



EUROPEAN CENTRAL BANK
EUROSYSTEM

Press release

29 April 2020

Monetary developments in the euro area: March 2020

- Annual growth rate of broad [monetary aggregate M3](#) increased to 7.5% in March 2020 from 5.5% in February
- Annual growth rate of narrower [monetary aggregate M1](#), comprising currency in circulation and overnight deposits, increased to 10.3% in March from 8.1% in February
- Annual growth rate of [adjusted loans to households](#) decreased to 3.4% in March from 3.7% in February
- Annual growth rate of [adjusted loans to non-financial corporations](#) increased to 5.4% in March from 3.0% in February

Components of the broad monetary aggregate M3

The annual growth rate of the broad monetary aggregate M3 increased to 7.5% in March 2020 from 5.5% in February, averaging 6.0% 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 10.3% in March from 8.1% in February. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) increased to 0.0% in March from -0.4% in February. The annual growth rate of marketable instruments (M3-M2) increased to 9.6% in March from 2.5% in February.

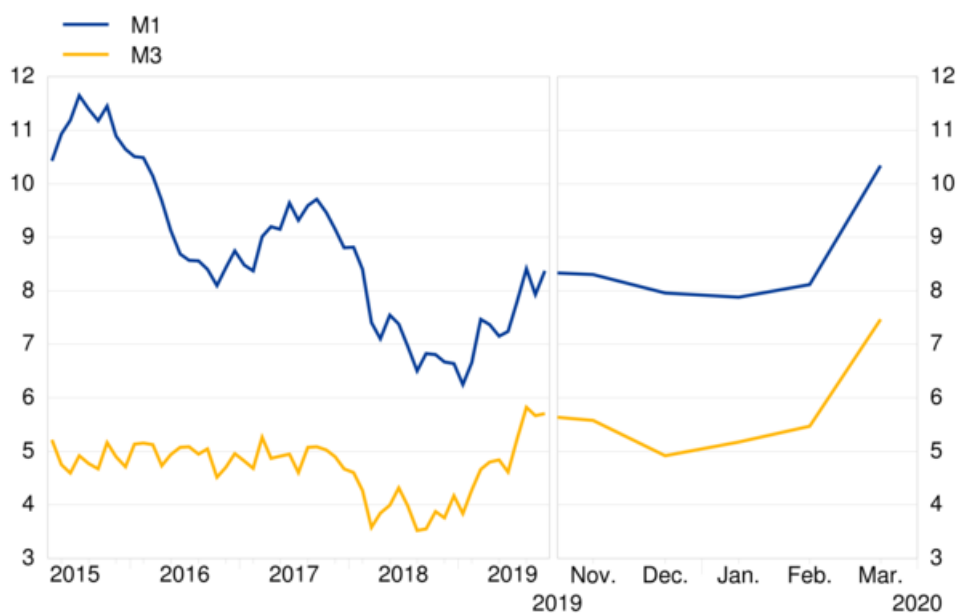
European Central Bank

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 7.0 percentage points (up from 5.5 percentage points in February), short-term deposits other than overnight deposits (M2-M1) contributed 0.0 percentage point (up from -0.1 percentage point) and marketable instruments (M3-M2) contributed 0.5 percentage point (up 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 increased to 6.0% in March from 5.4% in February, while the annual growth rate of deposits placed by non-financial corporations increased to 9.6% in March from 6.5% in February. Finally, the annual growth rate of deposits placed by non-monetary financial corporations (excluding insurance corporations and pension funds) increased to 16.9% in March from 7.1% 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 2020 can be broken down as follows: credit to the private sector contributed 4.5 percentage points (up from 3.7 percentage

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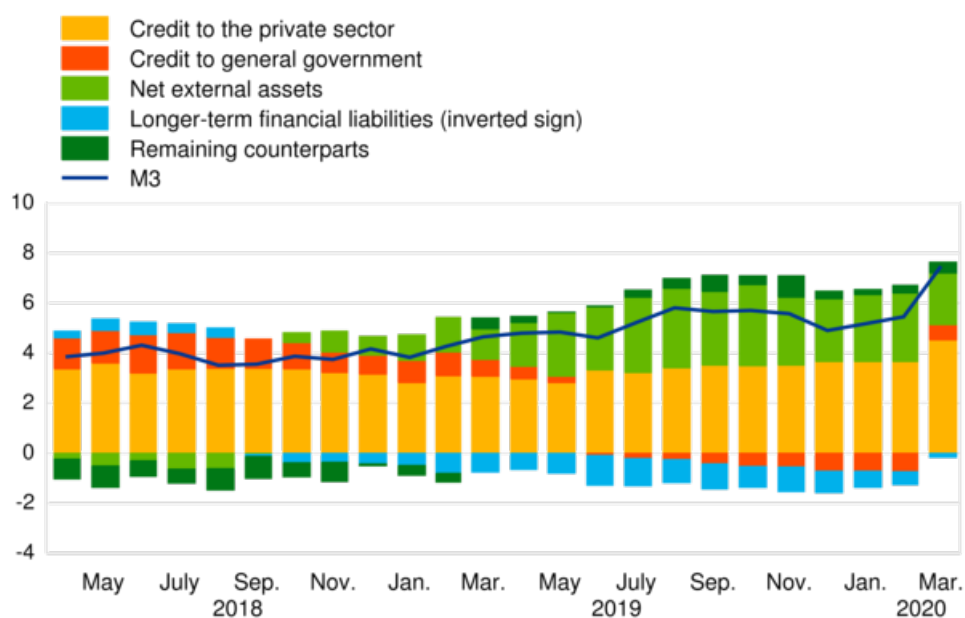
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points in February), net external assets contributed 2.1 percentage points (down from 2.7 percentage points), credit to general government contributed 0.6 percentage point (up from -0.7 percentage point), longer-term financial liabilities contributed -0.2 percentage point (up from -0.5 percentage point), and the remaining counterparts of M3 contributed 0.4 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](#) increased to 3.5% in March 2020 from 2.0% in the previous month. The annual growth rate of [credit to general government](#) increased to 1.6% in March from -2.0% in February, while the annual growth rate of [credit to the private sector](#) increased to 4.2% in March from 3.4% in February.

The annual growth rate of [adjusted loans to the private sector](#) (i.e. adjusted for loan sales, securitisation and notional cash pooling) increased to 5.0% in March from 3.7% in February. Among the borrowing sectors, the annual growth rate of [adjusted loans to households](#) decreased to 3.4% in March from 3.7% in February, while the annual growth rate of [adjusted loans to non-financial](#)

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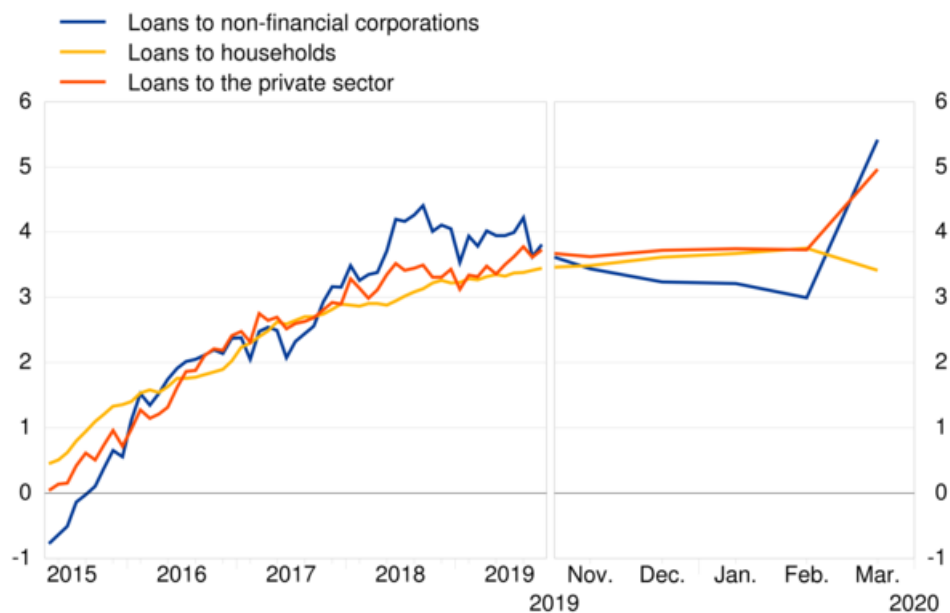
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[corporations](#) increased to 5.4% in March from 3.0% in February.

Chart 3

Adjusted loans to the private sector

(annual growth rates)



[Data for adjusted loans to the private sector](#)

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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