



EUROPEAN CENTRAL BANK  
EUROSYSTEM

## 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.

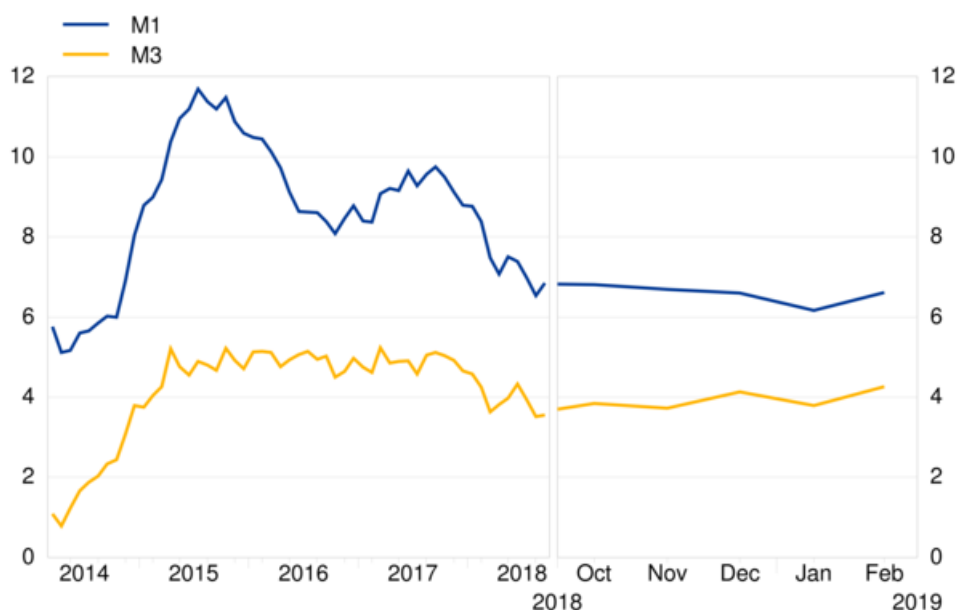
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## Chart 1 Monetary aggregates

(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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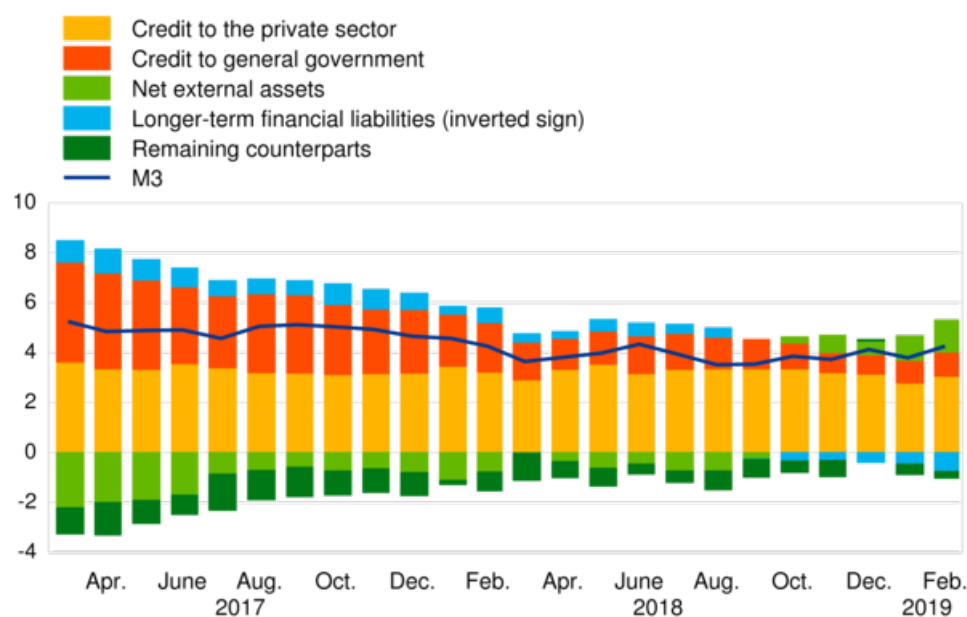
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credit to general government contributed 1.0 percentage point (up from 0.9 percentage point), longer-term financial liabilities contributed -0.8 percentage point (down from -0.5 percentage point), and the remaining counterparts of M3 contributed -0.3 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.

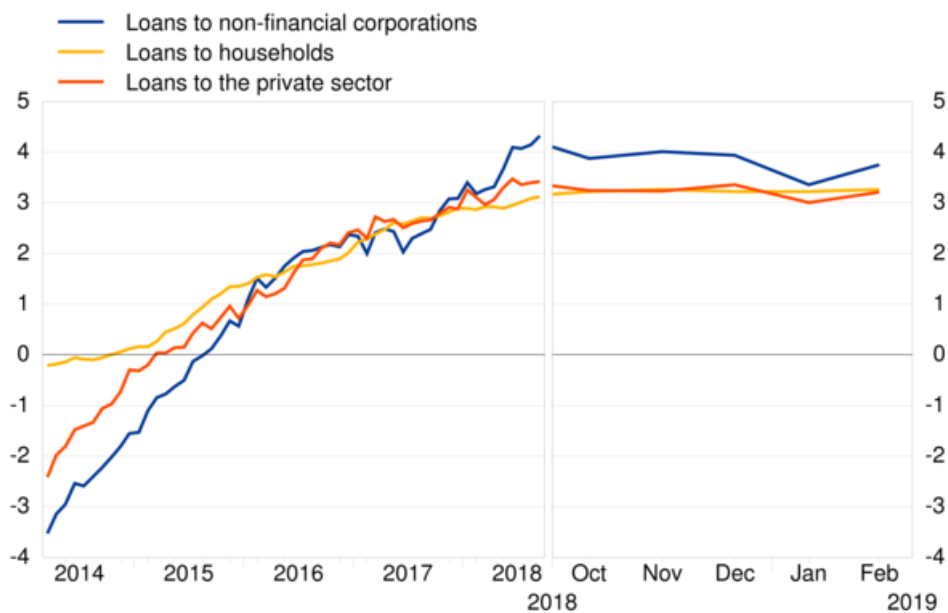
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### Chart 3

#### 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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