

## PRESS RELEASE

### MONETARY DEVELOPMENTS IN THE EURO AREA: FEBRUARY 2012

The annual growth rate of the broad monetary aggregate M3 increased to 2.8% in February 2012, from 2.5% in January 2012.<sup>1</sup> The three-month average of the annual growth rates of M3 in the period from December 2011 to February 2012 increased to 2.3%, from 2.0% in the period from November 2011 to January 2012.

Twelve-month percentage changes; (adjusted for seasonal and end-of-month calendar effects)	DECEMBER 2011	JANUARY 2012	FEBRUARY 2012	DECEMBER 2011 - FEBRUARY 2012 (AVERAGE)
<b>M3</b>	1.6	2.5	2.8	2.3
<b>M1</b>	1.7	2.1	2.5	2.1
<b>Loans to the private sector</b>	1.0	1.1	0.7	0.9
<b>Loans to the private sector, adjusted for sales and securitisation</b>	1.2	1.5	1.1	1.3

#### **M3 components**

Regarding the main components of M3, the annual growth rate of M1 increased to 2.5% in February 2012, from 2.1% in January. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) increased to 3.1% in February, from 2.6% in the previous month. The annual growth rate of marketable instruments (M3-M2) decreased to 3.1% in February, from 4.4% in January. Among the deposits included in M3, the annual growth rate of deposits placed by households increased to 2.0% in February, from 1.7% in the previous month, while the annual growth rate of deposits placed by non-financial corporations stood at 0.4% in February, compared with 0.3% in the previous month. Finally, the annual growth rate of deposits placed by non-monetary financial intermediaries (excluding insurance corporations and pension funds) decreased to 3.5% in February, from 5.6% in the previous month.

#### **Counterparts to M3: credit and loans**

Turning to the main counterparts of M3 on the asset side of the consolidated balance sheet of Monetary Financial Institutions (MFIs), the annual growth rate of total credit granted to euro area residents stood at 1.4% in February 2012, unchanged from the previous month. The annual growth rate of credit extended to general government increased to 6.0% in February, from 4.9% in January, while the annual growth rate of

<sup>1</sup> The annual growth rates presented in this press release refer to aggregates adjusted for seasonal and end-of-month calendar effects.

credit extended to the private sector decreased to 0.3% in February, from 0.6% in the previous month. Among the components of credit to the private sector, the annual growth rate of loans decreased to 0.7% in February, from 1.1% in the previous month (adjusted for loan sales and securitisation<sup>2</sup>, the rate decreased to 1.1%, from 1.5% in the previous month). The annual growth rate of loans to households stood at 1.2% in February, compared with 1.3% in January (adjusted for loan sales and securitisation, the rate decreased to 1.8%, from 2.0% in the previous month). The annual growth rate of lending for house purchase, the most important component of household loans, stood at 1.8% in February, unchanged from the previous month. The annual growth rate of loans to non-financial corporations decreased to 0.4% in February, from 0.7% in the previous month (adjusted for loan sales and securitisation, the rate decreased to 0.6% in February, from 0.9% in the previous month). Finally, the annual growth rate of loans to non-monetary financial intermediaries (excluding insurance corporations and pension funds) decreased to 0.6% in February, from 2.0% in the previous month.

### **Other counterparts**

Over the 12 months up to February 2012, the net external asset position of the euro area MFI sector increased by €113 billion, the same increase as observed over the 12 months up to January. The annual growth rate of longer-term financial liabilities of the MFI sector decreased to 2.2% in February, from 2.8% in January.

### Notes

- Further predefined tables, statistical data and methodological notes, as well as the advance release calendar, are available on the ECB's website at <http://www.ecb.europa.eu/stats/money/aggregates/aggr/html/index.en.html>.

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<sup>2</sup> Adjusted for the derecognition of loans from the MFIs' statistical balance sheets due to their sale or securitisation.

TABLE 1

## MONETARY DEVELOPMENTS IN THE EURO AREA: FEBRUARY 2012

DATA ADJUSTED FOR SEASONAL EFFECTS

(EUR billions and annual percentage changes<sup>a)</sup>)

	END-OF-MONTH LEVEL	MONTHLY FLOW <sup>b)</sup>			ANNUAL GROWTH RATE		
	FEBRUARY 2012	DECEMBER 2011	JANUARY 2012	FEBRUARY 2012	DECEMBER 2011	JANUARY 2012	FEBRUARY 2012
<b>COMPONENTS OF M3<sup>c)</sup></b>							
(1) <b>M3</b> (= items 1.3, 1.6 and 1.11)	9814	-31	49	74	1.6	2.5	2.8
(1.1) Currency in circulation	853	-1	7	3	6.2	6.2	6.2
(1.2) Overnight deposits	3962	-2	-1	24	0.7	1.2	1.7
(1.3) <b>M1</b> (items 1.1 and 1.2)	4815	-3	6	27	1.7	2.1	2.5
(1.4) Deposits with an agreed maturity of up to two years	1901	10	32	23	2.2	3.3	4.0
(1.5) Deposits redeemable at notice of up to three months	1969	-15	1	10	1.9	1.9	2.3
(1.6) Other short term deposits (items 1.4 and 1.5)	3869	-5	33	33	2.1	2.6	3.1
(1.7) <b>M2</b> (items 1.3 and 1.6)	8684	-8	39	60	1.8	2.3	2.8
(1.8) Repurchase agreements	437	-53	24	5	-2.3	11.5	4.2
(1.9) Money market fund shares/units	473	11	-3	-5	-4.7	-2.3	-2.7
(1.10) Debt securities issued with a maturity of up to two years	219	19	-10	13	24.1	11.7	21.3
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	1129	-23	10	14	-0.5	4.4	3.1
<b>COUNTERPARTS OF M3</b>							
<b>MFI liabilities:</b>							
(2) <i>Holdings against central government</i> <sup>d)</sup>	330	59	10	9	-0.4	1.8	5.4
(3) <i>Longer-term financial liabilities vis-à-vis other euro area residents</i> (= items 3.1 to 3.4)	7771	-10	16	-11	3.0	2.8	2.2
(3.1) Deposits with an agreed maturity of over two years	2551	-4	6	4	2.5	2.5	2.6
(3.2) Deposits redeemable at notice of over three months	114	-1	-1	-1	-2.1	-2.9	-4.4
(3.3) Debt securities issued with a maturity of over two years	2818	-18	-8	-20	1.0	-0.1	-1.1
(3.4) Capital and reserves	2288	13	19	6	6.5	7.2	6.5
<b>MFI assets:</b>							
(4) <i>Credit to euro area residents</i> (= items 4.1 and 4.2)	16749	-34	82	30	1.0	1.4	1.4
(4.1) Credit to general government	3274	54	35	29	3.4	4.9	6.0
Loans	1159	10	-5	-7	-4.7	-4.7	-5.0
Securities other than shares	2115	45	40	36	8.7	11.1	13.1
(4.2) Credit to other euro area residents	13475	-89	47	1	0.4	0.6	0.3
Loans <sup>e)</sup>	11193	-73	36	-11	1.0	1.1	0.7
<i>loans adjusted for sales and securitisation<sup>f)</sup></i>	ND	-69	41	-8	1.2	1.5	1.1
Securities other than shares	1533	-9	12	4	-1.2	0.0	-0.2
Shares and other equities	750	-6	-1	7	-4.3	-4.7	-3.9
(5) <i>Net external assets</i>	928	2	-26	17	ND	ND	ND
(6) <i>Other counterparts of M3 (residual)</i> (= M3 + items 2, 3 - items 4, 5)	237	51	19	25	ND	ND	ND

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.

b) Monthly difference in levels adjusted for reclassifications, exchange rate variations, other revaluations and any other changes which do not arise from transactions.

c) Liabilities of MFIs and specific units of the central government (post offices, treasury) vis-à-vis non-MFI euro area residents excluding central government.

d) Includes holdings of the central government of deposits with the MFI sector and of securities issued by the MFI sector.

e) For further breakdowns see Table 4.

f) Adjusted for the derecognition of loans from the MFI statistical balance sheet due to their sale or securitisation.

TABLE 2

**BREAKDOWN OF DEPOSITS IN M3 BY HOLDING SECTOR AND TYPE: FEBRUARY 2012**

DATA ADJUSTED FOR SEASONAL EFFECTS

(EUR billions and annual percentage changes<sup>a)</sup>)

	END-OF-MONTH LEVEL	MONTHLY FLOW <sup>b)</sup>			ANNUAL GROWTH RATE		
	FEBRUARY 2012	DECEMBER 2011	JANUARY 2012	FEBRUARY 2012	DECEMBER 2011	JANUARY 2012	FEBRUARY 2012
<b>BREAKDOWN OF DEPOSITS IN M3</b>							
<b>Total deposits (=items 1, 2, 3, 4 and 5)</b>	8268	-59	56	63	1.2	2.3	2.5
(1) <b>Deposits placed by households<sup>c)</sup></b>	5124	-25	19	23	1.4	1.7	2.0
(1.1) Overnight deposits	2256	-16	-3	0	-0.2	-0.2	-0.2
(1.2) Deposits with an agreed maturity of up to two years	979	7	20	16	4.7	6.6	7.8
(1.3) Deposits redeemable at notice of up to three months	1868	-8	3	9	2.1	2.2	2.4
(1.4) Repurchase agreements	21	-8	-1	-2	-22.7	-26.2	-33.9
(2) <b>Deposits placed by non-financial corporations</b>	1565	-10	15	6	-0.9	0.3	0.4
(2.1) Overnight deposits	1016	5	2	10	-0.4	0.6	1.2
(2.2) Deposits with an agreed maturity of up to two years	459	-9	13	-3	-0.5	1.3	0.2
(2.3) Deposits redeemable at notice of up to three months	75	-3	0	0	-9.4	-10.3	-8.1
(2.4) Repurchase agreements	15	-3	1	-1	-1.2	9.3	-0.2
(3) <b>Deposits placed by non-monetary financial intermediaries excluding insurance corporations and pension funds</b>	1087	-24	12	18	1.3	5.6	3.5
(3.1) Overnight deposits	409	10	-6	9	9.4	8.9	10.2
(3.2) Deposits with an agreed maturity of up to two years	280	12	-5	0	-7.6	-10.5	-10.5
(3.3) Deposits redeemable at notice of up to three months	14	-4	-2	1	36.7	17.1	26.6
(3.4) Repurchase agreements	383	-41	26	7	-0.1	17.0	8.3
of which: with central counterparties <sup>d)</sup>	286	-44	10	16	2.0	23.7	13.5
(4) <b>Deposits placed by insurance corporations and pension funds</b>	209	-2	3	14	7.2	10.9	19.7
(5) <b>Deposits placed by other general government</b>	283	1	5	2	4.8	7.9	9.0

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.

b) Monthly difference in levels adjusted for reclassifications, exchange rate variations, other revaluations and any other changes which do not arise from transactions.

c) Includes deposits by non-profit institutions serving households.

d) The series is not adjusted for seasonal effects.

TABLE 3

## CONTRIBUTIONS OF M3 COMPONENTS TO THE M3 ANNUAL GROWTH RATE: FEBRUARY 2012

DATA ADJUSTED FOR SEASONAL EFFECTS

(contributions in terms of the M3 annual percentage change<sup>a)</sup>)

	DECEMBER 2011	JANUARY 2012	FEBRUARY 2012
(1) <b>M1</b>	0.8	1.0	1.2
(1.1) <i>of which</i> : Currency	0.5	0.5	0.5
(1.2) <i>of which</i> : Overnight deposits	0.3	0.5	0.7
(2) <b>M2 - M1</b> (= other short-term deposits)	0.8	1.0	1.2
(3) <b>M3 - M2</b> (= short-term marketable instruments)	0.0	0.5	0.4
(4) <b>M3</b> (= items 1, 2 and 3)	1.6	2.5	2.8

a) Figures may not add up due to rounding.

TABLE 4

## BREAKDOWN OF LOANS BY BORROWING SECTOR, TYPE AND ORIGINAL MATURITY: FEBRUARY 2012

DATA ADJUSTED FOR SEASONAL EFFECTS

(EUR billions and annual percentage changes<sup>a)</sup>)

	END-OF-MONTH LEVEL	MONTHLY FLOW <sup>b)</sup>			ANNUAL GROWTH RATE		
	FEBRUARY 2012	DECEMBER 2011	JANUARY 2012	FEBRUARY 2012	DECEMBER 2011	JANUARY 2012	FEBRUARY 2012
<b>BREAKDOWN OF LOANS<sup>c)</sup></b>							
(1) <b>Loans to households<sup>d)</sup></b>	5237	-5	9	0	1.6	1.3	1.2
<i>loans adjusted for sales and securitisation<sup>e)</sup></i>	<i>ND</i>	<i>-1</i>	<i>13</i>	<i>1</i>	<i>1.9</i>	<i>2.0</i>	<i>1.8</i>
(1.1) Credit for consumption	624	0	1	-2	-1.8	-1.6	-1.8
(1.2) Lending for house purchase	3783	0	4	2	2.3	1.8	1.8
(1.3) Other lending	830	-6	3	-1	0.9	1.1	0.8
<i>of which: sole proprietors<sup>f)</sup></i>	<i>418</i>	<i>10</i>	<i>-1</i>	<i>0</i>	<i>2.1</i>	<i>2.4</i>	<i>2.1</i>
(2) <b>Loans to non-financial corporations</b>	4710	-32	1	-3	1.1	0.7	0.4
<i>loans adjusted for sales and securitisation<sup>e)</sup></i>	<i>ND</i>	<i>-32</i>	<i>1</i>	<i>-1</i>	<i>1.2</i>	<i>0.9</i>	<i>0.6</i>
(2.1) up to 1 year	1142	-25	1	-2	2.0	0.7	0.1
(2.2) over 1 year and up to 5 years	850	-4	-6	-2	-3.1	-3.6	-3.9
(3.3) over 5 years	2718	-2	6	2	2.2	2.2	2.0
(3) <b>Loans to non-monetary financial intermediaries except insurance corporations and pension funds</b>	1162	-35	30	-5	-2.2	2.0	0.6
<i>of which: reverse repos to central counterparties<sup>f)</sup></i>	<i>183</i>	<i>-31</i>	<i>23</i>	<i>4</i>	<i>8.9</i>	<i>25.2</i>	<i>15.1</i>
(4) <b>Loans to insurance corporations and pension funds</b>	84	-1	-3	-4	1.6	-1.3	-8.3

a) Figures may not add up due to rounding.

b) Monthly difference in levels adjusted for write-offs/write-downs, reclassifications, exchange rate variations and any other changes which do not arise from transactions.

c) Loans granted by monetary financial institutions (MFIs) to non-MFI euro area residents excluding general government.

d) Includes loans to non-profit institutions serving households.

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.