



EUROPEAN CENTRAL BANK

EUROSYSTEM

## Press release

25 June 2021

# Monetary developments in the euro area: May 2021

- Annual growth rate of broad [monetary aggregate M3](#) decreased to 8.4% in May 2021 from 9.2% in April
- Annual growth rate of narrower [monetary aggregate M1](#), comprising currency in circulation and overnight deposits, decreased to 11.6% in May from 12.3% in April
- Annual growth rate of [adjusted loans to households](#) stood at 3.9% in May, compared with 3.8% in April
- Annual growth rate of [adjusted loans to non-financial corporations](#) decreased to 1.9% in May from 3.2% in April

## Components of the broad monetary aggregate M3

The annual growth rate of the broad monetary aggregate M3 decreased to 8.4% in May 2021 from 9.2% in April, averaging 9.2% in the three months up to and including May. 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 11.6% in May from 12.3% in April. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) decreased to -0.7% in May from 0.3% in April. The annual growth rate of marketable instruments (M3-M2) increased to 11.3% in May from 10.5% in April.

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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 8.1 percentage points (down from 8.6 percentage points in April), short-term deposits other than overnight deposits (M2-M1) contributed -0.2 percentage point (down from 0.1 percentage point) and marketable instruments (M3-M2) contributed 0.6 percentage point (up 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 decreased to 7.9% in May from 8.3% in April, while the annual growth rate of deposits placed by non-financial corporations decreased to 8.9% in May from 12.8% in April. Finally, the annual growth rate of deposits placed by non-monetary financial corporations (excluding insurance corporations and pension funds) increased to 11.4% in May from 8.7% in April.

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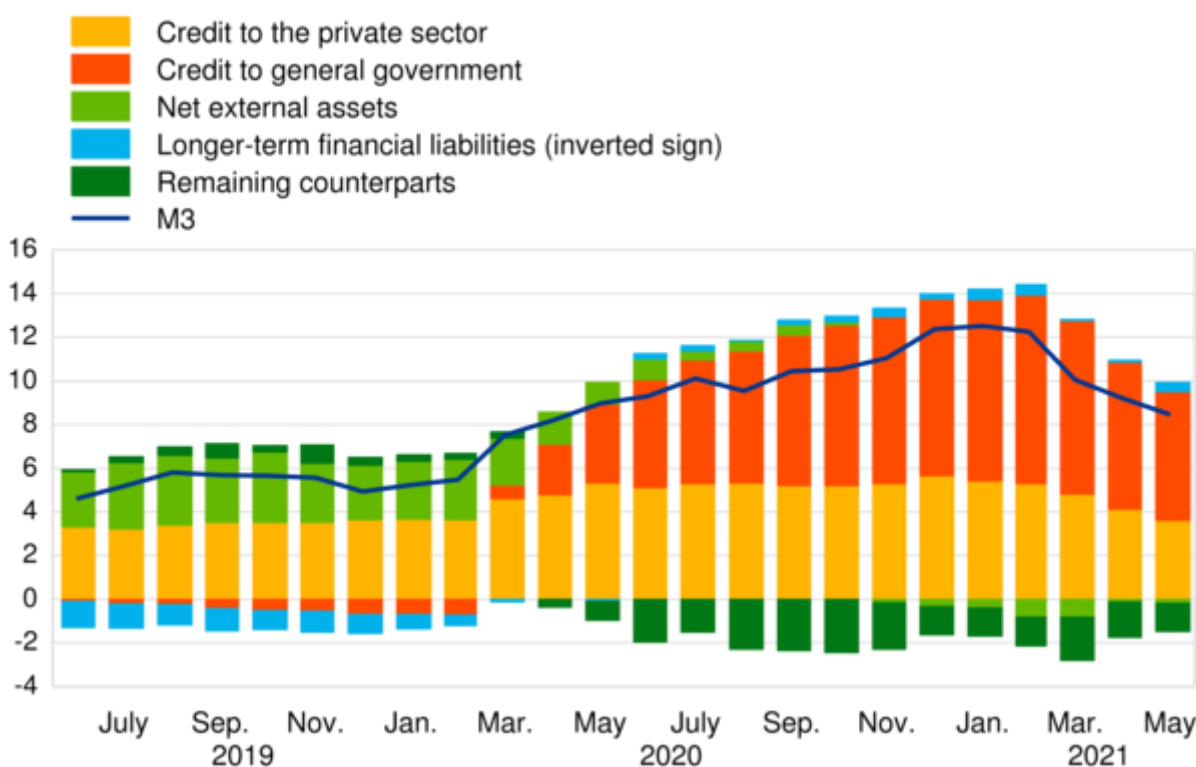
## Counterparts of the broad monetary aggregate M3

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 May 2021 can be broken down as follows: credit to general government contributed 5.9 percentage points (down from 6.7 percentage points in April), credit to the private sector contributed 3.6 percentage points (down from 4.1 percentage points), longer-term financial liabilities contributed 0.4 percentage point (up from 0.1 percentage point), net external assets contributed -0.2 percentage point (down from -0.1 percentage point), and the remaining counterparts of M3 contributed -1.3 percentage points (up from -1.6 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

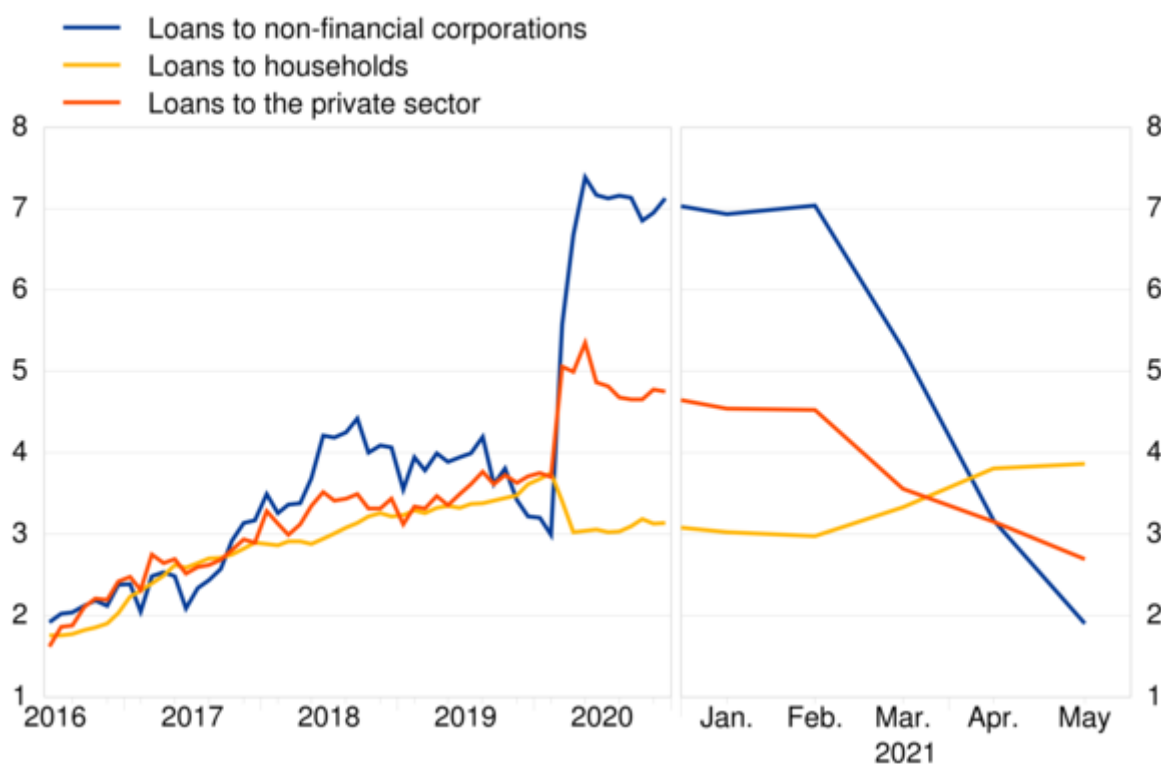
As regards the dynamics of credit, the annual growth rate of total [credit to euro area residents](#) decreased to 6.7% in May 2021 from 7.7% in the previous month. The annual growth rate of [credit to general government](#) decreased to 15.4% in May from 18.0% in April, while the annual growth rate of [credit to the private sector](#) decreased to 3.5% in May from 4.0% in April.

The annual growth rate of [adjusted loans to the private sector](#) (i.e. adjusted for loan sales, securitisation and notional cash pooling) decreased to 2.7% in May from 3.2% in April. Among the borrowing sectors, the annual growth rate of [adjusted loans to households](#) stood at 3.9% in May, compared with 3.8% in April, while the annual growth rate of [adjusted loans to non-financial corporations](#) decreased to 1.9% in May from 3.2% in April.

### 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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