



EUROPEAN CENTRAL BANK
EUROSYSTEM

Press release

28 October 2019

Monetary developments in the euro area: September 2019

- Annual growth rate of broad [monetary aggregate M3](#) decreased to 5.5% in September 2019 from 5.8% in August (revised from 5.7%)
- Annual growth rate of narrower [monetary aggregate M1](#), comprising currency in circulation and overnight deposits, decreased to 7.9% in September from 8.5% in August
- Annual growth rate of [adjusted loans to households](#) stood at 3.4% in September, unchanged from previous month
- Annual growth rate of [adjusted loans to non-financial corporations](#) decreased to 3.7% in September from 4.3% in August

Components of the broad monetary aggregate M3

The annual growth rate of the broad monetary aggregate M3 decreased to 5.5% in September 2019 from 5.8% in August, averaging 5.5% in the three months up to September. 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 7.9% in September from 8.5% in August. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) increased to 1.2% in September from 1.0% in August. The annual growth rate of marketable instruments (M3-M2) was -1.6% in September, compared with -2.7% in August.

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, website: www.ecb.europa.eu

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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 5.3 percentage points (down from 5.6 percentage points in August), short-term deposits other than overnight deposits (M2-M1) contributed 0.3 percentage point (as in the previous month) and marketable instruments (M3-M2) contributed -0.1 percentage point (as in the previous month).

From the perspective of the holding sectors of [deposits in M3](#), the annual growth rate of deposits placed by households increased to 6.3% in September from 6.1% in August, while the annual growth rate of deposits placed by non-financial corporations decreased to 6.2% in September from 7.9% in August. Finally, the annual growth rate of deposits placed by non-monetary financial corporations (excluding insurance corporations and pension funds) decreased to 3.7% in September from 4.0% in August.

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 September 2019 can be broken down as follows: credit to the private sector contributed 3.5 percentage points (up from 3.4 percentage points in August), net external assets contributed 2.8 percentage points (down from 3.0

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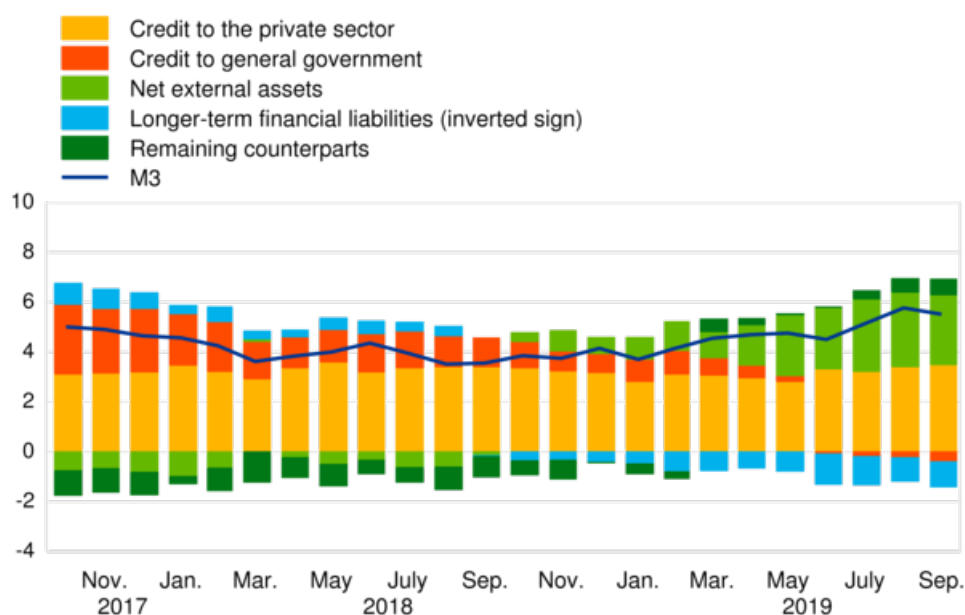
Directorate General Communications, Global Media Relations Division
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percentage points), credit to general government contributed -0.4 percentage point (down from -0.2 percentage point), longer-term financial liabilities contributed -1.0 percentage points (as in the previous month), and the remaining counterparts of M3 contributed 0.6 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 2.1% in September 2019, compared with 2.2% in the previous month. The annual growth rate of [credit to general government](#) was -1.1% in September, compared with -0.6% in August, while the annual growth rate of [credit to the private sector](#) stood at 3.2% in September, compared with 3.1% in August.

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 September, compared with 3.8% in August. Among the borrowing sectors, the annual growth rate of [adjusted loans to households](#) stood at 3.4% in September, unchanged from the previous month, while the annual growth rate of [adjusted loans to non-financial](#)

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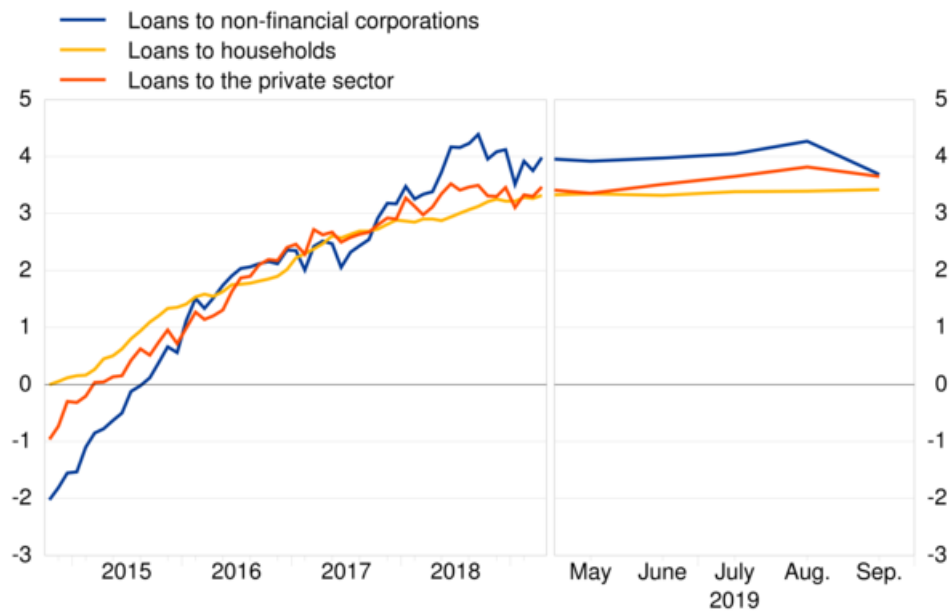
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[corporations](#) decreased to 3.7% in September from 4.3% in August.

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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