



EUROPEAN CENTRAL BANK
EUROSYSTEM

Press release

29 April 2021

Monetary developments in the euro area: March 2021

- Annual growth rate of broad [monetary aggregate M3](#) decreased to 10.1% in March 2021 from 12.2% in February (revised from 12.3%)
- Annual growth rate of narrower [monetary aggregate M1](#), comprising currency in circulation and overnight deposits, decreased to 13.6% in March from 16.4% in February
- Annual growth rate of [adjusted loans to households](#) increased to 3.3% in March from 3.0% in February
- Annual growth rate of [adjusted loans to non-financial corporations](#) decreased to 5.3% in March from 7.0% in February

Components of the broad monetary aggregate M3

The annual growth rate of the broad monetary aggregate M3 decreased to 10.1% in March 2021 from 12.2% in February, averaging 11.6% 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, decreased to 13.6% in March from 16.4% in February. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) stood at 1.0% in March, unchanged from the previous month. The annual growth rate of marketable instruments (M3-M2) decreased to 7.1% in March from 13.8% in February.

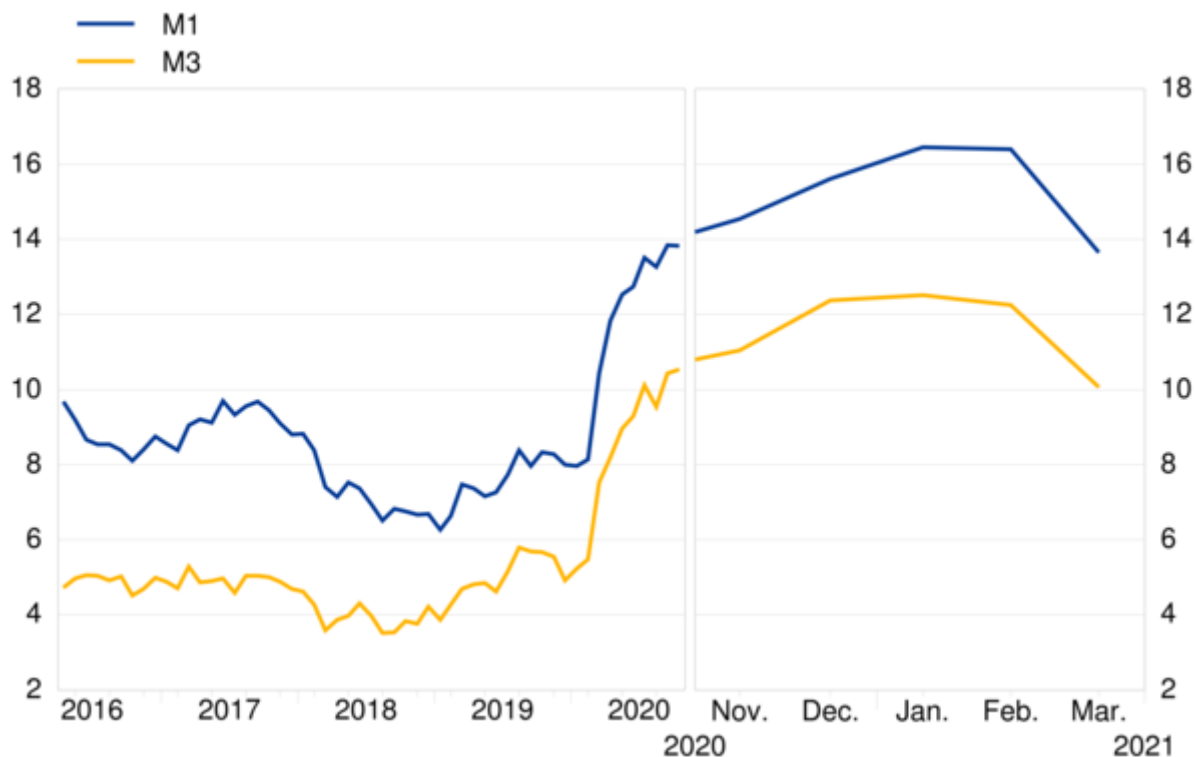
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Chart 1 Monetary aggregates

(annual growth rates)



[Data for monetary aggregates](#)

Looking at the [components' contributions to the annual growth rate of M3](#), the narrower aggregate M1 contributed 9.4 percentage points (down from 11.3 percentage points in February), 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 0.4 percentage point (down from 0.7 percentage point).

From the perspective of the holding sectors of [deposits in M3](#), the annual growth rate of deposits placed by households decreased to 9.1% in March from 9.5% in February, while the annual growth rate of deposits placed by non-financial corporations decreased to 18.0% in March from 21.3% in February. Finally, the annual growth rate of deposits placed by non-monetary financial corporations (excluding insurance corporations and pension funds) decreased to 4.0% in March from 14.6% in February.

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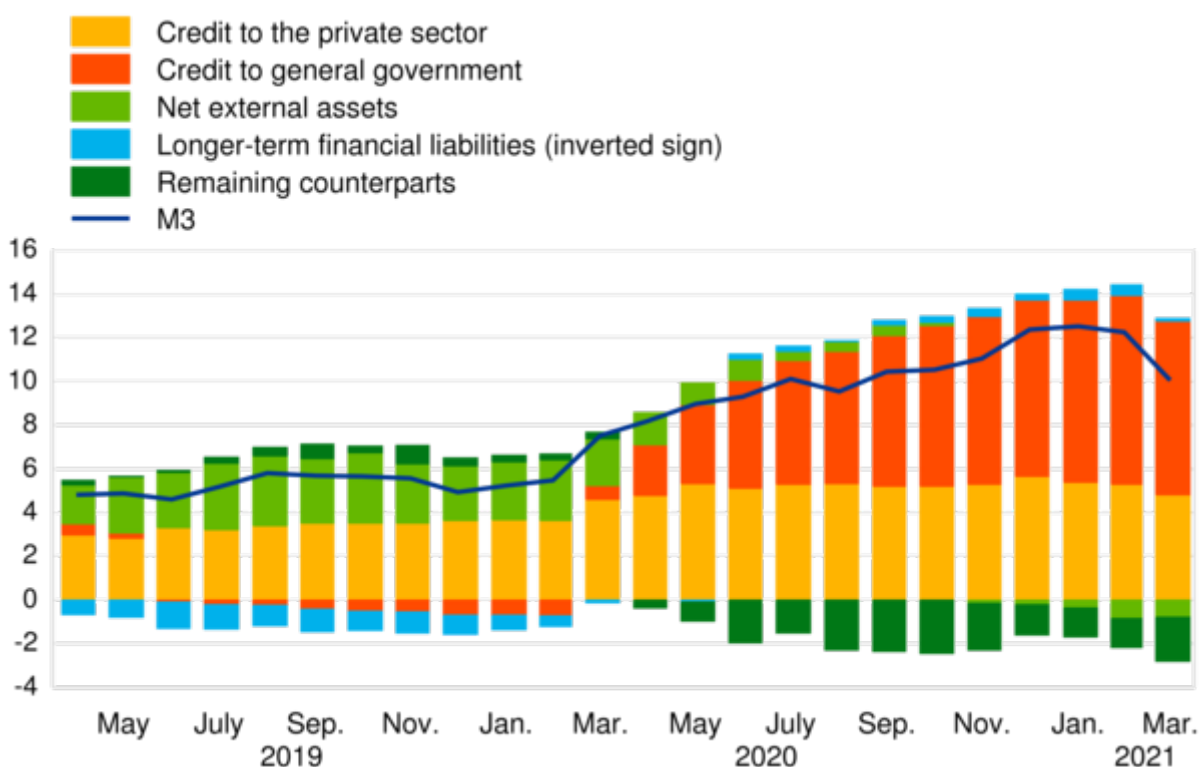
Counterparts of the broad monetary aggregate M3

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 March 2021 can be broken down as follows: credit to general government contributed 7.9 percentage points (down from 8.6 percentage points in February), credit to the private sector contributed 4.8 percentage points (down from 5.3 percentage points), longer-term financial liabilities contributed 0.1 percentage point (down from 0.5 percentage point), net external assets contributed -0.8 percentage point (as in the previous month), and the remaining counterparts of M3 contributed -2.0 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

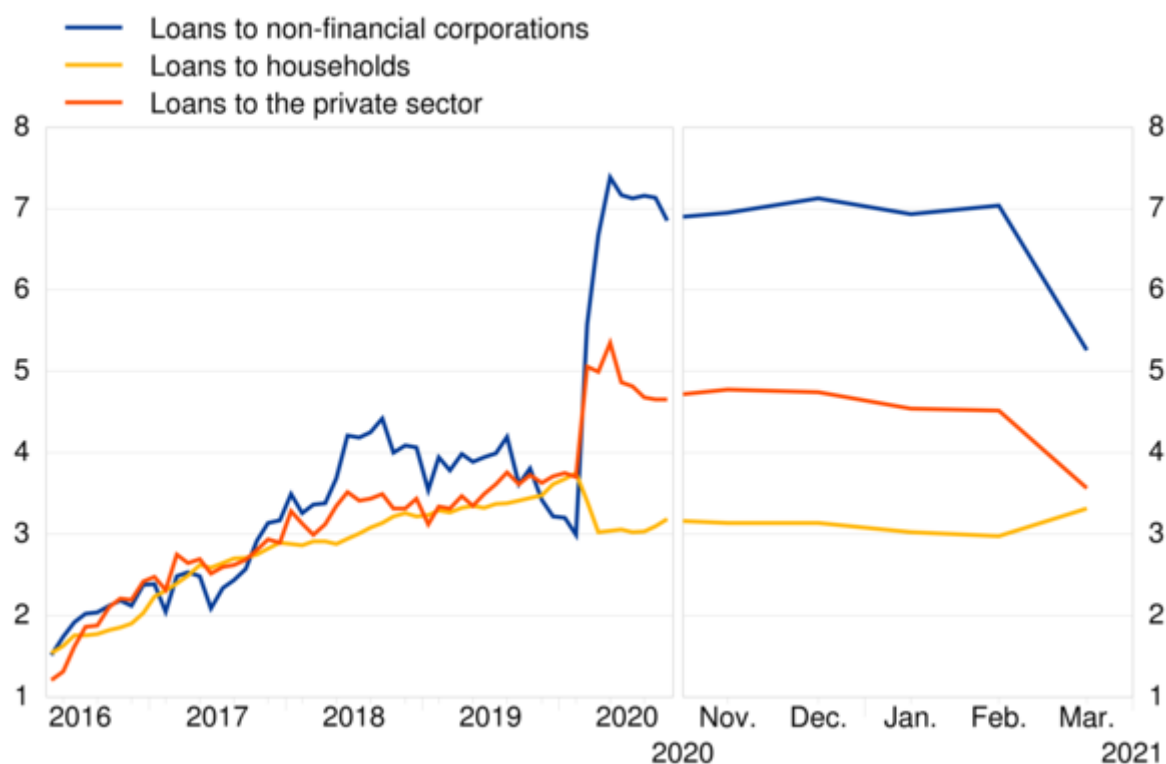
As regards the dynamics of credit, the annual growth rate of total [credit to euro area residents](#) decreased to 9.1% in March 2021 from 9.8% in the previous month. The annual growth rate of [credit to general government](#) decreased to 21.9% in March from 24.0% in February, while the annual growth rate of [credit to the private sector](#) decreased to 4.6% in March from 5.0% in February.

The annual growth rate of [adjusted loans to the private sector](#) (i.e. adjusted for loan sales, securitisation and notional cash pooling) decreased to 3.6% in March from 4.5% in February. Among the borrowing sectors, the annual growth rate of [adjusted loans to households](#) increased to 3.3% in March from 3.0% in February, while the annual growth rate of [adjusted loans to non-financial corporations](#) decreased to 5.3% in March from 7.0% in February.

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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