



EUROPEAN CENTRAL BANK
EUROSYSTEM

Press release

29 May 2020

Monetary developments in the euro area: April 2020

- Annual growth rate of broad [monetary aggregate M3](#) increased to 8.3% in April 2020 from 7.5% in March
- Annual growth rate of narrower [monetary aggregate M1](#), comprising currency in circulation and overnight deposits, increased to 11.9% in April from 10.4% in March
- Annual growth rate of [adjusted loans to households](#) decreased to 3.0% in April from 3.4% in March
- Annual growth rate of [adjusted loans to non-financial corporations](#) increased to 6.6% in April from 5.5% in March

Components of the broad monetary aggregate M3

The annual growth rate of the broad monetary aggregate M3 increased to 8.3% in April 2020 from 7.5% in March, averaging 7.1% in the three months up to April. 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 11.9% in April from 10.4% in March. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) decreased to -0.3% in April from 0.0% in March, while the annual growth rate of marketable instruments (M3-M2) decreased to 6.7% in April from 10.1% in March.

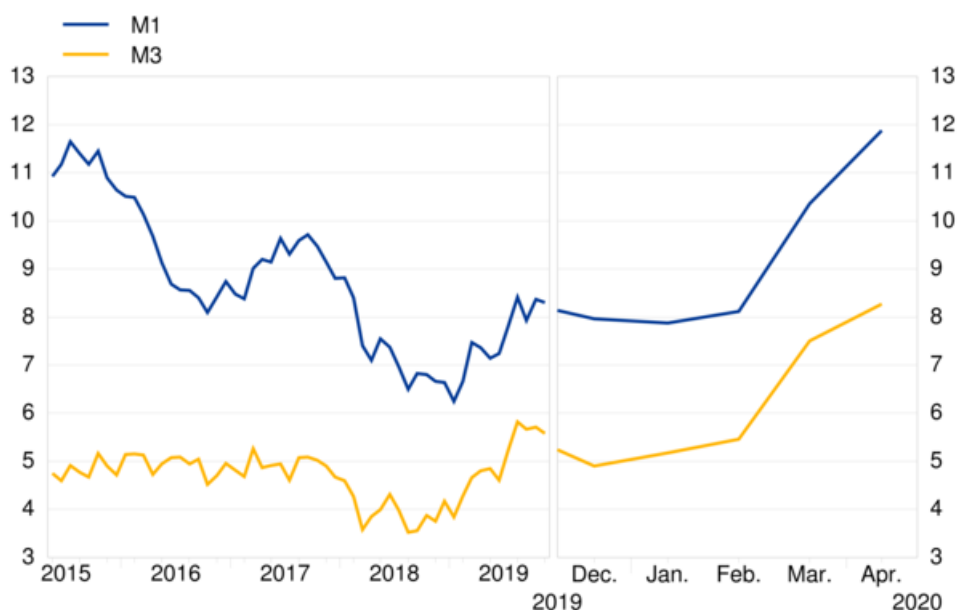
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Directorate General Communications, Global Media Relations Division
Sonnemannstrasse 20, 60314 Frankfurt am Main, Germany
Tel.: +49 69 1344 7455, e-mail: media@ecb.europa.eu, website: www.ecb.europa.eu

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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 8.0 percentage points (up from 7.0 percentage points in March), short-term deposits other than overnight deposits (M2-M1) contributed -0.1 percentage point (down from 0.0 percentage point) and marketable instruments (M3-M2) contributed 0.3 percentage point (down from 0.5 percentage point).

From the perspective of the holding sectors of [deposits in M3](#), the annual growth rate of deposits placed by households increased to 6.7% in April from 6.0% in March, while the annual growth rate of deposits placed by non-financial corporations increased to 13.7% in April from 9.7% in March. Finally, the annual growth rate of deposits placed by non-monetary financial corporations (excluding insurance corporations and pension funds) decreased to 12.3% in April from 16.9% in March.

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 April 2020 can be broken down as follows: credit to the private sector contributed 4.8 percentage points (up from 4.6 percentage

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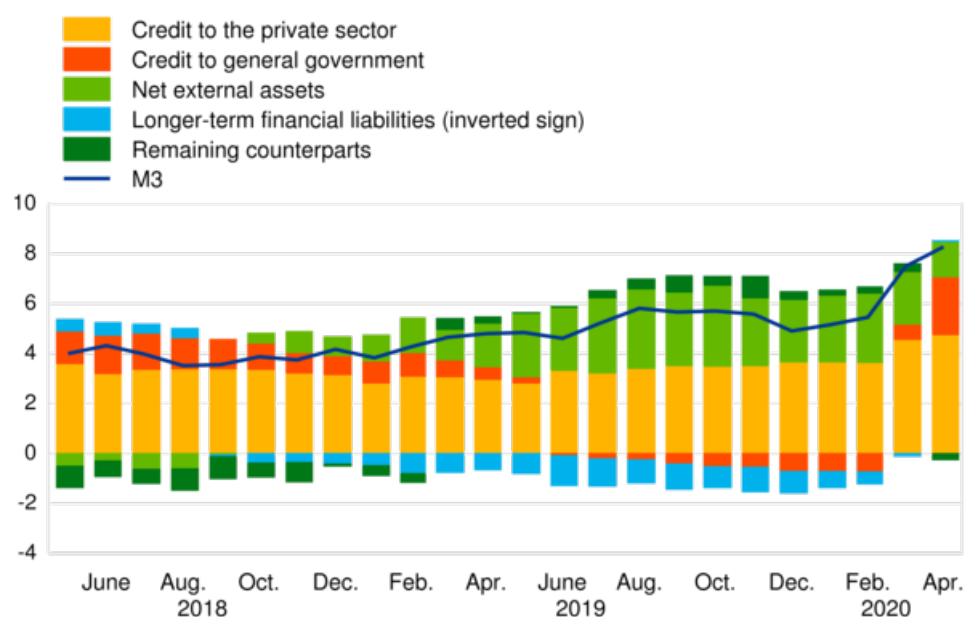
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Sonnemannstrasse 20, 60314 Frankfurt am Main, Germany
Tel.: +49 69 1344 7455, e-mail: media@ecb.europa.eu, website: www.ecb.europa.eu

points in March), credit to general government contributed 2.3 percentage points (up from 0.6 percentage point), net external assets contributed 1.4 percentage points (down from 2.1 percentage points), longer-term financial liabilities contributed 0.0 percentage point (up from -0.1 percentage point), and the remaining counterparts of M3 contributed -0.3 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](#) increased to 4.9% in April 2020 from 3.6% in the previous month. The annual growth rate of [credit to general government](#) increased to 6.2% in April from 1.6% in March, while the annual growth rate of [credit to the private sector](#) increased to 4.4% in April from 4.2% in March.

The annual growth rate of [adjusted loans to the private sector](#) (i.e. adjusted for loan sales, securitisation and notional cash pooling) stood at 4.9% in April, compared with 5.0% in March. Among the borrowing sectors, the annual growth rate of [adjusted loans to households](#) decreased to 3.0% in April from 3.4% in March, while the annual growth rate of [adjusted loans to non-financial corporations](#)

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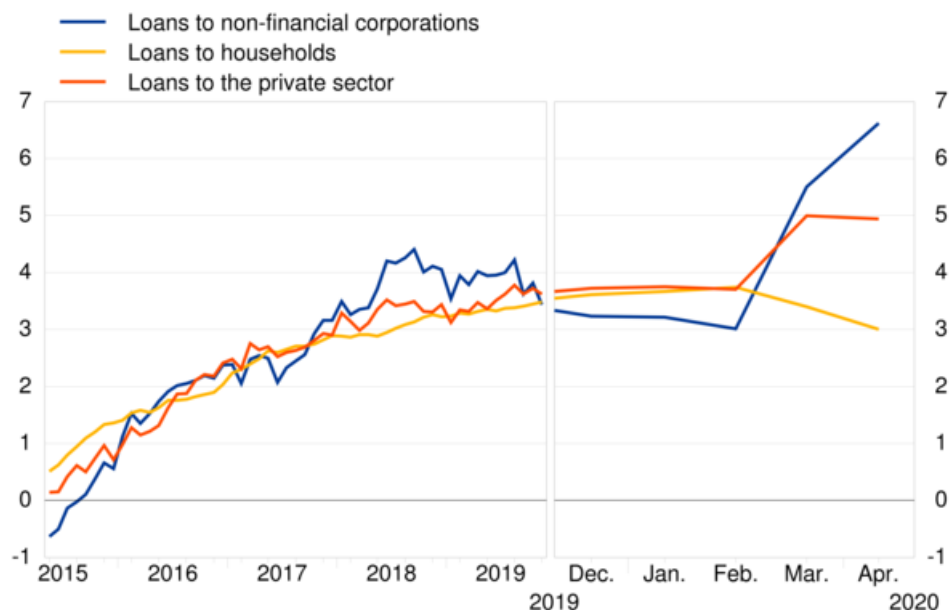
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increased to 6.6% in April from 5.5% in March.

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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