



EUROPEAN CENTRAL BANK
EUROSYSTEM

Press release

31 May 2021

Monetary developments in the euro area: April 2021

- Annual growth rate of broad [monetary aggregate M3](#) decreased to 9.2% in April 2021 from 10.0% in March (revised from 10.1%)
- Annual growth rate of narrower [monetary aggregate M1](#), comprising currency in circulation and overnight deposits, decreased to 12.3% in April from 13.6% in March
- Annual growth rate of [adjusted loans to households](#) increased to 3.8% in April from 3.3% in March
- Annual growth rate of [adjusted loans to non-financial corporations](#) decreased to 3.2% in April from 5.3% in March

Components of the broad monetary aggregate M3

The annual growth rate of the broad monetary aggregate M3 decreased to 9.2% in April 2021 from 10.0% in March, averaging 10.5% 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, decreased to 12.3% in April from 13.6% in March. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) decreased to 0.3% in April from 0.9% in March. The annual growth rate of marketable instruments (M3-M2) increased to 10.6% in April from 7.0% in March.

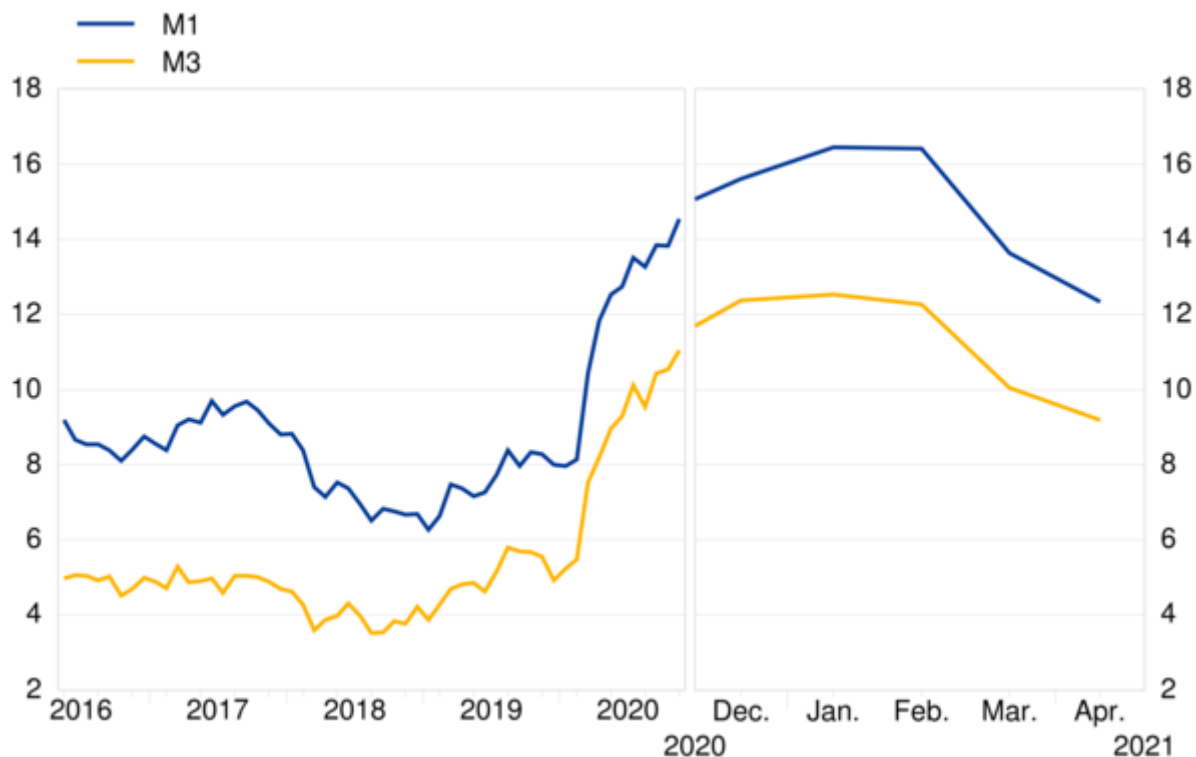
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Chart 1 Monetary aggregates

(annual growth rates)



[Data for monetary aggregates](#)

Looking at the [components' contributions to the annual growth rate of M3](#), the narrower aggregate M1 contributed 8.6 percentage points (down from 9.4 percentage points in March), short-term deposits other than overnight deposits (M2-M1) contributed 0.1 percentage point (down from 0.2 percentage point) and marketable instruments (M3-M2) contributed 0.5 percentage point (up from 0.4 percentage point).

From the perspective of the holding sectors of [deposits in M3](#), the annual growth rate of deposits placed by households decreased to 8.3% in April from 9.2% in March, while the annual growth rate of deposits placed by non-financial corporations decreased to 12.8% in April from 18.0% in March. Finally, the annual growth rate of deposits placed by non-monetary financial corporations (excluding insurance corporations and pension funds) increased to 8.7% in April from 4.0% in March.

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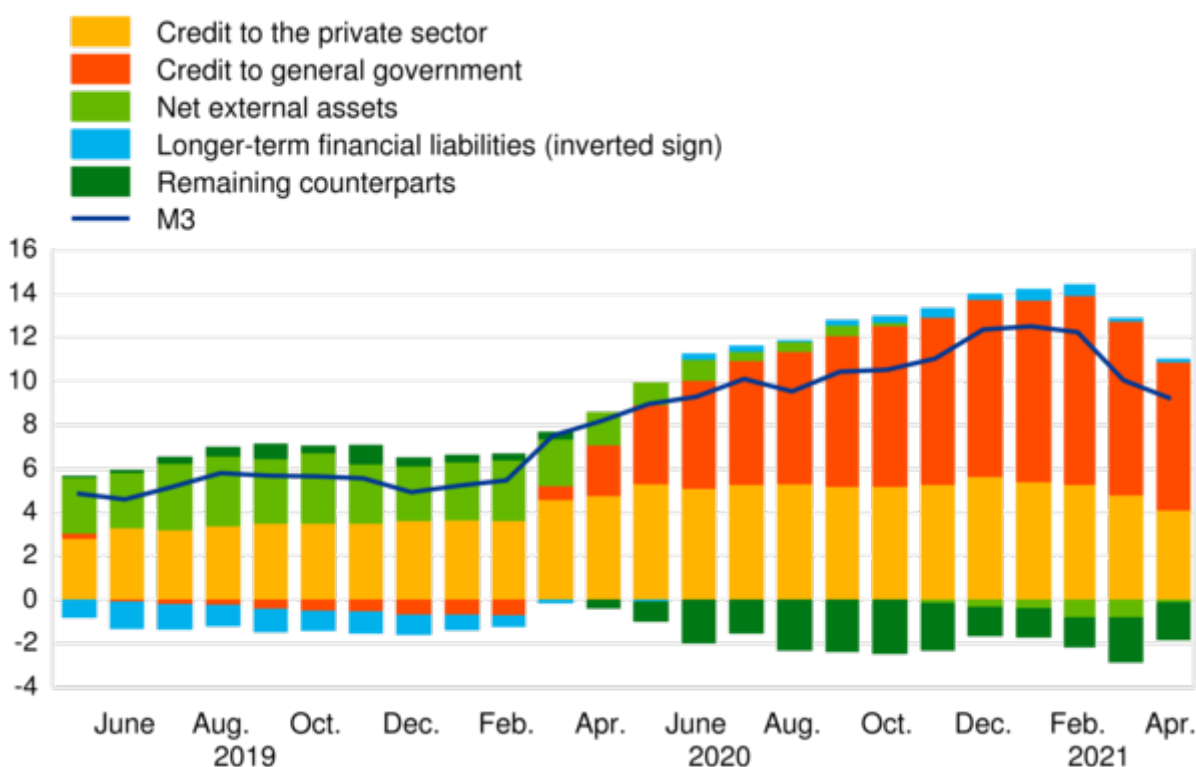
Counterparts of the broad monetary aggregate M3

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 April 2021 can be broken down as follows: credit to general government contributed 6.8 percentage points (down from 7.9 percentage points in March), credit to the private sector contributed 4.1 percentage points (down from 4.8 percentage points), longer-term financial liabilities contributed 0.1 percentage point (as in the previous month), net external assets contributed -0.1 percentage point (up from -0.8 percentage point), and the remaining counterparts of M3 contributed -1.7 percentage points (up from -2.0 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

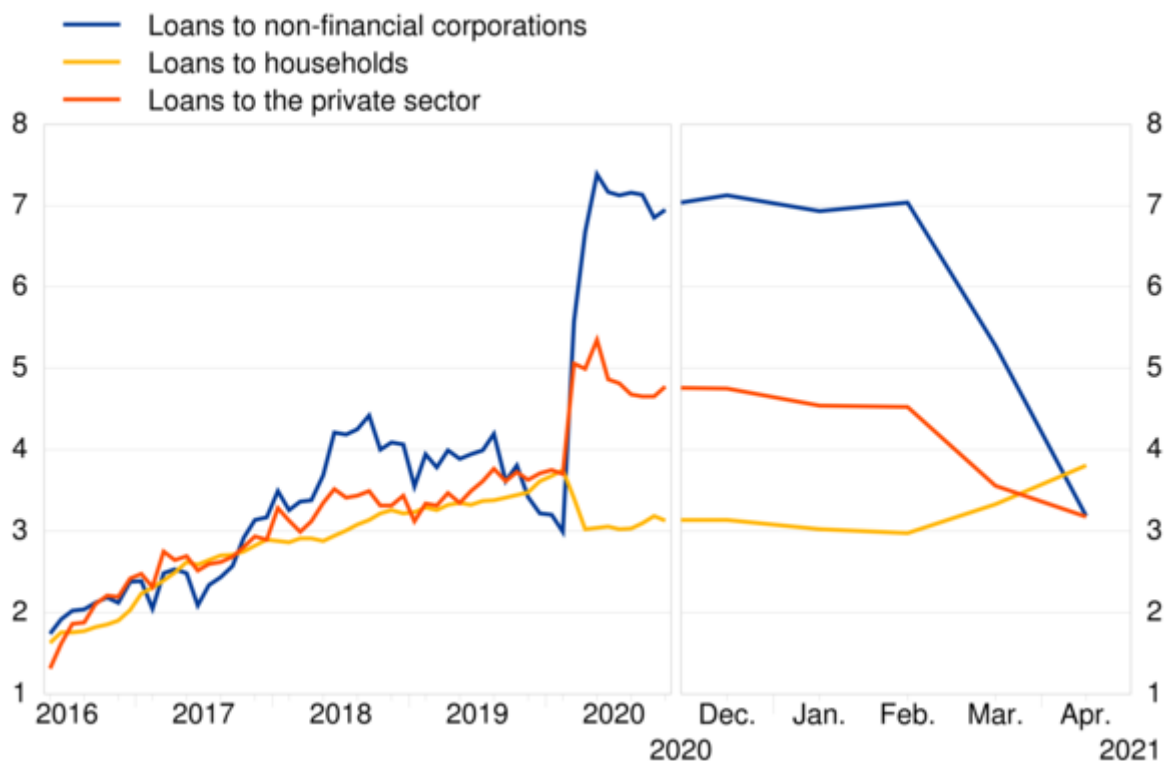
As regards the dynamics of credit, the annual growth rate of total [credit to euro area residents](#) decreased to 7.7% in April 2021 from 9.1% in the previous month. The annual growth rate of [credit to general government](#) decreased to 18.0% in April from 21.9% in March, while the annual growth rate of [credit to the private sector](#) decreased to 4.0% in April from 4.6% in March.

The annual growth rate of [adjusted loans to the private sector](#) (i.e. adjusted for loan sales, securitisation and notional cash pooling) decreased to 3.2% in April from 3.6% in March. Among the borrowing sectors, the annual growth rate of [adjusted loans to households](#) increased to 3.8% in April from 3.3% in March, while the annual growth rate of [adjusted loans to non-financial corporations](#) decreased to 3.2% in April from 5.3% in March.

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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