



EUROPEAN CENTRAL BANK

EUROSYSTEM

# PRESS RELEASE

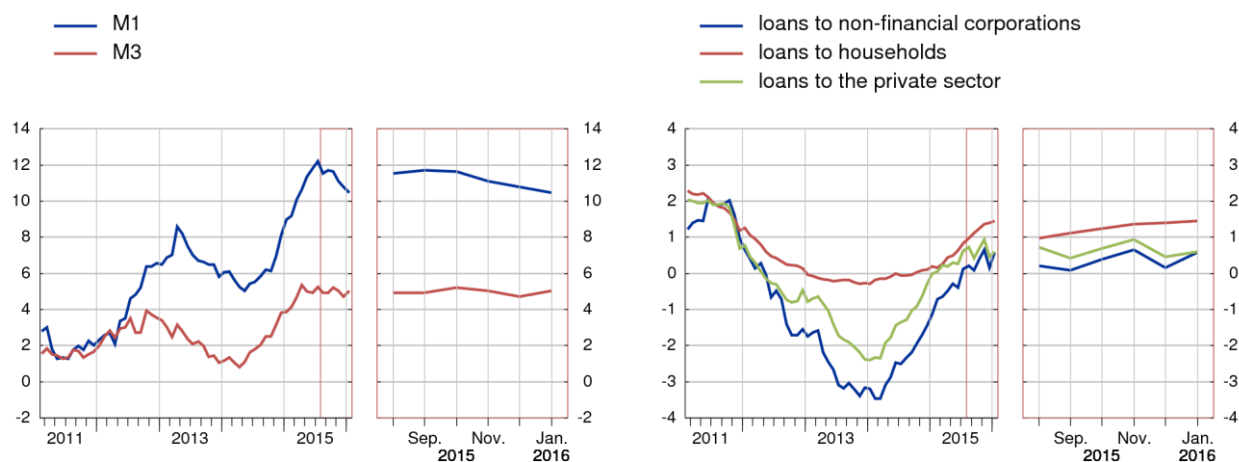
25 February 2016

## Monetary developments in the euro area: January 2016

- The annual growth rate of the broad monetary aggregate M3 increased to 5.0% in January 2016, from 4.7% in December.
- The annual growth rate of the narrower aggregate M1, which includes currency in circulation and overnight deposits, decreased to 10.5% in January, from 10.8% in December.
- The annual growth rate of loans to households stood at 1.4% in January, unchanged from December.
- The annual growth rate of loans to non-financial corporations increased to 0.6% in January, from 0.1% in December.

### Monetary aggregates and loans to the private sector

(annual growth rates, loans adjusted for sales and securitisation)



### Components of the broad monetary aggregate M3

The annual growth rate of the broad monetary aggregate M3 increased to 5.0% in January 2016, from 4.7% 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 10.5% in January, from 10.8% in December. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) was less negative at -2.7% in January, from -3.5% in December. The annual growth rate of marketable instruments (M3-M2) was less negative at -1.3% in January, from -3.8% in December.

Within M3, the annual growth rate of deposits placed by households increased to 3.7% in January, from 3.5% in December, while the annual growth rate of deposits placed by non-financial corporations

## 1 Monetary developments in the euro area: January 2016

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

	End-of-month level	Monthly flow			Annual growth rate		
	Jan 2016	Nov 2015	Dec 2015	Jan 2016	Nov 2015	Dec 2015	Jan 2016
<b>COMPONENTS OF M3</b>							
<b>1. M3</b>	<b>10909</b>	<b>63</b>	<b>-4</b>	<b>75</b>	<b>5.0</b>	<b>4.7</b>	<b>5.0</b>
1.1. M2	10273	61	28	63	5.2	5.3	5.4
1.1.1. M1	6667	56	28	65	11.1	10.8	10.5
Currency in circulation	1044	8	-3	10	8.0	6.7	6.1
Overnight deposits	5623	48	31	55	11.7	11.6	11.3
1.1.2. Other short-term deposits (M2 - M1)	3605	5	-1	-2	-4.0	-3.5	-2.7
Deposits with an agreed maturity of up to two years	1449	7	1	1	-9.9	-9.0	-7.5
Deposits redeemable at notice of up to three months	2157	-2	-2	-4	0.3	0.6	0.7
1.2. Marketable instruments (M3 - M2)	637	1	-32	12	2.7	-3.8	-1.3
Repurchase agreements	88	-16	-14	11	-29.6	-38.2	-28.0
Money market fund shares	471	12	-6	-3	12.3	11.5	9.4
Debt securities issued with a maturity of up to two years	78	5	-12	5	7.3	-26.2	-16.2
<b>COUNTERPARTS OF M3</b>							
<b>MFI liabilities:</b>							
<b>2. Holdings against central government <sup>b)</sup></b>	<b>306</b>	<b>-52</b>	<b>-18</b>	<b>28</b>	<b>10.3</b>	<b>3.1</b>	<b>3.4</b>
<b>3. Longer-term financial liabilities vis-a-vis other euro area residents</b>	<b>7055</b>	<b>-11</b>	<b>-12</b>	<b>-31</b>	<b>-3.4</b>	<b>-3.0</b>	<b>-3.3</b>
3.1. Deposits with an agreed maturity of over two years	2175	-21	-3	-9	-4.9	-4.6	-4.4
3.2. Deposits redeemable at notice of over three months	79	-2	-1	-1	-11.4	-14.4	-15.4
3.3. Debt securities issued with a maturity of over two years	2225	-6	-19	-25	-8.8	-8.4	-8.9
3.4. Capital and reserves	2577	18	10	4	3.6	4.1	3.5
<b>MFI assets:</b>							
<b>4. Credit to euro area residents</b>	<b>16652</b>	<b>55</b>	<b>0</b>	<b>84</b>	<b>2.6</b>	<b>2.4</b>	<b>2.6</b>
4.1. Credit to general government	3964	37	27	60	7.8	7.9	8.6
Loans	1117	-2	-7	5	-0.7	-1.8	-2.4
Debt securities	2846	38	34	55	11.7	12.3	13.7
4.2. Credit to other euro area residents <sup>c)</sup>	12688	19	-27	24	1.1	0.8	0.9
Loans <sup>d)</sup>	10617	35	-39	34	1.2	0.7	0.8
Loans adjusted for sales and securitisation <sup>e)</sup>	11013	31	-39	31	0.9	0.4	0.6
Debt securities	1306	-20	17	7	-0.7	1.9	2.3
Equity and non-money market fund investment fund shares	765	4	-5	-17	3.4	0.6	-0.4
<b>5. Net external assets</b>	<b>1310</b>	<b>-15</b>	<b>-32</b>	<b>-28</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>6. Other counterparts of M3 (residual)</b>	<b>309</b>	<b>-40</b>	<b>-3</b>	<b>15</b>	<b>-</b>	<b>-</b>	<b>-</b>
of which:							
6.1. Repos with central counterparties (liabilities)(+) <sup>f)</sup>	214	21	-12	8	18.0	11.6	5.1
6.2. Reverse repos to central counterparties (assets)(-) <sup>f)</sup>	142	1	-10	7	11.7	-2.9	7.0

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

d) For further breakdowns see Table 4.

e) Adjusted for the derecognition of loans from the MFI statistical balance sheet due to their sale or securitisation.

f) The series is not adjusted for seasonal effects.

## 2 Breakdown of deposits in M3 by holding sector and type: January 2016

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

	End-of-month level	Monthly flow			Annual growth rate		
	Jan 2016	Nov 2015	Dec 2015	Jan 2016	Nov 2015	Dec 2015	Jan 2016
<b>BREAKDOWN OF DEPOSITS IN M3</b>							
<b>Total deposits</b>	<b>9316</b>	<b>38</b>	<b>17</b>	<b>63</b>	<b>4.4</b>	<b>4.5</b>	<b>4.9</b>
<b>1. Deposits placed by households <sup>b)</sup></b>	<b>5764</b>	<b>21</b>	<b>24</b>	<b>13</b>	<b>3.3</b>	<b>3.5</b>	<b>3.7</b>
1.1. Overnight deposits	3077	29	28	16	10.9	11.0	10.5
1.2. Deposits with an agreed maturity of up to two years	694	-6	-4	0	-14.5	-13.4	-11.4
1.3. Deposits redeemable at notice of up to three months	1989	-2	1	-4	0.1	0.0	0.2
1.4. Repurchase agreements	4	0	-1	1	-18.1	-14.2	-12.4
<b>2. Deposits placed by non-financial corporations <sup>c)</sup></b>	<b>1966</b>	<b>-8</b>	<b>-3</b>	<b>40</b>	<b>5.0</b>	<b>5.5</b>	<b>6.5</b>
2.1. Overnight deposits	1521	-10	-3	41	10.0	10.6	10.8
2.2. Deposits with an agreed maturity of up to two years	320	4	1	-2	-11.0	-9.5	-9.0
2.3. Deposits redeemable at notice of up to three months	116	0	0	-1	1.9	4.4	4.4
2.4. Repurchase agreements	10	-1	-1	2	-31.7	-57.9	-17.4
<b>3. Deposits placed by non-monetary financial corporations excluding insurance corporations and pension funds <sup>c), d)</sup></b>	<b>983</b>	<b>21</b>	<b>2</b>	<b>-5</b>	<b>9.7</b>	<b>8.4</b>	<b>9.2</b>
3.1. Overnight deposits	648	29	7	-18	19.9	17.2	14.9
3.2. Deposits with an agreed maturity of up to two years	253	2	5	4	1.6	1.7	6.0
3.3. Deposits redeemable at notice of up to three months	23	0	-1	1	-0.9	17.5	28.6
3.4. Repurchase agreements <sup>d)</sup>	59	-10	-9	7	-30.0	-35.5	-25.9
<b>4. Deposits placed by insurance corporations and pension funds</b>	<b>224</b>	<b>-2</b>	<b>2</b>	<b>-1</b>	<b>-4.7</b>	<b>-0.8</b>	<b>-3.2</b>
<b>5. Deposits placed by other general government</b>	<b>378</b>	<b>5</b>	<b>-9</b>	<b>15</b>	<b>10.9</b>	<b>8.3</b>	<b>9.9</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) 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 2016

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

	Nov 2015	Dec 2015	Jan 2016
<b>1. M1</b>	<b>6.4</b>	<b>6.2</b>	<b>6.1</b>
1.1. Currency in circulation	0.7	0.6	0.6
1.2. Overnight deposits	5.6	5.6	5.5
<b>2. M2 - M1 (other short-term deposits)</b>	<b>-1.5</b>	<b>-1.3</b>	<b>-1.0</b>
<b>3. M3 - M2 (marketable instruments)</b>	<b>0.2</b>	<b>-0.2</b>	<b>-0.1</b>
<b>M3 (items 1, 2 and 3)</b>	<b>5.0</b>	<b>4.7</b>	<b>5.0</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 2016

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

	End-of-month level	Monthly flow			Annual growth rate		
	Jan 2016	Nov 2015	Dec 2015	Jan 2016	Nov 2015	Dec 2015	Jan 2016
<b>BREAKDOWN OF LOANS AS COUNTERPART TO M3</b>							
<b>1. Loans to households <sup>b)</sup></b>	<b>5312</b>	<b>8</b>	<b>0</b>	<b>6</b>	<b>1.9</b>	<b>1.9</b>	<b>1.9</b>
<i>Loans adjusted for sales and securitisation <sup>c)</sup></i>	<b>5643</b>	<b>9</b>	<b>2</b>	<b>6</b>	<b>1.4</b>	<b>1.4</b>	<b>1.4</b>
1.1. Credit for consumption	596	3	-1	1	3.6	3.8	4.0
1.2. Lending for house purchase	3952	4	4	5	2.1	2.1	2.0
1.3. Other lending	763	2	-3	0	-0.2	-0.5	-0.3
<i>of which: sole proprietors <sup>d)</sup></i>	389	1	-2	-1	-1.3	-1.5	-1.8
<b>2. Loans to non-financial corporations <sup>e)</sup></b>	<b>4289</b>	<b>12</b>	<b>-21</b>	<b>21</b>	<b>0.7</b>	<b>0.0</b>	<b>0.4</b>
<i>Loans adjusted for sales and securitisation <sup>c)</sup></i>	<b>4352</b>	<b>9</b>	<b>-19</b>	<b>23</b>	<b>0.7</b>	<b>0.1</b>	<b>0.6</b>
2.1. up to 1 year	1049	16	-32	13	-0.9	-4.2	-3.1
2.2. over 1 year and up to 5 years	765	-2	6	5	3.5	4.4	4.6
2.3. over 5 years	2475	-1	6	2	0.5	0.6	0.7
<b>3. Loans to non-monetary financial corporations except insurance corporations and pension funds <sup>e), f)</sup></b>	<b>891</b>	<b>15</b>	<b>-18</b>	<b>5</b>	<b>-0.1</b>	<b>-2.6</b>	<b>-2.5</b>
<b>4. Loans to insurance corporations and pension funds</b>	<b>126</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>-1.4</b>	<b>-4.2</b>	<b>-9.5</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 the derecognition of loans from the MFI statistical balance sheet due to their sale or securitisation.

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.

increased to 6.5% in January, from 5.5% in December. Finally, the annual growth rate of deposits placed by non-monetary financial corporations (excluding insurance corporations and pension funds) increased to 9.2% in January, from 8.4% in December.

### Credit to euro area residents

The annual growth rate of total credit to euro area residents increased to 2.6% in January 2016, from 2.4% in the previous month. The annual growth rate of credit to general government increased to 8.6% in January, from 7.9% in December, while the annual growth rate of credit to the private sector stood at 0.9% in January, compared with 0.8% in December.

Among the components of credit to the private sector, the annual growth rate of loans (adjusted for loan sales and securitisation) increased to 0.6% in January, from 0.4% in December. In particular, the annual growth rate of loans to households stood at 1.4% in January, unchanged from the previous month, and the annual growth rate of loans to non-financial corporations increased to 0.6% in January, from 0.1% in December.

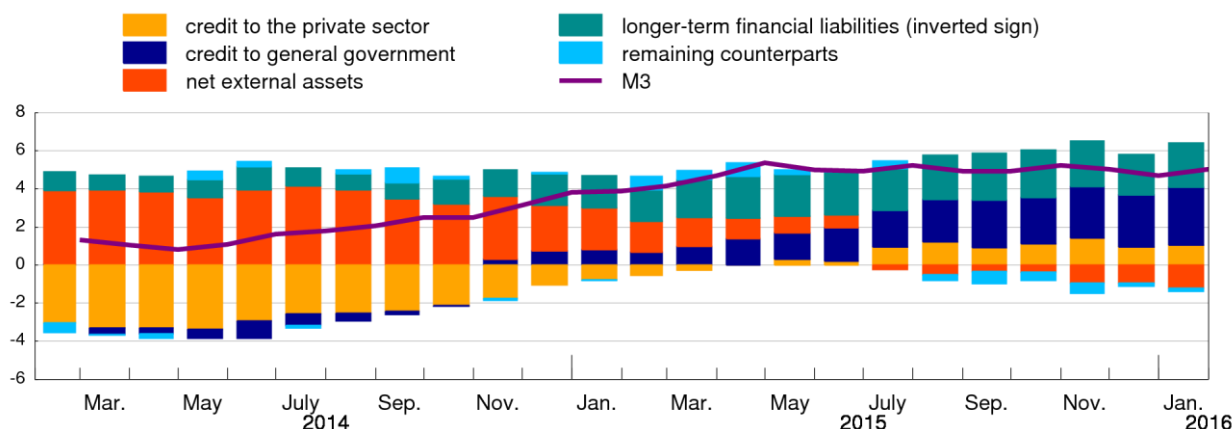
### Longer-term financial liabilities

The annual growth rate of longer-term financial liabilities of the MFI sector became more negative at -3.3% in January 2016, from -3.0% in December.

### M3 and its counterparts

The annual growth rate of the broad monetary aggregate M3 increased to 5.0% in January 2016. The contributions of M3 counterparts on the MFI balance sheet were as follows. Longer-term financial liabilities contributed 2.3 percentage points, net external assets contributed -1.2 percentage points, credit to general government contributed 3.0 percentage points, and credit to the private sector contributed 1.0 percentage point; the remaining counterparts of M3 contributed -0.2 percentage point.

### 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>.