



EUROPEAN CENTRAL BANK

EUROSYSTEM

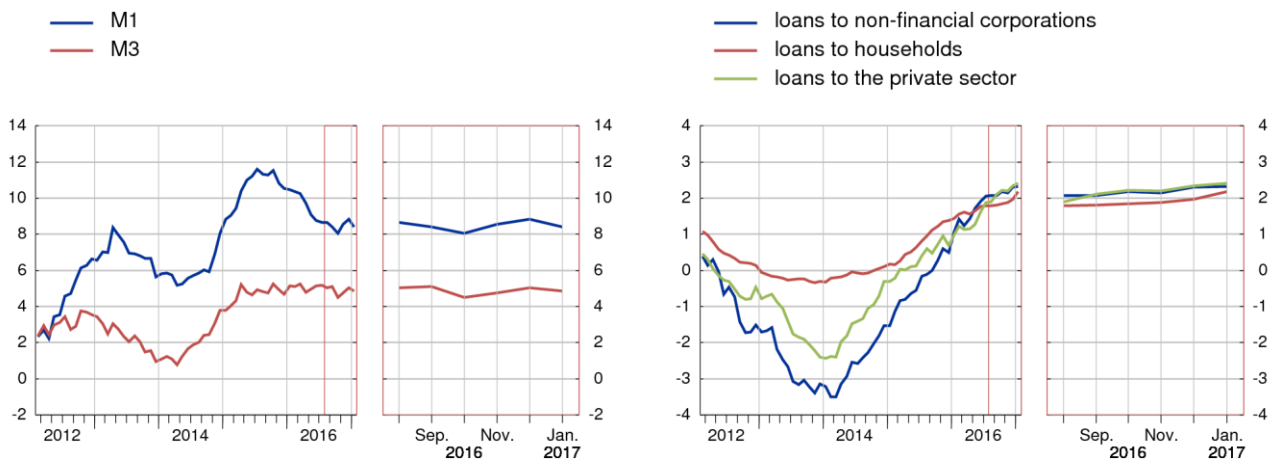
# PRESS RELEASE

27 February 2017

## Monetary developments in the euro area: January 2017

- The annual growth rate of the broad monetary aggregate M3 stood at 4.9% in January 2017, after 5.0% in December 2016.
- The annual growth rate of the narrower aggregate M1, which includes currency in circulation and overnight deposits, decreased to 8.4% in January, from 8.8% in December.
- The annual growth rate of adjusted loans to households increased to 2.2% in January, from 2.0% in December.
- The annual growth rate of adjusted loans to non-financial corporations stood at 2.3% in January, unchanged from the previous month.

### 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 stood at 4.9% in January 2017, after 5.0% in December, averaging 4.9% in the three months up to January. 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 January, from 8.8% in December. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) was less negative at -2.2% in January, from -2.6% in December. The annual growth rate of marketable instruments (M3-M2) decreased to 7.5% in January, from 8.8% in December.

Within M3, the annual growth rate of deposits placed by households increased to 5.5% in January, from 5.2% in December, while the annual growth rate of deposits placed by non-financial corporations increased to 7.1% in January, from 6.7% in December. Finally, the annual growth rate of deposits placed by non-monetary financial corporations (excluding insurance corporations and pension funds) decreased to -1.1% in January, from 3.1% in December.

### Credit to euro area residents

The annual growth rate of total credit to euro area residents stood at 4.6% in January 2017, compared with 4.7% in the previous month. The annual growth rate of credit to general government decreased to 10.5% in January, from 11.7% in December, while the annual growth rate of credit to the private sector increased to 2.7% in January, from 2.5% in December.

The annual growth rate of adjusted loans to the private sector (i.e. adjusted for loan sales, securitisation and notional cash pooling) stood at 2.4% in January, compared with 2.3% in December. In particular, the annual growth rate of adjusted loans to households increased to 2.2% in January, from 2.0% in December, and the annual growth rate of adjusted loans to non-financial corporations stood at 2.3% in January, unchanged from the previous month.

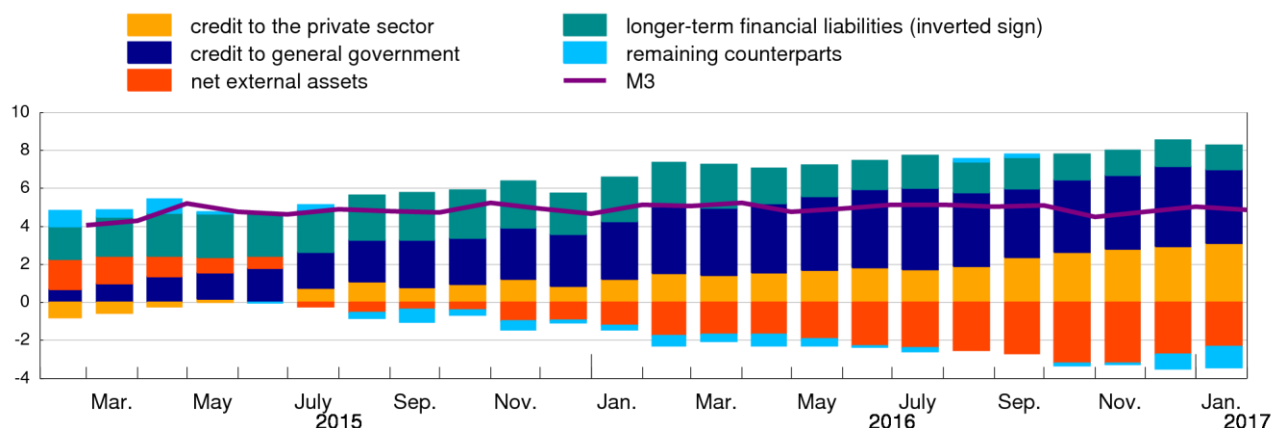
### Longer-term financial liabilities

The annual growth rate of longer-term financial liabilities of the MFI sector stood at -2.0% in January 2017, compared with -2.1% in December.

### M3 and its counterparts

The annual growth rate of the broad monetary aggregate M3 stood at 4.9% in January 2017. The contributions of M3 counterparts on the MFI balance sheet were as follows: longer-term financial liabilities contributed 1.3 percentage points, net external assets contributed -2.3 percentage points, credit to general government contributed 3.9 percentage points, and credit to the private sector contributed 3.1 percentage points; the remaining counterparts of M3 contributed -1.1 percentage points.

### 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: January 2017

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

	End-of-month level	Monthly flow			Annual growth rate		
	Jan 2017	Nov 2016	Dec 2016	Jan 2017	Nov 2016	Dec 2016	Jan 2017
<b>COMPONENTS OF M3</b>							
<b>1. M3</b>	<b>11436</b>	<b>78</b>	<b>31</b>	<b>67</b>	<b>4.8</b>	<b>5.0</b>	<b>4.9</b>
1.1. M2	10746	70	20	66	4.9	4.8	4.7
1.1.1. M1	7238	84	44	51	8.5	8.8	8.4
Currency in circulation	1082	3	-2	9	3.8	3.5	3.6
Overnight deposits	6156	81	47	43	9.4	9.8	9.3
1.1.2. Other short-term deposits (M2 - M1)	3508	-14	-24	14	-1.9	-2.6	-2.2
Deposits with an agreed maturity of up to two years	1330	-13	-28	12	-5.5	-7.6	-6.8
Deposits redeemable at notice of up to three months	2178	-1	4	2	0.6	0.7	0.8
1.2. Marketable instruments (M3 - M2)	691	8	11	2	3.1	8.8	7.5
Repurchase agreements	75	-2	-2	5	-15.8	-5.8	-7.3
Money market fund shares	517	2	15	-4	4.9	8.8	9.3
Debt securities issued with a maturity of up to two years	98	8	-2	1	12.1	23.8	11.2
<b>COUNTERPARTS OF M3</b>							
<b>MFI liabilities:</b>							
<b>2. Holdings against central government <sup>b)</sup></b>	<b>303</b>	<b>-28</b>	<b>21</b>	<b>-16</b>	<b>0.1</b>	<b>10.9</b>	<b>-1.4</b>
<b>3. Longer-term financial liabilities vis-a-vis other euro area residents</b>	<b>6872</b>	<b>-10</b>	<b>-16</b>	<b>-22</b>	<b>-2.1</b>	<b>-2.1</b>	<b>-2.0</b>
3.1. Deposits with an agreed maturity of over two years	2037	-12	-8	-11	-3.2	-3.4	-3.6
3.2. Deposits redeemable at notice of over three months	70	-1	-1	-1	-10.7	-11.5	-11.0
3.3. Debt securities issued with a maturity of over two years	2127	-5	-3	-6	-5.9	-5.4	-4.8
3.4. Capital and reserves	2638	7	-3	-5	2.5	2.0	1.8
<b>MFI assets:</b>							
<b>4. Credit to euro area residents</b>	<b>17271</b>	<b>82</b>	<b>69</b>	<b>71</b>	<b>4.4</b>	<b>4.7</b>	<b>4.6</b>
4.1. Credit to general government	4388	45	69	16	10.7	11.7	10.5
Loans	1087	-7	-8	5	-3.0	-3.1	-2.9
Debt securities	3287	52	77	10	16.3	17.6	15.8
Equity <sup>c)</sup>	14	0	0	1	5.3	0.7	4.7
4.2. Credit to other euro area residents <sup>d)</sup>	12883	36	0	55	2.4	2.5	2.7
Loans <sup>e)</sup>	10693	38	-11	30	2.1	2.2	2.2
Adjusted loans <sup>f)</sup>	10988	21	11	23	2.2	2.3	2.4
Debt securities	1403	5	4	19	7.4	6.2	7.0
Equity and non-money market fund investment fund shares	787	-7	7	7	-0.7	0.7	3.0
<b>5. Net external assets</b>	<b>1120</b>	<b>-12</b>	<b>21</b>	<b>12</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>6. Other counterparts of M3 (residual)</b>	<b>220</b>	<b>-30</b>	<b>-55</b>	<b>-54</b>	<b>-</b>	<b>-</b>	<b>-</b>
of which:							
6.1. Repos with central counterparties (liabilities)(+) <sup>c)</sup>	176	2	11	-28	-4.9	6.3	-12.2
6.2. Reverse repos to central counterparties (assets)(-) <sup>c)</sup>	106	-12	0	-15	-15.6	-9.0	-23.8

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.

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) Euro area non-MFIs excluding general government are also referred to in the press release as the private sector.

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: January 2017

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

	End-of-month level	Monthly flow			Annual growth rate		
	Jan 2017	Nov 2016	Dec 2016	Jan 2017	Nov 2016	Dec 2016	Jan 2017
<b>BREAKDOWN OF DEPOSITS IN M3</b>							
<b>Total deposits</b>	<b>9739</b>	<b>65</b>	<b>20</b>	<b>62</b>	<b>4.8</b>	<b>4.8</b>	<b>4.7</b>
<b>1. Deposits placed by households <sup>b)</sup></b>	<b>6088</b>	<b>28</b>	<b>20</b>	<b>39</b>	<b>5.4</b>	<b>5.2</b>	<b>5.5</b>
1.1. Overnight deposits	3439	37	27	39	11.1	11.0	11.4
1.2. Deposits with an agreed maturity of up to two years	636	-9	-9	-7	-6.0	-6.8	-7.7
1.3. Deposits redeemable at notice of up to three months	2011	0	2	6	0.7	0.7	1.0
1.4. Repurchase agreements	3	0	-1	1	-32.6	-31.2	-19.6
<b>2. Deposits placed by non-financial corporations <sup>c)</sup></b>	<b>2099</b>	<b>24</b>	<b>-9</b>	<b>46</b>	<b>7.1</b>	<b>6.7</b>	<b>7.1</b>
2.1. Overnight deposits	1677	26	2	42	10.1	10.3	10.5
2.2. Deposits with an agreed maturity of up to two years	299	-3	-11	6	-3.7	-7.6	-5.5
2.3. Deposits redeemable at notice of up to three months	116	-1	0	-1	-0.1	0.0	-0.2
2.4. Repurchase agreements	7	1	0	-2	-5.3	2.2	-26.8
<b>3. Deposits placed by non-monetary financial corporations excluding insurance corporations and pension funds <sup>c), d)</sup></b>	<b>963</b>	<b>24</b>	<b>21</b>	<b>-35</b>	<b>0.5</b>	<b>3.1</b>	<b>-1.1</b>
3.1. Overnight deposits	664	26	26	-42	3.1	7.4	1.4
3.2. Deposits with an agreed maturity of up to two years	227	-2	-2	5	-4.0	-7.2	-6.0
3.3. Deposits redeemable at notice of up to three months	22	0	0	-1	-2.0	3.3	-5.6
3.4. Repurchase agreements <sup>d)</sup>	50	-1	-2	2	-10.9	-4.4	-6.7
<b>4. Deposits placed by insurance corporations and pension funds</b>	<b>195</b>	<b>0</b>	<b>-10</b>	<b>-2</b>	<b>-8.0</b>	<b>-13.0</b>	<b>-13.5</b>
<b>5. Deposits placed by other general government</b>	<b>395</b>	<b>-10</b>	<b>-2</b>	<b>14</b>	<b>3.1</b>	<b>4.7</b>	<b>6.0</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) 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).

d) Excludes repurchase agreements with central counterparties.

### 3 Contributions of M3 components to the M3 annual growth rate: January 2017

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

	Nov 2016	Dec 2016	Jan 2017
<b>1. M1</b>	<b>5.2</b>	<b>5.4</b>	<b>5.1</b>
1.1. Currency in circulation	0.4	0.3	0.3
1.2. Overnight deposits	4.8	5.0	4.8
<b>2. M2 - M1 (other short-term deposits)</b>	<b>-0.6</b>	<b>-0.9</b>	<b>-0.7</b>
<b>3. M3 - M2 (marketable instruments)</b>	<b>0.2</b>	<b>0.5</b>	<b>0.4</b>
<b>M3 (items 1, 2 and 3)</b>	<b>4.8</b>	<b>5.0</b>	<b>4.9</b>

a) Figures may not add up due to rounding.

### 4 Breakdown of loans as counterpart to M3 by borrowing sector, type and original maturity: January 2017

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

	End-of-month level	Monthly flow			Annual growth rate		
	Jan 2017	Nov 2016	Dec 2016	Jan 2017	Nov 2016	Dec 2016	Jan 2017
<b>BREAKDOWN OF LOANS AS COUNTERPART TO M3</b>							
<b>1. Loans to households <sup>b)</sup></b>	<b>5423</b>	<b>19</b>	<b>8</b>	<b>14</b>	<b>2.1</b>	<b>2.2</b>	<b>2.4</b>
<i>Adjusted loans <sup>c)</sup></i>	<b>5743</b>	<b>11</b>	<b>9</b>	<b>19</b>	<b>1.9</b>	<b>2.0</b>	<b>2.2</b>
1.1. Credit for consumption	619	2	2	2	3.6	3.9	4.1
1.2. Lending for house purchase	4051	16	11	8	2.5	2.7	2.7
1.3. Other lending	753	1	-5	4	-1.2	-1.4	-0.8
<i>of which: sole proprietors <sup>d)</sup></i>	384	-1	-2	0	-1.6	-1.8	-1.4
<b>2. Loans to non-financial corporations <sup>e)</sup></b>	<b>4313</b>	<b>16</b>	<b>-12</b>	<b>18</b>	<b>1.8</b>	<b>1.9</b>	<b>1.7</b>
<i>Adjusted loans <sup>c)</sup></i>	<b>4304</b>	<b>8</b>	<b>10</b>	<b>12</b>	<b>2.1</b>	<b>2.3</b>	<b>2.3</b>
2.1. up to 1 year	1011	7	-29	16	-1.8	-1.7	-1.8
2.2. over 1 year and up to 5 years	797	7	1	1	6.6	6.0	5.4
2.3. over 5 years	2506	3	16	0	1.9	2.2	2.1
<b>3. Loans to non-monetary financial corporations except insurance corporations and pension funds <sup>e), f)</sup></b>	<b>842</b>	<b>1</b>	<b>-3</b>	<b>-4</b>	<b>4.2</b>	<b>5.3</b>	<b>4.5</b>
<i>Adjusted loans <sup>c)</sup></i>	<b>837</b>	<b>1</b>	<b>-6</b>	<b>-9</b>	<b>5.4</b>	<b>6.4</b>	<b>5.9</b>
<b>4. Loans to insurance corporations and pension funds</b>	<b>115</b>	<b>1</b>	<b>-3</b>	<b>2</b>	<b>-6.7</b>	<b>-9.0</b>	<b>-8.6</b>
<i>Adjusted loans <sup>c)</sup></i>	<b>104</b>	<b>1</b>	<b>-1</b>	<b>1</b>	<b>-4.1</b>	<b>-7.2</b>	<b>-6.9</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) The series is not adjusted for seasonal effects.

e) 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).

f) Excludes reverse repos to central counterparties.