

Press release

24 July 2019

Monetary developments in the euro area: June 2019

- Annual growth rate of broad [monetary aggregate M3](#) decreased to 4.5% in June 2019 from 4.8% in May
- Annual growth rate of narrower [monetary aggregate M1](#), comprising currency in circulation and overnight deposits, stood at 7.2% in June, unchanged from previous month
- Annual growth rate of [adjusted loans to households](#) stood at 3.3% in June, unchanged from previous month
- Annual growth rate of [adjusted loans to non-financial corporations](#) stood at 3.8% in June, unchanged from previous month

Components of the broad monetary aggregate M3

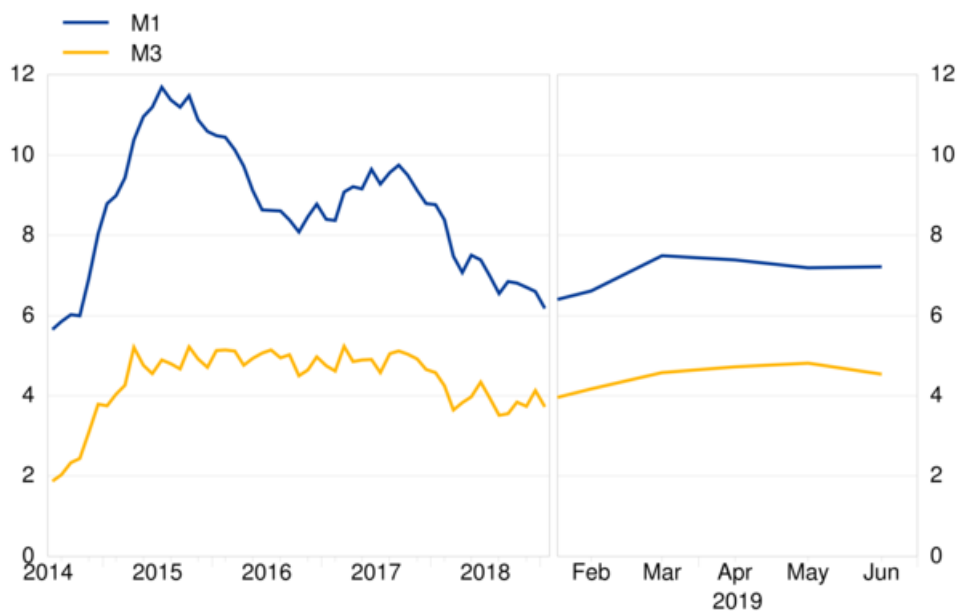
The annual growth rate of the broad monetary aggregate M3 decreased to 4.5% in June 2019 from 4.8% in May, averaging 4.7% in the three months up to June. The [components of M3](#) showed the following developments. The annual growth rate of the narrower aggregate M1, which comprises currency in circulation and overnight deposits, stood at 7.2% in June, unchanged from the previous month. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) decreased to -0.1% in June from 0.7% in May. The annual growth rate of marketable instruments (M3-M2) was -3.7% in June, compared with -2.7% in May.

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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 4.8 percentage points (as in the previous month), short-term deposits other than overnight deposits (M2-M1) contributed 0.0 percentage point (down from 0.2 percentage point) and marketable instruments (M3-M2) contributed -0.2 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 stood at 5.8% in June, compared with 5.9% in May, while the annual growth rate of deposits placed by non-financial corporations increased to 5.7% in June from 5.4% in May. Finally, the annual growth rate of deposits placed by non-monetary financial corporations (excluding insurance corporations and pension funds) stood at -0.8% in June, compared with -0.7% in May.

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 June 2019 can be broken down as follows: credit to the private sector contributed 3.3 percentage points (up from 2.8 percentage points in May), net external assets contributed 2.4 percentage points (as in the previous month), credit to

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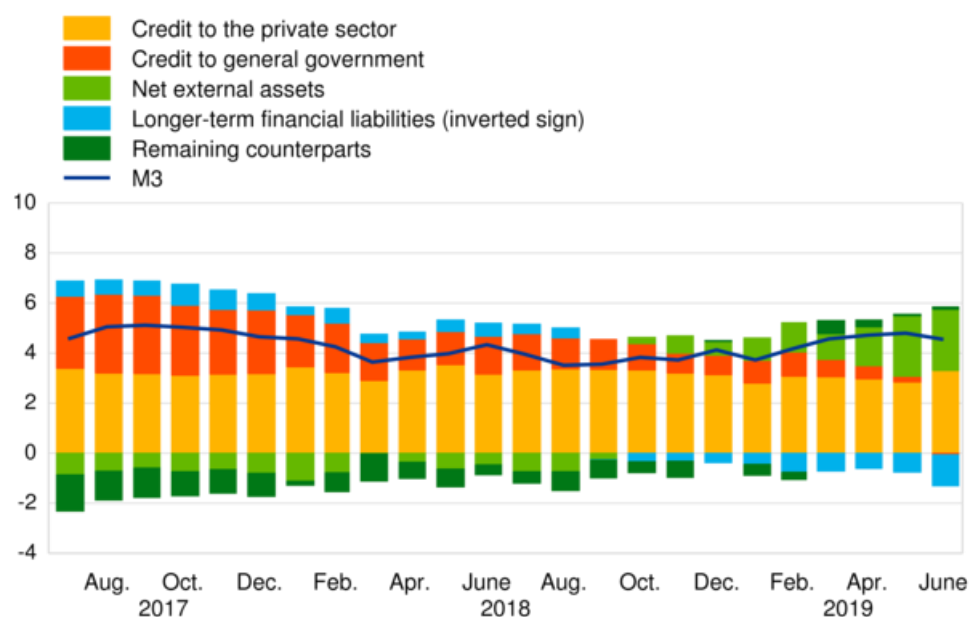
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general government contributed -0.1 percentage point (down from 0.2 percentage point), longer-term financial liabilities contributed -1.2 percentage points (down from -0.8 percentage point), and the remaining counterparts of M3 contributed 0.1 percentage point (as in the previous month).

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 2.2% in June 2019, compared with 2.1% in the previous month. The annual growth rate of [credit to general government](#) decreased to -0.2% in June from 0.7% in May, while the annual growth rate of [credit to the private sector](#) increased to 3.0% in June from 2.6% in May.

The annual growth rate of [adjusted loans to the private sector](#) (i.e. adjusted for loan sales, securitisation and notional cash pooling) increased to 3.5% in June from 3.3% in May. Among the borrowing sectors, in June the annual growth rate of [adjusted loans to households](#) stood at 3.3% and the annual growth rate of [adjusted loans to non-financial corporations](#) stood at 3.8%, both unchanged from the previous month.

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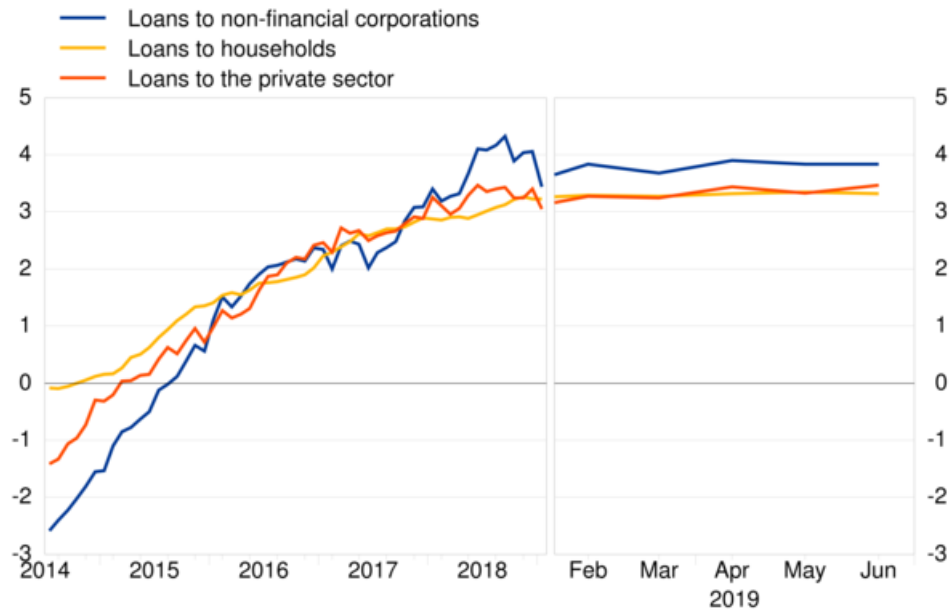
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Chart 3

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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