



EUROPEAN CENTRAL BANK

EUROSYSTEM

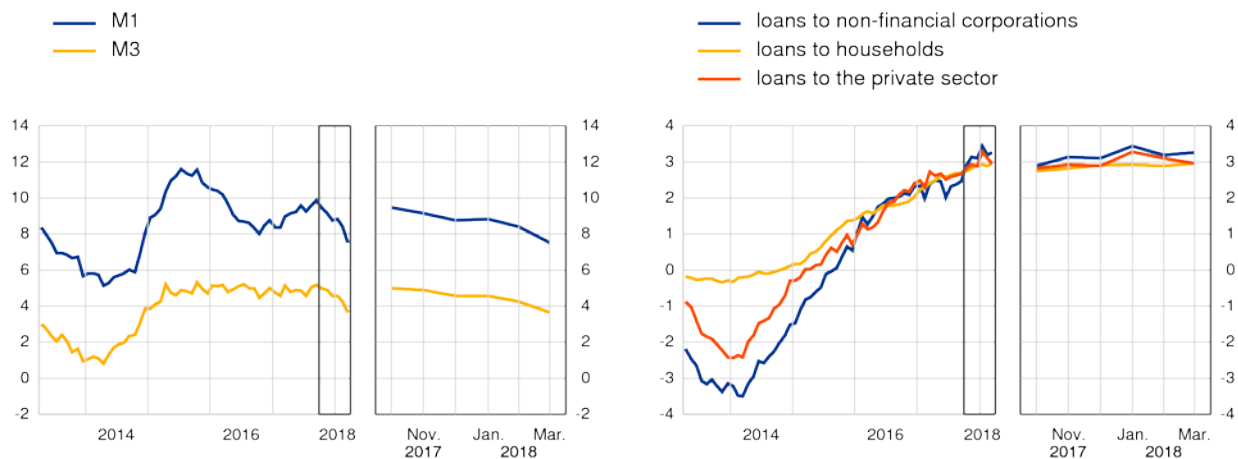
PRESS RELEASE

30 April 2018

Monetary developments in the euro area: March 2018

- The annual growth rate of the broad monetary aggregate M3 decreased to 3.7% in March 2018, from 4.2% in February.
- The annual growth rate of the narrower aggregate M1, which includes currency in circulation and overnight deposits, decreased to 7.5% in March, from 8.4% in February.
- The annual growth rate of adjusted loans to households increased to 3.0% in March, from 2.9% in February.
- The annual growth rate of adjusted loans to non-financial corporations increased to 3.3% in March, from 3.2% in February.

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 decreased to 3.7% in March 2018, from 4.2% in February, averaging 4.2% in the three months up to March. 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 7.5% in March, compared with 8.4% in February. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) was -2.0% in March, compared with -2.3% in February. The annual growth rate of marketable instruments (M3-M2) was -7.8% in March, compared with -6.0% in February.

Within M3, the annual growth rate of deposits placed by households decreased to 4.0% in March, compared with 4.2% in February, while the annual growth rate of deposits placed by non-financial

corporations decreased to 5.4% in March, compared with 6.8% in February. Finally, the annual growth rate of deposits placed by non-monetary financial corporations (excluding insurance corporations and pension funds) decreased to 5.1% in March, compared with 7.0% in February.

Credit to euro area residents

The annual growth rate of total credit to euro area residents decreased to 2.9% in March 2018, compared with 3.4% in the previous month. The annual growth rate of credit to general government decreased to 3.9% in March, compared with 5.2% in February, while the annual growth rate of credit to the private sector decreased to 2.5% in March, compared with 2.8% in February.

The annual growth rate of adjusted loans to the private sector (i.e. adjusted for loan sales, securitisation and notional cash pooling) stood at 3.0% in March, compared with 3.1% in February. In particular, the annual growth rate of adjusted loans to households increased to 3.0% in March, from 2.9% in February, and the annual growth rate of adjusted loans to non-financial corporations increased to 3.3% in March, from 3.2% in February.

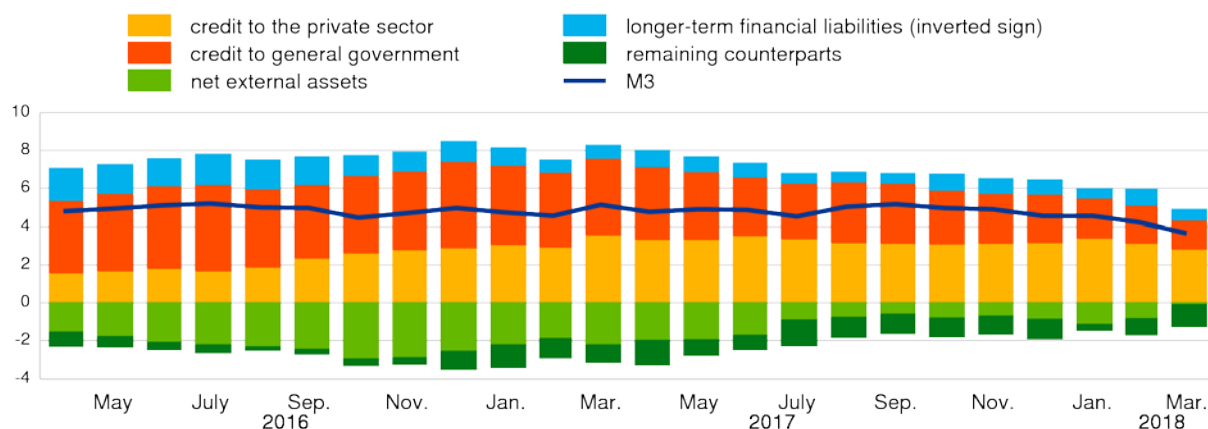
Longer-term financial liabilities

The annual growth rate of longer-term financial liabilities of the MFI sector was -0.9% in March 2018, compared with -1.3% in February.

M3 and its counterparts

The annual growth rate of the broad monetary aggregate M3 decreased to 3.7% in March 2018. The contributions of M3 counterparts on the MFI balance sheet were as follows: longer-term financial liabilities contributed 0.5 percentage point, net external assets contributed -0.1 percentage point, credit to general government contributed 1.5 percentage points, and credit to the private sector contributed 2.8 percentage points; the remaining counterparts of M3 contributed -1.2 percentage points.

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: March 2018

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

| | End-of-month level | Monthly flow | | | Annual growth rate | | |
|---|--------------------|--------------|------------|------------|--------------------|-------------|-------------|
| | Mar 2018 | Jan 2018 | Feb 2018 | Mar 2018 | Jan 2018 | Feb 2018 | Mar 2018 |
| COMPONENTS OF M3 | | | | | | | |
| 1. M3 | 11937 | 49 | 2 | 30 | 4.6 | 4.2 | 3.7 |
| 1.1. M2 | 11287 | 62 | 11 | 16 | 5.3 | 4.9 | 4.4 |
| 1.1.1. M1 | 7847 | 52 | 31 | 20 | 8.8 | 8.4 | 7.5 |
| Currency in circulation | 1113 | 2 | 1 | -2 | 3.1 | 2.9 | 2.4 |
| Overnight deposits | 6734 | 49 | 30 | 22 | 9.8 | 9.4 | 8.4 |
| 1.1.2. Other short-term deposits (M2 - M1) | 3439 | 11 | -20 | -4 | -1.9 | -2.3 | -2.0 |
| Deposits with an agreed maturity of up to two years | 1174 | 6 | -21 | -5 | -8.1 | -9.2 | -8.5 |
| Deposits redeemable at notice of up to three months | 2266 | 4 | 1 | 1 | 1.7 | 1.8 | 1.7 |
| 1.2. Marketable instruments (M3 - M2) | 651 | -13 | -10 | 14 | -6.3 | -6.0 | -7.8 |
| Repurchase agreements | 72 | -1 | -2 | -1 | -1.6 | 7.7 | -1.6 |
| Money market fund shares | 503 | 4 | -12 | 1 | -1.1 | -2.4 | -5.3 |
| Debt securities issued with a maturity of up to two years | 76 | -17 | 4 | 14 | -38.7 | -35.4 | -25.5 |
| COUNTERPARTS OF M3 | | | | | | | |
| MFI liabilities: | | | | | | | |
| 2. Holdings against central government ^{b)} | 340 | -40 | 31 | -7 | 5.0 | 16.8 | 11.7 |
| 3. Longer-term financial liabilities vis-a-vis other euro area residents | 6720 | 14 | -24 | 18 | -0.8 | -1.3 | -0.9 |
| 3.1. Deposits with an agreed maturity of over two years | 1951 | -7 | -3 | -7 | -4.0 | -3.7 | -4.2 |
| 3.2. Deposits redeemable at notice of over three months | 59 | -1 | 0 | 0 | -12.4 | -12.6 | -12.5 |
| 3.3. Debt securities issued with a maturity of over two years | 2020 | 20 | -16 | 8 | -2.3 | -2.7 | -1.6 |
| 3.4. Capital and reserves | 2691 | 2 | -3 | 17 | 3.1 | 2.0 | 2.5 |
| MFI assets: | | | | | | | |
| 4. Credit to euro area residents | 17795 | 47 | 8 | 17 | 3.6 | 3.4 | 2.9 |
| 4.1. Credit to general government | 4601 | -30 | 2 | -11 | 5.4 | 5.2 | 3.9 |
| Loans | 1021 | -1 | -8 | -2 | -4.4 | -4.1 | -4.0 |
| Debt securities | 3565 | -30 | 10 | -9 | 8.7 | 8.2 | 6.5 |
| Equity ^{c)} | 14 | 0 | 0 | 0 | 2.8 | 3.2 | 0.1 |
| 4.2. Credit to the private sector ^{d)} | 13194 | 77 | 6 | 28 | 3.0 | 2.8 | 2.5 |
| Loans ^{e)} | 10945 | 68 | 1 | 31 | 2.9 | 2.6 | 2.6 |
| Adjusted loans ^{f)} | 11234 | 69 | -4 | 32 | 3.3 | 3.1 | 3.0 |
| Debt securities | 1465 | 11 | 10 | 7 | 4.5 | 5.0 | 3.9 |
| Equity and non-money market fund investment fund shares | 783 | -2 | -5 | -9 | 2.2 | 1.1 | -0.2 |
| 5. Net external assets | 906 | -29 | 11 | 75 | - | - | - |
| 6. Other counterparts of M3 (residual) | 297 | 5 | -10 | -52 | - | - | - |
| of which: | | | | | | | |
| 6.1. Repos with central counterparties (liabilities) ^{c)} | 136 | -11 | -8 | 11 | -24.5 | -27.0 | -25.6 |
| 6.2. Reverse repos to central counterparties (assets) ^{c)} | 88 | -8 | -3 | 5 | -19.3 | -20.5 | -21.0 |

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) 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: March 2018 (EUR billions and annual percentage changes; data adjusted for seasonal effects ^{a)})

| | End-of-month level | Monthly flow | | | Annual growth rate | | |
|---|--------------------|--------------|------------|-----------|--------------------|------------|-------------|
| | Mar 2018 | Jan 2018 | Feb 2018 | Mar 2018 | Jan 2018 | Feb 2018 | Mar 2018 |
| BREAKDOWN OF DEPOSITS IN M3 | | | | | | | |
| Total deposits | 10245 | 59 | 8 | 17 | 5.4 | 5.1 | 4.6 |
| 1. Deposits placed by households ^{b)} | 6376 | 31 | 29 | 16 | 4.1 | 4.2 | 4.0 |
| 1.1. Overnight deposits | 3780 | 28 | 35 | 20 | 8.6 | 8.7 | 8.3 |
| 1.2. Deposits with an agreed maturity of up to two years | 544 | -5 | -8 | -5 | -12.5 | -12.4 | -12.2 |
| 1.3. Deposits redeemable at notice of up to three months | 2050 | 7 | 1 | 1 | 1.7 | 1.7 | 1.6 |
| 1.4. Repurchase agreements | 2 | 1 | 0 | 0 | -37.1 | -33.3 | -42.2 |
| 2. Deposits placed by non-financial corporations | 2258 | 48 | -23 | -8 | 8.7 | 6.8 | 5.4 |
| 2.1. Overnight deposits | 1819 | 40 | -12 | 7 | 10.8 | 9.0 | 8.1 |
| 2.2. Deposits with an agreed maturity of up to two years | 274 | 9 | -8 | -13 | 0.4 | -2.8 | -7.2 |
| 2.3. Deposits redeemable at notice of up to three months | 157 | -1 | -1 | -1 | 0.2 | 0.2 | -0.1 |
| 2.4. Repurchase agreements | 8 | 1 | -2 | -1 | 48.5 | 31.1 | 17.9 |
| 3. Deposits placed by non-monetary financial corporations excluding insurance corporations and pension funds ^{c)} | 989 | -25 | -3 | 8 | 6.9 | 7.0 | 5.1 |
| 3.1. Overnight deposits | 717 | -18 | 3 | -3 | 12.9 | 14.0 | 9.0 |
| 3.2. Deposits with an agreed maturity of up to two years | 201 | -2 | -3 | 9 | -7.3 | -11.3 | -4.1 |
| 3.3. Deposits redeemable at notice of up to three months | 26 | 0 | 1 | 0 | 10.4 | 14.6 | 15.6 |
| 3.4. Repurchase agreements ^{c)} | 45 | -4 | -3 | 1 | -7.8 | -3.9 | -11.1 |
| 4. Deposits placed by insurance corporations and pension funds | 209 | 2 | 4 | 1 | 4.9 | 6.1 | 10.0 |
| 5. Deposits placed by other general government | 413 | 3 | 1 | -1 | 5.4 | 5.7 | 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: March 2018

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

| | Jan 2018 | Feb 2018 | Mar 2018 |
|---|-------------|-------------|-------------|
| 1. M1 | 5.5 | 5.3 | 4.8 |
| 1.1. Currency in circulation | 0.3 | 0.3 | 0.2 |
| 1.2. Overnight deposits | 5.2 | 5.0 | 4.5 |
| 2. M2 - M1 (other short-term deposits) | -0.6 | -0.7 | -0.6 |
| 3. M3 - M2 (marketable instruments) | -0.4 | -0.4 | -0.5 |
| M3 (items 1, 2 and 3) | 4.6 | 4.2 | 3.7 |

a) Figures may not add up due to rounding.

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

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

| | End-of-month level | Monthly flow | | | Annual growth rate | | |
|--|--------------------|--------------|------------|-----------|--------------------|------------|-------------|
| | Mar 2018 | Jan 2018 | Feb 2018 | Mar 2018 | Jan 2018 | Feb 2018 | Mar 2018 |
| BREAKDOWN OF LOANS AS COUNTERPART TO M3 | | | | | | | |
| 1. Loans to households ^{b)} | 5631 | 7 | 11 | 21 | 3.1 | 2.9 | 3.0 |
| <i>Adjusted loans ^{c)}</i> | 5905 | 18 | 12 | 19 | 2.9 | 2.9 | 3.0 |
| 1.1. Credit for consumption | 662 | 6 | 3 | 2 | 7.2 | 7.3 | 7.0 |
| 1.2. Lending for house purchase | 4241 | 2 | 8 | 18 | 3.1 | 2.9 | 3.0 |
| 1.3. Other lending | 728 | -1 | 0 | 1 | -0.8 | -0.6 | -0.4 |
| <i>of which: sole proprietors</i> | 374 | 5 | 0 | -2 | -1.2 | -1.0 | -1.5 |
| 2. Loans to non-financial corporations | 4347 | 33 | -6 | 13 | 2.3 | 2.0 | 2.2 |
| <i>Adjusted loans ^{c)}</i> | 4384 | 26 | -5 | 18 | 3.4 | 3.2 | 3.3 |
| 2.1. up to 1 year | 1002 | 22 | -9 | 18 | 1.1 | 0.4 | 2.6 |
| 2.2. over 1 year and up to 5 years | 821 | 7 | -2 | 0 | 5.3 | 5.1 | 4.4 |
| 2.3. over 5 years | 2524 | 4 | 4 | -4 | 1.8 | 1.7 | 1.4 |
| 3. Loans to non-monetary financial corporations except insurance corporations and pension funds ^{d)} | 855 | 24 | -5 | -2 | 5.5 | 4.5 | 2.1 |
| <i>Adjusted loans ^{c)}</i> | 843 | 21 | -11 | -3 | 5.5 | 4.3 | 1.9 |
| 4. Loans to insurance corporations and pension funds | 112 | 4 | 1 | -2 | -1.2 | 2.0 | -0.5 |
| <i>Adjusted loans ^{c)}</i> | 102 | 4 | 0 | -1 | -0.5 | 0.9 | -0.9 |

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 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.