EUROPEAN CENTRAL BANK

EUROSYSTEM

Press release

29 December 2022

Monetary developments in the euro area: November 2022

- Annual growth rate of broad monetary aggregate M3 decreased to 4.8% in November 2022 from 5.1% in October
- Annual growth rate of narrower monetary aggregate M1, comprising currency in circulation and overnight deposits, decreased to 2.4% in November from 3.8% in October
- Annual growth rate of adjusted loans to households stood at 4.1% in November, compared with 4.2% in October
- Annual growth rate of adjusted loans to non-financial corporations decreased to 8.4% in November from 8.9% in October

Components of the broad monetary aggregate M3

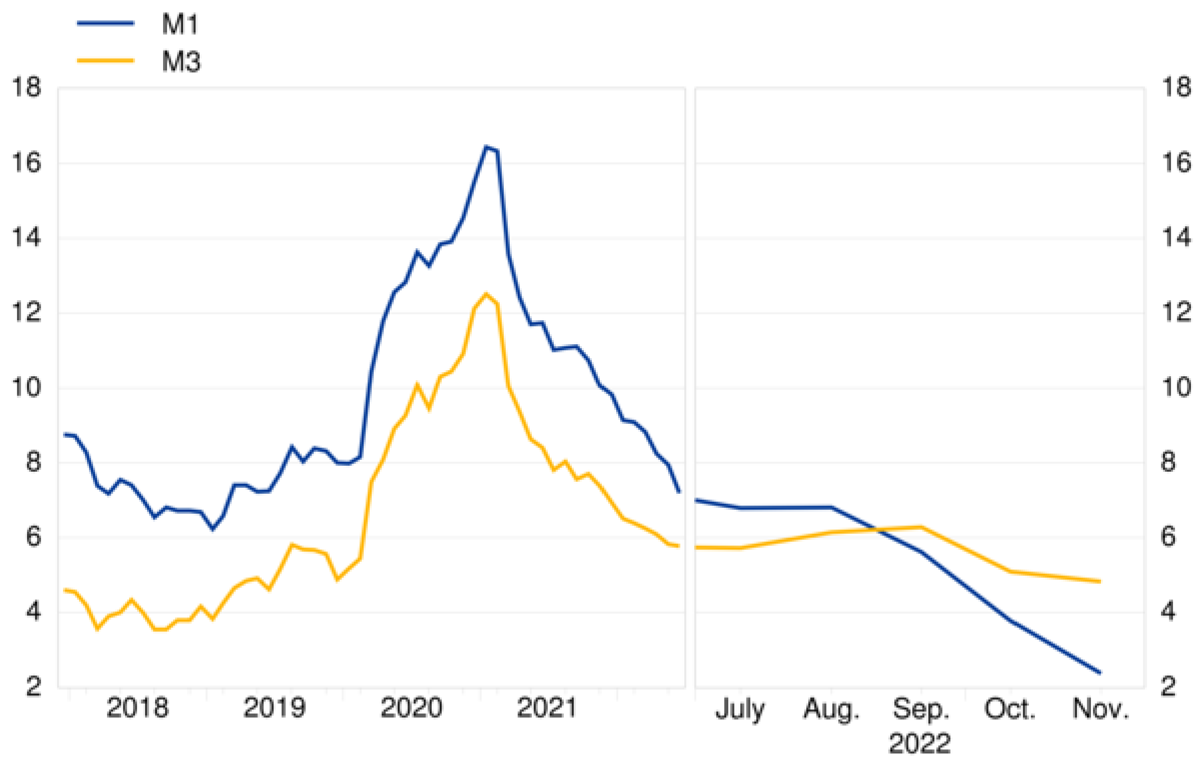
The annual growth rate of the broad monetary aggregate M3 decreased to 4.8% in November 2022 from 5.1% in October, averaging 5.4% in the three months up to November. The components of M3 showed the following developments. The annual growth rate of the narrower aggregate M1, which comprises currency in circulation and overnight deposits, decreased to 2.4% in November from 3.8% in October. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) increased to 12.0% in November from 9.9% in October. The annual growth rate of marketable instruments (M3-M2) increased to 8.5% in November from 2.9% in October.

European Central Bank
Directorate General Communications, Global Media Relations Division
Sonnemannstrasse 20, 60314 Frankfurt am Main, Germany
Tel.: +49 69 1344 7455, e-mail: media@ecb.europa.eu, website: www.ecb.europa.eu

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 1.7 percentage points (down from 2.7 percentage points in October), short-term deposits other than overnight deposits (M2-M1) contributed 2.7 percentage points (up from 2.2 percentage points) and marketable instruments (M3-M2) contributed 0.4 percentage points (up from 0.1 percentage points).

From the perspective of the holding sectors of deposits in M3, the annual growth rate of deposits placed by households decreased to 3.8% in November from 4.1% in October, while the annual growth rate of deposits placed by non-financial corporations decreased to 5.4% in November from 6.0% in October. Finally, the annual growth rate of deposits placed by non-monetary financial corporations (excluding insurance corporations and pension funds) decreased to 6.7% in November from 6.9% in October.

European Central Bank
Directorate General Communications, Global Media Relations Division
Sonnemannstrasse 20, 60314 Frankfurt am Main, Germany
Tel.: +49 69 1344 7455, e-mail: media@ecb.europa.eu, website: www.ecb.europa.eu

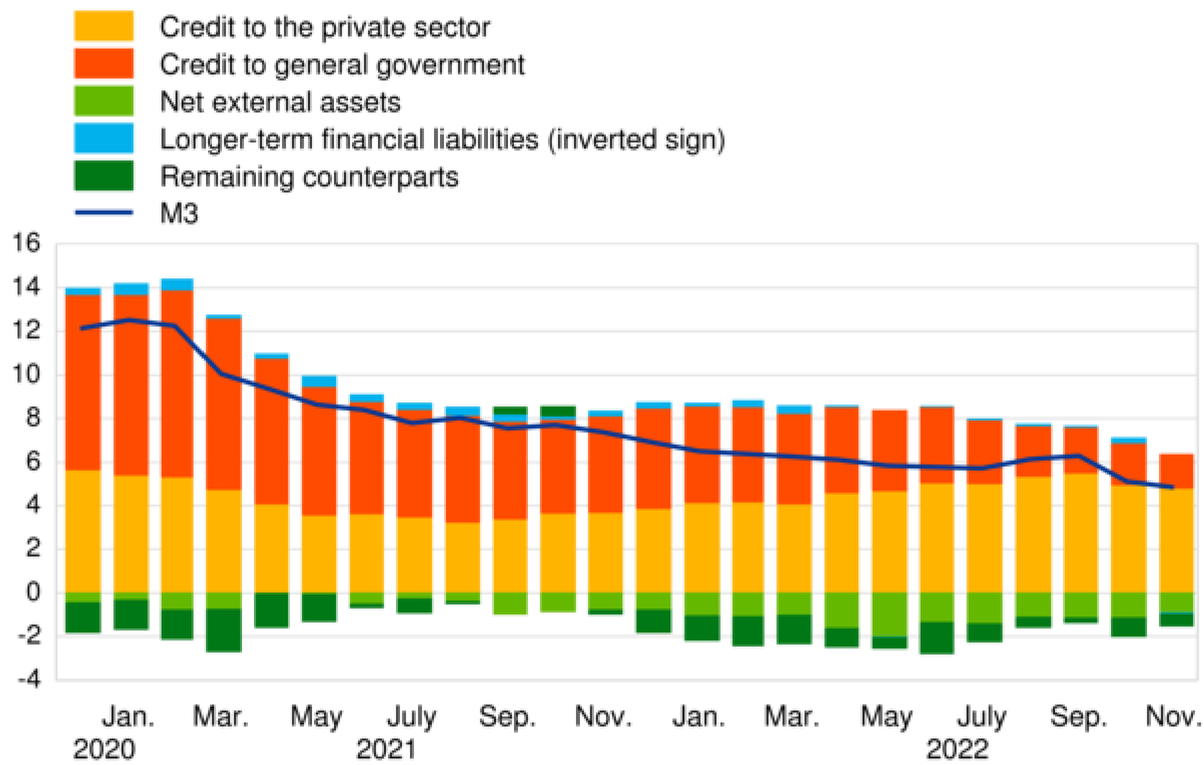
Counterparts of the broad monetary aggregate M3

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 2022 can be broken down as follows: credit to the private sector contributed 4.8 percentage points (down from 5.0 percentage points in October), credit to general government contributed 1.5 percentage points (down from 1.9 percentage points), longer-term financial liabilities contributed 0.0 percentage points (down from 0.2 percentage points), net external assets contributed -0.9 percentage points (up from -1.2 percentage points), and the remaining counterparts of M3 contributed -0.5 percentage points (up from -0.8 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

European Central Bank
Directorate General Communications, Global Media Relations Division
Sonnemannstrasse 20, 60314 Frankfurt am Main, Germany
Tel.: +49 69 1344 7455, e-mail: media@ecb.europa.eu, website: www.ecb.europa.eu

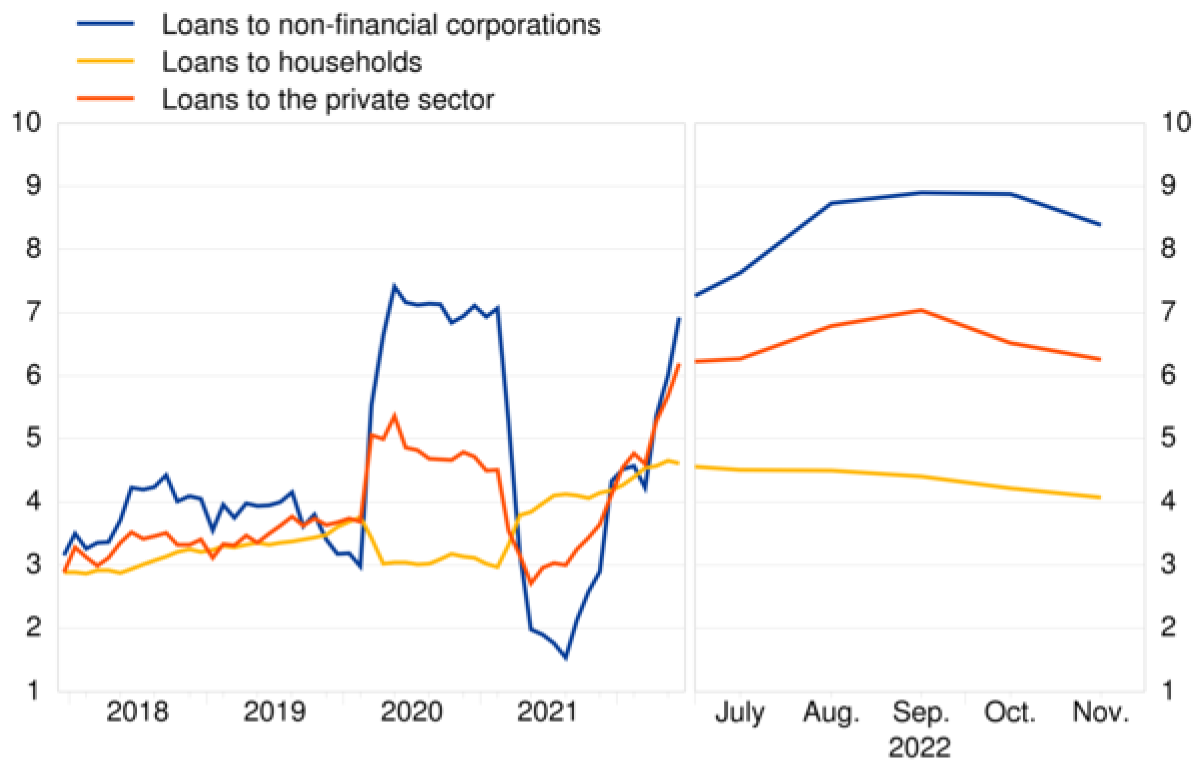
Credit to euro area residents

As regards the dynamics of credit, the annual growth rate of total credit to euro area residents decreased to 4.6% in November 2022 from 5.0% in the previous month. The annual growth rate of credit to general government decreased to 3.7% in November from 4.6% in October, while the annual growth rate of credit to the private sector decreased to 5.0% in November from 5.2% in October.

The annual growth rate of adjusted loans to the private sector (i.e. adjusted for loan sales, securitisation and notional cash pooling) decreased to 6.3% in November from 6.5% in October. Among the borrowing sectors, the annual growth rate of adjusted loans to households stood at 4.1% in November, compared with 4.2% in October, while the annual growth rate of adjusted loans to non-financial corporations decreased to 8.4% in November from 8.9% in October.

Chart 3
Adjusted loans to the private sector

(annual growth rates)



Data for adjusted loans to the private sector

European Central Bank
Directorate General Communications, Global Media Relations Division
Sonnemannstrasse 20, 60314 Frankfurt am Main, Germany
Tel.: +49 69 1344 7455, e-mail: media@ecb.europa.eu, website: www.ecb.europa.eu

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.

European Central Bank
Directorate General Communications, Global Media Relations Division
Sonnemannstrasse 20, 60314 Frankfurt am Main, Germany
Tel.: +49 69 1344 7455, e-mail: media@ecb.europa.eu, website: www.ecb.europa.eu

1 Monetary developments in the euro area: November 2022

(EUR billions and annual percentage changes; data adjusted for seasonal effects [a)])

	End-of-month level	Monthly flow			Annual growth rate		
	Nov 2022	Sep 2022	Oct 2022	Nov 2022	Sep 2022	Oct 2022	Nov 2022
COMPONENTS OF M3							
1. M3	**16147**	**115**	**-69**	**28**	**6.3**	**5.1**	**4.8**
1.1. M2	15332	102	-66	-25	6.2	5.2	4.7
1.1.1. M1	11450	-14	-146	-101	5.6	3.8	2.4
Currency in circulation	1541	2	3	0	6.5	6.0	5.4
Overnight deposits	9909	-15	-149	-101	5.5	3.4	1.9
1.1.2. Other short-term deposits (M2 - M1)	3881	116	80	76	8.1	9.9	12.0
Deposits with an agreed maturity of up to two years	1330	111	77	80	24.0	30.1	38.8
Deposits redeemable at notice of up to three months	2552	5	3	-5	2.3	2.3	1.9
1.2. Marketable instruments (M3 - M2)	816	13	-3	53	7.8	2.9	8.5
Repurchase agreements	139	-4	5	15	-4.5	-7.9	8.2
Money market fund shares	638	3	22	18	-1.3	-0.7	-1.2
Debt securities issued with a maturity of up to two years	39	14	-30	20	367.1	58.7	261.4
COUNTERPARTS OF M3							
MFI liabilities:							
2. Holdings against central government [b)]	**692**	**-7**	**34**	**15**	**-7.4**	**-8.2**	**-2.8**
3. Longer-term financial liabilities vis-a-vis other euro area residents	**6789**	**7**	**-10**	**33**	**-0.1**	**-0.4**	**0.1**
3.1. Deposits with an agreed maturity of over two years	1788	-14	-12	2	-4.8	-5.0	-4.4
3.2. Deposits redeemable at notice of over three months	31	0	0	0	-18.6	-17.2	-15.8
3.3. Debt securities issued with a maturity of over two years	2105	-2	13	29	-2.0	-2.3	-0.9
3.4. Capital and reserves	2865	23	-11	2	4.5	4.0	3.8
MFI assets:							
4. Credit to euro area residents	**21857**	**92**	**6**	**40**	**5.5**	**5.0**	**4.6**
4.1. Credit to general government	6423	6	11	7	5.0	4.6	3.7
Loans	994	4	-6	-3	0.5	0.8	0.3
Debt securities	5403	2	17	9	5.8	5.3	4.3
Equity [c)]	25	0	0	1	39.5	38.6	40.0
4.2. Credit to the private sector [d)]	15435	86	-6	33	5.8	5.2	5.0
Loans [e)]	13043	81	-4	18	6.7	6.2	5.8
Adjusted loans [f)]	13193	86	-3	35	7.0	6.5	6.3
Debt securities	1554	4	-10	13	3.5	0.9	2.3
Equity and non-money market fund investment fund shares	838	0	8	2	-3.0	-1.8	-0.9
5. Net external assets	**1305**	**-52**	**3**	**12**	**-**	**-**	**-**
6. Other counterparts of M3 (residual)	**466**	**75**	**-54**	**24**	**-**	**-**	**-**
of which:							
6.1. Repos with central counterparties (liabilities) [c)]	157	-12	-2	17	3.4	1.0	9.6
6.2. Reverse repos to central counterparties (assets) [c)]	171	0	10	15	4.3	10.1	18.9

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: November 2022

(contributions in terms of the M3 annual percentage change; data adjusted for seasonal effects [a])

	Sep 2022	Oct 2022	Nov 2022
COMPONENTS OF M3			
1. M1	4.1	2.7	1.7
1.1. Currency in circulation	0.6	0.6	0.5
1.2. Overnight deposits	3.5	2.2	1.2
2. M2 - M1 (other short-term deposits)	1.8	2.2	2.7
3. M3 - M2 (marketable instruments)	0.4	0.1	0.4
COUNTERPARTS OF M3			
4. Credit to the private sector	5.5	5.0	4.8
5. Credit to general government	2.1	1.9	1.5
6. Net external assets	-1.2	-1.2	-0.9
7. Longer-term financial liabilities (inverted sign) [b]	0.0	0.2	0.0
8. Remaining counterparts	-0.2	-0.8	-0.5
M3 (sum of items 1 to 3, or items 4 to 8)	**6.3**	**5.1**	**4.8**

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: November 2022

(EUR billions and annual percentage changes; data adjusted for seasonal effects [a)])

	End-of-month level	Monthly flow			Annual growth rate		
	Nov 2022	Sep 2022	Oct 2022	Nov 2022	Sep 2022	Oct 2022	Nov 2022
BREAKDOWN OF DEPOSITS IN M3							
Total deposits	**13929**	**97**	**-64**	**-10**	**6.1**	**5.0**	**4.6**
1. Deposits placed by households [b)]	**8378**	**39**	**14**	**-4**	**4.2**	**4.1**	**3.8**
1.1. Overnight deposits	5582	23	-5	-30	5.6	5.0	4.0
1.2. Deposits with an agreed maturity of up to two years	413	13	15	29	-4.2	1.1	10.3
1.3. Deposits redeemable at notice of up to three months	2383	4	4	-3	2.6	2.5	2.2
1.4. Repurchase agreements	1	0	0	0	55.7	7.6	7.9
2. Deposits placed by non-financial corporations	**3395**	**-9**	**30**	**-5**	**5.9**	**6.0**	**5.4**
2.1. Overnight deposits	2768	-50	-29	-48	3.3	1.4	-0.9
2.2. Deposits with an agreed maturity of up to two years	488	40	60	44	34.0	51.1	67.0
2.3. Deposits redeemable at notice of up to three months	132	1	-2	0	1.8	1.8	1.7
2.4. Repurchase agreements	8	1	1	-1	-15.2	2.6	-2.8
3. Deposits placed by non-monetary financial corporations excluding insurance corporations and pension funds [c)]	**1347**	**75**	**-124**	**1**	**18.1**	**6.9**	**6.7**
3.1. Overnight deposits	970	32	-119	-21	16.6	4.1	2.1
3.2. Deposits with an agreed maturity of up to two years	250	45	-7	8	42.9	32.6	30.8
3.3. Deposits redeemable at notice of up to three months	19	0	2	-1	-8.0	7.9	-0.6
3.4. Repurchase agreements [c)]	108	-3	0	15	1.0	-7.1	10.5
4. Deposits placed by insurance corporations and pension funds	**250**	**6**	**11**	**-4**	**7.2**	**8.4**	**8.7**
5. Deposits placed by other general government	**558**	**-15**	**5**	**1**	**6.4**	**7.4**	**6.9**

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.
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: November 2022

(EUR billions and annual percentage changes; data adjusted for seasonal effects [a])

	End-of-month level	Monthly flow			Annual growth rate		
	Nov 2022	Sep 2022	Oct 2022	Nov 2022	Sep 2022	Oct 2022	Nov 2022
BREAKDOWN OF LOANS AS COUNTERPART TO M3							
1. Loans to households [b]	**6631**	**18**	**10**	**12**	**4.4**	**4.1**	**3.9**
Adjusted loans [c]	**6825**	**18**	**12**	**17**	**4.4**	**4.2**	**4.1**
1.1. Credit for consumption	717	2	2	2	3.3	3.3	3.0
1.2. Lending for house purchase	5211	15	8	9	5.1	4.8	4.6
1.3. Other lending	704	1	-1	1	0.2	0.1	0.2
of which: sole proprietors	374	0	0	-2	-0.4	-0.6	-0.9
2. Loans to non-financial corporations	**5166**	**30**	**25**	**-14**	**8.0**	**8.1**	**7.3**
Adjusted loans [c]	**5146**	**37**	**24**	**-1**	**8.9**	**8.9**	**8.4**
2.1. up to 1 year	995	18	0	-10	19.6	16.9	14.3
2.2. over 1 year and up to 5 years	1073	5	11	0	9.9	11.0	10.1
2.3. over 5 years	3098	8	15	-3	4.0	4.7	4.4
3. Loans to non-monetary financial corporations except insurance corporations and pension funds [d]	**1096**	**25**	**-38**	**29**	**14.9**	**11.3**	**12.2**
Adjusted loans [c]	**1083**	**25**	**-37**	**28**	**15.6**	**11.3**	**12.8**
4. Loans to insurance corporations and pension funds	**150**	**8**	**-2**	**-10**	**10.0**	**3.1**	**-6.4**
Adjusted loans [c]	**139**	**7**	**-1**	**-9**	**9.9**	**3.3**	**-6.7**

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.