



EUROPEAN CENTRAL BANK

EUROSYSTEM

PRESS RELEASE

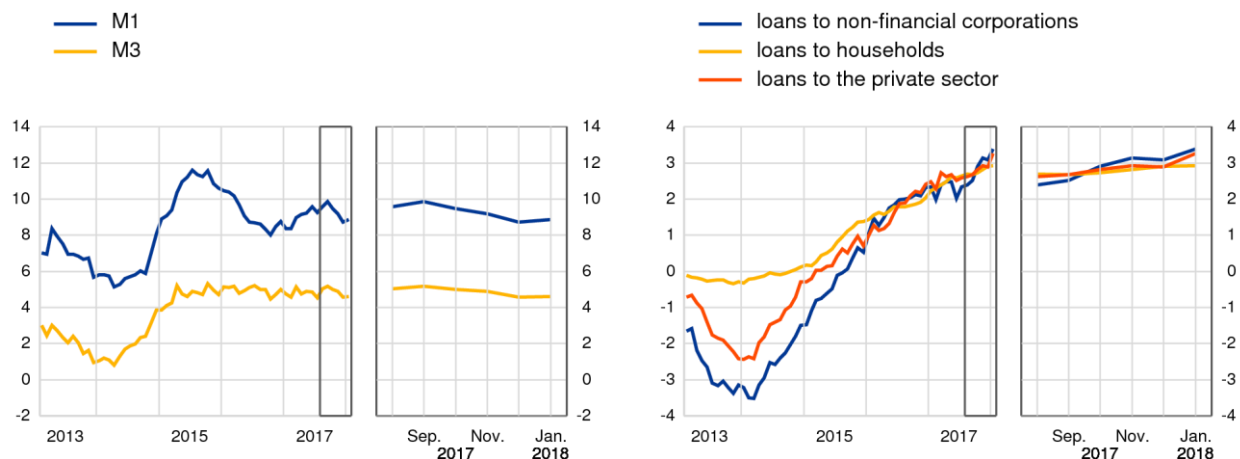
27 February 2018

Monetary developments in the euro area: January 2018

- The annual growth rate of the broad monetary aggregate M3 stood at 4.6% in January 2018, unchanged from the previous month.
- The annual growth rate of the narrower aggregate M1, which includes currency in circulation and overnight deposits, increased to 8.9% in January, from 8.7% in December.
- The annual growth rate of adjusted loans to households stood at 2.9% in January, unchanged from the previous month.
- The annual growth rate of adjusted loans to non-financial corporations increased to 3.4% in January, from 3.1% in December.

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 4.6% in January 2018, unchanged from the previous month, averaging 4.7% 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), increased to 8.9% in January, from 8.7% in December. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) was -1.9% in January, compared with -2.1% in December. The annual growth rate of marketable instruments (M3-M2) was -6.6% in January, compared with -4.3% in December.

Within M3, the annual growth rate of deposits placed by households stood at 4.1% in January, compared with 4.2% in December, while the annual growth rate of deposits placed by non-financial corporations stood

at 8.5% in January, compared with 8.6% in December. Finally, the annual growth rate of deposits placed by non-monetary financial corporations (excluding insurance corporations and pension funds) increased to 7.6% in January, from 5.6% in December.

Credit to euro area residents

The annual growth rate of total credit to euro area residents stood at 3.7% in January 2018, compared with 3.8% in the previous month. The annual growth rate of credit to general government decreased to 5.4% in January, compared with 6.7% in December, while the annual growth rate of credit to the private sector increased to 3.1% in January, from 2.9% in December.

The annual growth rate of adjusted loans to the private sector (i.e. adjusted for loan sales, securitisation and notional cash pooling) increased to 3.3% in January, from 2.9% in December. In particular, the annual growth rate of adjusted loans to households stood at 2.9% in January, unchanged from the previous month, and the annual growth rate of adjusted loans to non-financial corporations increased to 3.4% in January, from 3.1% in December.

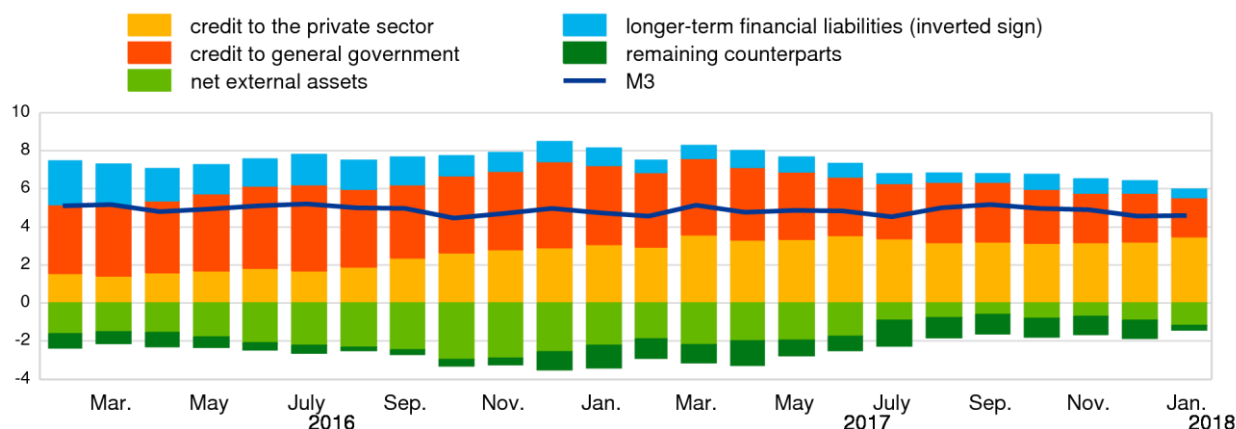
Longer-term financial liabilities

The annual growth rate of longer-term financial liabilities of the MFI sector was -0.8% in January 2018, compared with -1.1% in December.

M3 and its counterparts

The annual growth rate of the broad monetary aggregate M3 stood at 4.6% in January 2018. The contributions of M3 counterparts on the MFI balance sheet were as follows: longer-term financial liabilities contributed 0.4 percentage point, net external assets contributed -1.2 percentage points, credit to general government contributed 2.1 percentage points, and credit to the private sector contributed 3.5 percentage points; 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>

1 Monetary developments in the euro area: January 2018

(EUR billions and annual percentage changes; data adjusted for seasonal effects ^{a)})

	End-of-month level	Monthly flow			Annual growth rate		
	Jan 2018	Nov 2017	Dec 2017	Jan 2018	Nov 2017	Dec 2017	Jan 2018
COMPONENTS OF M3							
1. M3	11905	67	8	54	4.9	4.6	4.6
1.1. M2	11261	62	22	69	5.3	5.1	5.3
1.1.1. M1	7798	69	26	56	9.2	8.7	8.9
Currency in circulation	1114	0	2	2	3.3	3.4	3.1
Overnight deposits	6683	69	24	54	10.2	9.7	9.9
1.1.2. Other short-term deposits (M2 - M1)	3463	-8	-4	13	-2.5	-2.1	-1.9
Deposits with an agreed maturity of up to two years	1199	-8	-6	9	-9.4	-8.5	-7.9
Deposits redeemable at notice of up to three months	2264	0	2	4	1.7	1.6	1.7
1.2. Marketable instruments (M3 - M2)	644	5	-14	-15	-1.2	-4.3	-6.6
Repurchase agreements	72	10	-3	-3	10.0	9.8	-4.7
Money market fund shares	513	-9	-9	4	1.4	-2.6	-1.2
Debt securities issued with a maturity of up to two years	59	5	-2	-16	-23.2	-24.0	-37.8
COUNTERPARTS OF M3							
MFI liabilities:							
2. Holdings against central government ^{b)}	316	-33	47	-40	4.0	14.4	5.0
3. Longer-term financial liabilities vis-a-vis other euro area residents	6730	-3	0	10	-1.2	-1.1	-0.8
3.1. Deposits with an agreed maturity of over two years	1958	2	5	-9	-4.4	-3.8	-3.8
3.2. Deposits redeemable at notice of over three months	60	-1	0	-1	-12.7	-12.4	-12.4
3.3. Debt securities issued with a maturity of over two years	2019	-7	5	17	-3.8	-3.4	-2.4
3.4. Capital and reserves	2692	2	-11	3	3.6	3.3	3.3
MFI assets:							
4. Credit to euro area residents	17780	65	70	48	3.8	3.8	3.7
4.1. Credit to general government	4597	21	64	-30	6.8	6.7	5.4
Loans	1031	-1	-9	-1	-3.8	-4.0	-4.4
Debt securities	3552	22	73	-29	10.5	10.2	8.7
Equity ^{c)}	14	0	0	0	3.2	4.9	2.8
4.2. Credit to the private sector ^{d)}	13184	44	6	78	2.8	2.9	3.1
Loans ^{e)}	10931	36	-4	67	2.6	2.6	3.0
Adjusted loans ^{f)}	11227	33	16	65	2.9	2.9	3.3
Debt securities	1450	0	14	11	3.9	4.6	4.5
Equity and non-money market fund investment fund shares	803	8	-4	0	4.4	3.2	2.5
5. Net external assets	817	0	-12	-29	-	-	-
6. Other counterparts of M3 (residual)	353	-34	-3	6	-	-	-
of which:							
6.1. Repos with central counterparties (liabilities) ^{c)}	132	9	-24	-12	-13.1	-29.6	-25.0
6.2. Reverse repos to central counterparties (assets) ^{c)}	86	23	-39	-8	10.0	-22.6	-19.3

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 Breakdown of deposits in M3 by holding sector and type: January 2018 (EUR billions and annual percentage changes; data adjusted for seasonal effects ^{a)})

	End-of-month level	Monthly flow			Annual growth rate		
	Jan 2018	Nov 2017	Dec 2017	Jan 2018	Nov 2017	Dec 2017	Jan 2018
BREAKDOWN OF DEPOSITS IN M3							
Total deposits	10219	72	18	64	5.5	5.3	5.5
1. Deposits placed by households ^{b)}	6330	2	8	31	4.4	4.2	4.1
1.1. Overnight deposits	3726	9	17	28	9.4	8.9	8.6
1.2. Deposits with an agreed maturity of up to two years	555	-7	-7	-5	-12.9	-12.8	-12.6
1.3. Deposits redeemable at notice of up to three months	2047	0	0	7	1.7	1.7	1.7
1.4. Repurchase agreements	2	0	-1	1	-17.5	-65.9	-37.1
2. Deposits placed by non-financial corporations	2284	18	-4	45	8.5	8.6	8.5
2.1. Overnight deposits	1823	13	-11	40	11.9	11.2	10.8
2.2. Deposits with an agreed maturity of up to two years	291	2	5	5	-5.7	-0.9	-0.8
2.3. Deposits redeemable at notice of up to three months	159	0	0	-1	-0.1	0.0	0.2
2.4. Repurchase agreements	11	2	2	1	-4.9	13.8	48.5
3. Deposits placed by non-monetary financial corporations excluding insurance corporations and pension funds ^{c)}	989	52	23	-18	6.2	5.6	7.6
3.1. Overnight deposits	718	46	26	-16	10.0	9.3	13.2
3.2. Deposits with an agreed maturity of up to two years	200	-2	-2	4	-5.9	-7.3	-4.5
3.3. Deposits redeemable at notice of up to three months	26	0	2	0	2.9	9.1	10.5
3.4. Repurchase agreements ^{c)}	44	8	-3	-6	12.6	11.1	-11.8
4. Deposits placed by insurance corporations and pension funds	202	6	-7	2	1.1	2.1	4.2
5. Deposits placed by other general government	415	-7	-2	5	7.6	7.0	5.9

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.

3 Contributions of M3 components to the M3 annual growth rate: January 2018

(contributions in terms of the M3 annual percentage change; data adjusted for seasonal effects ^{a)})

	Nov 2017	Dec 2017	Jan 2018
1. M1	5.7	5.5	5.6
1.1. Currency in circulation	0.3	0.3	0.3
1.2. Overnight deposits	5.4	5.2	5.3
2. M2 - M1 (other short-term deposits)	-0.8	-0.7	-0.6
3. M3 - M2 (marketable instruments)	-0.1	-0.3	-0.4
M3 (items 1, 2 and 3)	4.9	4.6	4.6

a) Figures may not add up due to rounding.

4 Breakdown of private sector loans by borrowing sector, type and original maturity: January 2018

(EUR billions and annual percentage changes; data adjusted for seasonal effects ^{a)})

	End-of-month level	Monthly flow			Annual growth rate		
	Jan 2018	Nov 2017	Dec 2017	Jan 2018	Nov 2017	Dec 2017	Jan 2018
BREAKDOWN OF LOANS AS COUNTERPART TO M3							
1. Loans to households ^{b)}	5604	18	19	7	3.2	3.3	3.2
<i>Adjusted loans ^{c)}</i>	5880	17	17	17	2.8	2.9	2.9
1.1. Credit for consumption	656	6	2	6	7.2	7.1	7.3
1.2. Lending for house purchase	4223	11	18	1	3.3	3.5	3.3
1.3. Other lending	725	1	-1	0	-0.8	-0.6	-0.6
<i>of which: sole proprietors</i>	373	0	-5	2	-1.2	-2.3	-1.9
2. Loans to non-financial corporations	4353	16	-11	32	1.8	1.9	2.2
<i>Adjusted loans ^{c)}</i>	4386	18	10	24	3.1	3.1	3.4
2.1. up to 1 year	997	-2	-6	20	-1.0	0.3	1.1
2.2. over 1 year and up to 5 years	824	7	-2	6	4.7	4.4	4.9
2.3. over 5 years	2532	12	-2	7	2.0	1.7	1.8
3. Loans to non-monetary financial corporations except insurance corporations and pension funds ^{d)}	862	-2	-6	23	3.2	2.7	5.5
<i>Adjusted loans ^{c)}</i>	858	-4	-9	20	3.3	2.6	5.4
4. Loans to insurance corporations and pension funds	113	3	-6	4	0.1	-3.2	-1.0
<i>Adjusted loans ^{c)}</i>	103	2	-3	4	-2.0	-3.2	-0.4

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.