



EUROPEAN CENTRAL BANK
EUROSYSTEM

Press release

29 December 2021

Monetary developments in the euro area: November 2021

- Annual growth rate of broad [monetary aggregate M3](#) decreased to 7.3% in November 2021 from 7.7% in October
- Annual growth rate of narrower [monetary aggregate M1](#), comprising currency in circulation and overnight deposits, decreased to 9.9% in November from 10.7% in October
- Annual growth rate of [adjusted loans to households](#) stood at 4.2% in November, compared with 4.1% in October
- Annual growth rate of [adjusted loans to non-financial corporations](#) increased to 2.9% in November from 2.5% in October

Components of the broad monetary aggregate M3

The annual growth rate of the broad monetary aggregate M3 decreased to 7.3% in November 2021 from 7.7% in October, averaging 7.5% in the three months up to November. 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 9.9% in November from 10.7% in October. The annual growth rate of short-term deposits other than overnight deposits (M2-M1)

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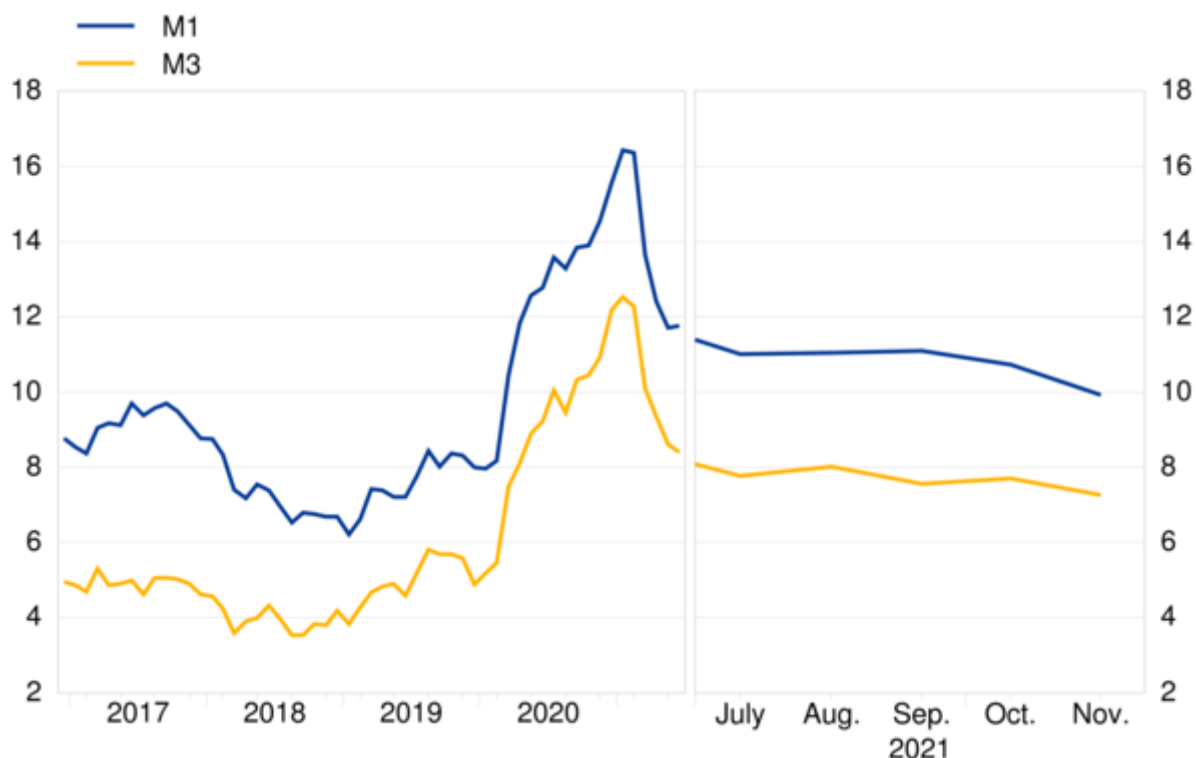
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was -1.4% in November, compared with -1.7% in October. The annual growth rate of marketable instruments (M3-M2) increased to 11.6% in November from 11.2% in October.

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 7.0 percentage points (down from 7.6 percentage points in October), short-term deposits other than overnight deposits (M2-M1) contributed -0.3 percentage point (up from -0.4 percentage point) and marketable instruments (M3-M2) contributed 0.6 percentage point (as in the previous month).

From the perspective of the holding sectors of [deposits in M3](#), the annual growth rate of deposits placed by households decreased to 6.0% in November from 6.5% in October, while the annual growth rate of deposits placed by non-financial corporations increased to 7.9% in November from 7.4% in October. Finally, the annual growth rate of deposits placed by non-monetary financial corporations

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(excluding insurance corporations and pension funds) decreased to 14.9% in November from 18.2% in October.

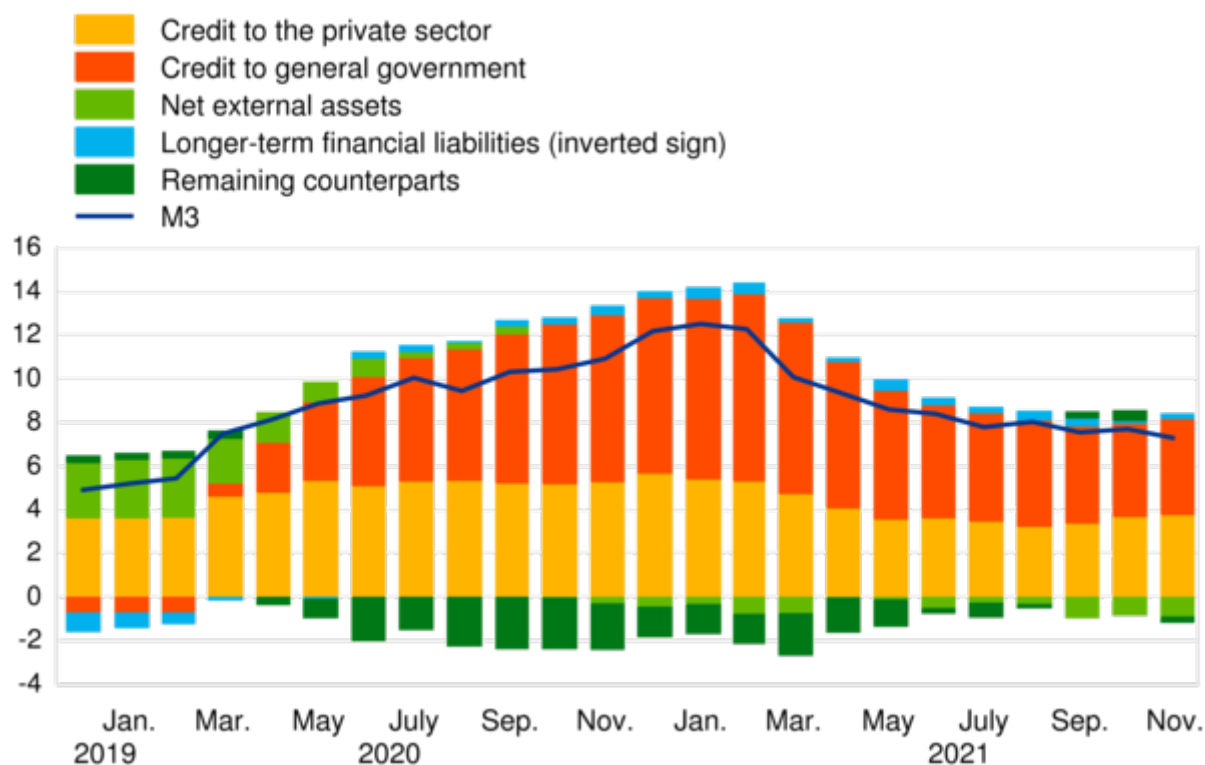
Counterparts of the broad monetary aggregate M3

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 November 2021 can be broken down as follows: credit to general government contributed 4.4 percentage points (up from 4.3 percentage points in October), credit to the private sector contributed 3.8 percentage points (up from 3.7 percentage points), longer-term financial liabilities contributed 0.2 percentage point (up from 0.1 percentage point), net external assets contributed -0.9 percentage point (down from -0.8 percentage point), and the remaining counterparts of M3 contributed -0.2 percentage point (down from 0.4 percentage point).

Chart 2

Contribution of the M3 counterparts to the annual growth rate of M3

(percentage points)



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[Data for contribution of the M3 counterparts to the annual growth rate of M3](#)

Credit to euro area residents

As regards the dynamics of credit, the annual growth rate of total [credit to euro area residents](#) stood at 5.8% in November 2021, compared with 5.7% in the previous month. The annual growth rate of [credit to general government](#) increased to 10.8% in November from 10.5% in October, while the annual growth rate of [credit to the private sector](#) stood at 3.8% in November, compared with 3.7% in October.

The annual growth rate of [adjusted loans to the private sector](#) (i.e. adjusted for loan sales, securitisation and notional cash pooling) increased to 3.7% in November from 3.4% in October. Among the borrowing sectors, the annual growth rate of [adjusted loans to households](#) stood at 4.2% in November, compared with 4.1% in October, while the annual growth rate of [adjusted loans to non-financial corporations](#) increased to 2.9% in November from 2.5% in October.

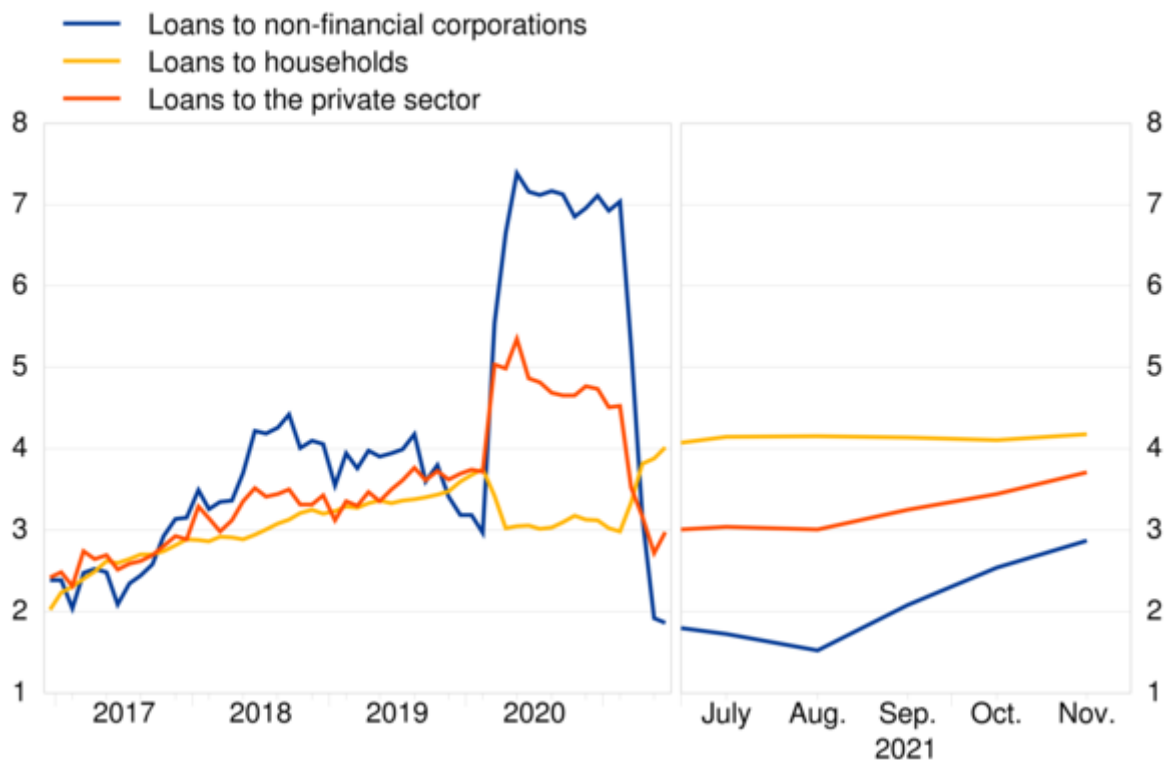
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Chart 3

Adjusted loans to the private sector

(annual growth rates)



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

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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