

## PRESS RELEASE

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

The annual growth rate of the broad monetary aggregate M3 increased to 3.2% in March 2012, from 2.8% in February 2012.<sup>1</sup> The three-month average of the annual growth rates of M3 in the period from January 2012 to March 2012 increased to 2.8%, from 2.3% in the period from December 2011 to February 2012.

Twelve-month percentage changes; (adjusted for seasonal and end-of-month calendar effects)	<b>JANUARY 2012</b>	<b>FEBRUARY 2012</b>	<b>MARCH 2012</b>	<b>JANUARY 2012 - MARCH 2012 (AVERAGE)</b>
<b>M3</b>	2.5	2.8	3.2	2.8
<b>M1</b>	2.1	2.5	2.7	2.4
<b>Loans to the private sector</b>	1.2	0.8	0.6	0.9
<b>Loans to the private sector, adjusted for sales and securitisation</b>	1.6	1.2	1.2	1.3

#### **M3 components**

Regarding the main components of M3, the annual growth rate of M1 increased to 2.7% in March 2012, from 2.5% in February. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) increased to 3.3% in March, from 3.1% in the previous month. The annual growth rate of marketable instruments (M3-M2) increased to 5.1% in March, from 2.8% in February. Among the deposits included in M3, the annual growth rate of deposits placed by households increased to 2.2% in March, from 2.0% in the previous month, while the annual growth rate of deposits placed by non-financial corporations decreased to 0.0% in March, from 0.4% in the previous month. Finally, the annual growth rate of deposits placed by non-monetary financial intermediaries (excluding insurance corporations and pension funds) increased to 4.1% in March, from 3.5% 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 increased to 1.8% in March 2012, from 1.4% in the previous month. The annual growth rate of credit extended to general government increased to 7.3% in March, from 5.6% in February, 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 stood at 0.5% in March, compared with 0.4% in the previous month. Among the components of credit to the private sector, the annual growth rate of loans decreased to 0.6% in March, from 0.8% in the previous month (adjusted for loan sales and securitisation<sup>2</sup>, the rate stood at 1.2%, unchanged from the previous month). The annual growth rate of loans to households decreased to 0.6% in March, from 1.2% in February (adjusted for loan sales and securitisation, the rate stood at 1.7%, compared with 1.8% in the previous month). The annual growth rate of lending for house purchase, the most important component of household loans, decreased to 1.1% in March, from 1.8% in the previous month. The annual growth rate of loans to non-financial corporations decreased to 0.3% in March, from 0.6% in the previous month (adjusted for loan sales and securitisation, the rate decreased to 0.5% in March, from 0.7% in the previous month). Finally, the annual growth rate of loans to non-monetary financial intermediaries (excluding insurance corporations and pension funds) increased to 2.0% in March, from 0.8% in the previous month.

### **Other counterparts**

Over the 12 months up to March 2012, the net external asset position of the euro area MFI sector decreased by €18 billion, compared with an increase of €107 billion over the 12 months up to February. The annual growth rate of longer-term financial liabilities of the MFI sector decreased to 1.2% in March, from 2.1% in February.

### 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: MARCH 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		
	MARCH 2012	JANUARY 2012	FEBRUARY 2012	MARCH 2012	JANUARY 2012	FEBRUARY 2012	MARCH 2012
<b>COMPONENTS OF M3 <sup>c)</sup></b>							
(1) <b>M3</b> (= items 1.3, 1.6 and 1.11)	9880	49	74	60	2.5	2.8	3.2
(1.1) Currency in circulation	848	7	3	-5	6.2	6.2	5.5
(1.2) Overnight deposits	3997	-1	24	33	1.2	1.7	2.1
(1.3) <b>M1</b> (items 1.1 and 1.2)	4844	6	27	28	2.1	2.5	2.7
(1.4) Deposits with an agreed maturity of up to two years	1906	32	23	4	3.3	4.0	4.1
(1.5) Deposits redeemable at notice of up to three months	1975	1	10	7	1.9	2.3	2.4
(1.6) Other short term deposits (items 1.4 and 1.5)	3881	33	33	11	2.6	3.1	3.3
(1.7) <b>M2</b> (items 1.3 and 1.6)	8725	39	61	40	2.3	2.8	2.9
(1.8) Repurchase agreements	417	24	5	-20	11.5	4.2	4.1
(1.9) Money market fund shares/units	493	-3	-5	15	-2.7	-3.2	0.0
(1.10) Debt securities issued with a maturity of up to two years	244	-11	14	26	11.3	21.2	20.0
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	1155	10	14	21	4.2	2.8	5.1
<b>COUNTERPARTS OF M3</b>							
<b>MFI liabilities:</b>							
(2) <i>Holdings against central government</i> <sup>d)</sup>	322	10	9	-9	1.8	5.4	11.1
(3) <i>Longer-term financial liabilities vis-à-vis other euro area residents</i> (= items 3.1 to 3.4)	7655	17	-13	-45	2.7	2.1	1.2
(3.1) Deposits with an agreed maturity of over two years	2522	6	4	-29	2.5	2.6	1.1
(3.2) Deposits redeemable at notice of over three months	113	-1	-1	-1	-2.9	-4.4	-5.2
(3.3) Debt securities issued with a maturity of over two years	2746	-8	-20	-28	-0.3	-1.4	-2.7
(3.4) Capital and reserves	2274	19	4	13	7.4	6.6	6.8
<b>MFI assets:</b>							
(4) <i>Credit to euro area residents</i> (= items 4.1 and 4.2)	16722	85	27	32	1.4	1.4	1.8
(4.1) Credit to general government	3250	39	28	29	4.5	5.6	7.3
Loans	1161	-5	-7	3	-4.7	-5.0	-4.4
Securities other than shares	2088	44	35	26	10.6	12.6	15.1
(4.2) Credit to other euro area residents	13473	46	0	3	0.7	0.4	0.5
Loans <sup>e)</sup>	11184	36	-11	-7	1.2	0.8	0.6
<i>loans adjusted for sales and securitisation</i> <sup>f)</sup>	ND	41	-8	-7	1.6	1.2	1.2
Securities other than shares	1528	12	4	-4	0.0	-0.1	1.0
Shares and other equities	761	-2	7	13	-4.5	-3.7	-2.4
(5) <i>Net external assets</i>	907	-30	17	-1	ND	ND	ND
(6) <i>Other counterparts of M3 (residual)</i> (= M3 + items 2, 3 - items 4, 5)	227	21	25	-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: MARCH 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		
	MARCH 2012	JANUARY 2012	FEBRUARY 2012	MARCH 2012	JANUARY 2012	FEBRUARY 2012	MARCH 2012
<b>BREAKDOWN OF DEPOSITS IN M3</b>							
<b>Total deposits (=items 1, 2, 3, 4 and 5)</b>	8295	56	63	25	2.3	2.5	2.8
(1) <b>Deposits placed by households<sup>c)</sup></b>	5143	19	24	19	1.7	2.0	2.2
(1.1) Overnight deposits	2255	-3	0	-1	-0.2	-0.2	-0.4
(1.2) Deposits with an agreed maturity of up to two years	995	20	17	15	6.6	7.9	9.6
(1.3) Deposits redeemable at notice of up to three months	1873	3	9	6	2.2	2.4	2.5
(1.4) Repurchase agreements	20	-1	-2	-1	-26.2	-34.0	-37.3
(2) <b>Deposits placed by non-financial corporations</b>	1566	15	6	1	0.3	0.4	0.0
(2.1) Overnight deposits	1022	2	10	6	0.6	1.2	1.1
(2.2) Deposits with an agreed maturity of up to two years	454	13	-3	-5	1.3	0.2	-1.0
(2.3) Deposits redeemable at notice of up to three months	74	0	0	0	-10.3	-8.1	-6.8
(2.4) Repurchase agreements	15	1	-1	0	9.3	-0.2	-5.2
(3) <b>Deposits placed by non-monetary financial intermediaries excluding insurance corporations and pension funds</b>	1079	12	18	-9	5.6	3.5	4.1
(3.1) Overnight deposits	436	-6	9	26	8.9	10.2	15.9
(3.2) Deposits with an agreed maturity of up to two years	267	-5	0	-14	-10.5	-10.5	-15.0
(3.3) Deposits redeemable at notice of up to three months	15	-2	1	1	17.1	26.6	33.3
(3.4) Repurchase agreements	361	26	7	-22	17.0	8.3	7.8
of which: with central counterparties <sup>d)</sup>	276	10	16	-10	23.7	13.5	14.6
(4) <b>Deposits placed by insurance corporations and pension funds</b>	203	3	14	-6	10.9	19.8	16.6
(5) <b>Deposits placed by other general government</b>	303	5	2	20	7.9	9.0	15.0

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: MARCH 2012

DATA ADJUSTED FOR SEASONAL EFFECTS

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

	JANUARY 2012	FEBRUARY 2012	MARCH 2012
(1) <b>M1</b>	1.0	1.2	1.3
(1.1) <i>of which</i> : Currency	0.5	0.5	0.5
(1.2) <i>of which</i> : Overnight deposits	0.5	0.7	0.9
(2) <b>M2 - M1</b> (= other short-term deposits)	1.0	1.2	1.3
(3) <b>M3 - M2</b> (= short-term marketable instruments)	0.5	0.3	0.6
(4) <b>M3</b> (= items 1, 2 and 3)	2.5	2.8	3.2

a) Figures may not add up due to rounding.

TABLE 4

## BREAKDOWN OF LOANS BY BORROWING SECTOR, TYPE AND ORIGINAL MATURITY: MARCH 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		
		MARCH 2012	JANUARY 2012	FEBRUARY 2012	MARCH 2012	JANUARY 2012	FEBRUARY 2012
<b>BREAKDOWN OF LOANS<sup>c)</sup></b>							
(1) <b>Loans to households<sup>d)</sup></b>	5242	9	-1	6	1.3	1.2	0.6
<i>loans adjusted for sales and securitisation<sup>e)</sup></i>	<i>ND</i>	<i>13</i>	<i>1</i>	<i>6</i>	<i>2.0</i>	<i>1.8</i>	<i>1.7</i>
(1.1) Credit for consumption	621	1	-2	-2	-1.6	-1.8	-2.0
(1.2) Lending for house purchase	3792	4	2	9	1.8	1.8	1.1
(1.3) Other lending	828	3	-1	-1	1.1	0.8	0.7
<i>of which: sole proprietors<sup>f)</sup></i>	<i>418</i>	<i>-1</i>	<i>0</i>	<i>-1</i>	<i>2.4</i>	<i>2.1</i>	<i>2.2</i>
(2) <b>Loans to non-financial corporations</b>	4703	1	-2	-5	0.9	0.6	0.3
<i>loans adjusted for sales and securitisation<sup>e)</sup></i>	<i>ND</i>	<i>1</i>	<i>-1</i>	<i>-5</i>	<i>1.0</i>	<i>0.7</i>	<i>0.5</i>
(2.1) up to 1 year	1137	1	-3	-5	0.7	0.1	-0.4
(2.2) over 1 year and up to 5 years	849	-6	-2	1	-2.9	-3.2	-2.8
(3.3) over 5 years	2717	6	2	-1	2.2	2.0	1.7
(3) <b>Loans to non-monetary financial intermediaries except insurance corporations and pension funds</b>	1151	30	-5	-11	2.2	0.8	2.0
<i>of which: reverse repos to central counterparties<sup>f)</sup></i>	<i>185</i>	<i>23</i>	<i>4</i>	<i>2</i>	<i>25.2</i>	<i>15.1</i>	<i>34.4</i>
(4) <b>Loans to insurance corporations and pension funds</b>	88	-3	-4	4	-1.3	-8.3	-0.3

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.