



EUROPEAN CENTRAL BANK
EUROSYSTEM

PRESS RELEASE

1 July 2019

Monetary developments in the euro area: May 2019

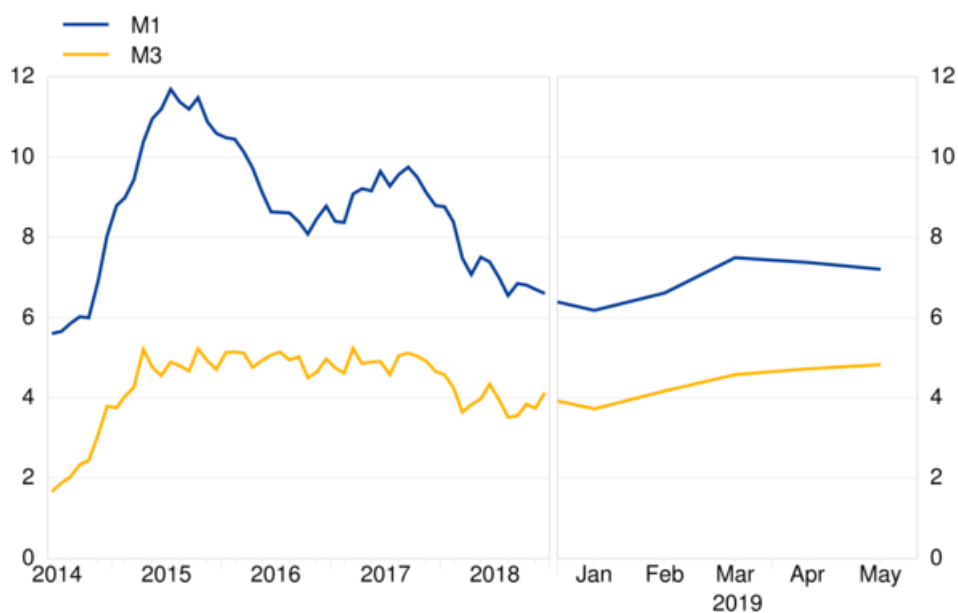
- Annual growth rate of broad [monetary aggregate M3](#) stood at 4.8% in May 2019, after 4.7% in April 2019
- Annual growth rate of narrower [monetary aggregate M1](#), comprising currency in circulation and overnight deposits, decreased to 7.2% in May from 7.4% in April
- Annual growth rate of [adjusted 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.

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

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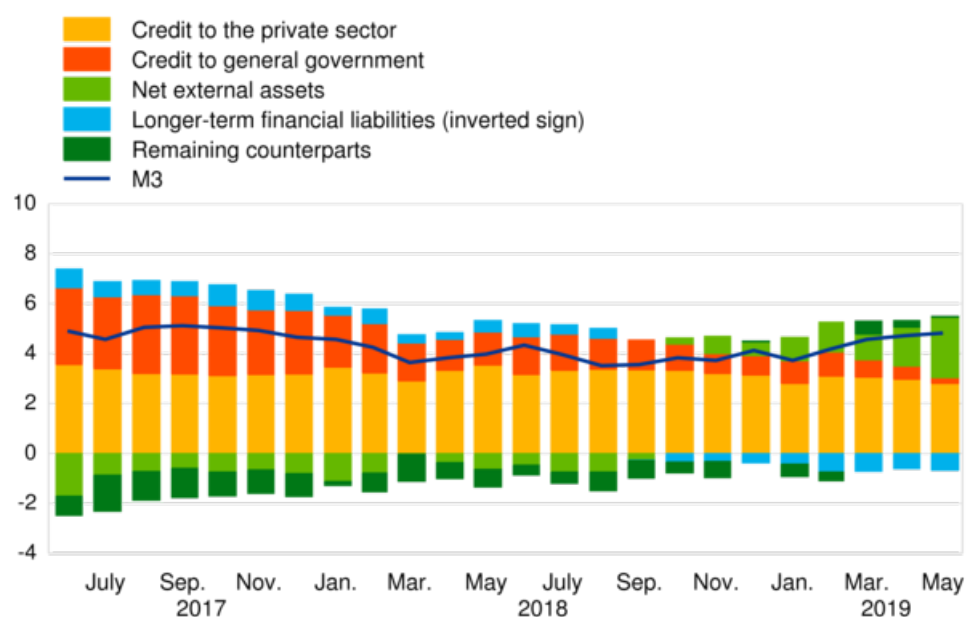
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percentage points in April), net external assets contributed 2.4 percentage points (up from 1.6 percentage points), credit to general government contributed 0.2 percentage point (down from 0.5 percentage point), longer-term financial liabilities contributed -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.

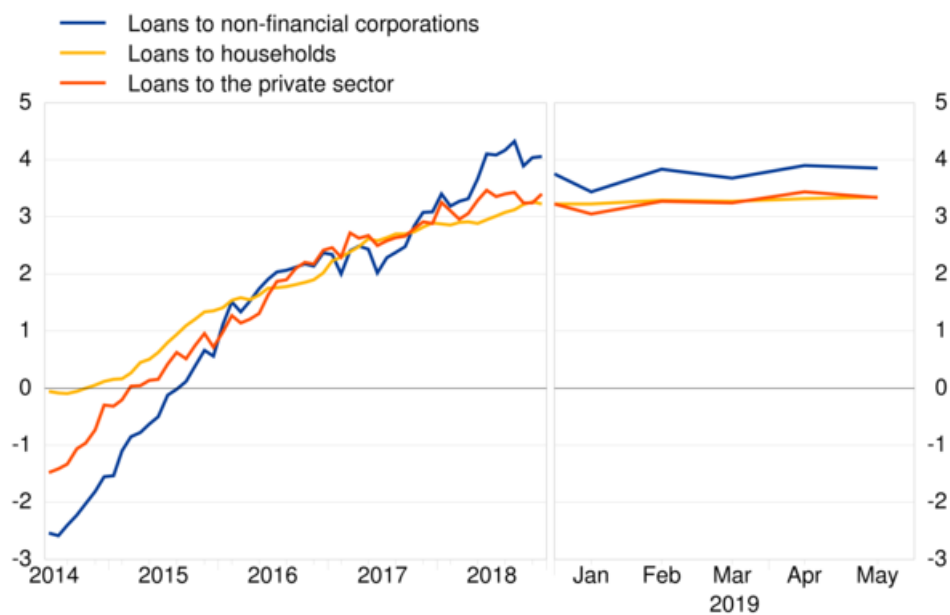
The annual growth rate of [adjusted loans to the private sector](#) (i.e. adjusted for loan sales, securitisation and notional cash pooling) stood at 3.3% in May, compared with 3.4% in April. Among the borrowing sectors, the annual growth rate of [adjusted loans to households](#) stood at 3.3% in May,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

the previous month, while the annual growth rate of [adjusted loans to non-financial corporations](#) stood at 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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