



EUROPEAN CENTRAL BANK

EUROSYSTEM

PRESS RELEASE

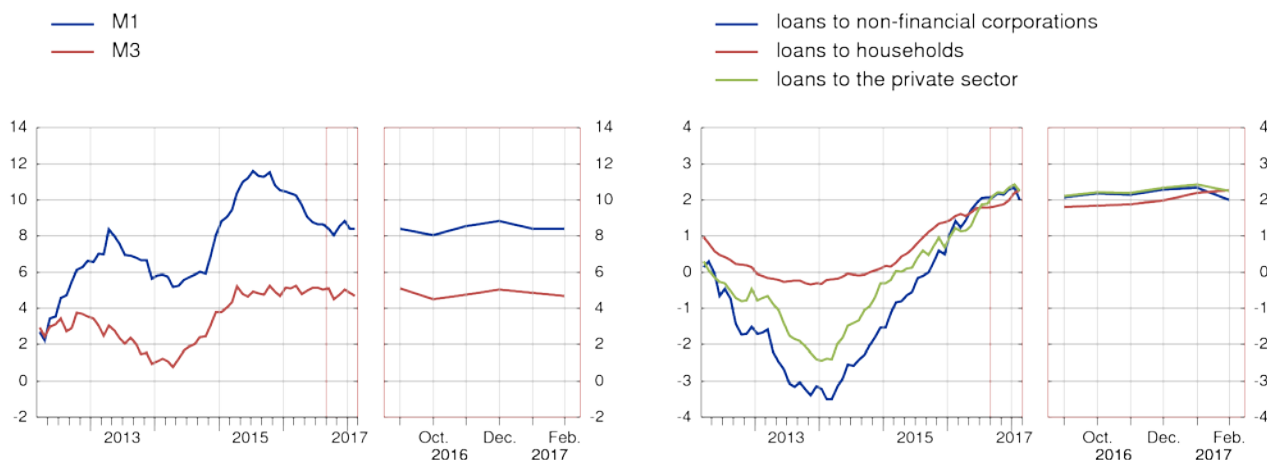
27 March 2017

Monetary developments in the euro area: February 2017

- The annual growth rate of the broad monetary aggregate M3 stood at 4.7% in February 2017, after 4.8% in January 2017 (revised from 4.9%).
- The annual growth rate of the narrower aggregate M1, which includes currency in circulation and overnight deposits, stood at 8.4% in February, unchanged from the previous month.
- The annual growth rate of adjusted loans to households stood at 2.3% in February, compared with 2.2% in January.
- The annual growth rate of adjusted loans to non-financial corporations decreased to 2.0% in February, from 2.3% in January.

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 4.7% in February 2017, after 4.8% in January, averaging 4.9% in the three months up to February. The components of M3 showed the following developments. The annual growth rate of the narrower aggregate, including currency in circulation and overnight deposits (M1), stood at 8.4% in February, unchanged from the previous month. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) stood at -2.1% in February, compared with -2.2% in January. The annual growth rate of marketable instruments (M3-M2) decreased to 3.5% in February, from 7.3% in January.

Within M3, the annual growth rate of deposits placed by households stood at 5.4% in February, compared with 5.5% in January, while the annual growth rate of deposits placed by non-financial corporations increased to 7.6% in February, from 7.1% in January. Finally, the annual growth rate of deposits placed by non-monetary financial corporations (excluding insurance corporations and pension funds) was more negative at -2.0% in February, from -1.0% in January.

Credit to euro area residents

The annual growth rate of total credit to euro area residents decreased to 4.3% in February 2017, from 4.6% in the previous month. The annual growth rate of credit to general government decreased to 9.8% in February, from 10.5% in January, while the annual growth rate of credit to the private sector stood at 2.6% in February, compared with 2.7% in January.

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

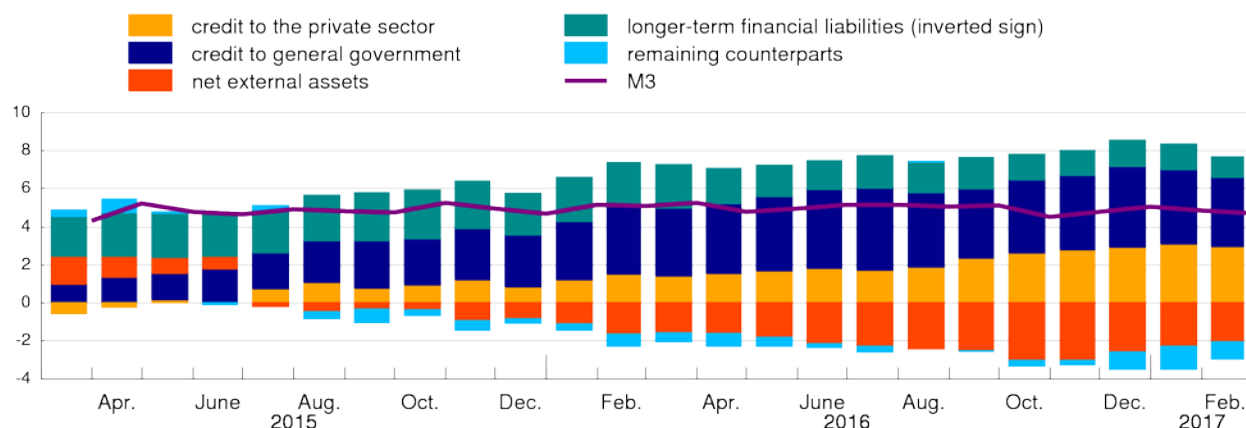
Longer-term financial liabilities

The annual growth rate of longer-term financial liabilities of the MFI sector became less negative at -1.7% in February 2017, from -2.1% in January.

M3 and its counterparts

The annual growth rate of the broad monetary aggregate M3 stood at 4.7% in February 2017. The contributions of M3 counterparts on the MFI balance sheet were as follows: longer-term financial liabilities contributed 1.1 percentage points, net external assets contributed -2.1 percentage points, credit to general government contributed 3.6 percentage points, and credit to the private sector contributed 3.0 percentage points; the remaining counterparts of M3 contributed -0.9 percentage point.

Contribution of the M3 counterparts to the annual growth rate of M3 (percentage points)



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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.
- 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: February 2017

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

	End-of-month level	Monthly flow			Annual growth rate		
	Feb 2017	Dec 2016	Jan 2017	Feb 2017	Dec 2016	Jan 2017	Feb 2017
COMPONENTS OF M3							
1. M3	11472	32	64	33	5.0	4.8	4.7
1.1. M2	10799	21	64	50	4.8	4.7	4.8
1.1.1. M1	7295	44	50	55	8.8	8.4	8.4
Currency in circulation	1086	-2	9	4	3.5	3.6	3.9
Overnight deposits	6209	47	42	50	9.8	9.3	9.2
1.1.2. Other short-term deposits (M2 - M1)	3504	-24	14	-5	-2.6	-2.2	-2.1
Deposits with an agreed maturity of up to two years	1326	-28	12	-4	-7.5	-6.7	-6.2
Deposits redeemable at notice of up to three months	2178	4	2	0	0.7	0.8	0.7
1.2. Marketable instruments (M3 - M2)	673	11	0	-17	8.8	7.3	3.5
Repurchase agreements	67	-2	5	-8	-5.8	-7.3	-24.3
Money market fund shares	507	15	-6	-8	8.8	8.9	8.1
Debt securities issued with a maturity of up to two years	99	-2	1	0	23.7	12.0	6.8
COUNTERPARTS OF M3							
MFI liabilities:							
2. Holdings against central government ^{b)}	295	20	-16	-8	10.6	-1.4	-1.7
3. Longer-term financial liabilities vis-a-vis other euro area residents	6921	-15	-27	12	-2.1	-2.1	-1.7
3.1. Deposits with an agreed maturity of over two years	2026	-8	-10	-13	-3.4	-3.5	-4.4
3.2. Deposits redeemable at notice of over three months	70	-1	-1	0	-11.5	-11.3	-10.5
3.3. Debt securities issued with a maturity of over two years	2129	-3	-6	-7	-5.4	-4.8	-4.0
3.4. Capital and reserves	2696	-3	-11	31	2.1	1.6	2.7
MFI assets:							
4. Credit to euro area residents	17321	70	70	31	4.7	4.6	4.3
4.1. Credit to general government	4405	69	16	8	11.7	10.5	9.8
Loans	1073	-8	5	-13	-3.1	-2.9	-3.9
Debt securities	3318	77	10	21	17.6	15.8	15.1
Equity ^{c)}	14	0	1	0	0.7	4.7	5.3
4.2. Credit to other euro area residents ^{d)}	12916	1	54	23	2.5	2.7	2.6
Loans ^{e)}	10720	-10	31	20	2.2	2.2	2.0
Adjusted loans ^{f)}	11012	11	25	13	2.3	2.4	2.3
Debt securities	1404	4	19	-1	6.2	7.1	6.7
Equity and non-money market fund investment fund shares	793	7	4	5	0.7	2.6	3.6
5. Net external assets	1101	23	3	-44	-	-	-
6. Other counterparts of M3 (residual)	266	-56	-52	50	-	-	-
of which:							
6.1. Repos with central counterparties (liabilities) ^{c)}	171	11	-28	-5	6.3	-12.2	-25.7
6.2. Reverse repos to central counterparties (assets) ^{c)}	104	0	-15	-2	-9.0	-23.8	-25.7

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: February 2017 (EUR billions and annual percentage changes; data adjusted for seasonal effects ^{a)})

	End-of-month level	Monthly flow			Annual growth rate		
	Feb 2017	Dec 2016	Jan 2017	Feb 2017	Dec 2016	Jan 2017	Feb 2017
BREAKDOWN OF DEPOSITS IN M3							
Total deposits	9780	21	60	37	4.9	4.7	4.6
1. Deposits placed by households ^{b)}	6112	20	39	23	5.2	5.5	5.4
1.1. Overnight deposits	3469	27	40	30	11.0	11.4	11.5
1.2. Deposits with an agreed maturity of up to two years	628	-9	-7	-9	-6.8	-7.8	-8.9
1.3. Deposits redeemable at notice of up to three months	2012	2	6	2	0.7	0.9	0.9
1.4. Repurchase agreements	3	-1	1	0	-31.2	-19.6	-4.4
2. Deposits placed by non-financial corporations	2120	-9	46	19	6.7	7.1	7.6
2.1. Overnight deposits	1696	2	42	17	10.3	10.5	10.9
2.2. Deposits with an agreed maturity of up to two years	302	-11	6	3	-7.6	-5.4	-4.6
2.3. Deposits redeemable at notice of up to three months	116	0	-1	0	0.0	-0.2	-0.5
2.4. Repurchase agreements	7	0	-2	0	2.2	-26.8	-26.6
3. Deposits placed by non-monetary financial corporations excluding insurance corporations and pension funds ^{c)}	960	22	-35	-6	3.1	-1.0	-2.0
3.1. Overnight deposits	658	26	-41	-8	7.4	1.5	-0.7
3.2. Deposits with an agreed maturity of up to two years	236	-2	5	8	-7.0	-6.0	1.2
3.3. Deposits redeemable at notice of up to three months	22	0	-1	0	3.3	-5.6	-4.3
3.4. Repurchase agreements ^{c)}	44	-2	2	-6	-4.4	-6.7	-26.8
4. Deposits placed by insurance corporations and pension funds	195	-10	-2	1	-13.0	-13.5	-15.4
5. Deposits placed by other general government	392	-2	12	-1	4.7	5.6	5.3

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.

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: February 2017

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

	Dec 2016	Jan 2017	Feb 2017
1. M1	5.4	5.1	5.2
1.1. Currency in circulation	0.3	0.3	0.4
1.2. Overnight deposits	5.0	4.8	4.8
2. M2 - M1 (other short-term deposits)	-0.8	-0.7	-0.7
3. M3 - M2 (marketable instruments)	0.5	0.4	0.2
M3 (items 1, 2 and 3)	5.0	4.8	4.7

a) Figures may not add up due to rounding.

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

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

	End-of-month level	Monthly flow			Annual growth rate		
	Feb 2017	Dec 2016	Jan 2017	Feb 2017	Dec 2016	Jan 2017	Feb 2017
BREAKDOWN OF LOANS AS COUNTERPART TO M3							
1. Loans to households ^{b)}	5443	9	14	20	2.3	2.4	2.4
<i>Adjusted loans ^{c)}</i>	5757	9	19	12	2.0	2.2	2.3
1.1. Credit for consumption	624	2	5	2	4.0	4.6	4.1
1.2. Lending for house purchase	4072	11	10	19	2.7	2.8	2.9
1.3. Other lending	748	-5	0	0	-1.4	-1.2	-1.3
<i>of which: sole proprietors ^{d)}</i>	379	-2	-2	-3	-1.8	-1.8	-2.6
2. Loans to non-financial corporations	4323	-12	18	5	1.9	1.8	1.5
<i>Adjusted loans ^{c)}</i>	4315	10	13	3	2.3	2.3	2.0
2.1. up to 1 year	1011	-29	16	-2	-1.7	-1.8	-2.1
2.2. over 1 year and up to 5 years	797	1	2	-1	6.0	5.5	4.0
2.3. over 5 years	2516	16	1	8	2.2	2.1	2.3
3. Loans to non-monetary financial corporations except insurance corporations and pension funds ^{e)}	842	-3	-4	-2	5.3	4.5	3.8
<i>Adjusted loans ^{c)}</i>	838	-6	-9	-1	6.4	5.9	4.9
4. Loans to insurance corporations and pension funds	112	-3	2	-3	-9.0	-8.6	-11.4
<i>Adjusted loans ^{c)}</i>	102	-1	1	-2	-7.2	-6.9	-7.4

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) The series is not adjusted for seasonal effects.

e) Excludes reverse repos to central counterparties.