



EUROPEAN CENTRAL BANK

EUROSYSTEM

## Press release

28 March 2024

# Monetary developments in the euro area: February 2024

- Annual growth rate of broad [monetary aggregate M3](#) increased to 0.4% in February 2024 from 0.1% in January
- Annual growth rate of narrower [monetary aggregate M1](#), comprising currency in circulation and overnight deposits, was -7.7% in February, compared with -8.6% in January
- Annual growth rate of [adjusted loans to households](#) stood at 0.3% in February, unchanged from previous month
- Annual growth rate of [adjusted loans to non-financial corporations](#) increased to 0.4% in February from 0.2% in January

## Components of the broad monetary aggregate M3

The annual growth rate of the broad monetary aggregate M3 increased to 0.4% in February 2024 from 0.1% in January, averaging 0.2% 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 -7.7% in February, compared with -8.6% in January. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) decreased to 18.8% in February from 19.8% in January. The annual growth rate of marketable instruments (M3-M2) decreased to 17.6% in February from 22.4% in January.

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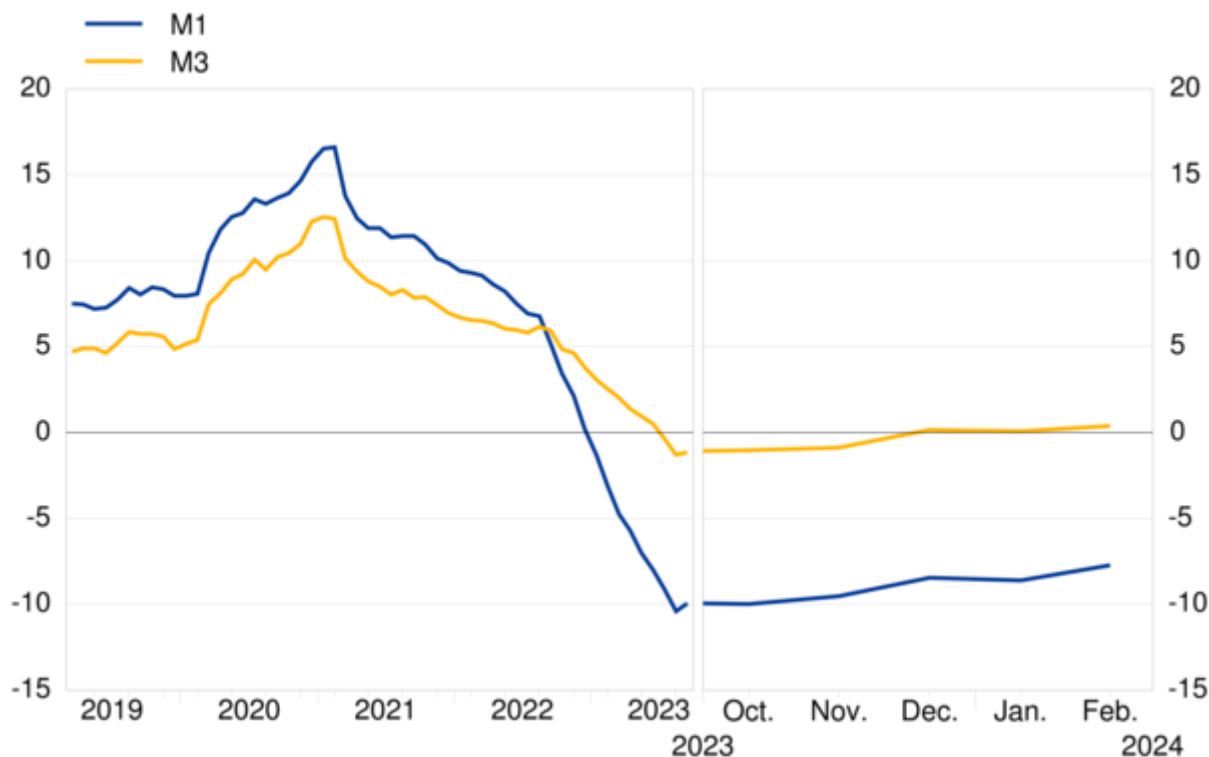
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## Chart 1 Monetary aggregates

(annual growth rates)



### [Data for monetary aggregates](#)

Looking at the [components' contributions to the annual growth rate of M3](#), the narrower aggregate M1 contributed -5.4 percentage points (up from -6.1 percentage points in January), short-term deposits other than overnight deposits (M2-M1) contributed 4.8 percentage points (down from 5.0 percentage points) and marketable instruments (M3-M2) contributed 0.9 percentage points (down from 1.2 percentage points).

From the perspective of the holding sectors of [deposits in M3](#), the annual growth rate of deposits placed by households increased to 0.6% in February from 0.3% in January, while the annual growth rate of deposits placed by non-financial corporations stood at -1.1% in February, unchanged from the previous month. Finally, the annual growth rate of deposits placed by non-monetary financial corporations (excluding insurance corporations and pension funds) was -1.7% in February, compared with -5.3% in January.

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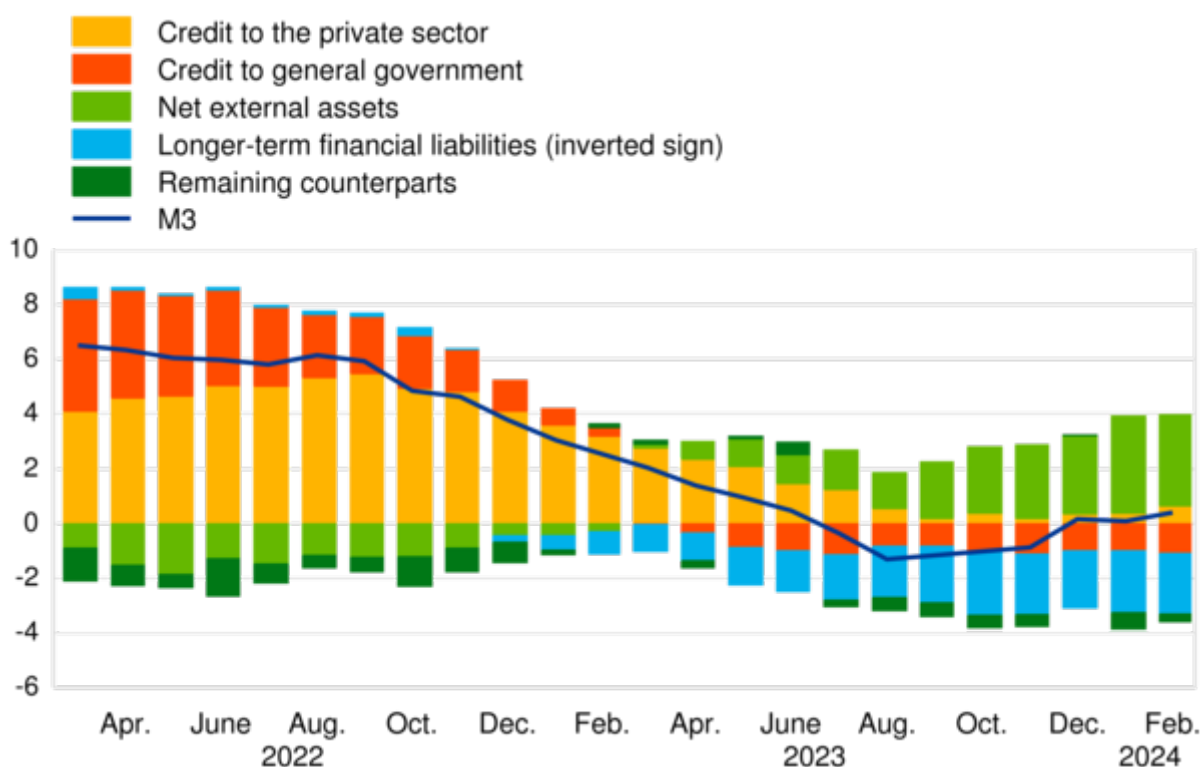
## Counterparts of the broad monetary aggregate M3

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 2024 can be broken down as follows: net external assets contributed 3.3 percentage points (down from 3.6 percentage points in January), credit to the private sector contributed 0.6 percentage points (up from 0.4 percentage points), credit to general government contributed -1.1 percentage points (down from -1.0 percentage points), longer-term financial liabilities contributed -2.2 percentage points (up from -2.3 percentage points), and the remaining counterparts of M3 contributed -0.3 percentage points (up from -0.6 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

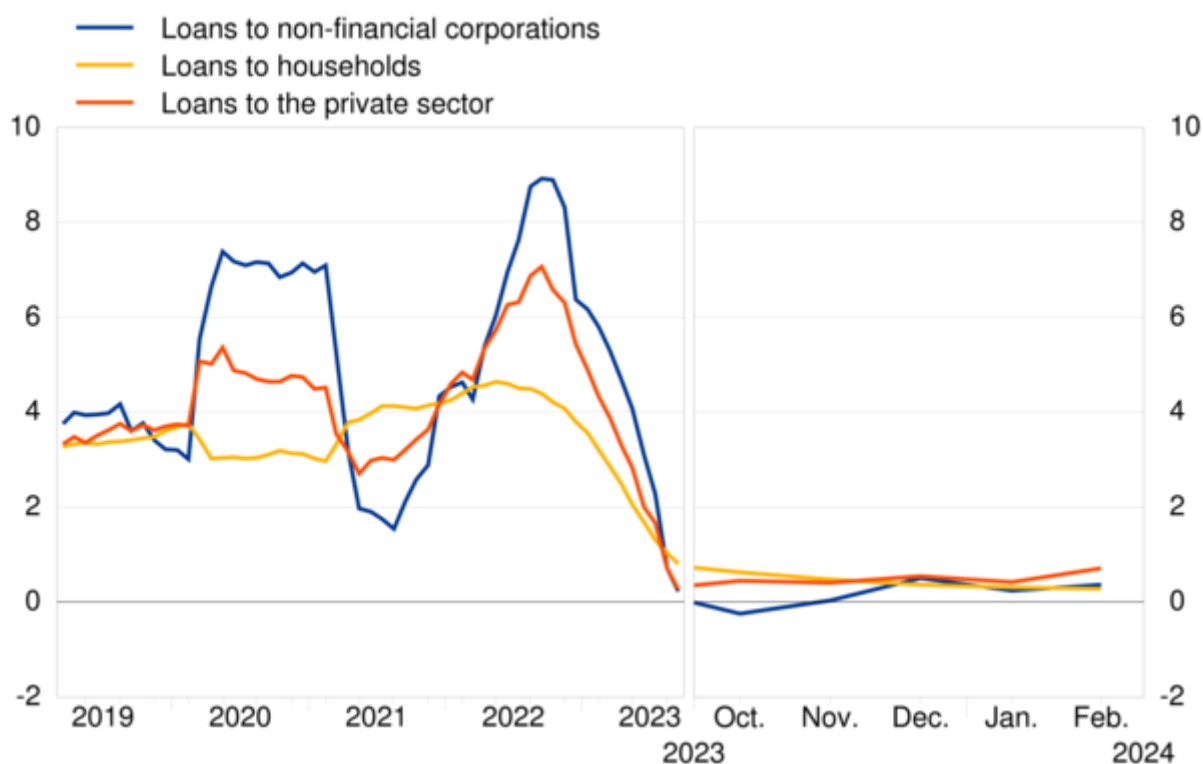
As regards the dynamics of credit, the annual growth rate of total [credit to euro area residents](#) stood at -0.3% in February 2024, compared with -0.4% in the previous month. The annual growth rate of [credit to general government](#) was -2.8% in February, compared with -2.4% in January, while the annual growth rate of [credit to the private sector](#) increased to 0.7% in February from 0.4% 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 0.7% in February from 0.4% in January. Among the borrowing sectors, the annual growth rate of [adjusted loans to households](#) stood at 0.3% in February, unchanged from the previous month, while the annual growth rate of [adjusted loans to non-financial corporations](#) increased to 0.4% in February from 0.2% 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.

## 1 Monetary developments in the euro area: February 2024

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

	End-of-month level	Monthly flow				Annual growth rate		
	Feb 2024	Dec 2023	Jan 2024	Feb 2024	Dec 2023	Jan 2024	Feb 2024	
<b>COMPONENTS OF M3</b>								
<b>1. M3</b>	<b>16118</b>	<b>129</b>	<b>-47</b>	<b>30</b>	<b>0.2</b>	<b>0.1</b>	<b>0.4</b>	
1.1. M2	15106	105	-77	38	-0.9	-1.1	-0.6	
1.1.1. M1	10249	15	-113	-14	-8.5	-8.6	-7.7	
Currency in circulation	1533	2	-3	0	-0.3	-0.5	-0.4	
Overnight deposits	8715	13	-111	-14	-9.7	-9.9	-8.9	
1.1.2. Other short-term deposits (M2 - M1)	4857	90	36	52	20.9	19.8	18.8	
Deposits with an agreed maturity of up to two years	2424	78	47	65	66.7	62.2	58.0	
Deposits redeemable at notice of up to three months	2434	12	-11	-13	-3.9	-4.3	-4.7	
1.2. Marketable instruments (M3 - M2)	1012	24	30	-7	19.5	22.4	17.6	
Repurchase agreements	179	4	-1	-5	32.9	25.1	29.5	
Money market fund shares	764	21	10	14	14.4	17.5	17.1	
Debt securities issued with a maturity of up to two years	69	-1	21	-17	47.5	71.9	-0.5	
<b>COUNTERPARTS OF M3</b>								
<b>MFI liabilities:</b>								
<b>2. Holdings against central government <sup>b)</sup></b>	<b>439</b>	<b>54</b>	<b>-4</b>	<b>-19</b>	<b>-29.8</b>	<b>-20.3</b>	<b>-21.5</b>	
<b>3. Longer-term financial liabilities vis-a-vis other euro area residents</b>	<b>7367</b>	<b>10</b>	<b>61</b>	<b>15</b>	<b>4.9</b>	<b>5.2</b>	<b>5.1</b>	
3.1. Deposits with an agreed maturity of over two years	1828	-2	3	2	1.4	1.6	1.7	
3.2. Deposits redeemable at notice of over three months	102	7	6	5	80.2	85.3	88.7	
3.3. Debt securities issued with a maturity of over two years	2465	21	37	15	10.6	10.3	10.5	
3.4. Capital and reserves	2972	-15	15	-6	1.5	2.1	1.5	
<b>MFI assets:</b>								
<b>4. Credit to euro area residents</b>	<b>21739</b>	<b>43</b>	<b>-36</b>	<b>15</b>	<b>-0.5</b>	<b>-0.4</b>	<b>-0.3</b>	
4.1. Credit to general government	6210	36	-43	-22	-2.5	-2.4	-2.8	
Loans	983	9	-8	-2	-1.7	-1.0	-1.2	
Debt securities	5202	27	-35	-20	-2.7	-2.7	-3.1	
Equity <sup>c)</sup>	26	0	0	0	1.0	2.5	2.5	
4.2. Credit to the private sector <sup>d)</sup>	15529	7	8	37	0.4	0.4	0.7	
Loans <sup>e)</sup>	13029	-5	-28	34	0.2	-0.1	0.2	
Adjusted loans <sup>f)</sup>	13264	14	-11	34	0.5	0.4	0.7	
Debt securities	1582	-4	27	-1	-1.0	1.3	1.6	
Equity and non-money market fund investment fund shares	917	16	8	5	5.4	6.4	6.2	
<b>5. Net external assets</b>	<b>1936</b>	<b>54</b>	<b>103</b>	<b>-17</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>6. Other counterparts of M3 (residual)</b>	<b>249</b>	<b>95</b>	<b>-57</b>	<b>29</b>	<b>-</b>	<b>-</b>	<b>-</b>	
of which:								
6.1. Repos with central counterparties (liabilities) <sup>c)</sup>	165	-15	11	2	14.3	8.4	10.0	
6.2. Reverse repos to central counterparties (assets) <sup>c)</sup>	173	-9	7	14	6.0	4.2	11.0	

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 2024

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

	Dec 2023	Jan 2024	Feb 2024
<b>COMPONENTS OF M3</b>			
1. M1	-6.0	-6.1	-5.4
1.1. Currency in circulation	0.0	0.0	0.0
1.2. Overnight deposits	-6.0	-6.1	-5.3
2. M2 - M1 (other short-term deposits)	5.2	5.0	4.8
3. M3 - M2 (marketable instruments)	1.0	1.2	0.9
<b>COUNTERPARTS OF M3</b>			
4. Credit to the private sector	0.3	0.4	0.6
5. Credit to general government	-1.0	-1.0	-1.1
6. Net external assets	2.9	3.6	3.3
7. Longer-term financial liabilities (inverted sign) <sup>b)</sup>	-2.1	-2.3	-2.2
8. Remaining counterparts	0.0	-0.6	-0.3
<b>M3 (sum of items 1 to 3, or items 4 to 8)</b>	<b>0.2</b>	<b>0.1</b>	<b>0.4</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 2024 (EUR billions and annual percentage changes; data adjusted for seasonal effects <sup>a)</sup>)

	End-of-month level	Monthly flow			Annual growth rate		
	Feb 2024	Dec 2023	Jan 2024	Feb 2024	Dec 2023	Jan 2024	Feb 2024
<b>BREAKDOWN OF DEPOSITS IN M3</b>							
<b>Total deposits</b>	<b>13751</b>	<b>106</b>	<b>-76</b>	<b>33</b>	<b>-0.6</b>	<b>-0.9</b>	<b>-0.3</b>
<b>1. Deposits placed by households <sup>b)</sup></b>	<b>8449</b>	<b>61</b>	<b>11</b>	<b>10</b>	<b>0.3</b>	<b>0.3</b>	<b>0.6</b>
1.1. Overnight deposits	5062	-4	-32	-19	-8.2	-8.3	-7.9
1.2. Deposits with an agreed maturity of up to two years	1114	52	50	40	128.2	121.5	114.1
1.3. Deposits redeemable at notice of up to three months	2272	12	-7	-12	-4.0	-4.3	-4.7
1.4. Repurchase agreements	1	1	0	0	67.4	39.2	28.9
<b>2. Deposits placed by non-financial corporations</b>	<b>3317</b>	<b>11</b>	<b>-11</b>	<b>-8</b>	<b>-0.9</b>	<b>-1.1</b>	<b>-1.1</b>
2.1. Overnight deposits	2367	21	-42	-16	-11.1	-11.3	-10.5
2.2. Deposits with an agreed maturity of up to two years	810	-5	34	8	54.0	49.7	42.4
2.3. Deposits redeemable at notice of up to three months	128	0	-3	0	-1.1	-3.2	-3.1
2.4. Repurchase agreements	12	-4	0	0	91.8	57.8	45.7
<b>3. Deposits placed by non-monetary financial corporations excluding insurance corporations and pension funds <sup>c)</sup></b>	<b>1217</b>	<b>17</b>	<b>-44</b>	<b>8</b>	<b>-4.1</b>	<b>-5.3</b>	<b>-1.7</b>
3.1. Overnight deposits	770	-8	-26	2	-12.7	-13.1	-8.5
3.2. Deposits with an agreed maturity of up to two years	290	15	-20	13	15.7	10.7	11.2
3.3. Deposits redeemable at notice of up to three months	19	0	0	-1	-0.3	-1.3	-6.1
3.4. Repurchase agreements <sup>c)</sup>	138	9	3	-7	20.8	19.0	22.1
<b>4. Deposits placed by insurance corporations and pension funds</b>	<b>223</b>	<b>12</b>	<b>-13</b>	<b>1</b>	<b>0.0</b>	<b>-4.8</b>	<b>-1.2</b>
<b>5. Deposits placed by other general government</b>	<b>545</b>	<b>5</b>	<b>-19</b>	<b>22</b>	<b>-4.6</b>	<b>-7.3</b>	<b>-5.4</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 2024 (EUR billions and annual percentage changes; data adjusted for seasonal effects <sup>a)</sup>)

	End-of-month level	Monthly flow			Annual growth rate		
	Feb 2024	Dec 2023	Jan 2024	Feb 2024	Dec 2023	Jan 2024	Feb 2024
<b>BREAKDOWN OF LOANS AS COUNTERPART TO M3</b>							
<b>1. Loans to households <sup>b)</sup></b>	<b>6638</b>	<b>-3</b>	<b>-13</b>	<b>5</b>	<b>0.1</b>	<b>-0.1</b>	<b>-0.1</b>
<i>Adjusted loans <sup>c)</sup></i>	<b>6872</b>	<b>0</b>	<b>4</b>	<b>4</b>	<b>0.4</b>	<b>0.3</b>	<b>0.3</b>
1.1. Credit for consumption	737	2	1	3	2.6	2.7	2.8
1.2. Lending for house purchase	5220	-3	-12	4	0.2	-0.1	-0.1
1.3. Other lending	682	-2	-2	-2	-3.0	-3.1	-3.1
<i>of which: sole proprietors</i>	359	0	-1	-1	-3.3	-3.3	-3.4
<b>2. Loans to non-financial corporations</b>	<b>5114</b>	<b>11</b>	<b>-14</b>	<b>6</b>	<b>-0.1</b>	<b>-0.5</b>	<b>-0.3</b>
<i>Adjusted loans <sup>c)</sup></i>	<b>5131</b>	<b>17</b>	<b>-13</b>	<b>6</b>	<b>0.5</b>	<b>0.2</b>	<b>0.4</b>
2.1. up to 1 year	894	13	-18	1	-4.6	-5.7	-4.5
2.2. over 1 year and up to 5 years	1091	5	1	-2	1.0	0.8	0.1
2.3. over 5 years	3130	-6	3	7	0.9	0.7	0.8
<b>3. Loans to non-monetary financial corporations except insurance corporations and pension funds <sup>d)</sup></b>	<b>1141</b>	<b>-18</b>	<b>4</b>	<b>21</b>	<b>2.8</b>	<b>2.9</b>	<b>5.9</b>
<i>Adjusted loans <sup>c)</sup></i>	<b>1135</b>	<b>-6</b>	<b>1</b>	<b>23</b>	<b>2.6</b>	<b>3.1</b>	<b>6.1</b>
<b>4. Loans to insurance corporations and pension funds</b>	<b>136</b>	<b>5</b>	<b>-5</b>	<b>2</b>	<b>-5.4</b>	<b>-8.7</b>	<b>-7.6</b>
<i>Adjusted loans <sup>c)</sup></i>	<b>125</b>	<b>3</b>	<b>-3</b>	<b>1</b>	<b>-5.1</b>	<b>-7.9</b>	<b>-6.8</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.