



EUROPEAN CENTRAL BANK

EUROSYSTEM

## Press release

29 April 2019

# Monetary developments in the euro area: March 2019

- Annual growth rate of broad [monetary aggregate M3](#) increased to 4.5% in March 2019 from 4.3% in February
- Annual growth rate of narrower [monetary aggregate M1](#), comprising currency in circulation and overnight deposits, increased to 7.4% in March from 6.6% in February
- Annual growth rate of [adjusted loans to households](#) stood at 3.2% in March, compared with 3.3% in February
- Annual growth rate of [adjusted loans to non-financial corporations](#) decreased to 3.5% in March from 3.8% in February

## Components of the broad monetary aggregate M3

The annual growth rate of the broad monetary aggregate M3 increased to 4.5% in March 2019 from 4.3% in February, averaging 4.2% in the three months up to March. 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, increased to 7.4% in March from 6.6% in February. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) stood at -0.2% in March, unchanged from the previous month. The annual growth rate of marketable instruments (M3-M2) was -4.9% in March, compared with -0.2% in February.

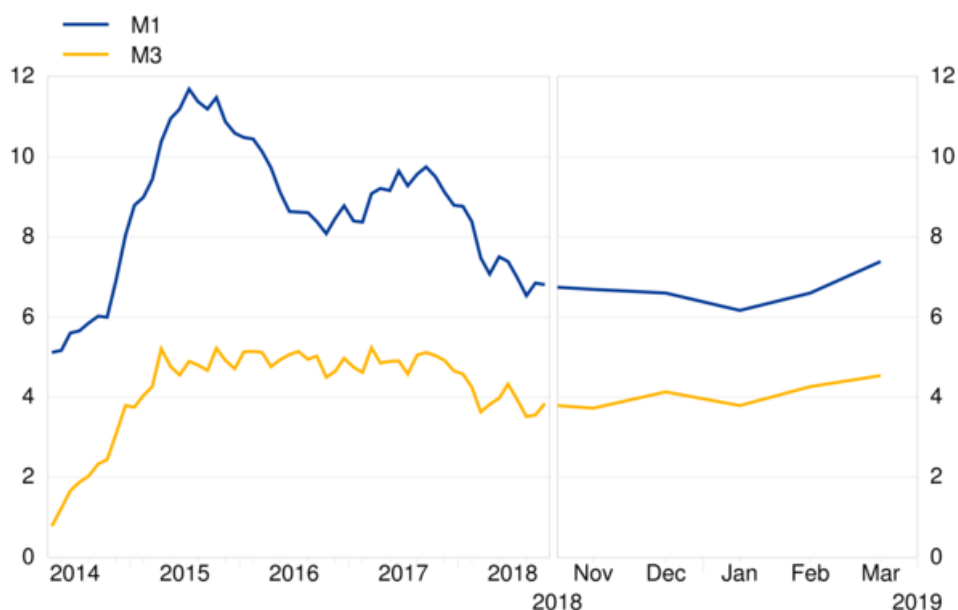
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## Chart 1 Monetary aggregates

(annual growth rates)



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

Looking at the [components' contributions to the annual growth rate of M3](#), the narrower aggregate M1 contributed 4.9 percentage points (up from 4.3 percentage points in February), short-term deposits other than overnight deposits (M2-M1) contributed -0.1 percentage point (as in the previous month) and marketable instruments (M3-M2) contributed -0.3 percentage point (down from 0.0 percentage point).

From the perspective of the holding sectors of [deposits in M3](#), the annual growth rate of deposits placed by households stood at 5.7% in March, compared with 5.6% in February, while the annual growth rate of deposits placed by non-financial corporations increased to 5.7% in March from 4.3% in February. Finally, the annual growth rate of deposits placed by non-monetary financial corporations (excluding insurance corporations and pension funds) was -2.6% in March, compared with -3.6% in February.

## 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 March 2019 can be broken down as follows: credit to the private sector contributed 3.0 percentage points (down from 3.1 percentage points in February), net external assets contributed 1.0 percentage points (down from 1.3

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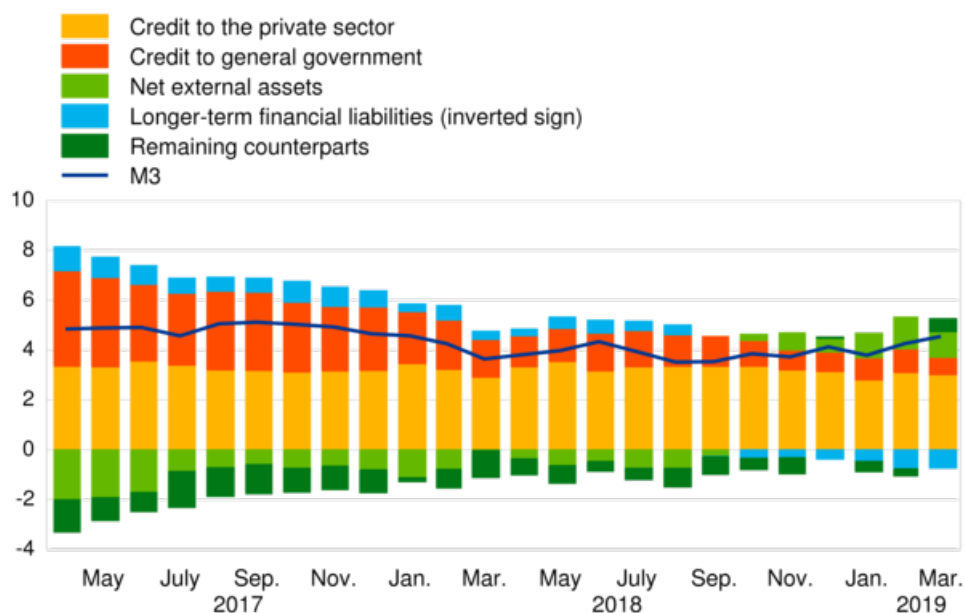
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percentage points), credit to general government contributed 0.7 percentage point (down from 1.0 percentage point), longer-term financial liabilities contributed -0.7 percentage point (up from -0.8 percentage point), and the remaining counterparts of M3 contributed 0.5 percentage point (up 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 2.5% in March 2019 from 2.7% in the previous month. The annual growth rate of [credit to general government](#) decreased to 1.8% in March from 2.5% in February, while the annual growth rate of [credit to the private sector](#) stood at 2.7% in March, compared with 2.8% in February.

The annual growth rate of [adjusted loans to the private sector](#) (i.e. adjusted for loan sales, securitisation and notional cash pooling) stood at 3.1% in March, compared with 3.2% in February. Among the borrowing sectors, the annual growth rate of [adjusted loans to households](#) stood at 3.2% in March, compared with 3.3% in February, while the annual growth rate of [adjusted loans to non-financial](#)

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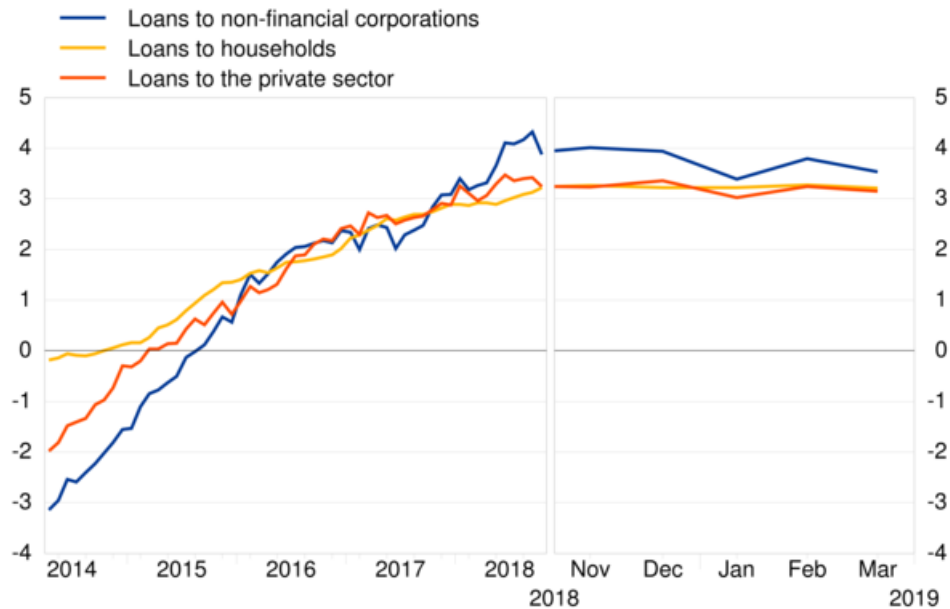
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[corporations](#) decreased to 3.5% in March from 3.8% in February.

### 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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