



EUROPEAN CENTRAL BANK  
EUROSYSTEM

## Press release

25 March 2021

# Monetary developments in the euro area: February 2021

- Annual growth rate of broad [monetary aggregate M3](#) decreased to 12.3% in February 2021 from 12.5% in January
- Annual growth rate of narrower [monetary aggregate M1](#), comprising currency in circulation and overnight deposits, stood at 16.4% in February, compared with 16.5% in January
- Annual growth rate of [adjusted loans to households](#) stood at 3.0% in February, unchanged from previous month
- Annual growth rate of [adjusted loans to non-financial corporations](#) increased to 7.1% in February from 6.9% in January

## Components of the broad monetary aggregate M3

The annual growth rate of the broad monetary aggregate M3 decreased to 12.3% in February 2021 from 12.5% in January, averaging 12.4% in the three months up to February. 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 16.4% in February, compared with 16.5% in January. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) stood at 1.0% in February, compared with 1.1% in January. The annual growth rate of marketable instruments (M3-M2) decreased to 14.2% in February, down from 18.5% in January.

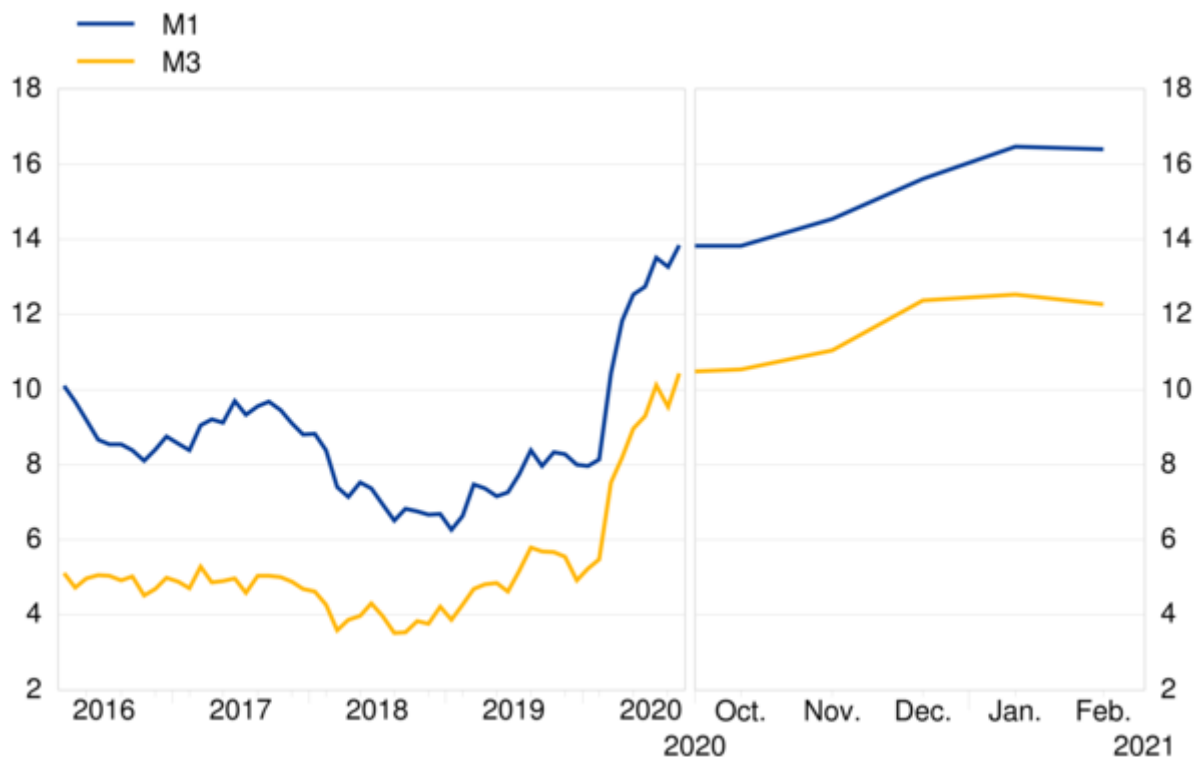
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**Chart 1**  
Monetary aggregates

(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 (as in the previous month), 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 0.7 percentage point (down from 0.9 percentage point).

From the perspective of the holding sectors of [deposits in M3](#), the annual growth rate of deposits placed by households increased to 9.5% in February from 9.2% in January, while the annual growth rate of deposits placed by non-financial corporations decreased to 21.2% in February from 21.8% in January. Finally, the annual growth rate of deposits placed by non-monetary financial corporations (excluding insurance corporations and pension funds) decreased to 14.6% in February from 15.6% in January.

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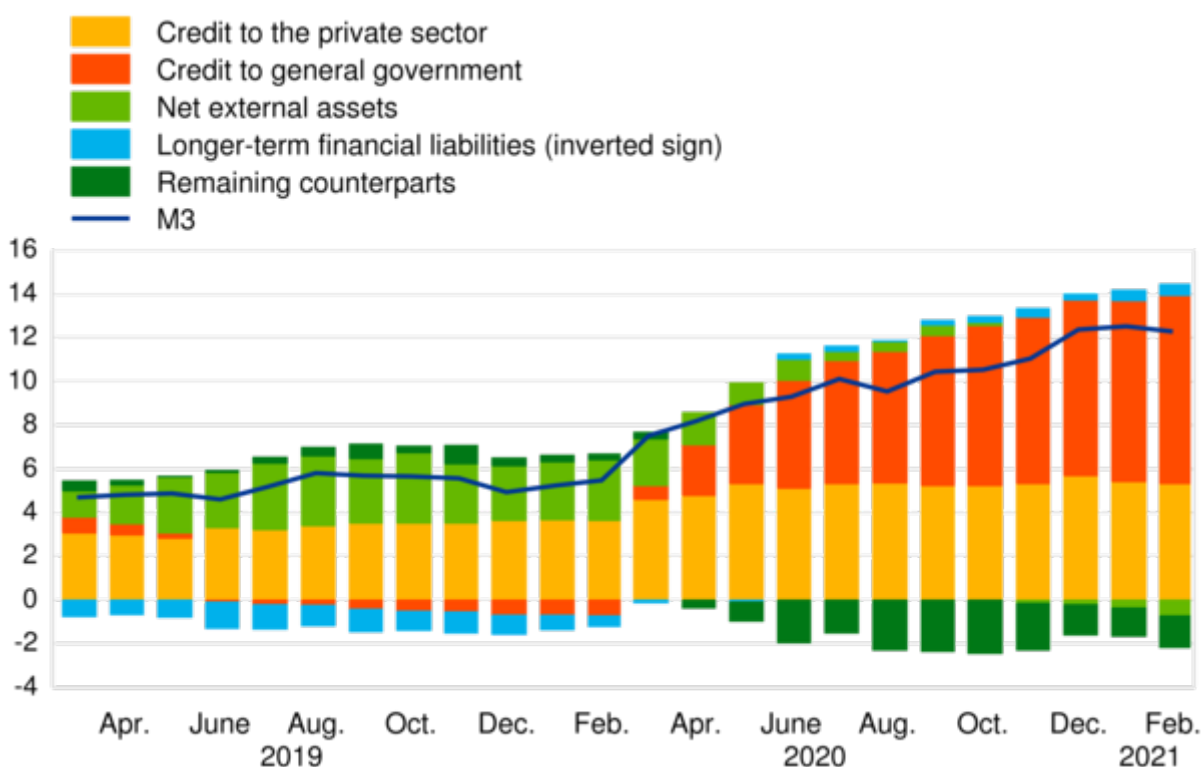
## Counterparts of the broad monetary aggregate M3

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 February 2021 can be broken down as follows: credit to general government contributed 8.6 percentage points (up from 8.3 percentage points in January), credit to the private sector contributed 5.3 percentage points (down from 5.4 percentage points), longer-term financial liabilities contributed 0.5 percentage point (as in the previous month), net external assets contributed -0.7 percentage point (down from -0.4 percentage point), and the remaining counterparts of M3 contributed -1.5 percentage points (down from -1.3 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](#)

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## Credit to euro area residents

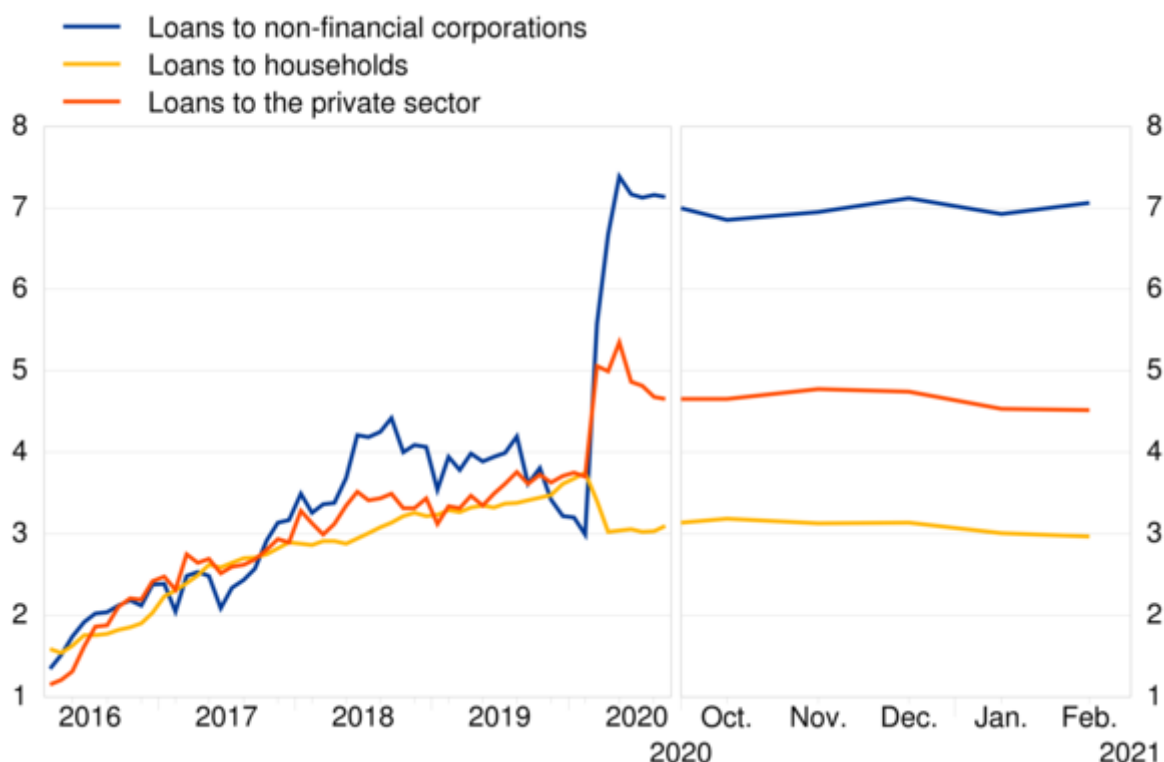
As regards the dynamics of credit, the annual growth rate of total [credit to euro area residents](#) increased to 9.8% in February 2021 from 9.6% in the previous month. The annual growth rate of [credit to general government](#) increased to 23.9% in February from 22.9% in January, while the annual growth rate of [credit to the private sector](#) stood at 5.1% in February, unchanged from the previous month.

The annual growth rate of [adjusted loans to the private sector](#) (i.e. adjusted for loan sales, securitisation and notional cash pooling) stood at 4.5% in February, unchanged from the previous month. Among the borrowing sectors, the annual growth rate of [adjusted loans to households](#) stood at 3.0% in February, unchanged from the previous month, while the annual growth rate of [adjusted loans to non-financial corporations](#) increased to 7.1% in February from 6.9% in January.

### Chart 3

#### Adjusted loans to the private sector

(annual growth rates)



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

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## 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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