



EUROPEAN CENTRAL BANK  
EUROSYSTEM

## Press release

26 November 2021

# Monetary developments in the euro area: October 2021

- Annual growth rate of broad [monetary aggregate M3](#) increased to 7.7% in October 2021 from 7.5% in September (revised from 7.4%)
- Annual growth rate of narrower [monetary aggregate M1](#), comprising currency in circulation and overnight deposits, decreased to 10.7% in October from 11.1% in September
- Annual growth rate of [adjusted loans to households](#) stood at 4.1% in October, unchanged from previous month
- Annual growth rate of [adjusted loans to non-financial corporations](#) increased to 2.5% in October from 2.1% in September

## Components of the broad monetary aggregate M3

The annual growth rate of the broad monetary aggregate M3 increased to 7.7% in October 2021 from 7.5% in September, averaging 7.7% in the three months up to October. 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 10.7% in October from 11.1% in September. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) was -1.6% in October, compared with -2.5% in September. The annual growth rate of marketable instruments (M3-M2) increased to 11.1% in October from 6.8% in September.

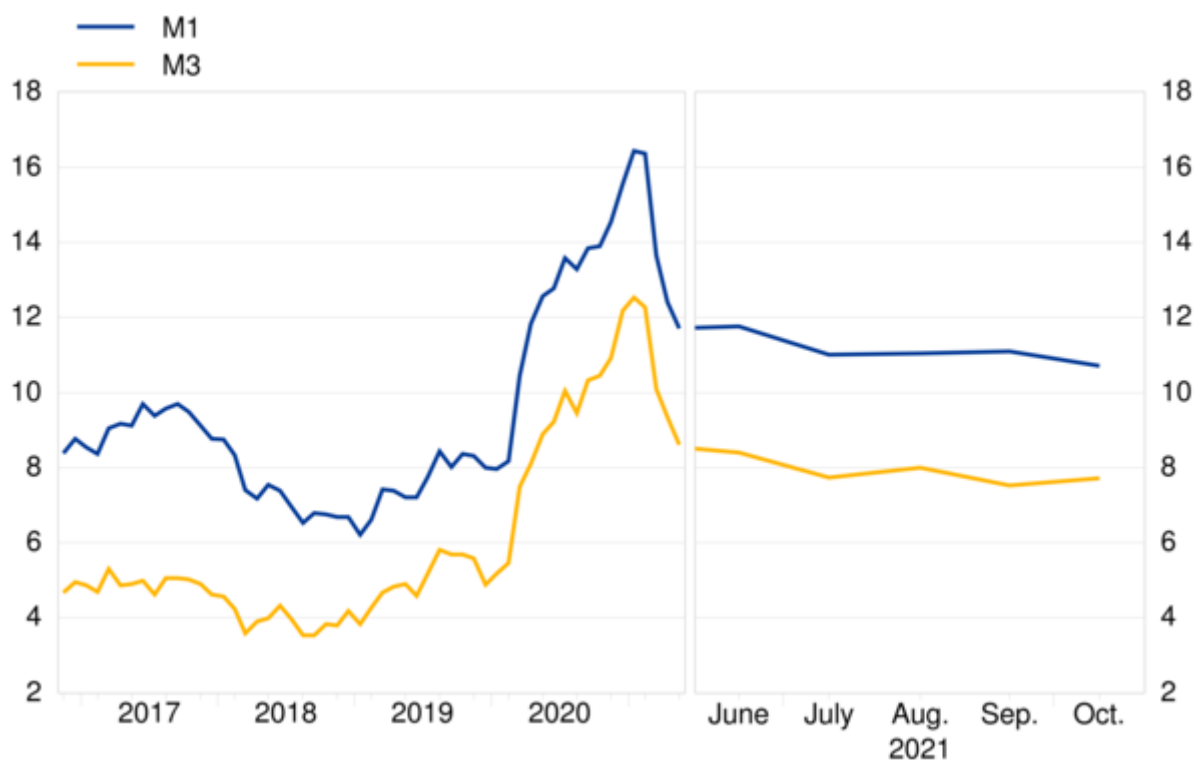
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## Chart 1 Monetary aggregates

(annual growth rates)



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

Looking at the [components' contributions to the annual growth rate of M3](#), the narrower aggregate M1 contributed 7.6 percentage points (down from 7.8 percentage points in September), short-term deposits other than overnight deposits (M2-M1) contributed -0.4 percentage point (up from -0.6 percentage point) and marketable instruments (M3-M2) contributed 0.6 percentage point (up from 0.3 percentage point).

From the perspective of the holding sectors of [deposits in M3](#), the annual growth rate of deposits placed by households decreased to 6.5% in October from 7.0% in September, while the annual growth rate of deposits placed by non-financial corporations increased to 7.4% in October from 7.1% in September. Finally, the annual growth rate of deposits placed by non-monetary financial corporations (excluding insurance corporations and pension funds) increased to 18.2% in October from 14.9% in September.

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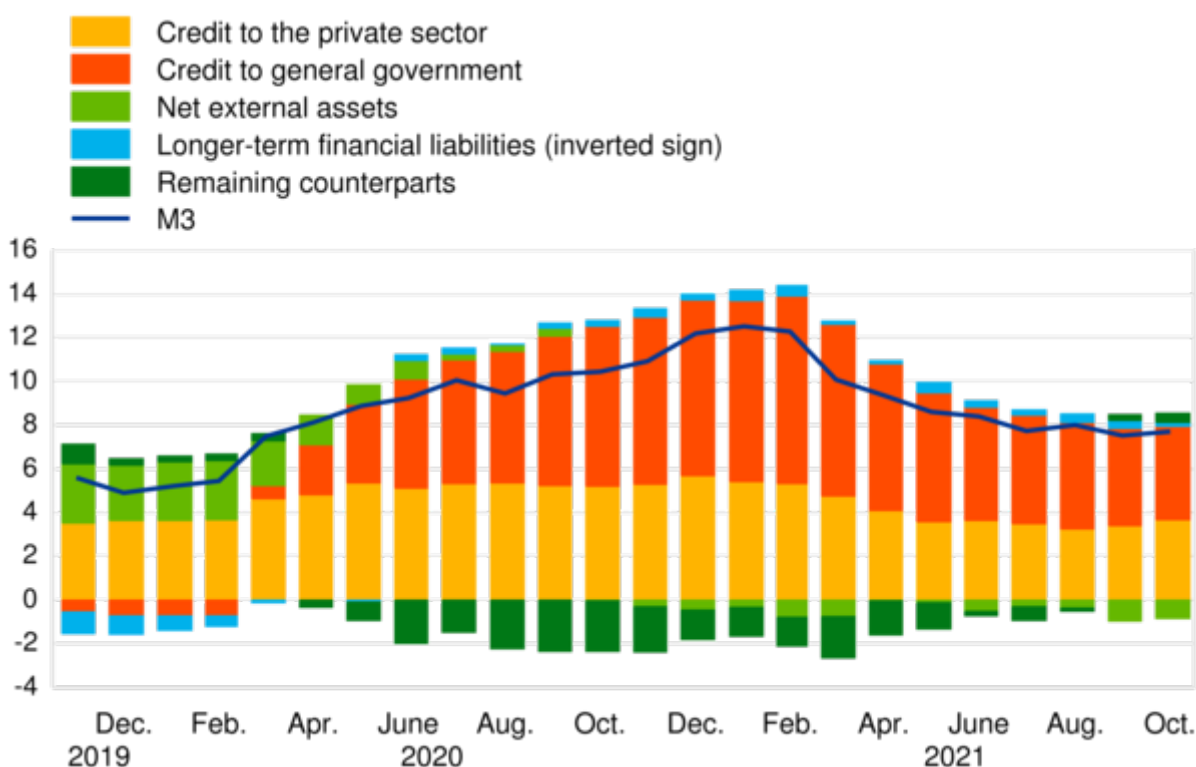
## Counterparts of the broad monetary aggregate M3

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 October 2021 can be broken down as follows: credit to general government contributed 4.3 percentage points (down from 4.5 percentage points in September), credit to the private sector contributed 3.7 percentage points (up from 3.4 percentage points), longer-term financial liabilities contributed 0.2 percentage point (down from 0.3 percentage point), net external assets contributed -0.8 percentage point (up from -1.0 percentage point), and the remaining counterparts of M3 contributed 0.4 percentage point (up from 0.3 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

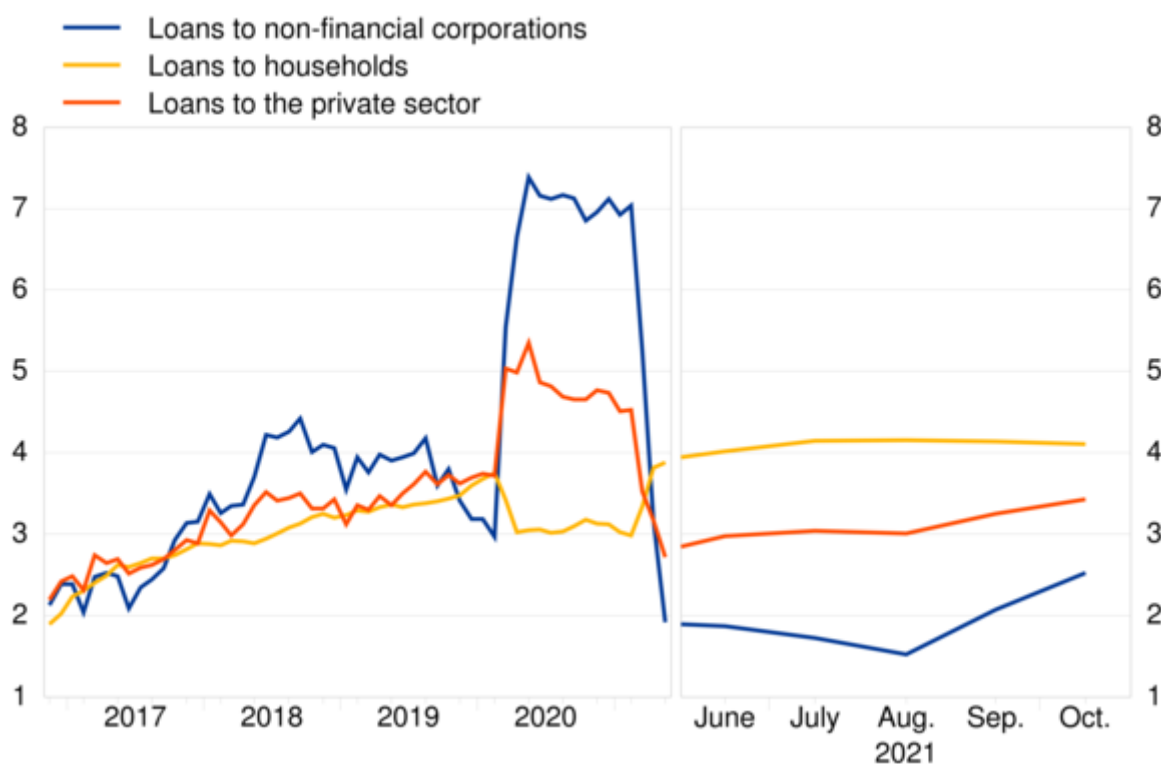
As regards the dynamics of credit, the annual growth rate of total [credit to euro area residents](#) stood at 5.6% in October 2021, unchanged from the previous month. The annual growth rate of [credit to general government](#) decreased to 10.5% in October from 11.0% in September, while the annual growth rate of [credit to the private sector](#) increased to 3.7% in October from 3.4% in September.

The annual growth rate of [adjusted loans to the private sector](#) (i.e. adjusted for loan sales, securitisation and notional cash pooling) increased to 3.4% in October from 3.2% in September. Among the borrowing sectors, the annual growth rate of [adjusted loans to households](#) stood at 4.1% in October, unchanged from the previous month, while the annual growth rate of [adjusted loans to non-financial corporations](#) increased to 2.5% in October from 2.1% in September.

### 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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