

Press release

27 October 2021

Monetary developments in the euro area: September 2021

- Annual growth rate of broad [monetary aggregate M3](#) decreased to 7.4% in September 2021 from 7.9% in August
- Annual growth rate of narrower [monetary aggregate M1](#), comprising currency in circulation and overnight deposits, stood at 11.0% in September, unchanged from previous month
- Annual growth rate of [adjusted loans to households](#) stood at 4.1% in September, compared with 4.2% in August
- Annual growth rate of [adjusted loans to non-financial corporations](#) increased to 2.1% in September from 1.5% in August

Components of the broad monetary aggregate M3

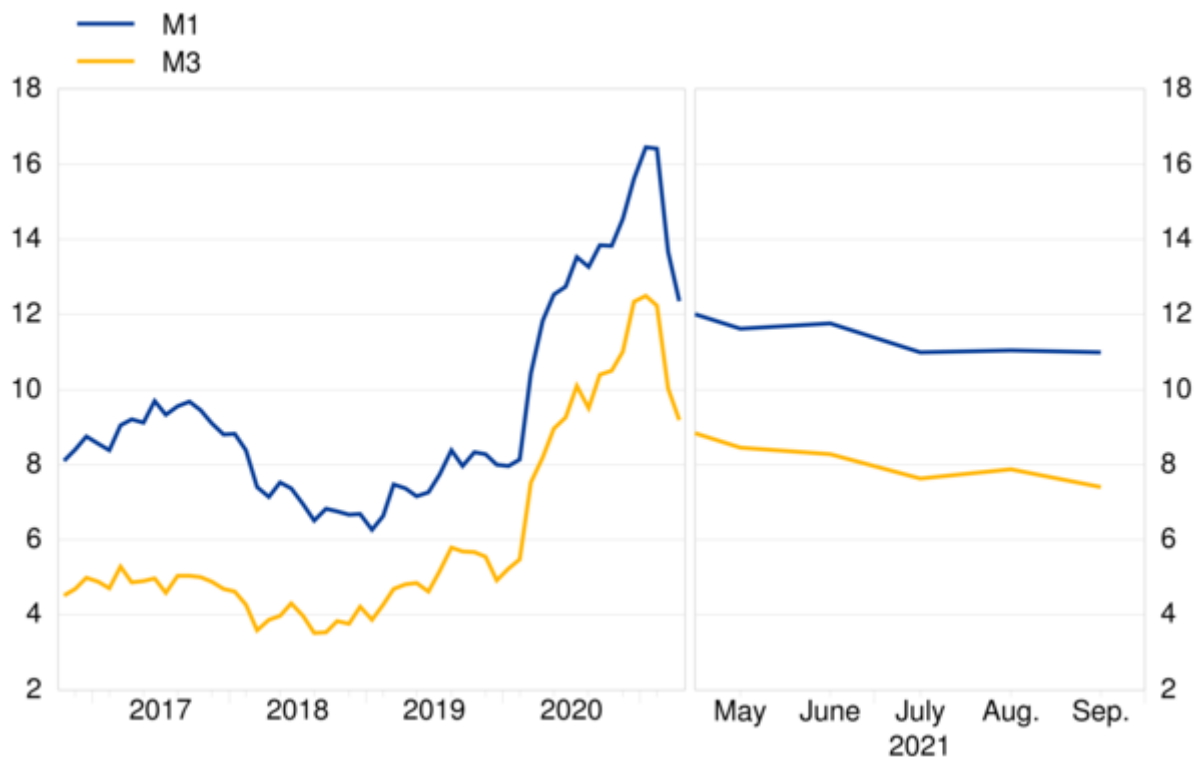
The annual growth rate of the broad monetary aggregate M3 decreased to 7.4% in September 2021 from 7.9% in August, averaging 7.6% in the three months up to September. The [components of M3](#) showed the following developments. The annual growth rate of the narrower aggregate M1, which comprises currency in circulation and overnight deposits, stood at 11.0% in September, unchanged from the previous month. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) was -2.5% in September, compared with -1.5% in August. The annual growth rate of marketable instruments (M3-M2) decreased to 5.7% in September from 10.0% in August.

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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 7.7 percentage points (down from 7.8 percentage points in August), short-term deposits other than overnight deposits (M2-M1) contributed -0.6 percentage point (down from -0.4 percentage point) and marketable instruments (M3-M2) contributed 0.3 percentage point (down 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 6.9% in September from 7.3% in August, while the annual growth rate of deposits placed by non-financial corporations increased to 7.1% in September from 6.9% in August. Finally, the annual growth rate of deposits placed by non-monetary financial corporations (excluding insurance corporations and pension funds) decreased to 14.9% in September from 16.4% in August.

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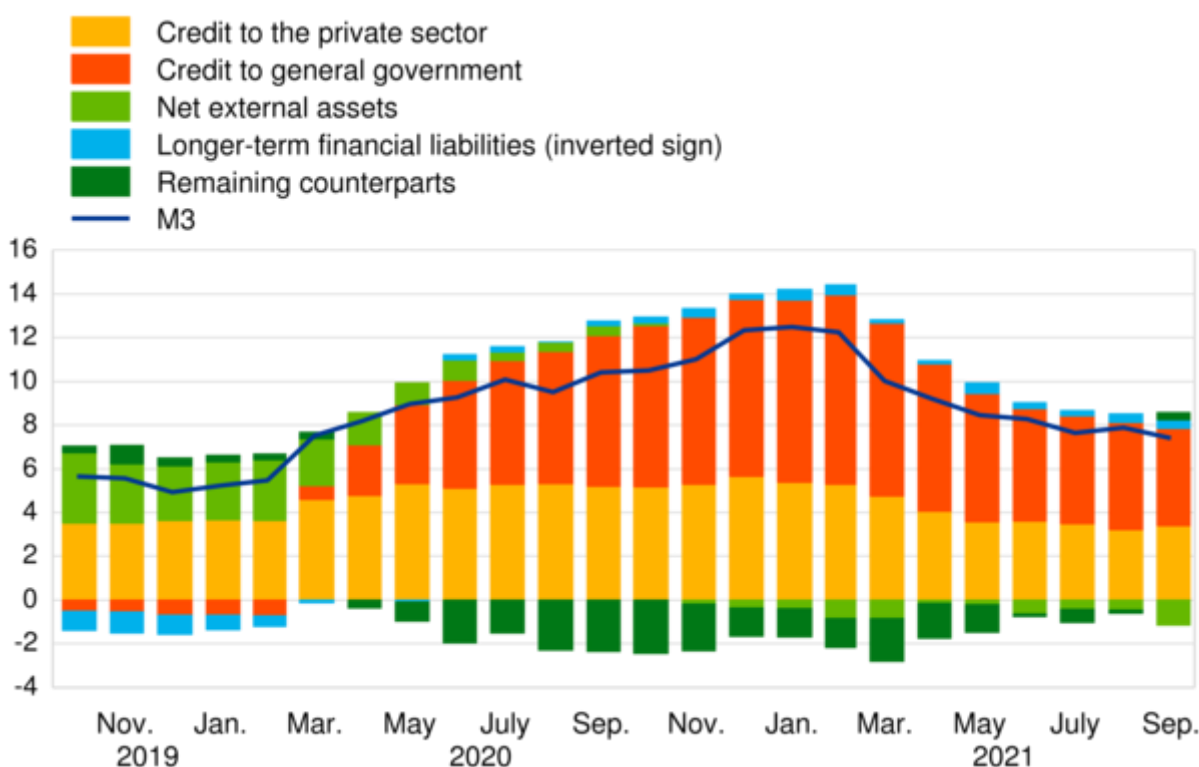
Counterparts of the broad monetary aggregate M3

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 September 2021 can be broken down as follows: credit to general government contributed 4.5 percentage points (down from 4.9 percentage points in August), credit to the private sector contributed 3.4 percentage points (up from 3.2 percentage points), longer-term financial liabilities contributed 0.4 percentage point (as in the previous month), net external assets contributed -1.2 percentage points (down from -0.5 percentage point), and the remaining counterparts of M3 contributed 0.3 percentage point (up from -0.1 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

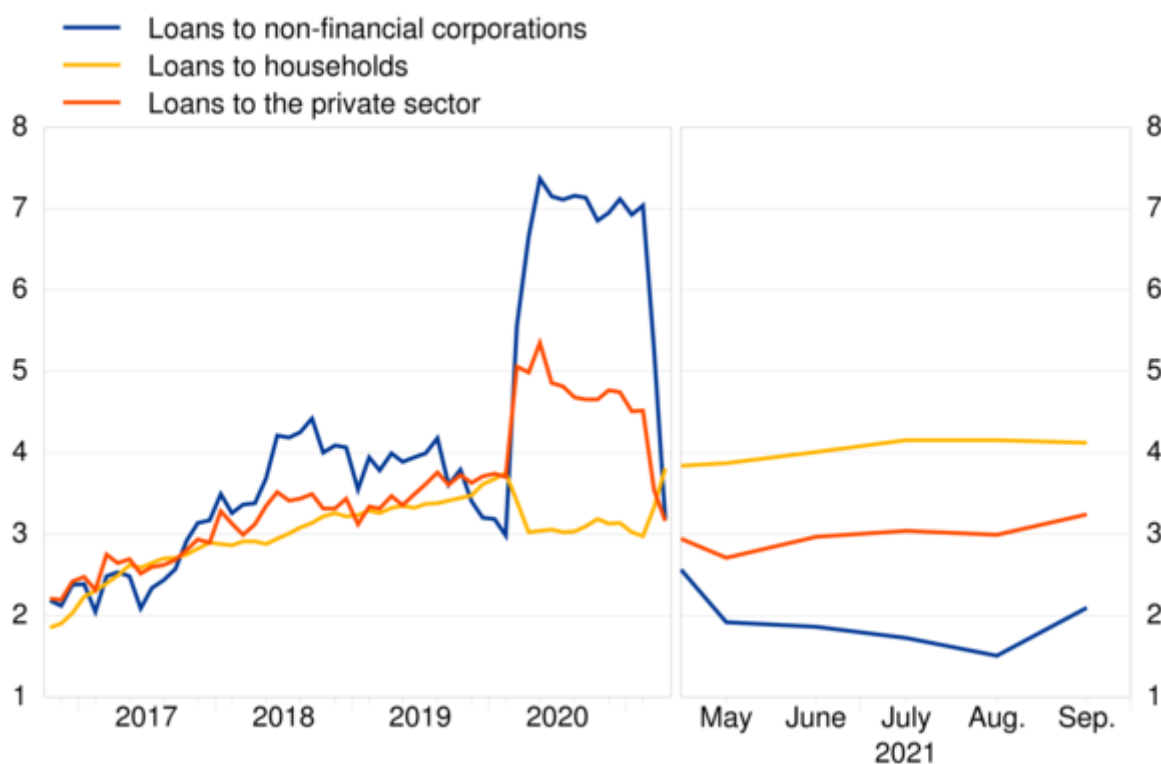
As regards the dynamics of credit, the annual growth rate of total [credit to euro area residents](#) stood at 5.6% in September 2021, compared with 5.7% in the previous month. The annual growth rate of [credit to general government](#) decreased to 11.0% in September from 12.1% in August, while the annual growth rate of [credit to the private sector](#) increased to 3.4% in September from 3.2% in August.

The annual growth rate of [adjusted loans to the private sector](#) (i.e. adjusted for loan sales, securitisation and notional cash pooling) increased to 3.2% in September from 3.0% in August. Among the borrowing sectors, the annual growth rate of [adjusted loans to households](#) stood at 4.1% in September, compared with 4.2% in August, while the annual growth rate of [adjusted loans to non-financial corporations](#) increased to 2.1% in September from 1.5% in August.

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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1 Monetary developments in the euro area: September 2021

(EUR billions and annual percentage changes; data adjusted for seasonal effects ^{a)})

	End-of-month level	Monthly flow			Annual growth rate		
	Sep 2021	Jul 2021	Aug 2021	Sep 2021	Jul 2021	Aug 2021	Sep 2021
COMPONENTS OF M3							
1. M3	15210	82	73	97	7.6	7.9	7.4
1.1. M2	14456	65	78	102	7.6	7.8	7.5
1.1.1. M1	11050	64	90	100	11.0	11.0	11.0
Currency in circulation	1444	8	9	8	8.9	8.6	8.5
Overnight deposits	9606	57	81	91	11.3	11.4	11.4
1.1.2. Other short-term deposits (M2 - M1)	3406	0	-12	3	-1.8	-1.5	-2.5
Deposits with an agreed maturity of up to two years	916	3	-17	-3	-13.5	-12.5	-15.1
Deposits redeemable at notice of up to three months	2490	-2	5	6	3.4	3.3	3.1
1.2. Marketable instruments (M3 - M2)	754	17	-4	-5	7.9	10.0	5.7
Repurchase agreements	121	5	-6	7	5.1	15.1	12.6
Money market fund shares	601	4	3	-15	4.0	5.0	-0.8
Debt securities issued with a maturity of up to two years	32	8	-1	2	-	-	-
COUNTERPARTS OF M3							
MFI liabilities:							
2. Holdings against central government ^{b)}	703	26	40	-20	-9.6	-11.8	-12.8
3. Longer-term financial liabilities vis-a-vis other euro area residents	6853	0	-17	12	-0.5	-0.8	-0.8
3.1. Deposits with an agreed maturity of over two years	1849	-7	-13	0	-3.0	-3.9	-3.6
3.2. Deposits redeemable at notice of over three months	39	-1	0	0	-9.4	-9.4	-9.9
3.3. Debt securities issued with a maturity of over two years	1979	13	-5	7	-4.0	-3.8	-4.3
3.4. Capital and reserves	2986	-5	2	5	3.7	3.4	3.7
MFI assets:							
4. Credit to euro area residents	20975	125	86	103	6.0	5.7	5.6
4.1. Credit to general government	6366	79	60	43	12.4	12.1	11.0
Loans	998	4	-5	-7	1.1	1.0	0.0
Debt securities	5366	75	65	51	15.1	14.8	13.6
Equity ^{c)}	2	0	0	0	-82.3	-81.9	-82.5
4.2. Credit to the private sector ^{d)}	14609	46	26	60	3.4	3.2	3.4
Loans ^{e)}	12180	46	26	48	3.1	3.0	3.2
Adjusted loans ^{f)}	12533	46	23	52	3.0	3.0	3.2
Debt securities	1533	3	-5	12	4.4	2.6	3.1
Equity and non-money market fund investment fund shares	896	-3	6	0	6.9	7.2	7.3
5. Net external assets	1366	16	10	-75	-	-	-
6. Other counterparts of M3 (residual)	425	-33	0	61	-	-	-
of which:							
6.1. Repos with central counterparties (liabilities) ^{c)}	139	10	-8	14	-17.9	-26.5	-0.6
6.2. Reverse repos to central counterparties (assets) ^{c)}	146	-1	-5	18	-23.5	-27.7	-0.9

a) Figures may not add up due to rounding. The information in this table is based on consolidated balance sheet statistics reported by monetary financial institutions (MFIs). These include the Eurosystem, credit institutions and money market funds located in the euro area.

Monthly flows refer to differences in levels adjusted for reclassifications, exchange rate variations, other revaluations and any other changes which do not arise from transactions.

M3 comprises liabilities of MFIs and specific units of central government (post offices, treasury) vis-à-vis non-MFI euro area residents excluding central government.

b) Includes holdings of the central government of deposits with the MFI sector and of securities issued by the MFI sector.

c) The series is not adjusted for seasonal effects.

d) Private sector refers to euro area non-MFIs excluding general government.

e) For further breakdowns see Table 4.

f) Adjusted for loan sales and securitisation (resulting in derecognition from the MFI statistical balance sheet) as well as for positions arising from notional cash pooling services provided by MFIs.

2 Contributions to the M3 annual growth rate: September 2021

(contributions in terms of the M3 annual percentage change; data adjusted for seasonal effects ^{a)})

	Jul 2021	Aug 2021	Sep 2021
COMPONENTS OF M3			
1. M1	7.7	7.8	7.7
1.1. Currency in circulation	0.8	0.8	0.8
1.2. Overnight deposits	6.9	6.9	6.9
2. M2 - M1 (other short-term deposits)	-0.5	-0.4	-0.6
3. M3 - M2 (marketable instruments)	0.4	0.5	0.3
COUNTERPARTS OF M3			
4. Credit to the private sector	3.5	3.2	3.4
5. Credit to general government	4.9	4.9	4.5
6. Net external assets	-0.4	-0.5	-1.2
7. Longer-term financial liabilities (inverted sign) ^{b)}	0.3	0.4	0.4
8. Remaining counterparts	-0.6	-0.1	0.3
M3 (sum of items 1 to 3, or items 4 to 8)	7.6	7.9	7.4

a) Figures may not add up due to rounding.

b) Longer-term financial liabilities vis-a-vis euro area residents excluding central government.

3 Breakdown of deposits in M3 by holding sector and type: September 2021 (EUR billions and annual percentage changes; data adjusted for seasonal effects ^{a)})

	End-of-month level	Monthly flow			Annual growth rate		
	Sep 2021	Jul 2021	Aug 2021	Sep 2021	Jul 2021	Aug 2021	Sep 2021
BREAKDOWN OF DEPOSITS IN M3							
Total deposits	13134	62	63	102	7.5	7.7	7.4
1. Deposits placed by households ^{b)}	8016	23	51	26	7.3	7.3	6.9
1.1. Overnight deposits	5312	30	51	25	10.6	10.7	10.1
1.2. Deposits with an agreed maturity of up to two years	390	-9	-5	-4	-12.6	-12.6	-12.7
1.3. Deposits redeemable at notice of up to three months	2314	2	5	6	4.2	4.1	3.9
1.4. Repurchase agreements	1	0	0	0	-27.9	-27.7	-31.8
2. Deposits placed by non-financial corporations	3164	12	23	25	6.8	6.9	7.1
2.1. Overnight deposits	2739	19	25	22	10.4	10.2	10.2
2.2. Deposits with an agreed maturity of up to two years	284	-6	-3	2	-14.2	-13.0	-12.0
2.3. Deposits redeemable at notice of up to three months	131	-1	0	0	-5.5	-5.6	-5.3
2.4. Repurchase agreements	9	-1	1	1	46.9	96.7	38.5
3. Deposits placed by non-monetary financial corporations excluding insurance corporations and pension funds ^{c)}	1218	12	-9	42	14.9	16.4	14.9
3.1. Overnight deposits	957	0	1	33	18.9	19.2	22.2
3.2. Deposits with an agreed maturity of up to two years	150	15	-6	-4	-1.9	3.8	-19.3
3.3. Deposits redeemable at notice of up to three months	21	-3	0	0	-5.2	-5.6	-3.9
3.4. Repurchase agreements ^{c)}	91	0	-5	12	15.6	20.0	27.9
4. Deposits placed by insurance corporations and pension funds	228	13	-2	-5	-3.9	-1.7	-6.5
5. Deposits placed by other general government	508	3	0	13	4.1	5.7	8.1

a) Figures may not add up due to rounding. The information in this table is based on consolidated balance sheet statistics reported by monetary financial institutions (MFIs). These include the Eurosystem, credit institutions and money market funds located in the euro area.

Monthly flows refer to differences in levels adjusted for reclassifications, exchange rate variations, other revaluations and any other changes which do not arise from transactions.

b) Includes deposits by non-profit institutions serving households.

c) Excludes repurchase agreements with central counterparties.

4 Breakdown of private sector loans by borrowing sector, type and original maturity: September 2021
(EUR billions and annual percentage changes; data adjusted for seasonal effects ^{a)})

	End-of-month level	Monthly flow			Annual growth rate		
	Sep 2021	Jul 2021	Aug 2021	Sep 2021	Jul 2021	Aug 2021	Sep 2021
BREAKDOWN OF LOANS AS COUNTERPART TO M3							
1. Loans to households ^{b)}	6310	26	17	21	4.5	4.5	4.3
<i>Adjusted loans ^{c)}</i>	6569	28	20	21	4.2	4.2	4.1
1.1. Credit for consumption	697	2	0	2	0.4	0.1	0.4
1.2. Lending for house purchase	4913	23	20	21	5.7	5.8	5.5
1.3. Other lending	700	1	-3	-2	0.6	0.1	-0.1
<i>of which: sole proprietors</i>	371	0	-2	-1	0.4	-0.3	-0.6
2. Loans to non-financial corporations	4773	13	7	19	1.3	1.0	1.6
<i>Adjusted loans ^{c)}</i>	4890	10	12	23	1.7	1.5	2.1
2.1. up to 1 year	836	-3	0	8	-11.3	-10.9	-8.5
2.2. over 1 year and up to 5 years	971	-3	2	2	-3.2	-3.9	-3.7
2.3. over 5 years	2966	20	6	9	7.2	6.7	6.9
3. Loans to non-monetary financial corporations except insurance corporations and pension funds ^{d)}	952	8	2	13	4.2	5.1	5.9
<i>Adjusted loans ^{c)}</i>	941	11	-7	13	4.0	4.6	5.8
4. Loans to insurance corporations and pension funds	144	-2	-1	-5	-5.0	-6.0	-10.3
<i>Adjusted loans ^{c)}</i>	133	-2	-3	-5	-7.1	-7.9	-12.9

a) Figures may not add up due to rounding.

Monthly flows refer to differences in levels adjusted for write-offs/write-downs, reclassifications, exchange rate variations and any other changes which do not arise from transactions. Data refer to loans granted by monetary financial institutions (MFIs) to non-MFI euro area residents excluding general government.

b) Includes loans to non-profit institutions serving households.

c) Adjusted for loan sales and securitisation (resulting in derecognition from the MFI statistical balance sheet) as well as for positions arising from notional cash pooling services provided by MFIs.

d) Excludes reverse repos to central counterparties.