



EUROPEAN CENTRAL BANK  
EUROSYSTEM

## Press release

28 January 2022

# Monetary developments in the euro area: December 2021

- Annual growth rate of broad [monetary aggregate M3](#) decreased to 6.9% in December 2021 from 7.4% in November (revised from 7.3%)
- Annual growth rate of narrower [monetary aggregate M1](#), comprising currency in circulation and overnight deposits, decreased to 9.8% in December from 10.0% in November
- Annual growth rate of [adjusted loans to households](#) stood at 4.1% in December, compared with 4.2% in November
- Annual growth rate of [adjusted loans to non-financial corporations](#) increased to 4.2% in December from 2.9% in November

## Components of the broad monetary aggregate M3

The annual growth rate of the broad monetary aggregate M3 decreased to 6.9% in December 2021 from 7.4% in November, averaging 7.3% in the three months up to December. 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 9.8% in December from 10.0% in November. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) stood at -1.5% in December, compared with -1.4% in November. The annual growth rate of marketable instruments (M3-M2) decreased to 6.4% in December from 12.2% in November.

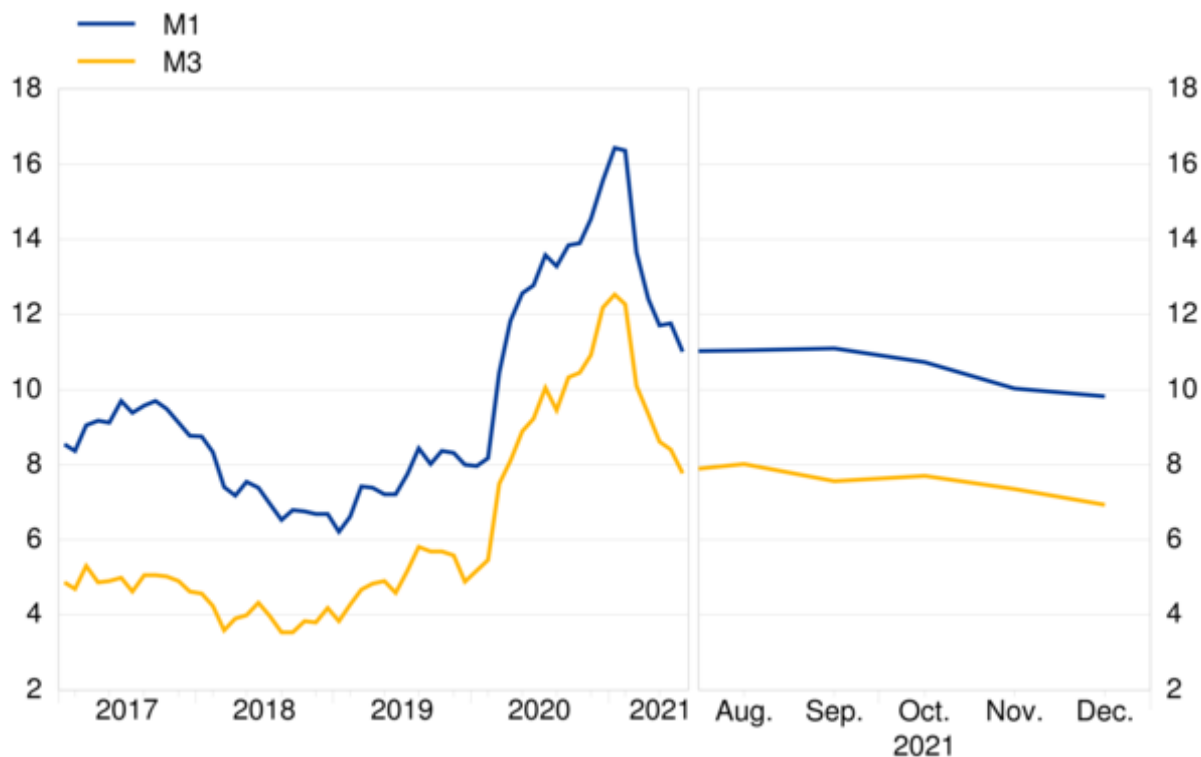
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## Chart 1 Monetary aggregates

(annual growth rates)



### [Data for monetary aggregates](#)

Looking at the [components' contributions to the annual growth rate of M3](#), the narrower aggregate M1 contributed 7.0 percentage points (down from 7.1 percentage points in November), short-term deposits other than overnight deposits (M2-M1) contributed -0.4 percentage point (down from -0.3 percentage point) and marketable instruments (M3-M2) contributed 0.3 percentage point (down from 0.6 percentage point).

From the perspective of the holding sectors of [deposits in M3](#), the annual growth rate of deposits placed by households decreased to 5.5% in December from 6.0% in November, while the annual growth rate of deposits placed by non-financial corporations increased to 8.5% in December from 7.9% in November. Finally, the annual growth rate of deposits placed by non-monetary financial corporations (excluding insurance corporations and pension funds) decreased to 13.3% in December from 15.5% in November.

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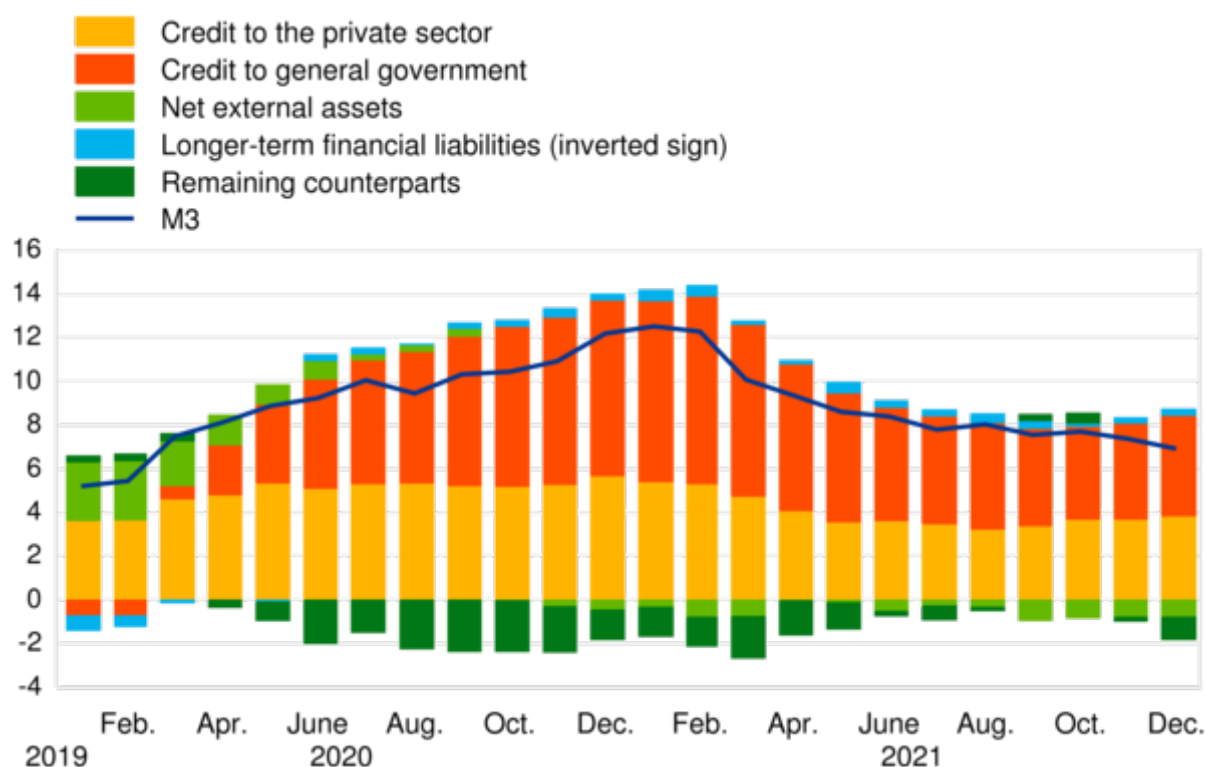
## Counterparts of the broad monetary aggregate M3

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 December 2021 can be broken down as follows: credit to general government contributed 4.6 percentage points (up from 4.4 percentage points in November), credit to the private sector contributed 3.9 percentage points (up from 3.7 percentage points), longer-term financial liabilities contributed 0.3 percentage point (up from 0.2 percentage point), net external assets contributed -0.8 percentage point (as in the previous month), and the remaining counterparts of M3 contributed -1.0 percentage points (down from -0.2 percentage point).

### 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

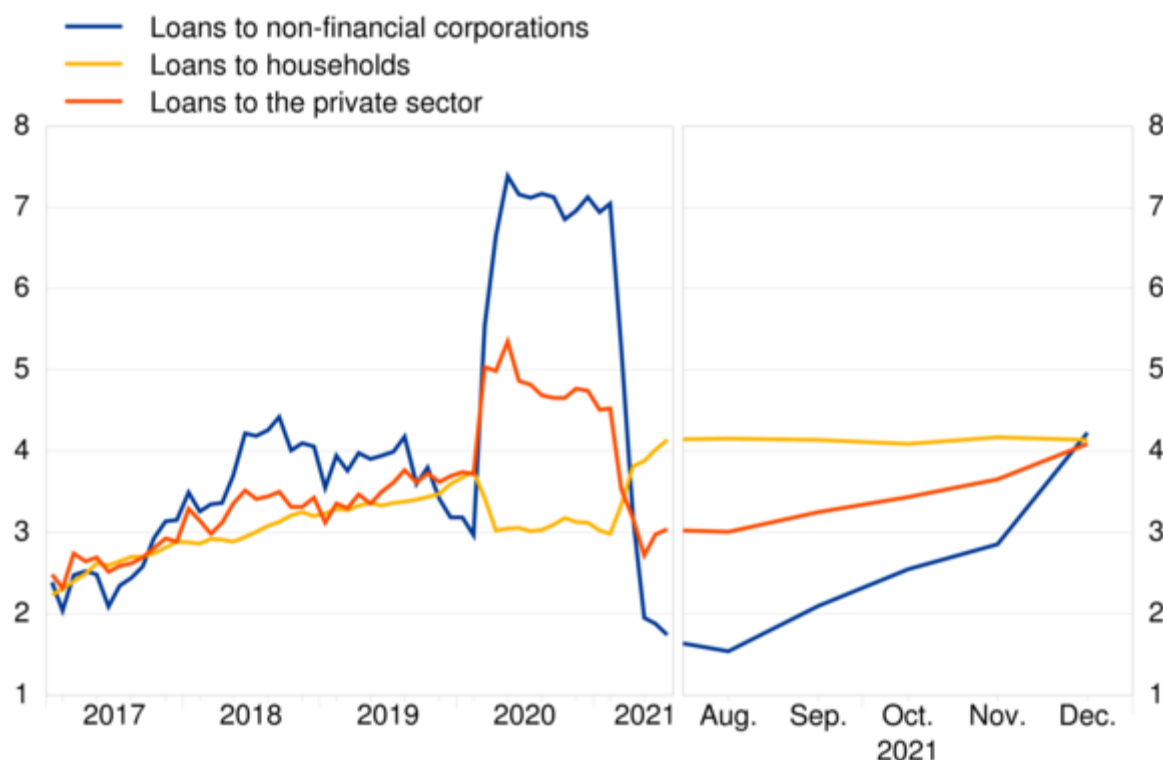
As regards the dynamics of credit, the annual growth rate of total [credit to euro area residents](#) increased to 6.1% in December 2021 from 5.8% in the previous month. The annual growth rate of [credit to general government](#) increased to 11.3% in December from 10.8% in November, while the annual growth rate of [credit to the private sector](#) increased to 3.9% in December from 3.7% in November.

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

### 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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