

## Press release

27 March 2023

# Monetary developments in the euro area: February 2023

- Annual growth rate of broad [monetary aggregate M3](#) decreased to 2.9% in February 2023 from 3.5% in January
- Annual growth rate of narrower [monetary aggregate M1](#), comprising currency in circulation and overnight deposits, was -2.7% in February, compared with -0.8% in January
- Annual growth rate of [adjusted loans to households](#) decreased to 3.2% in February from 3.6% in January
- Annual growth rate of [adjusted loans to non-financial corporations](#) decreased to 5.7% in February from 6.1% in January

## Components of the broad monetary aggregate M3

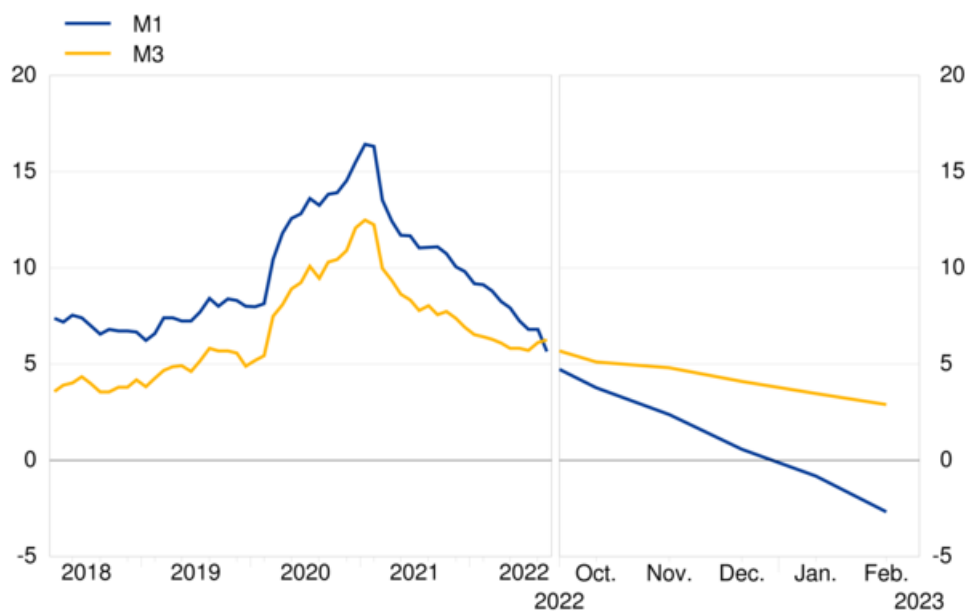
The annual growth rate of the broad monetary aggregate M3 decreased to 2.9% in February 2023 from 3.5% in January, averaging 3.5% in the three months up to February. The [components of M3](#) showed the following developments. The annual growth rate of the narrower aggregate M1, which comprises currency in circulation and overnight deposits, was -2.7% in February, compared with -0.8% in January. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) increased to 17.5% in February from 15.2% in January. The annual growth rate of marketable instruments (M3-M2) increased to 21.3% in February from 13.7% 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 -2.0 percentage points (down from -0.6 percentage points in January), short-term deposits other than overnight deposits (M2-M1) contributed 3.9 percentage points (up from 3.4 percentage points) and marketable instruments (M3-M2) contributed 1.0 percentage points (up from 0.6 percentage points).

From the perspective of the holding sectors of [deposits in M3](#), the annual growth rate of deposits placed by households decreased to 2.6% in February from 3.3% in January, while the annual growth rate of deposits placed by non-financial corporations decreased to 2.6% in February from 3.2% in January. Finally, the annual growth rate of deposits placed by non-monetary financial corporations (excluding insurance corporations and pension funds) was -5.0% in February, compared with -0.4% in January.

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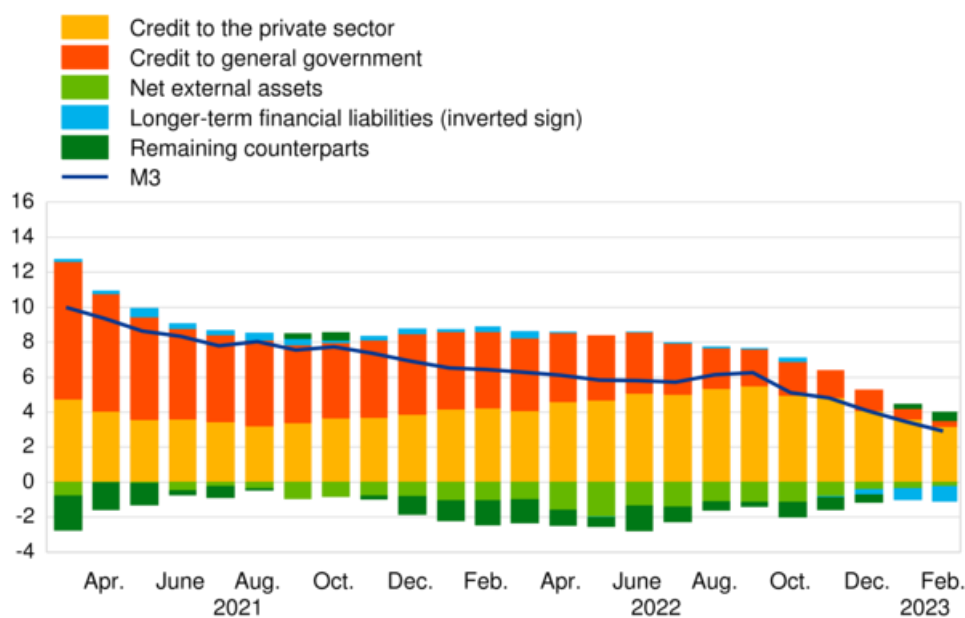
## Counterparts of the broad monetary aggregate M3

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 February 2023 can be broken down as follows: credit to the private sector contributed 3.2 percentage points (down from 3.6 percentage points in January), credit to general government contributed 0.3 percentage points (down from 0.6 percentage points), net external assets contributed -0.2 percentage points (up from -0.4 percentage points), longer-term financial liabilities contributed -0.9 percentage points (down from -0.6 percentage points), and the remaining counterparts of M3 contributed 0.5 percentage points (up from 0.3 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

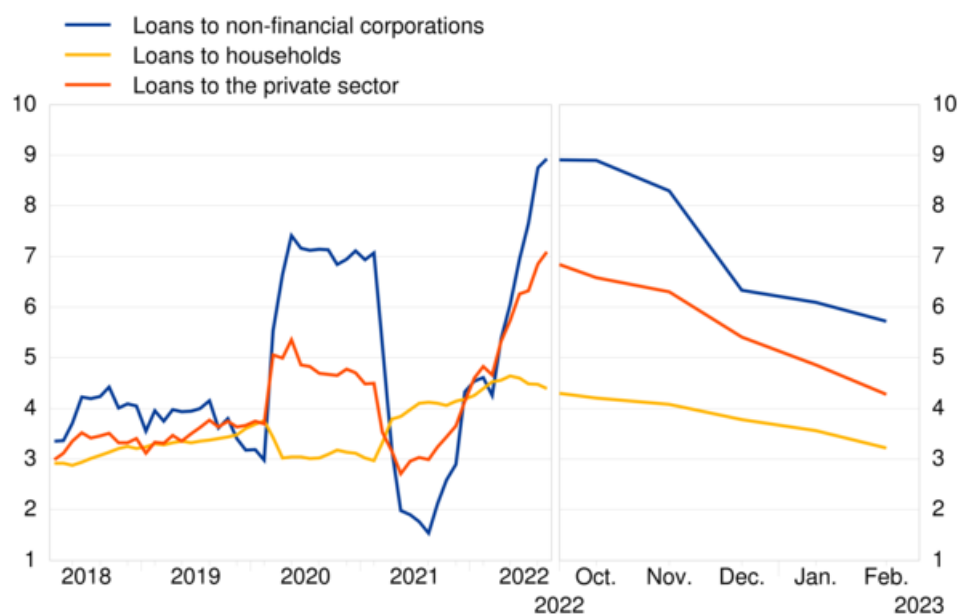
As regards the dynamics of credit, the annual growth rate of total [credit to euro area residents](#) decreased to 2.6% in February 2023 from 3.1% in the previous month. The annual growth rate of [credit to general government](#) decreased to 0.7% in February from 1.4% in January, while the annual growth rate of [credit to the private sector](#) decreased to 3.3% in February from 3.8% 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 4.3% in February from 4.9% in January. Among the borrowing sectors, the annual growth rate of [adjusted loans to households](#) decreased to 3.2% in February from 3.6% in January, while the annual growth rate of [adjusted loans to non-financial corporations](#) decreased to 5.7% in February from 6.1% in January.

### 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.

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## 1 Monetary developments in the euro area: February 2023

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

|   | End-of-month level | Monthly flow |             |            |              | Annual growth rate |              |  |
|---|--------------------|--------------|-------------|------------|--------------|--------------------|--------------|--|
|   | Feb 2023           | Dec 2022     | Jan 2023    | Feb 2023   | Dec 2022     | Jan 2023           | Feb 2023     |  |
| <b>COMPONENTS OF M3</b>   |                    |              |             |            |              |                    |              |  |
| <b>1. M3</b>  | <b>16099</b>       | <b>-38</b>   | <b>-23</b>  | <b>-26</b> | <b>4.1</b>   | <b>3.5</b>         | <b>2.9</b>   |  |
| 1.1. M2   | 15243              | -45          | -24         | -62        | 3.7          | 3.0                | 2.0          |  |
| 1.1.1. M1   | 11143              | -113         | -97         | -142       | 0.6          | -0.8               | -2.7         |  |
| Currency in circulation   | 1540               | -3           | 1           | -1         | 4.7          | 3.8                | 2.9          |  |
| Overnight deposits  | 9603               | -110         | -98         | -141       | 0.0          | -1.5               | -3.5         |  |
| 1.1.2. Other short-term deposits (M2 - M1)                                      | 4100               | 68           | 74          | 79         | 14.0         | 15.2               | 17.5         |  |
| Deposits with an agreed maturity of up to two years                             | 1543               | 53           | 75          | 83         | 45.7         | 49.6               | 58.9         |  |
| Deposits redeemable at notice of up to three months                             | 2557               | 15           | -1          | -3         | 2.3          | 2.1                | 1.7          |  |
| 1.2. Marketable instruments (M3 - M2)   | 856                | 7            | 1           | 36         | 11.4         | 13.7               | 21.3         |  |
| Repurchase agreements   | 124                | -15          | 10          | -10        | 3.0          | 2.6                | -6.1         |  |
| Money market fund shares  | 654                | 11           | -14         | 18         | 0.5          | 6.0                | 12.0         |  |
| Debt securities issued with a maturity of up to two years                       | 78                 | 10           | 5           | 29         | 527.7        | 247.1              | 461.9        |  |
| <b>COUNTERPARTS OF M3</b>   |                    |              |             |            |              |                    |              |  |
| <b>MFI liabilities:</b>   |                    |              |             |            |              |                    |              |  |
| <b>2. Holdings against central government <sup>b)</sup></b>                     | <b>554</b>         | <b>-8</b>    | <b>-125</b> | <b>-11</b> | <b>-10.0</b> | <b>-23.0</b>       | <b>-25.2</b> |  |
| <b>3. Longer-term financial liabilities vis-a-vis other euro area residents</b> | <b>6827</b>        | <b>35</b>    | <b>47</b>   | <b>16</b>  | <b>0.7</b>   | <b>1.5</b>         | <b>2.0</b>   |  |
| 3.1. Deposits with an agreed maturity of over two years                         | 1785               | -5           | 0           | 0          | -4.8         | -4.4               | -3.8         |  |
| 3.2. Deposits redeemable at notice of over three months                         | 34                 | 0            | 2           | 1          | -14.3        | -8.9               | -4.3         |  |
| 3.3. Debt securities issued with a maturity of over two years                   | 2169               | 12           | 48          | 6          | 0.6          | 2.8                | 3.4          |  |
| 3.4. Capital and reserves   | 2839               | 29           | -2          | 9          | 4.5          | 4.3                | 4.5          |  |
| <b>MFI assets:</b>  |                    |              |             |            |              |                    |              |  |
| <b>4. Credit to euro area residents</b>   | <b>21764</b>       | <b>-4</b>    | <b>-61</b>  | <b>-7</b>  | <b>3.8</b>   | <b>3.1</b>         | <b>2.6</b>   |  |
| 4.1. Credit to general government   | 6348               | 26           | -57         | 2          | 2.8          | 1.4                | 0.7          |  |
| Loans   | 997                | 12           | -18         | 1          | 1.0          | -0.6               | -0.8         |  |
| Debt securities   | 5326               | 13           | -39         | 1          | 3.1          | 1.8                | 1.0          |  |
| Equity <sup>c)</sup>  | 25                 | 0            | 0           | 0          | 28.1         | 29.2               | 25.8         |  |
| 4.2. Credit to the private sector <sup>d)</sup>                                 | 15415              | -30          | -4          | -9         | 4.3          | 3.8                | 3.3          |  |
| Loans <sup>e)</sup>   | 13021              | -45          | 13          | -9         | 5.0          | 4.4                | 3.9          |  |
| Adjusted loans <sup>f)</sup>  | 13189              | -21          | 8           | -9         | 5.4          | 4.9                | 4.3          |  |
| Debt securities   | 1548               | 13           | -15         | -8         | 1.1          | 0.9                | 0.3          |  |
| Equity and non-money market fund investment fund shares                         | 846                | 3            | -1          | 7          | -0.6         | -0.7               | 0.6          |  |
| <b>5. Net external assets</b>   | <b>1335</b>        | <b>24</b>    | <b>3</b>    | <b>7</b>   | <b>-</b>     | <b>-</b>           | <b>-</b>     |  |
| <b>6. Other counterparts of M3 (residual)</b>                                   | <b>381</b>         | <b>-31</b>   | <b>-42</b>  | <b>-21</b> | <b>-</b>     | <b>-</b>           | <b>-</b>     |  |
| of which:   |                    |              |             |            |              |                    |              |  |
| 6.1. Repos with central counterparties (liabilities) <sup>c)</sup>              | 156                | -23          | 18          | 1          | 7.9          | -7.2               | -7.1         |  |
| 6.2. Reverse repos to central counterparties (assets) <sup>c)</sup>             | 160                | -23          | 9           | 3          | 12.7         | -1.8               | 0.2          |  |

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: February 2023

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

|  | Dec 2022   | Jan 2023   | Feb 2023   |
|--|------------|------------|------------|
| <b>COMPONENTS OF M3</b>  |            |            |            |
| 1. M1  | 0.4        | -0.6       | -2.0       |
| 1.1. Currency in circulation                                       | 0.4        | 0.4        | 0.3        |
| 1.2. Overnight deposits  | 0.0        | -1.0       | -2.2       |
| 2. M2 - M1 (other short-term deposits)                             | 3.1        | 3.4        | 3.9        |
| 3. M3 - M2 (marketable instruments)                                | 0.5        | 0.6        | 1.0        |
| <b>COUNTERPARTS OF M3</b>  |            |            |            |
| 4. Credit to the private sector                                    | 4.1        | 3.6        | 3.2        |
| 5. Credit to general government                                    | 1.1        | 0.6        | 0.3        |
| 6. Net external assets   | -0.4       | -0.4       | -0.2       |
| 7. Longer-term financial liabilities (inverted sign) <sup>b)</sup> | -0.3       | -0.6       | -0.9       |
| 8. Remaining counterparts  | -0.4       | 0.3        | 0.5        |
| <b>M3 (sum of items 1 to 3, or items 4 to 8)</b>                   | <b>4.1</b> | <b>3.5</b> | <b>2.9</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 2023 (EUR billions and annual percentage changes; data adjusted for seasonal effects <sup>a)</sup>)

|   | End-of-month level | Monthly flow |            |            | Annual growth rate |             |             |
|---|--------------------|--------------|------------|------------|--------------------|-------------|-------------|
|   | Feb 2023           | Dec 2022     | Jan 2023   | Feb 2023   | Dec 2022           | Jan 2023    | Feb 2023    |
| <b>BREAKDOWN OF DEPOSITS IN M3</b>  |                    |              |            |            |                    |             |             |
| <b>Total deposits</b>   | <b>13827</b>       | <b>-57</b>   | <b>-15</b> | <b>-71</b> | <b>3.6</b>         | <b>2.9</b>  | <b>1.9</b>  |
| <b>1. Deposits placed by households <sup>b)</sup></b>   | <b>8419</b>        | <b>15</b>    | <b>13</b>  | <b>-21</b> | <b>3.7</b>         | <b>3.3</b>  | <b>2.6</b>  |
| 1.1. Overnight deposits   | 5512               | -26          | -25        | -53        | 3.1                | 1.9         | 0.4         |
| 1.2. Deposits with an agreed maturity of up to two years  | 521                | 30           | 37         | 36         | 20.0               | 31.6        | 42.7        |
| 1.3. Deposits redeemable at notice of up to three months  | 2386               | 11           | 1          | -3         | 2.4                | 2.2         | 1.8         |
| 1.4. Repurchase agreements  | 1                  | 0            | 0          | 0          | 20.0               | -3.1        | -25.6       |
| <b>2. Deposits placed by non-financial corporations</b>   | <b>3372</b>        | <b>-22</b>   | <b>-7</b>  | <b>-5</b>  | <b>3.7</b>         | <b>3.2</b>  | <b>2.6</b>  |
| 2.1. Overnight deposits   | 2656               | -33          | -48        | -42        | -3.1               | -5.0        | -7.1        |
| 2.2. Deposits with an agreed maturity of up to two years  | 573                | 9            | 41         | 35         | 70.0               | 82.0        | 97.9        |
| 2.3. Deposits redeemable at notice of up to three months  | 135                | 3            | -1         | 0          | 4.6                | 3.9         | 4.1         |
| 2.4. Repurchase agreements  | 9                  | -2           | 2          | 2          | -17.2              | -28.1       | -20.6       |
| <b>3. Deposits placed by non-monetary financial corporations excluding insurance corporations and pension funds <sup>c)</sup></b> | <b>1239</b>        | <b>-36</b>   | <b>-20</b> | <b>-46</b> | <b>3.7</b>         | <b>-0.4</b> | <b>-5.0</b> |
| 3.1. Overnight deposits   | 851                | -47          | -20        | -48        | -4.3               | -8.1        | -13.8       |
| 3.2. Deposits with an agreed maturity of up to two years  | 271                | 15           | -3         | 12         | 46.1               | 31.8        | 37.4        |
| 3.3. Deposits redeemable at notice of up to three months  | 20                 | 2            | 0          | 0          | 13.6               | 17.7        | 13.7        |
| 3.4. Repurchase agreements <sup>c)</sup>  | 97                 | -5           | 4          | -10        | 9.2                | 12.7        | -1.0        |
| <b>4. Deposits placed by insurance corporations and pension funds</b>   | <b>225</b>         | <b>-15</b>   | <b>1</b>   | <b>-12</b> | <b>3.4</b>         | <b>-0.1</b> | <b>-3.7</b> |
| <b>5. Deposits placed by other general government</b>   | <b>572</b>         | <b>2</b>     | <b>-2</b>  | <b>13</b>  | <b>2.7</b>         | <b>3.4</b>  | <b>4.7</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: February 2023 (EUR billions and annual percentage changes; data adjusted for seasonal effects <sup>a)</sup>)

|  | End-of-month level | Monthly flow |           |            | Annual growth rate |              |              |
|--|--------------------|--------------|-----------|------------|--------------------|--------------|--------------|
|  | Feb 2023           | Dec 2022     | Jan 2023  | Feb 2023   | Dec 2022           | Jan 2023     | Feb 2023     |
| <b>BREAKDOWN OF LOANS AS COUNTERPART TO M3</b>   |                    |              |           |            |                    |              |              |
| <b>1. Loans to households <sup>b)</sup></b>  | <b>6660</b>        | <b>4</b>     | <b>1</b>  | <b>5</b>   | <b>3.8</b>         | <b>3.4</b>   | <b>3.2</b>   |
| <i>Adjusted loans <sup>c)</sup></i>  | <b>6864</b>        | <b>6</b>     | <b>10</b> | <b>7</b>   | <b>3.8</b>         | <b>3.6</b>   | <b>3.2</b>   |
| 1.1. Credit for consumption  | 722                | 2            | 0         | 2          | 3.3                | 3.1          | 2.9          |
| 1.2. Lending for house purchase  | 5226               | 5            | 3         | 5          | 4.4                | 3.9          | 3.7          |
| 1.3. Other lending   | 713                | -2           | -1        | -2         | 0.1                | 0.0          | -0.4         |
| <i>of which: sole proprietors</i>  | 373                | 1            | -1        | -1         | -0.6               | -0.8         | -1.0         |
| <b>2. Loans to non-financial corporations</b>  | <b>5139</b>        | <b>-25</b>   | <b>1</b>  | <b>-3</b>  | <b>5.5</b>         | <b>5.3</b>   | <b>4.9</b>   |
| <i>Adjusted loans <sup>c)</sup></i>  | <b>5131</b>        | <b>-12</b>   | <b>-1</b> | <b>-2</b>  | <b>6.3</b>         | <b>6.1</b>   | <b>5.7</b>   |
| 2.1. up to 1 year  | 945                | -25          | -8        | -11        | 8.8                | 7.5          | 5.0          |
| 2.2. over 1 year and up to 5 years   | 1091               | 10           | 3         | 6          | 7.7                | 8.6          | 9.2          |
| 2.3. over 5 years  | 3102               | -10          | 6         | 3          | 3.8                | 3.6          | 3.5          |
| <b>3. Loans to non-monetary financial corporations except insurance corporations and pension funds <sup>d)</sup></b> | <b>1074</b>        | <b>-22</b>   | <b>9</b>  | <b>-12</b> | <b>13.4</b>        | <b>9.7</b>   | <b>6.1</b>   |
| <i>Adjusted loans <sup>c)</sup></i>  | <b>1060</b>        | <b>-12</b>   | <b>1</b>  | <b>-14</b> | <b>14.7</b>        | <b>10.6</b>  | <b>7.1</b>   |
| <b>4. Loans to insurance corporations and pension funds</b>  | <b>149</b>         | <b>-3</b>    | <b>1</b>  | <b>2</b>   | <b>-7.9</b>        | <b>-12.6</b> | <b>-11.0</b> |
| <i>Adjusted loans <sup>c)</sup></i>  | <b>134</b>         | <b>-3</b>    | <b>-3</b> | <b>1</b>   | <b>-9.4</b>        | <b>-13.7</b> | <b>-12.7</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.