



EUROPEAN CENTRAL BANK  
EUROSYSTEM

## Press release

25 February 2021

# Monetary developments in the euro area: January 2021

- Annual growth rate of broad [monetary aggregate M3](#) stood at 12.5% in January 2021, after 12.4% in December 2020 (revised from 12.3%)
- Annual growth rate of narrower [monetary aggregate M1](#), comprising currency in circulation and overnight deposits, increased to 16.4% in January from 15.6% in December
- Annual growth rate of [adjusted loans to households](#) stood at 3.0% in January, compared with 3.1% in December
- Annual growth rate of [adjusted loans to non-financial corporations](#) stood at 7.0% in January, compared with 7.1% in December

## Components of the broad monetary aggregate M3

The annual growth rate of the broad monetary aggregate M3 stood at 12.5% in January 2021, after 12.4% in December 2020, averaging 12.0% in the three months up to January. 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 16.4% in January from 15.6% in December. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) decreased to 1.1% in January from 1.7% in December. The annual growth rate of marketable instruments (M3-M2) decreased to 18.2% in January from 25.0% in December.

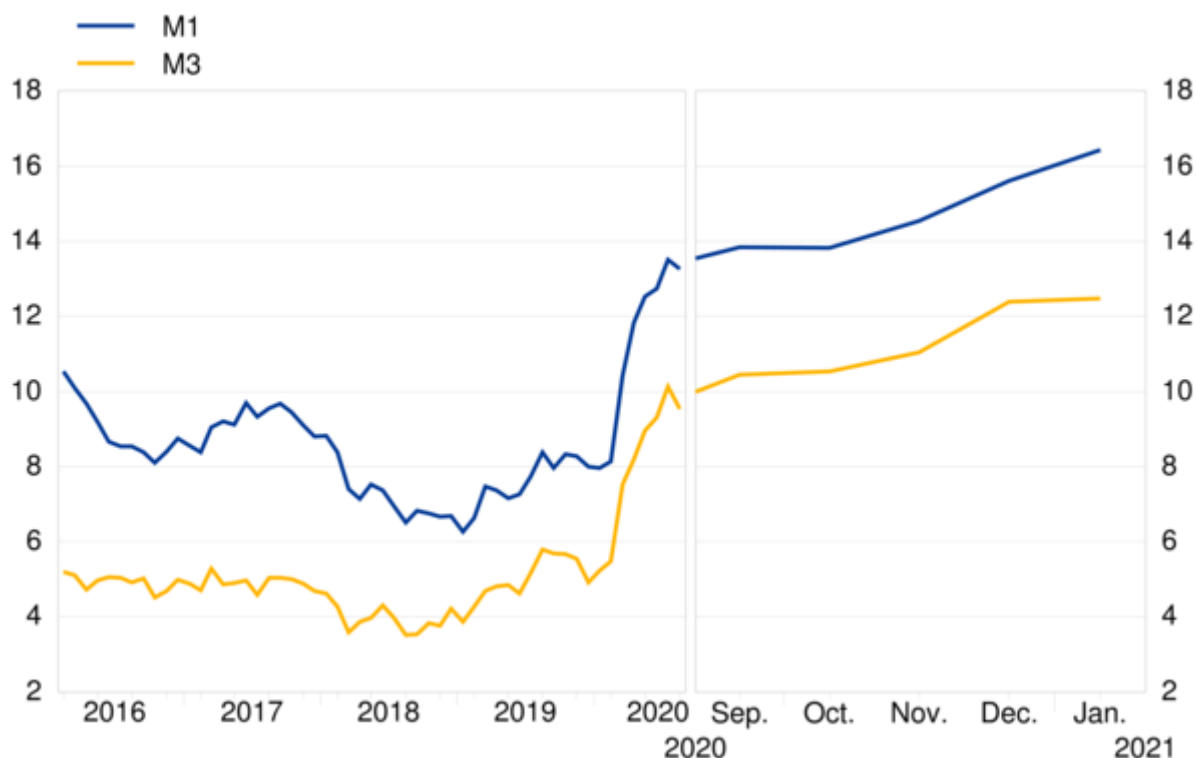
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## Chart 1 Monetary aggregates

(annual growth rates)



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

Looking at the [components' contributions to the annual growth rate of M3](#), the narrower aggregate M1 contributed 11.3 percentage points (up from 10.7 percentage points in December), short-term deposits other than overnight deposits (M2-M1) contributed 0.3 percentage point (down from 0.4 percentage point) and marketable instruments (M3-M2) contributed 0.9 percentage point (down from 1.2 percentage points).

From the perspective of the holding sectors of [deposits in M3](#), the annual growth rate of deposits placed by households increased to 9.1% in January from 8.7% in December, while the annual growth rate of deposits placed by non-financial corporations increased to 21.8% in January from 20.7% in December. Finally, the annual growth rate of deposits placed by non-monetary financial corporations (excluding insurance corporations and pension funds) increased to 15.6% in January from 14.5% in December.

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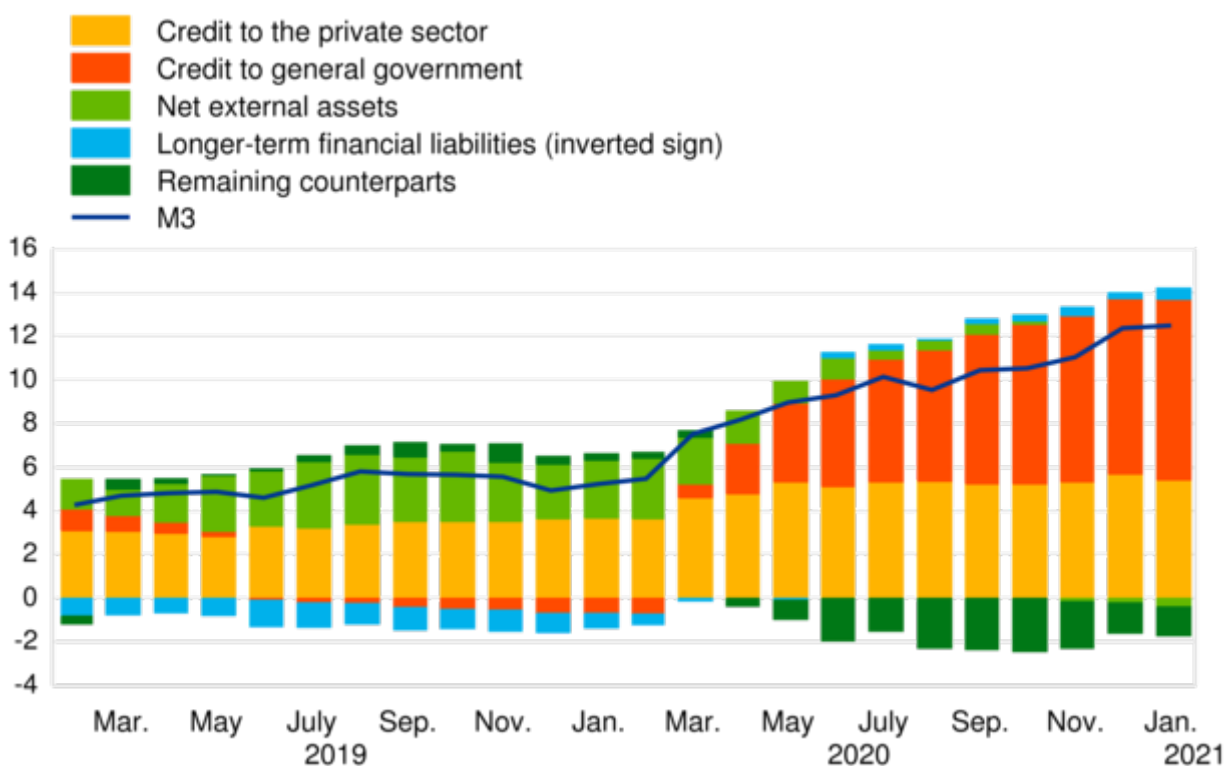
## Counterparts of the broad monetary aggregate M3

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 January 2021 can be broken down as follows: credit to general government contributed 8.3 percentage points (up from 8.1 percentage points in December), credit to the private sector contributed 5.4 percentage points (down from 5.7 percentage points), longer-term financial liabilities contributed 0.5 percentage point (up from 0.3 percentage point), net external assets contributed -0.4 percentage point (down from -0.2 percentage point), and the remaining counterparts of M3 contributed -1.3 percentage points (up from -1.4 percentage points).

### 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

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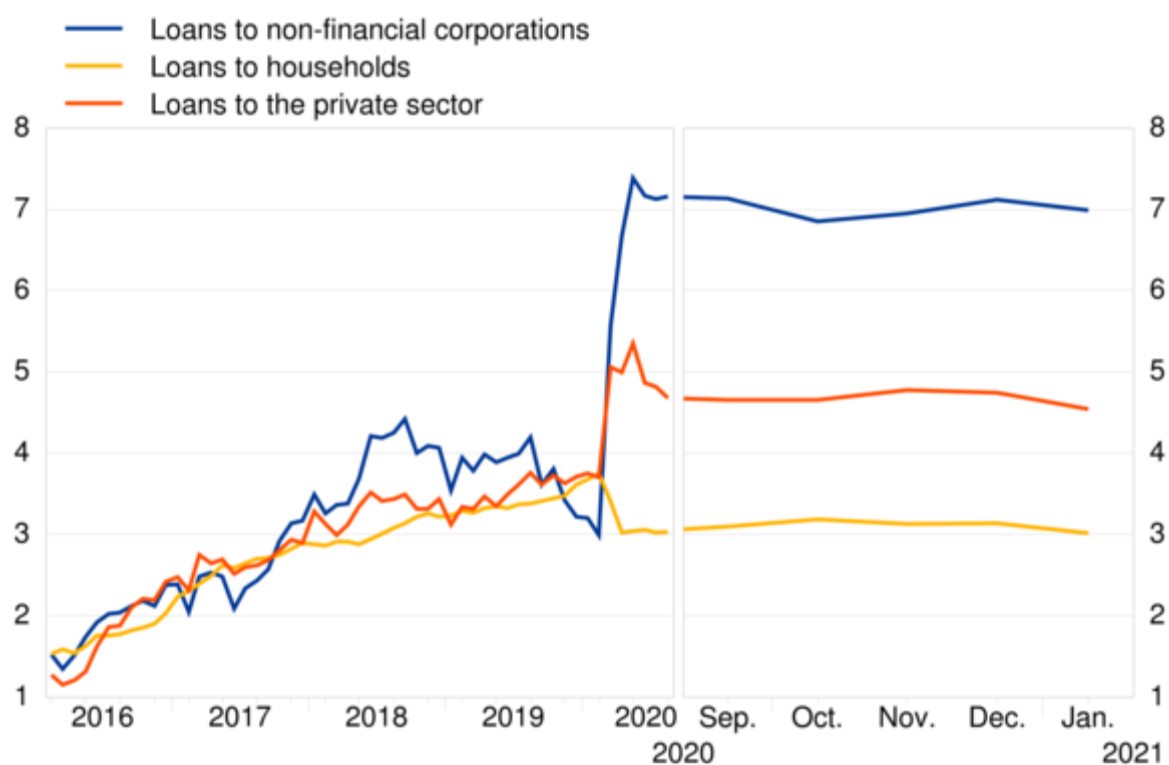
As regards the dynamics of credit, the annual growth rate of total [credit to euro area residents](#) stood at 9.6% in January 2021, unchanged from the previous month. The annual growth rate of [credit to general government](#) increased to 22.9% in January from 22.2% in December, while the annual growth rate of [credit to the private sector](#) decreased to 5.1% in January from 5.4% in December.

The annual growth rate of [adjusted loans to the private sector](#) (i.e. adjusted for loan sales, securitisation and notional cash pooling) decreased to 4.5% in January from 4.7% in December. Among the borrowing sectors, the annual growth rate of [adjusted loans to households](#) stood at 3.0% in January, compared with 3.1% in December, while the annual growth rate of [adjusted loans to non-financial corporations](#) stood at 7.0% in January, compared with 7.1% in December.

### Chart 3

#### Adjusted loans to the private sector

(annual growth rates)



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

#### Notes:

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- 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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