

## Press release

1 July 2019

# Monetary developments in the euro area: May 2019

- Annual growth rate of broad [monetary aggregate M3](#) stood at 4.8% in May 2019, after 4.7% in April 2019
- Annual growth rate of narrower [monetary aggregate M1](#), comprising currency in circulation and overnight deposits, decreased to 7.2% in May from 7.4% in April
- Annual growth rate of [adjusted loans to households](#) stood at 3.3% in May, unchanged from previous month
- Annual growth rate of [adjusted loans to non-financial corporations](#) stood at 3.9% in May, unchanged from previous month

## Components of the broad monetary aggregate M3

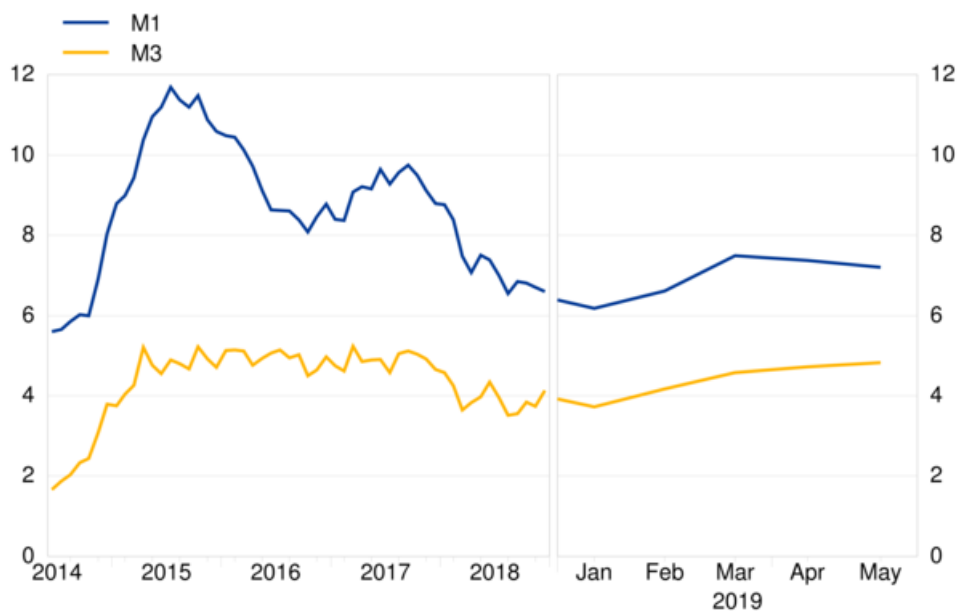
The annual growth rate of the broad monetary aggregate M3 stood at 4.8% in May 2019, after 4.7% in April, averaging 4.7% in the three months up to May. The [components of M3](#) showed the following developments. The annual growth rate of the narrower aggregate M1, which comprises currency in circulation and overnight deposits, decreased to 7.2% in May from 7.4% in April. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) stood at 0.7% in May, compared with 0.6% in April. The annual growth rate of marketable instruments (M3-M2) was -2.5% in May, compared with -5.4% in April.

### European Central Bank

Directorate General Communications, Global Media Relations Division  
Sonnemannstrasse 20, 60314 Frankfurt am Main, Germany  
Tel.: +49 69 1344 7455, e-mail: [media@ecb.europa.eu](mailto:media@ecb.europa.eu), website: [www.ecb.europa.eu](http://www.ecb.europa.eu)

## Chart 1 Monetary aggregates

(annual growth rates)



### [Data for monetary aggregates](#)

Looking at the [components' contributions to the annual growth rate of M3](#), the narrower aggregate M1 contributed 4.8 percentage points (down from 4.9 percentage points in April), short-term deposits other than overnight deposits (M2-M1) contributed 0.2 percentage point (as in the previous month) and marketable instruments (M3-M2) contributed -0.1 percentage point (up from -0.3 percentage point).

From the perspective of the holding sectors of [deposits in M3](#), the annual growth rate of deposits placed by households stood at 5.9% in May, compared with 5.8% in April, while the annual growth rate of deposits placed by non-financial corporations decreased to 5.4% in May from 5.8% in April. Finally, the annual growth rate of deposits placed by non-monetary financial corporations (excluding insurance corporations and pension funds) decreased to -0.6% in May from 0.1% in April.

## Counterparts of the broad monetary aggregate M3

As a reflection of changes in the items on the monetary financial institution (MFI) consolidated balance sheet other than M3 ([counterparts of M3](#)), the annual growth rate of M3 in May 2019 can be broken down as follows: credit to the private sector contributed 2.8 percentage points (down from 3.0 percentage points in April), net external assets contributed 2.4 percentage points (up from 1.6

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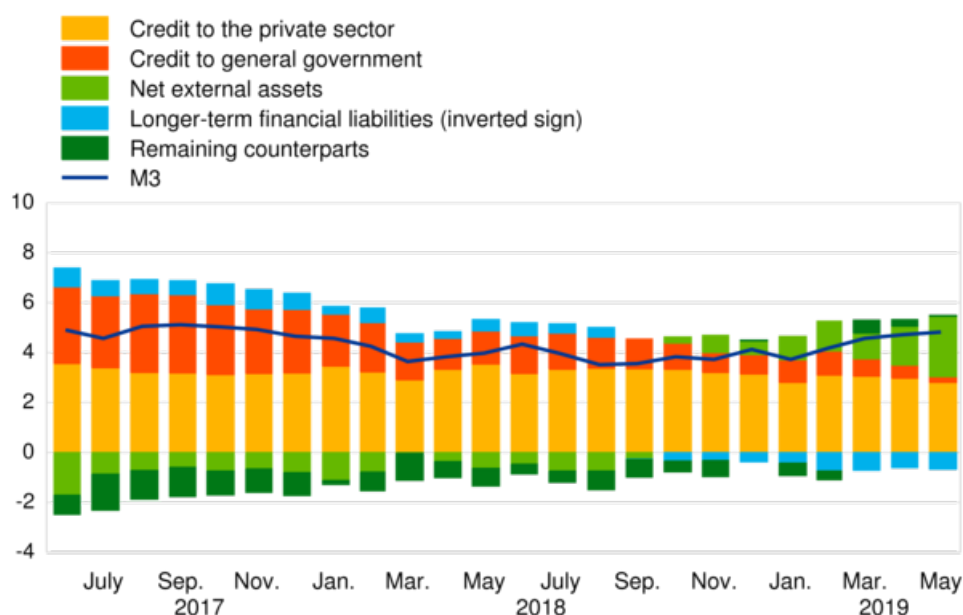
Directorate General Communications, Global Media Relations Division  
Sonnemannstrasse 20, 60314 Frankfurt am Main, Germany  
Tel.: +49 69 1344 7455, e-mail: [media@ecb.europa.eu](mailto:media@ecb.europa.eu), website: [www.ecb.europa.eu](http://www.ecb.europa.eu)

percentage points), credit to general government contributed 0.2 percentage point (down from 0.5 percentage point), longer-term financial liabilities contributed -0.7 percentage point (down from -0.6 percentage point), and the remaining counterparts of M3 contributed 0.1 percentage point (down from 0.3 percentage point).

## Chart 2

### Contribution of the M3 counterparts to the annual growth rate of M3

(percentage points)



[Data for contribution of the M3 counterparts to the annual growth rate of M3](#)

## Credit to euro area residents

As regards the dynamics of credit, the annual growth rate of total [credit to euro area residents](#) decreased to 2.0% in May 2019 from 2.4% in the previous month. The annual growth rate of [credit to general government](#) decreased to 0.6% in May from 1.4% in April, while the annual growth rate of [credit to the private sector](#) decreased to 2.5% in May from 2.7% in April.

The annual growth rate of [adjusted loans to the private sector](#) (i.e. adjusted for loan sales, securitisation and notional cash pooling) stood at 3.3% in May, compared with 3.4% in April. Among the borrowing sectors, the annual growth rate of [adjusted loans to households](#) stood at 3.3% in May, unchanged from the previous month, while the annual growth rate of [adjusted loans to non-financial corporations](#) stood at

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Directorate General Communications, Global Media Relations Division  
Sonnemannstrasse 20, 60314 Frankfurt am Main, Germany  
Tel.: +49 69 1344 7455, e-mail: [media@ecb.europa.eu](mailto:media@ecb.europa.eu), website: [www.ecb.europa.eu](http://www.ecb.europa.eu)

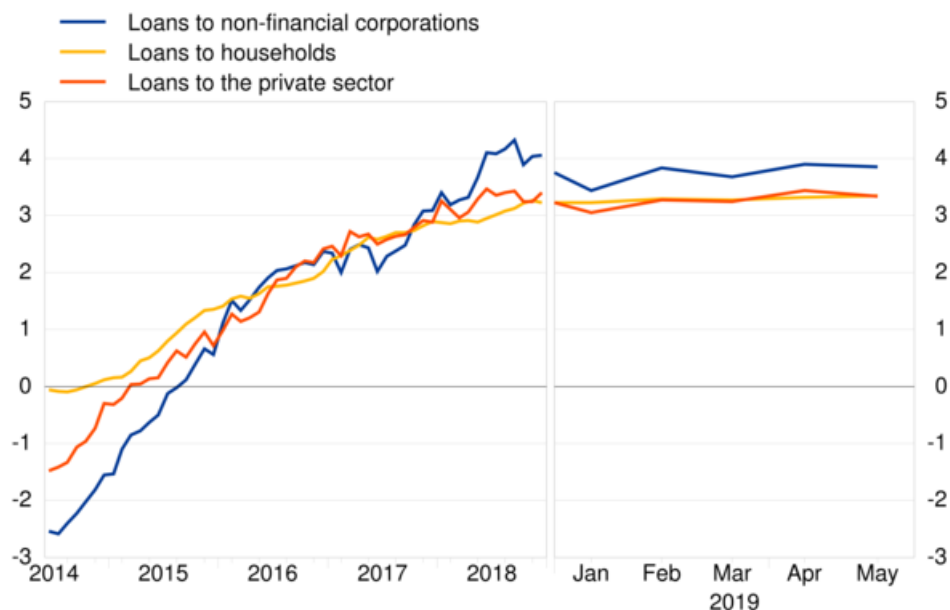
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3.9% in May, also unchanged from the previous month.

### Chart 3

#### Adjusted loans to the private sector

(annual growth rates)



[Data for adjusted loans to the private sector](#)

## Annex

[Table: Annex to the press release on monetary developments in the euro area](#)

### 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.
- Hyperlinks in the main body of the press release and in annex tables lead to data that may change with subsequent releases as a result of revisions. Figures shown in annex tables are a snapshot of the data as at the time of the current release.

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Directorate General Communications, Global Media Relations Division  
Sonnemannstrasse 20, 60314 Frankfurt am Main, Germany  
Tel.: +49 69 1344 7455, e-mail: [media@ecb.europa.eu](mailto:media@ecb.europa.eu), website: [www.ecb.europa.eu](http://www.ecb.europa.eu)

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## 1 Monetary developments in the euro area: May 2019

(EUR billions and annual percentage changes; data adjusted for seasonal effects <sup>a)</sup>)

	End-of-month level	Monthly flow			Annual growth rate		
	May 2019	Mar 2019	Apr 2019	May 2019	Mar 2019	Apr 2019	May 2019
<b>COMPONENTS OF M3</b>							
<b>1. M3</b>	<b>12641</b>	<b>77</b>	<b>56</b>	<b>70</b>	<b>4.6</b>	<b>4.7</b>	<b>4.8</b>
1.1. M2	12011	95	45	67	5.2	5.3	5.2
1.1.1. M1	8552	99	24	63	7.5	7.4	7.2
Currency in circulation	1185	8	2	3	5.6	5.2	4.9
Overnight deposits	7366	91	22	60	7.8	7.7	7.6
1.1.2. Other short-term deposits (M2 - M1)	3459	-4	22	4	-0.2	0.6	0.7
Deposits with an agreed maturity of up to two years	1125	-13	13	-3	-5.5	-3.7	-3.9
Deposits redeemable at notice of up to three months	2335	10	8	8	2.6	2.8	3.0
1.2. Marketable instruments (M3 - M2)	630	-18	11	3	-5.7	-5.4	-2.5
Repurchase agreements	71	4	0	-3	-1.1	-4.6	-2.4
Money market fund shares	513	2	3	2	-1.0	-0.4	1.0
Debt securities issued with a maturity of up to two years	46	-24	8	4	-48.6	-42.2	-28.8
<b>COUNTERPARTS OF M3</b>							
<b>MFI liabilities:</b>							
<b>2. Holdings against central government <sup>b)</sup></b>	<b>362</b>	<b>-41</b>	<b>-6</b>	<b>-1</b>	<b>8.9</b>	<b>4.6</b>	<b>8.6</b>
<b>3. Longer-term financial liabilities vis-a-vis other euro area residents</b>	<b>6899</b>	<b>12</b>	<b>-8</b>	<b>0</b>	<b>1.3</b>	<b>1.1</b>	<b>1.2</b>
3.1. Deposits with an agreed maturity of over two years	1932	-1	-3	-1	-1.6	-1.9	-1.6
3.2. Deposits redeemable at notice of over three months	57	0	0	1	-6.4	-5.4	-3.7
3.3. Debt securities issued with a maturity of over two years	2130	0	-15	0	2.5	2.1	2.4
3.4. Capital and reserves	2780	13	10	1	2.6	2.6	2.5
<b>MFI assets:</b>							
<b>4. Credit to euro area residents</b>	<b>18222</b>	<b>-14</b>	<b>18</b>	<b>20</b>	<b>2.5</b>	<b>2.4</b>	<b>2.0</b>
4.1. Credit to general government	4632	-40	-22	-9	1.8	1.4	0.6
Loans	1004	0	-3	6	-2.4	-2.7	-2.2
Debt securities	3616	-40	-19	-15	3.1	2.5	1.5
Equity <sup>c)</sup>	12	0	0	0	0.3	0.1	0.1
4.2. Credit to the private sector <sup>d)</sup>	13591	26	41	29	2.8	2.7	2.5
Loans <sup>e)</sup>	11261	23	42	27	2.6	2.8	2.7
Adjusted loans <sup>f)</sup>	11625	28	47	35	3.2	3.4	3.3
Debt securities	1535	-9	-6	15	4.1	2.6	3.2
Equity and non-money market fund investment fund shares	794	12	5	-13	1.9	1.2	-0.4
<b>5. Net external assets</b>	<b>1271</b>	<b>46</b>	<b>23</b>	<b>62</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>6. Other counterparts of M3 (residual)</b>	<b>408</b>	<b>16</b>	<b>1</b>	<b>-12</b>	<b>-</b>	<b>-</b>	<b>-</b>
of which:							
6.1. Repos with central counterparties (liabilities) <sup>c)</sup>	213	-8	18	-4	18.9	40.6	14.4
6.2. Reverse repos to central counterparties (assets) <sup>c)</sup>	229	-10	20	-3	12.7	44.3	15.9

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 Contributions to the M3 annual growth rate: May 2019

(contributions in terms of the M3 annual percentage change; data adjusted for seasonal effects <sup>a)</sup>)

	Mar 2019	Apr 2019	May 2019
<b>COMPONENTS OF M3</b>			
1. M1	4.9	4.9	4.8
1.1. Currency in circulation	0.5	0.5	0.5
1.2. Overnight deposits	4.4	4.4	4.3
2. M2 - M1 (other short-term deposits)	0.0	0.2	0.2
3. M3 - M2 (marketable instruments)	-0.3	-0.3	-0.1
<b>COUNTERPARTS OF M3</b>			
4. Credit to the private sector	3.0	3.0	2.8
5. Credit to general government	0.7	0.5	0.2
6. Net external assets	1.0	1.6	2.4
7. Longer-term financial liabilities (inverted sign) <sup>b)</sup>	-0.7	-0.6	-0.7
8. Remaining counterparts	0.5	0.3	0.1
<b>M3 (sum of items 1 to 3, or items 4 to 8)</b>	<b>4.6</b>	<b>4.7</b>	<b>4.8</b>

a) Figures may not add up due to rounding.

b) Longer-term financial liabilities vis-a-vis euro area residents excluding central government.

### 3 Breakdown of deposits in M3 by holding sector and type: May 2019 (EUR billions and annual percentage changes; data adjusted for seasonal effects <sup>a)</sup>)

	End-of-month level	Monthly flow			Annual growth rate		
	May 2019	Mar 2019	Apr 2019	May 2019	Mar 2019	Apr 2019	May 2019
<b>BREAKDOWN OF DEPOSITS IN M3</b>							
<b>Total deposits</b>	<b>10896</b>	<b>90</b>	<b>43</b>	<b>61</b>	<b>5.1</b>	<b>5.2</b>	<b>5.2</b>
<b>1. Deposits placed by households <sup>b)</sup></b>	<b>6828</b>	<b>30</b>	<b>35</b>	<b>39</b>	<b>5.7</b>	<b>5.8</b>	<b>5.9</b>
1.1. Overnight deposits	4188	23	30	32	8.9	8.9	8.9
1.2. Deposits with an agreed maturity of up to two years	513	-2	-2	-1	-5.5	-5.2	-4.7
1.3. Deposits redeemable at notice of up to three months	2126	9	7	8	2.9	2.9	3.2
1.4. Repurchase agreements	2	0	0	0	-18.1	1.3	19.7
<b>2. Deposits placed by non-financial corporations</b>	<b>2401</b>	<b>34</b>	<b>6</b>	<b>11</b>	<b>5.9</b>	<b>5.8</b>	<b>5.4</b>
2.1. Overnight deposits	1977	40	3	15	7.7	7.1	6.8
2.2. Deposits with an agreed maturity of up to two years	268	-7	2	-4	-2.7	-0.6	-1.4
2.3. Deposits redeemable at notice of up to three months	149	1	1	0	0.2	1.5	1.1
2.4. Repurchase agreements	7	0	1	0	-15.7	-8.3	-0.2
<b>3. Deposits placed by non-monetary financial corporations excluding insurance corporations and pension funds <sup>c)</sup></b>	<b>990</b>	<b>10</b>	<b>7</b>	<b>5</b>	<b>-2.4</b>	<b>0.1</b>	<b>-0.6</b>
3.1. Overnight deposits	739	9	-2	5	1.4	4.3	3.0
3.2. Deposits with an agreed maturity of up to two years	181	-5	12	1	-16.7	-13.0	-14.1
3.3. Deposits redeemable at notice of up to three months	27	-1	1	0	-1.8	1.4	4.8
3.4. Repurchase agreements <sup>c)</sup>	43	6	-4	0	-0.9	-6.7	1.2
<b>4. Deposits placed by insurance corporations and pension funds</b>	<b>217</b>	<b>7</b>	<b>-1</b>	<b>5</b>	<b>0.4</b>	<b>-0.5</b>	<b>0.4</b>
<b>5. Deposits placed by other general government</b>	<b>460</b>	<b>10</b>	<b>-3</b>	<b>1</b>	<b>10.8</b>	<b>9.2</b>	<b>9.1</b>

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.

#### 4 Breakdown of private sector loans by borrowing sector, type and original maturity: May 2019 (EUR billions and annual percentage changes; data adjusted for seasonal effects <sup>a)</sup>)

	End-of-month level	Monthly flow			Annual growth rate		
	May 2019	Mar 2019	Apr 2019	May 2019	Mar 2019	Apr 2019	May 2019
<b>BREAKDOWN OF LOANS AS COUNTERPART TO M3</b>							
<b>1. Loans to households <sup>b)</sup></b>	<b>5807</b>	<b>19</b>	<b>12</b>	<b>7</b>	<b>3.1</b>	<b>3.2</b>	<b>3.1</b>
<i>Adjusted loans <sup>c)</sup></i>	<b>6098</b>	<b>16</b>	<b>17</b>	<b>17</b>	<b>3.3</b>	<b>3.3</b>	<b>3.3</b>
1.1. Credit for consumption	701	4	3	6	6.0	5.8	6.1
1.2. Lending for house purchase	4408	16	10	4	3.5	3.5	3.4
1.3. Other lending	698	-1	0	-2	-1.5	-1.3	-1.6
<i>of which: sole proprietors</i>	373	-1	1	-1	-1.5	-1.1	-1.4
<b>2. Loans to non-financial corporations</b>	<b>4468</b>	<b>3</b>	<b>26</b>	<b>23</b>	<b>2.5</b>	<b>2.8</b>	<b>2.7</b>
<i>Adjusted loans <sup>c)</sup></i>	<b>4549</b>	<b>8</b>	<b>24</b>	<b>20</b>	<b>3.7</b>	<b>3.9</b>	<b>3.9</b>
2.1. up to 1 year	983	-1	7	-2	-1.2	-0.9	-1.5
2.2. over 1 year and up to 5 years	869	2	7	7	4.6	5.3	5.5
2.3. over 5 years	2616	2	12	18	3.3	3.4	3.5
<b>3. Loans to non-monetary financial corporations except insurance corporations and pension funds <sup>d)</sup></b>	<b>863</b>	<b>-2</b>	<b>9</b>	<b>-1</b>	<b>-1.3</b>	<b>0.6</b>	<b>-0.3</b>
<i>Adjusted loans <sup>c)</sup></i>	<b>862</b>	<b>0</b>	<b>9</b>	<b>1</b>	<b>-0.9</b>	<b>1.0</b>	<b>0.3</b>
<b>4. Loans to insurance corporations and pension funds</b>	<b>123</b>	<b>3</b>	<b>-6</b>	<b>-2</b>	<b>14.8</b>	<b>5.4</b>	<b>1.6</b>
<i>Adjusted loans <sup>c)</sup></i>	<b>117</b>	<b>4</b>	<b>-4</b>	<b>-3</b>	<b>17.3</b>	<b>10.1</b>	<b>5.6</b>

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.