



EUROPEAN CENTRAL BANK

EUROSYSTEM

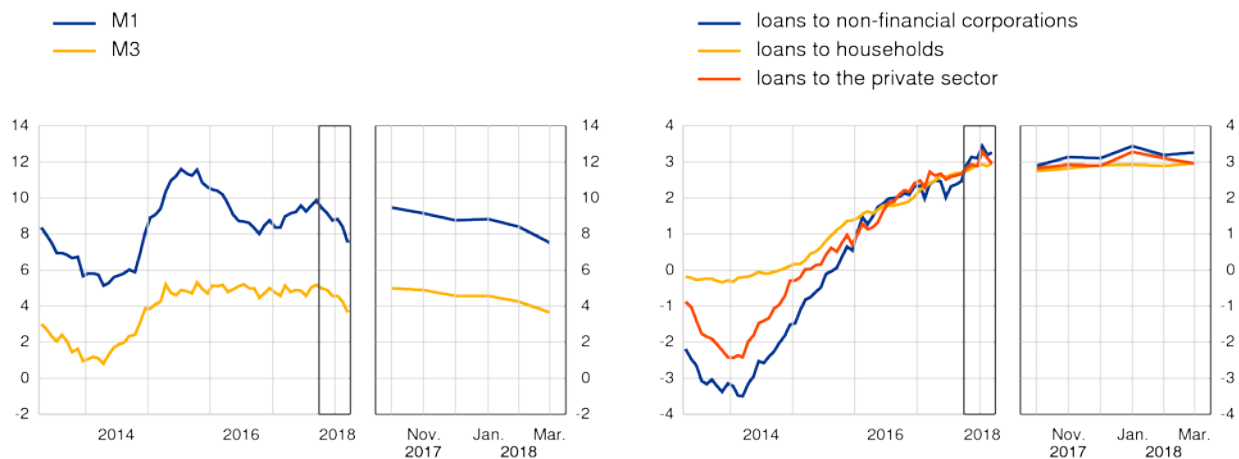
PRESS RELEASE

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.

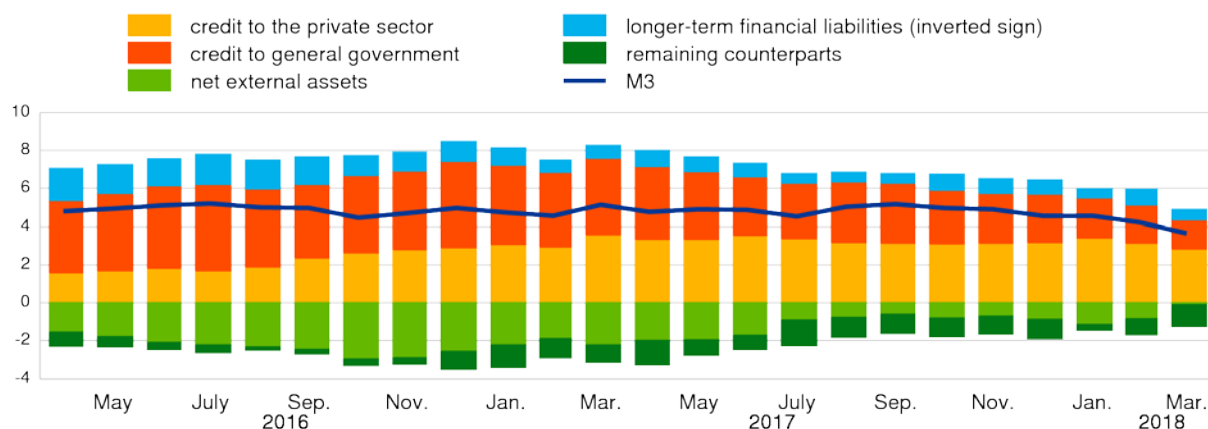
Longer-term financial liabilities

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.