



EUROPEAN CENTRAL BANK  
EUROSYSTEM

## Press release

29 January 2020

# Monetary developments in the euro area: December 2019

- Annual growth rate of broad [monetary aggregate M3](#) decreased to 5.0% in December 2019 from 5.6% in November
- Annual growth rate of narrower [monetary aggregate M1](#), comprising currency in circulation and overnight deposits, decreased to 8.0% in December from 8.3% in November
- Annual growth rate of [adjusted loans to households](#) increased to 3.7% in December from 3.5% in November
- Annual growth rate of [adjusted loans to non-financial corporations](#) decreased to 3.2% in December from 3.4% in November

## Components of the broad monetary aggregate M3

The annual growth rate of the broad monetary aggregate M3 decreased to 5.0% in December 2019 from 5.6% in November, averaging 5.4% in the three months up to December. 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 8.0% in December from 8.3% in November. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) stood at 0.2% in December, compared with 0.3% in November. The annual growth rate of marketable instruments (M3-M2) was -7.2% in December, compared with -1.1% in November.

### 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)

Reproduction is permitted provided that the source is acknowledged.

## 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 5.3 percentage points (down from 5.6 percentage points in November), short-term deposits other than overnight deposits (M2-M1) contributed 0.0 percentage point (down from 0.1 percentage point) and marketable instruments (M3-M2) contributed -0.4 percentage point (down from -0.1 percentage point).

From the perspective of the holding sectors of [deposits in M3](#), the annual growth rate of deposits placed by households decreased to 5.9% in December from 6.3% in November, while the annual growth rate of deposits placed by non-financial corporations decreased to 6.2% in December from 7.0% in November. Finally, the annual growth rate of deposits placed by non-monetary financial corporations (excluding insurance corporations and pension funds) increased to 3.1% in December from 1.2% in November.

## 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 December 2019 can be

### 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)

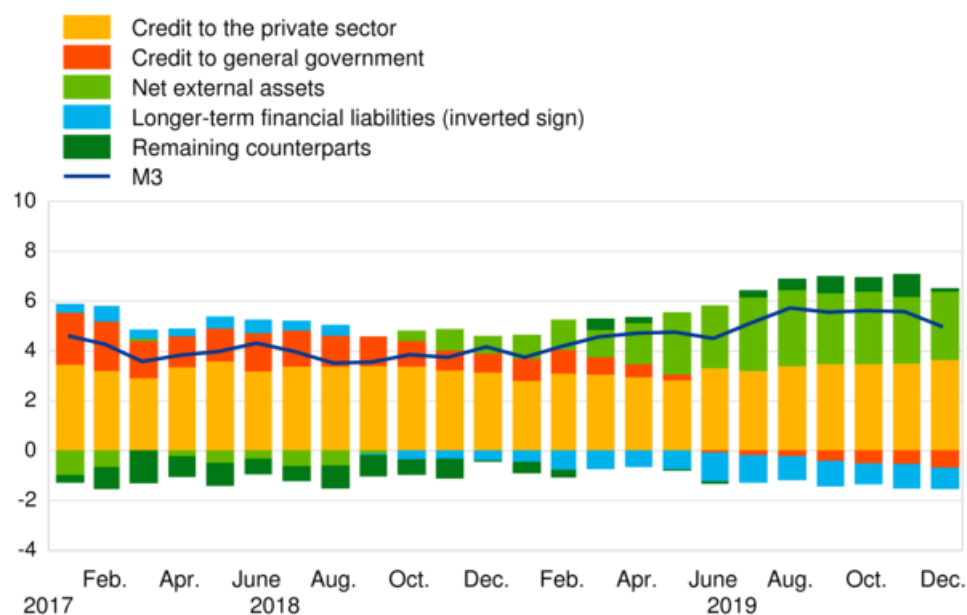
Reproduction is permitted provided that the source is acknowledged.

broken down as follows: credit to the private sector contributed 3.7 percentage points (up from 3.5 percentage points in November), net external assets contributed 2.7 percentage points (as in the previous month), credit to general government contributed -0.7 percentage point (down from -0.5 percentage point), longer-term financial liabilities contributed -0.8 percentage point (up from -1.0 percentage point), and the remaining counterparts of M3 contributed 0.1 percentage point (down from 0.9 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](#) stood at 2.0% in December 2019, unchanged from the previous month. The annual growth rate of [credit to general government](#) was -1.8% in December, compared with -1.4% in November, while the annual growth rate of [credit to the private sector](#) increased to 3.4% in December from 3.2% in November.

The annual growth rate of [adjusted loans to the private sector](#) (i.e. adjusted for loan sales, securitisation and notional cash pooling) stood at 3.7% in December, compared with 3.6% in November. Among the borrowing sectors, the annual growth rate of [adjusted loans to households](#)

### 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)

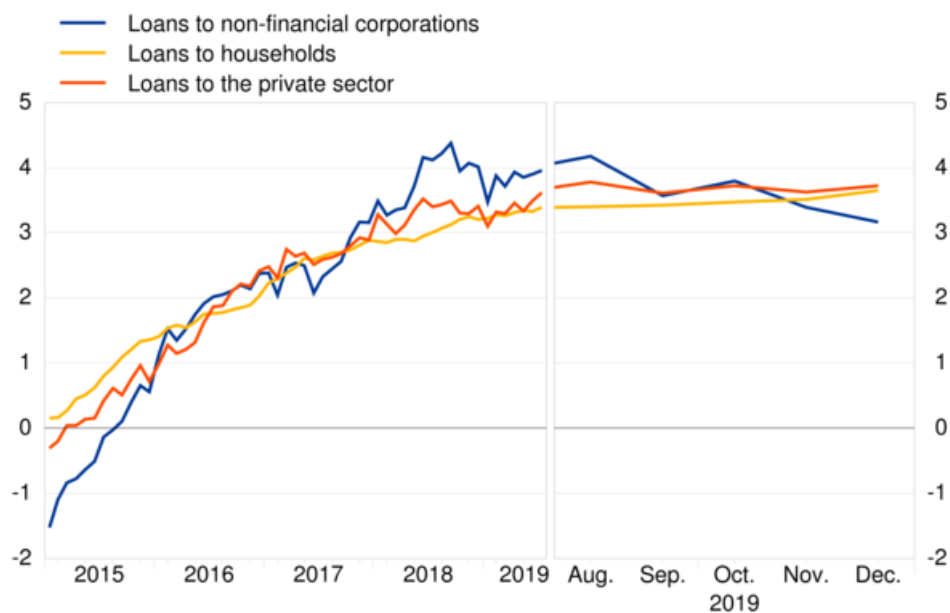
Reproduction is permitted provided that the source is acknowledged.

increased to 3.7% in December from 3.5% in November, while the annual growth rate of [adjusted loans to non-financial corporations](#) decreased to 3.2% in December from 3.4% in November.

### 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.

### 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)

Reproduction is permitted provided that the source is acknowledged.