



EUROPEAN CENTRAL BANK

EUROSYSTEM

PRESS RELEASE

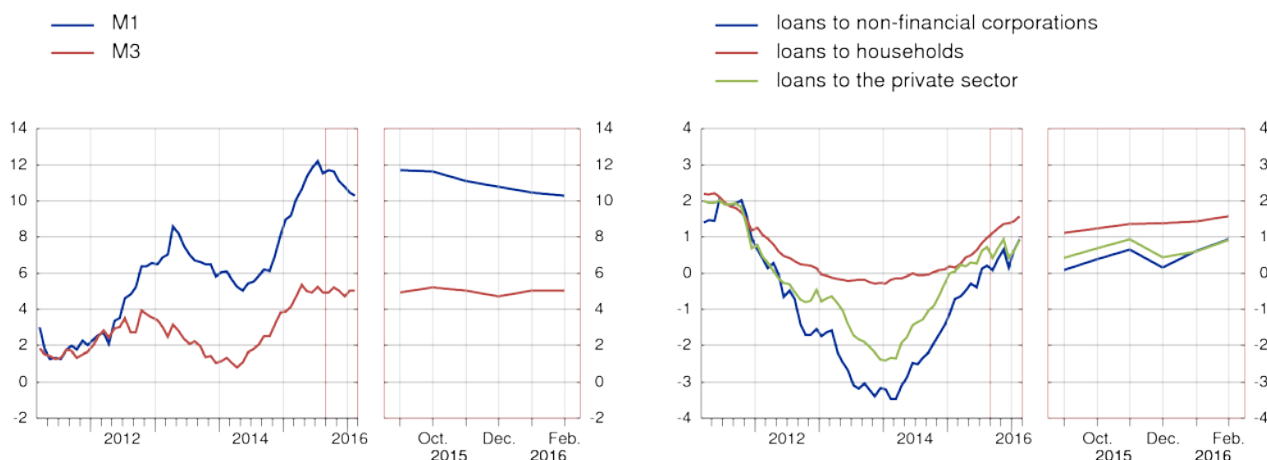
29 March 2016

Monetary developments in the euro area: February 2016

- The annual growth rate of the broad monetary aggregate M3 stood at 5.0% in February 2016, unchanged from the previous period.
- The annual growth rate of the narrower aggregate M1, which includes currency in circulation and overnight deposits, decreased to 10.3% in February, from 10.5% in January.
- The annual growth rate of loans to households stood at 1.6% in February, after 1.4% in January.
- The annual growth rate of loans to non-financial corporations increased to 0.9% in February, from 0.6% in January.

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 stood at 5.0% in February 2016, unchanged from the previous period, 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) decreased to 10.3% in February, from 10.5% in January. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) was less negative at -2.5% in February, from -2.7% in January. The annual growth rate of marketable instruments (M3-M2) was less negative at -1.1% in February, from -1.5% in January.

Within M3, the annual growth rate of deposits placed by households increased to 4.0% in February, from 3.8% in January, while the annual growth rate of deposits placed by non-financial corporations stood at 6.5% 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) decreased to 7.0% in February, from 9.2% in January.

Credit to euro area residents

The annual growth rate of total credit to euro area residents increased to 3.2% in February 2016, from 2.6% in the previous month. The annual growth rate of credit to general government increased to 10.1% in February, from 8.7% in January, while the annual growth rate of credit to the private sector increased to 1.2% in February, from 0.9% in January.

Among the components of credit to the private sector, the annual growth rate of loans (adjusted for loan sales and securitisation) increased to 0.9% in February, from 0.6% in January. In particular, the annual growth rate of loans to households increased to 1.6% in February, from 1.4% in January, and the annual growth rate of loans to non-financial corporations increased to 0.9% in February, from 0.6% in January.

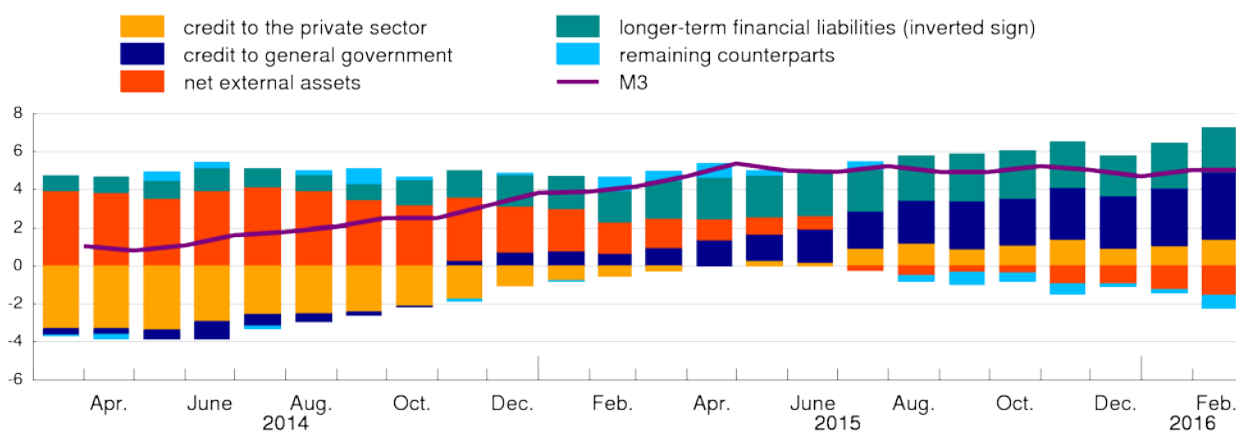
Longer-term financial liabilities

The annual growth rate of longer-term financial liabilities of the MFI sector stood at -3.4% in February 2016, compared with -3.3% in January.

M3 and its counterparts

The annual growth rate of the broad monetary aggregate M3 stood at 5.0% in February 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 -1.5 percentage points, credit to general government contributed 3.5 percentage points, and credit to the private sector contributed 1.4 percentage points; the remaining counterparts of M3 contributed -0.7 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: February 2016

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

	End-of-month level	Monthly flow			Annual growth rate		
	Feb 2016	Dec 2015	Jan 2016	Feb 2016	Dec 2015	Jan 2016	Feb 2016
COMPONENTS OF M3							
1. M3	10968	-4	75	58	4.7	5.0	5.0
1.1. M2	10311	28	64	39	5.3	5.5	5.4
1.1.1. M1	6716	28	65	48	10.8	10.5	10.3
Currency in circulation	1047	-3	10	2	6.7	6.1	5.7
Overnight deposits	5669	31	55	46	11.6	11.3	11.2
1.1.2. Other short-term deposits (M2 - M1)	3595	-1	-1	-10	-3.5	-2.7	-2.5
Deposits with an agreed maturity of up to two years	1430	1	3	-18	-9.0	-7.4	-7.4
Deposits redeemable at notice of up to three months	2165	-2	-4	8	0.6	0.7	1.0
1.2. Marketable instruments (M3 - M2)	656	-32	11	19	-3.8	-1.5	-1.1
Repurchase agreements	93	-14	9	7	-38.2	-29.2	-27.9
Money market fund shares	475	-6	-3	4	11.5	9.4	9.4
Debt securities issued with a maturity of up to two years	88	-12	5	9	-26.2	-16.1	-12.4
COUNTERPARTS OF M3							
MFI liabilities:							
2. Holdings against central government ^{b)}	295	-18	28	-11	3.1	3.4	10.0
3. Longer-term financial liabilities vis-a-vis other euro area residents	7074	-10	-33	-15	-3.0	-3.3	-3.4
3.1. Deposits with an agreed maturity of over two years	2185	-3	-9	11	-4.6	-4.4	-3.6
3.2. Deposits redeemable at notice of over three months	78	-1	-1	-1	-14.4	-15.3	-15.5
3.3. Debt securities issued with a maturity of over two years	2193	-18	-22	-31	-8.4	-8.8	-9.4
3.4. Capital and reserves	2618	12	0	6	4.2	3.4	3.1
MFI assets:							
4. Credit to euro area residents	16734	-1	88	81	2.3	2.6	3.2
4.1. Credit to general government	4006	27	61	37	7.9	8.7	10.1
Loans	1118	-7	5	0	-1.8	-2.5	-2.4
Debt securities	2888	34	56	37	12.3	13.8	15.9
4.2. Credit to other euro area residents ^{c)}	12728	-27	27	45	0.8	0.9	1.2
Loans ^{d)}	10659	-39	36	43	0.6	0.8	1.1
Loans adjusted for sales and securitisation ^{e)}	11044	-39	33	41	0.4	0.6	0.9
Debt securities	1309	17	7	4	1.9	2.4	2.9
Equity and non-money market fund investment fund shares	761	-5	-16	-2	0.5	-0.3	-1.4
5. Net external assets	1306	-32	-30	-50	-	-	-
6. Other counterparts of M3 (residual)	297	0	12	0	-	-	-
of which:							
6.1. Repos with central counterparties (liabilities)(+) ^{f)}	247	-12	9	32	11.6	5.7	8.2
6.2. Reverse repos to central counterparties (assets)(-) ^{f)}	143	-10	7	1	-2.9	7.0	-1.8

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: February 2016

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

	End-of-month level	Monthly flow			Annual growth rate		
	Feb 2016	Dec 2015	Jan 2016	Feb 2016	Dec 2015	Jan 2016	Feb 2016
BREAKDOWN OF DEPOSITS IN M3							
Total deposits	9357	17	63	43	4.5	4.9	4.9
1. Deposits placed by households ^{b)}	5795	24	14	30	3.5	3.8	4.0
1.1. Overnight deposits	3103	28	16	25	11.0	10.5	10.5
1.2. Deposits with an agreed maturity of up to two years	693	-4	1	-1	-13.4	-11.3	-10.1
1.3. Deposits redeemable at notice of up to three months	1996	1	-4	7	0.0	0.2	0.4
1.4. Repurchase agreements	3	-1	1	-1	-14.2	-12.4	-25.5
2. Deposits placed by non-financial corporations ^{c)}	1977	-3	40	11	5.5	6.5	6.5
2.1. Overnight deposits	1531	-3	41	10	10.6	10.8	10.5
2.2. Deposits with an agreed maturity of up to two years	321	1	-2	1	-9.5	-9.0	-7.5
2.3. Deposits redeemable at notice of up to three months	116	0	-1	0	4.4	4.4	4.7
2.4. Repurchase agreements	10	-1	2	0	-57.9	-17.6	-28.8
3. Deposits placed by non-monetary financial corporations excluding insurance corporations and pension funds ^{c), d)}	980	2	-6	-4	8.4	9.2	7.0
3.1. Overnight deposits	653	7	-18	4	17.2	14.9	14.1
3.2. Deposits with an agreed maturity of up to two years	240	5	5	-14	1.8	6.4	0.5
3.3. Deposits redeemable at notice of up to three months	23	-1	1	-1	17.5	28.6	25.0
3.4. Repurchase agreements ^{d)}	65	-9	6	7	-35.5	-27.7	-25.8
4. Deposits placed by insurance corporations and pension funds	232	2	0	8	-0.8	-3.1	1.8
5. Deposits placed by other general government	373	-9	15	-3	8.3	9.8	7.8

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: February 2016

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

	Dec 2015	Jan 2016	Feb 2016
1. M1	6.2	6.1	6.0
1.1. Currency in circulation	0.6	0.6	0.5
1.2. Overnight deposits	5.6	5.5	5.4
2. M2 - M1 (other short-term deposits)	-1.3	-1.0	-0.9
3. M3 - M2 (marketable instruments)	-0.2	-0.1	-0.1
M3 (items 1, 2 and 3)	4.7	5.0	5.0

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 2016

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

	End-of-month level	Monthly flow			Annual growth rate		
	Feb 2016	Dec 2015	Jan 2016	Feb 2016	Dec 2015	Jan 2016	Feb 2016
BREAKDOWN OF LOANS AS COUNTERPART TO M3							
1. Loans to households ^{b)}	5331	0	7	19	1.9	1.9	2.2
<i>Loans adjusted for sales and securitisation ^{c)}</i>	5652	2	6	9	1.4	1.4	1.6
1.1. Credit for consumption	602	-1	1	6	3.8	4.0	5.2
1.2. Lending for house purchase	3967	4	6	13	2.1	2.1	2.3
1.3. Other lending	762	-3	-1	-1	-0.5	-0.5	-0.3
<i>of which: sole proprietors ^{d)}</i>	389	-2	-1	0	-1.5	-1.8	-1.6
2. Loans to non-financial corporations ^{e)}	4302	-21	22	15	0.0	0.5	0.6
<i>Loans adjusted for sales and securitisation ^{c)}</i>	4360	-19	24	18	0.1	0.6	0.9
2.1. up to 1 year	1051	-32	13	3	-4.2	-3.1	-2.9
2.2. over 1 year and up to 5 years	776	6	6	11	4.4	4.7	6.3
2.3. over 5 years	2475	6	3	0	0.6	0.8	0.5
3. Loans to non-monetary financial corporations except insurance corporations and pension funds ^{e), f)}	900	-18	5	9	-2.7	-2.5	-1.5
4. Loans to insurance corporations and pension funds	126	0	2	1	-4.2	-9.6	-6.9

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.