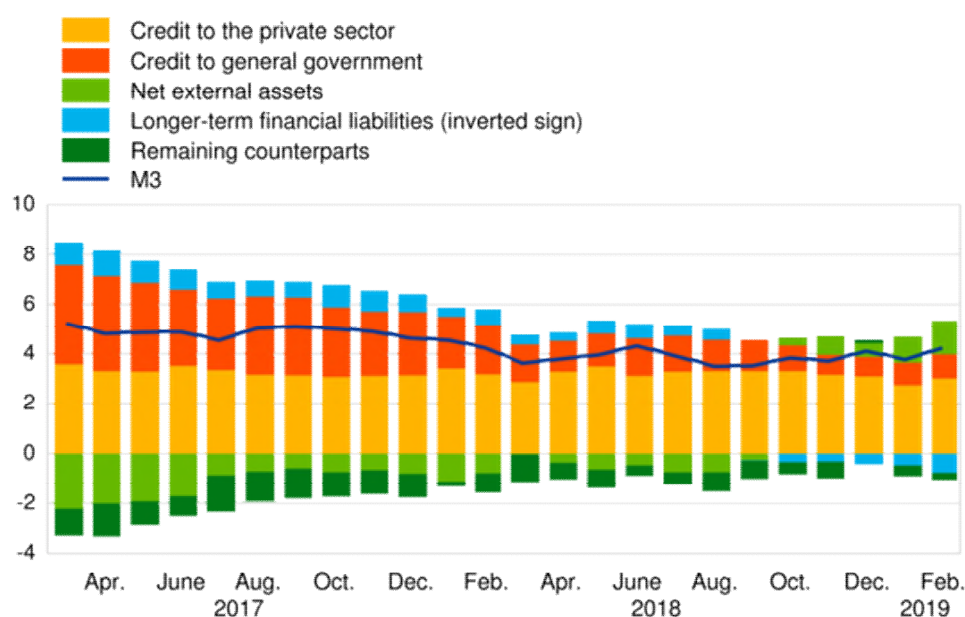
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credit to general government contributed 1.0 percentage point (up from 0.9 percentage point), longer-term financial liabilities contributed -0.8 percentage point (down from -0.5 percentage point), and the remaining counterparts of M3 contributed -0.3 percentage point (up from -0.4 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](#) increased to 2.7% in February 2019 from 2.5% in the previous month. The annual growth rate of [credit to general government](#) stood at 2.5% in February, compared with 2.4% in January, while the annual growth rate of [credit to the private sector](#) increased to 2.8% in February from 2.5% in January.

The annual growth rate of [adjusted loans to the private sector](#) (i.e. adjusted for loan sales, securitisation and notional cash pooling) increased to 3.2% in February from 3.0% in January. Among the borrowing sectors, the annual growth rate of [adjusted loans to households](#) stood at 3.3% in February, compared with 3.2% in January, while the annual growth rate of [adjusted loans to non-financial corporations](#) increased to 3.7% in February from 3.4% in January.

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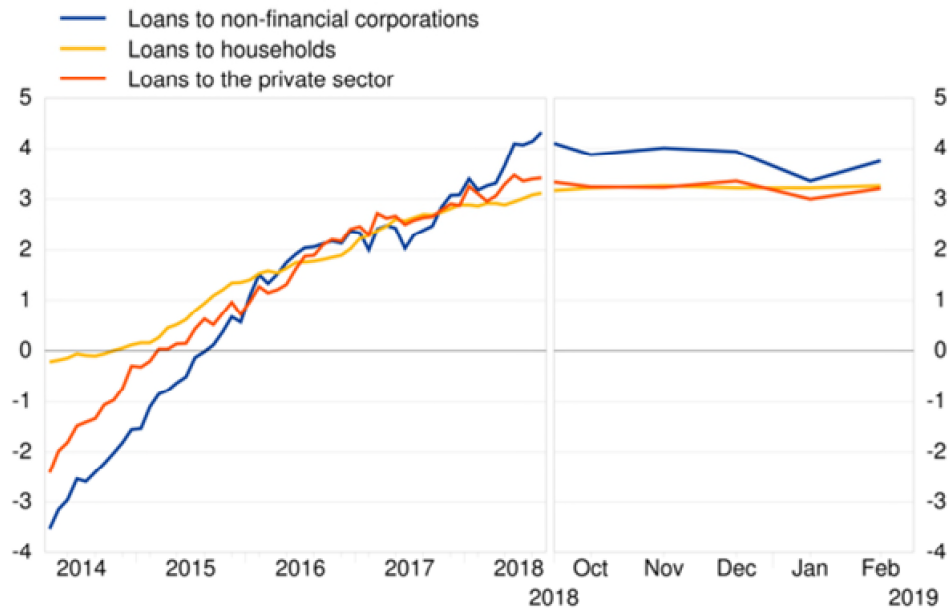
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### Chart 3

#### 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 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.

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## 1 Monetary developments in the euro area: February 2019

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

	End-of-month level	Monthly flow			Annual growth rate		
	Feb 2019	Dec 2018	Jan 2019	Feb 2019	Dec 2018	Jan 2019	Feb 2019
<b>COMPONENTS OF M3</b>							
<b>1. M3</b>	<b>12439</b>	<b>71</b>	<b>0</b>	<b>67</b>	<b>4.1</b>	<b>3.8</b>	<b>4.3</b>
1.1. M2	11797	37	16	79	4.3	4.0	4.5
1.1.1. M1	8367	31	15	72	6.6	6.2	6.6
Currency in circulation	1173	4	5	5	4.5	4.7	5.0
Overnight deposits	7195	26	10	67	6.9	6.4	6.9
1.1.2. Other short-term deposits (M2 - M1)	3429	6	0	6	-0.8	-0.8	-0.2
Deposits with an agreed maturity of up to two years	1125	3	-5	0	-6.0	-6.3	-4.9
Deposits redeemable at notice of up to three months	2305	3	5	6	2.0	2.0	2.2
1.2. Marketable instruments (M3 - M2)	642	34	-16	-12	0.9	-0.1	-0.4
Repurchase agreements	71	1	0	-4	-4.6	-4.0	-7.0
Money market fund shares	515	20	-8	-2	2.2	-0.1	1.0
Debt securities issued with a maturity of up to two years	56	13	-9	-5	-2.3	5.9	-3.6
<b>COUNTERPARTS OF M3</b>							
<b>MFI liabilities:</b>							
<b>2. Holdings against central government <sup>b)</sup></b>	<b>409</b>	<b>-11</b>	<b>-2</b>	<b>32</b>	<b>11.3</b>	<b>18.9</b>	<b>19.7</b>
<b>3. Longer-term financial liabilities vis-a-vis other euro area residents</b>	<b>6879</b>	<b>9</b>	<b>20</b>	<b>19</b>	<b>0.7</b>	<b>0.8</b>	<b>1.4</b>
3.1. Deposits with an agreed maturity of over two years	1937	5	-6	-3	-1.9	-1.9	-1.9
3.2. Deposits redeemable at notice of over three months	56	0	0	0	-8.1	-7.7	-7.1
3.3. Debt securities issued with a maturity of over two years	2146	1	21	26	0.8	1.0	2.9
3.4. Capital and reserves	2740	2	6	-3	2.8	2.9	2.7
<b>MFI assets:</b>							
<b>4. Credit to euro area residents</b>	<b>18186</b>	<b>64</b>	<b>21</b>	<b>57</b>	<b>2.6</b>	<b>2.5</b>	<b>2.7</b>
4.1. Credit to general government	4685	58	-12	12	2.0	2.4	2.5
Loans	1001	4	-1	-5	-2.7	-2.7	-2.5
Debt securities	3673	55	-11	16	3.4	3.9	4.0
Equity <sup>c)</sup>	12	-1	0	0	-0.2	-1.7	1.5
4.2. Credit to the private sector <sup>d)</sup>	13501	7	33	45	2.8	2.5	2.8
Loans <sup>e)</sup>	11178	8	33	23	2.8	2.5	2.7
Adjusted loans <sup>f)</sup>	11524	36	20	30	3.4	3.0	3.2
Debt securities	1533	8	0	7	6.2	5.3	5.3
Equity and non-money market fund investment fund shares	790	-9	0	14	-2.7	-2.5	-0.3
<b>5. Net external assets</b>	<b>1116</b>	<b>-27</b>	<b>28</b>	<b>44</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>6. Other counterparts of M3 (residual)</b>	<b>424</b>	<b>31</b>	<b>-31</b>	<b>17</b>	<b>-</b>	<b>-</b>	<b>-</b>
of which:							
6.1. Repos with central counterparties (liabilities) <sup>c)</sup>	198	-9	12	-1	11.0	28.0	35.9
6.2. Reverse repos to central counterparties (assets) <sup>c)</sup>	211	-10	14	2	2.2	22.7	28.0

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: February 2019

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

	Dec 2018	Jan 2019	Feb 2019
<b>COMPONENTS OF M3</b>			
1. M1	4.3	4.0	4.3
1.1. Currency in circulation	0.4	0.4	0.5
1.2. Overnight deposits	3.9	3.6	3.9
2. M2 - M1 (other short-term deposits)	-0.2	-0.2	-0.1
3. M3 - M2 (marketable instruments)	0.1	0.0	0.0
<b>COUNTERPARTS OF M3</b>			
4. Credit to the private sector	3.1	2.8	3.1
5. Credit to general government	0.8	0.9	1.0
6. Net external assets	0.5	1.0	1.3
7. Longer-term financial liabilities (inverted sign) <sup>b)</sup>	-0.4	-0.5	-0.8
8. Remaining counterparts	0.1	-0.4	-0.3
<b>M3 (sum of items 1 to 3, or items 4 to 8)</b>	<b>4.1</b>	<b>3.8</b>	<b>4.3</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: February 2019 (EUR billions and annual percentage changes; data adjusted for seasonal effects <sup>a)</sup>)

	End-of-month level	Monthly flow			Annual growth rate		
	Feb 2019	Dec 2018	Jan 2019	Feb 2019	Dec 2018	Jan 2019	Feb 2019
<b>BREAKDOWN OF DEPOSITS IN M3</b>							
<b>Total deposits</b>	<b>10695</b>	<b>33</b>	<b>11</b>	<b>69</b>	<b>4.2</b>	<b>3.9</b>	<b>4.4</b>
<b>1. Deposits placed by households <sup>b)</sup></b>	<b>6722</b>	<b>36</b>	<b>35</b>	<b>43</b>	<b>5.2</b>	<b>5.3</b>	<b>5.6</b>
1.1. Overnight deposits	4106	31	29	38	8.8	8.8	8.9
1.2. Deposits with an agreed maturity of up to two years	517	0	0	-1	-8.0	-7.1	-6.0
1.3. Deposits redeemable at notice of up to three months	2098	5	5	6	2.3	2.3	2.5
1.4. Repurchase agreements	2	0	1	0	65.1	-6.2	-13.3
<b>2. Deposits placed by non-financial corporations</b>	<b>2347</b>	<b>16</b>	<b>-7</b>	<b>22</b>	<b>4.0</b>	<b>2.5</b>	<b>4.3</b>
2.1. Overnight deposits	1918	11	2	19	5.6	4.4	5.9
2.2. Deposits with an agreed maturity of up to two years	275	6	-9	4	-2.5	-7.0	-3.0
2.3. Deposits redeemable at notice of up to three months	147	-1	0	0	-1.8	-0.5	-0.3
2.4. Repurchase agreements	7	0	0	-1	-16.0	-23.0	-25.6
<b>3. Deposits placed by non-monetary financial corporations excluding insurance corporations and pension funds <sup>c)</sup></b>	<b>965</b>	<b>2</b>	<b>-27</b>	<b>-14</b>	<b>-0.2</b>	<b>-1.7</b>	<b>-3.6</b>
3.1. Overnight deposits	725	2	-25	1	3.0	0.5	-0.4
3.2. Deposits with an agreed maturity of up to two years	171	-1	-3	-9	-8.5	-8.5	-13.4
3.3. Deposits redeemable at notice of up to three months	28	0	0	0	3.0	-0.5	-1.8
3.4. Repurchase agreements <sup>c)</sup>	41	2	1	-6	-14.4	-7.0	-12.0
<b>4. Deposits placed by insurance corporations and pension funds</b>	<b>206</b>	<b>-8</b>	<b>3</b>	<b>2</b>	<b>-2.2</b>	<b>-1.4</b>	<b>-1.1</b>
<b>5. Deposits placed by other general government</b>	<b>454</b>	<b>-13</b>	<b>7</b>	<b>15</b>	<b>4.4</b>	<b>5.3</b>	<b>8.9</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: February 2019  
(EUR billions and annual percentage changes; data adjusted for seasonal effects <sup>a)</sup>)

	End-of-month level	Monthly flow			Annual growth rate		
	Feb 2019	Dec 2018	Jan 2019	Feb 2019	Dec 2018	Jan 2019	Feb 2019
<b>BREAKDOWN OF LOANS AS COUNTERPART TO M3</b>							
<b>1. Loans to households <sup>b)</sup></b>	<b>5770</b>	<b>9</b>	<b>18</b>	<b>12</b>	<b>3.0</b>	<b>3.2</b>	<b>3.2</b>
<i>Adjusted loans <sup>c)</sup></i>	<b>6051</b>	<b>14</b>	<b>15</b>	<b>17</b>	<b>3.2</b>	<b>3.2</b>	<b>3.3</b>
1.1. Credit for consumption	691	0	4	4	6.2	6.2	6.1
1.2. Lending for house purchase	4375	13	14	8	3.2	3.5	3.5
1.3. Other lending	704	-5	0	0	-1.3	-1.2	-1.2
<i>of which: sole proprietors</i>	373	-2	0	0	-1.4	-1.5	-1.6
<b>2. Loans to non-financial corporations</b>	<b>4425</b>	<b>-13</b>	<b>3</b>	<b>17</b>	<b>2.9</b>	<b>2.2</b>	<b>2.6</b>
<i>Adjusted loans <sup>c)</sup></i>	<b>4505</b>	<b>10</b>	<b>-1</b>	<b>17</b>	<b>3.9</b>	<b>3.4</b>	<b>3.7</b>
2.1. up to 1 year	980	8	-14	0	1.9	-0.4	0.0
2.2. over 1 year and up to 5 years	851	-9	2	5	4.1	3.6	4.4
2.3. over 5 years	2594	-12	14	12	2.8	2.8	3.0
<b>3. Loans to non-monetary financial corporations except insurance corporations and pension funds <sup>d)</sup></b>	<b>857</b>	<b>5</b>	<b>12</b>	<b>-5</b>	<b>-0.4</b>	<b>-1.8</b>	<b>-1.5</b>
<i>Adjusted loans <sup>c)</sup></i>	<b>851</b>	<b>4</b>	<b>6</b>	<b>-3</b>	<b>-0.6</b>	<b>-1.5</b>	<b>-1.1</b>
<b>4. Loans to insurance corporations and pension funds</b>	<b>126</b>	<b>7</b>	<b>0</b>	<b>-1</b>	<b>16.5</b>	<b>13.0</b>	<b>10.6</b>
<i>Adjusted loans <sup>c)</sup></i>	<b>117</b>	<b>8</b>	<b>-1</b>	<b>-1</b>	<b>18.3</b>	<b>13.9</b>	<b>13.1</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.