



EUROPEAN CENTRAL BANK
EUROSYSTEM

Press release

2 January 2024

Monetary developments in the euro area: November 2023

- Annual growth rate of broad [monetary aggregate M3](#) stood at -0.9% in November 2023, after -1.0% in October 2023
- Annual growth rate of narrower [monetary aggregate M1](#), comprising currency in circulation and overnight deposits, was -9.5% in November, compared with -10.0% in October
- Annual growth rate of [adjusted loans to households](#) stood at 0.5% in November, compared with 0.6% in October
- Annual growth rate of [adjusted loans to non-financial corporations](#) increased to 0.0% in November from -0.3% in October

Components of the broad monetary aggregate M3

The annual growth rate of the broad monetary aggregate M3 stood at -0.9% in November 2023, after -1.0% in October, averaging -1.0% 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, was -9.5% in November, compared with -10.0% in October. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) decreased to 20.8% in November from 21.4% in October. The annual growth rate of marketable instruments (M3-M2) decreased to 17.9% in November from 22.9% in October.

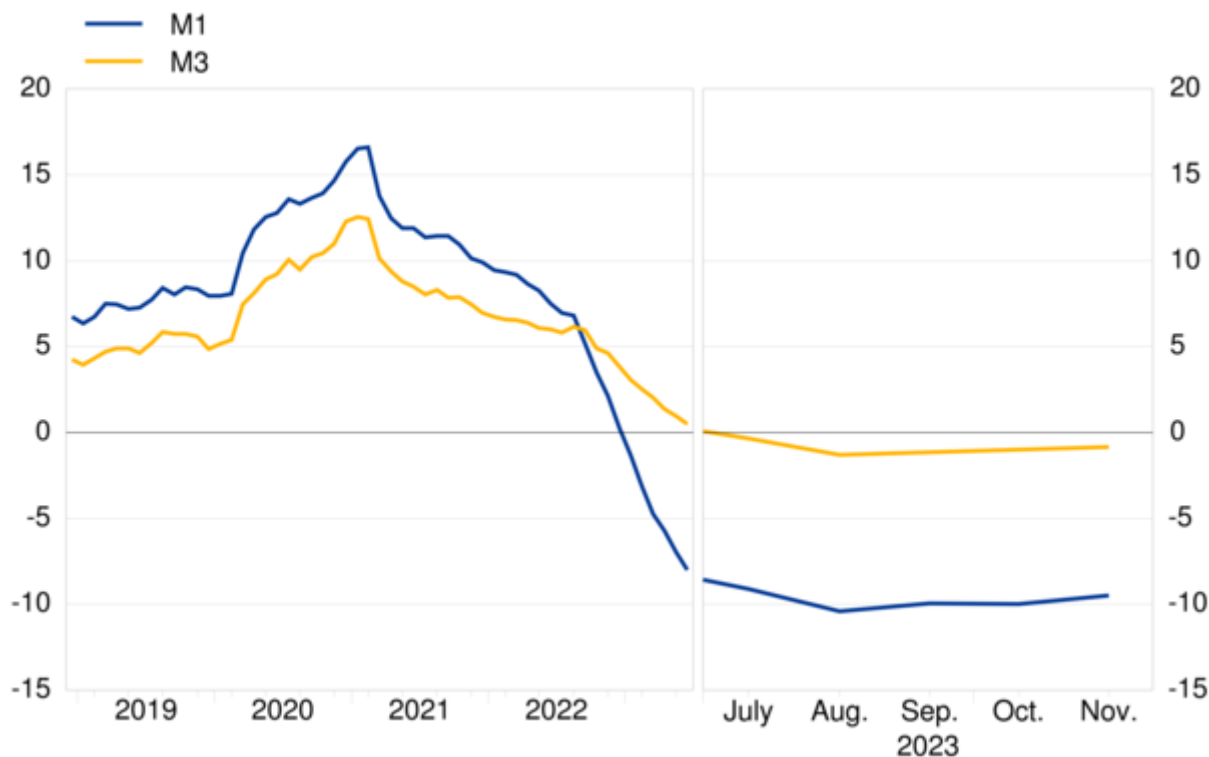
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Chart 1 Monetary aggregates

(annual growth rates)



[Data for monetary aggregates](#)

Looking at the [components' contributions to the annual growth rate of M3](#), the narrower aggregate M1 contributed -6.7 percentage points (up from -7.2 percentage points in October), short-term deposits other than overnight deposits (M2-M1) contributed 5.0 percentage points (down from 5.1 percentage points) and marketable instruments (M3-M2) contributed 0.9 percentage points (down from 1.1 percentage points).

From the perspective of the holding sectors of [deposits in M3](#), the annual growth rate of deposits placed by households was -0.3% in November, compared with -0.5% in October, while the annual growth rate of deposits placed by non-financial corporations was -1.8% in November, compared with -2.0% in October. Finally, the annual growth rate of deposits placed by non-monetary financial corporations (excluding insurance corporations and pension funds) was -8.3% in November, compared with -10.7% in October.

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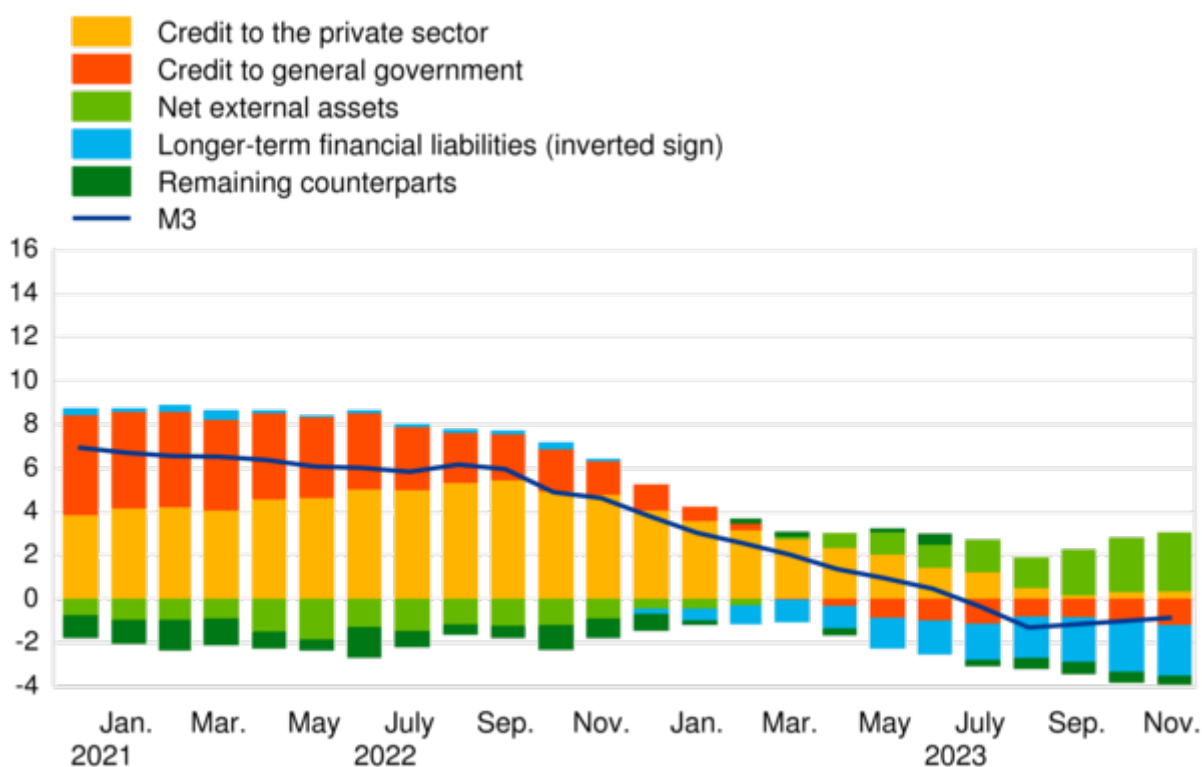
Counterparts of the broad monetary aggregate M3

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 November 2023 can be broken down as follows: net external assets contributed 2.6 percentage points (up from 2.4 percentage points in October), credit to the private sector contributed 0.4 percentage points (as in the previous month), credit to general government contributed -1.2 percentage points (down from -1.0 percentage points), longer-term financial liabilities contributed -2.3 percentage points (as in the previous month), and the remaining counterparts of M3 contributed -0.4 percentage points (up from -0.5 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](#)

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Credit to euro area residents

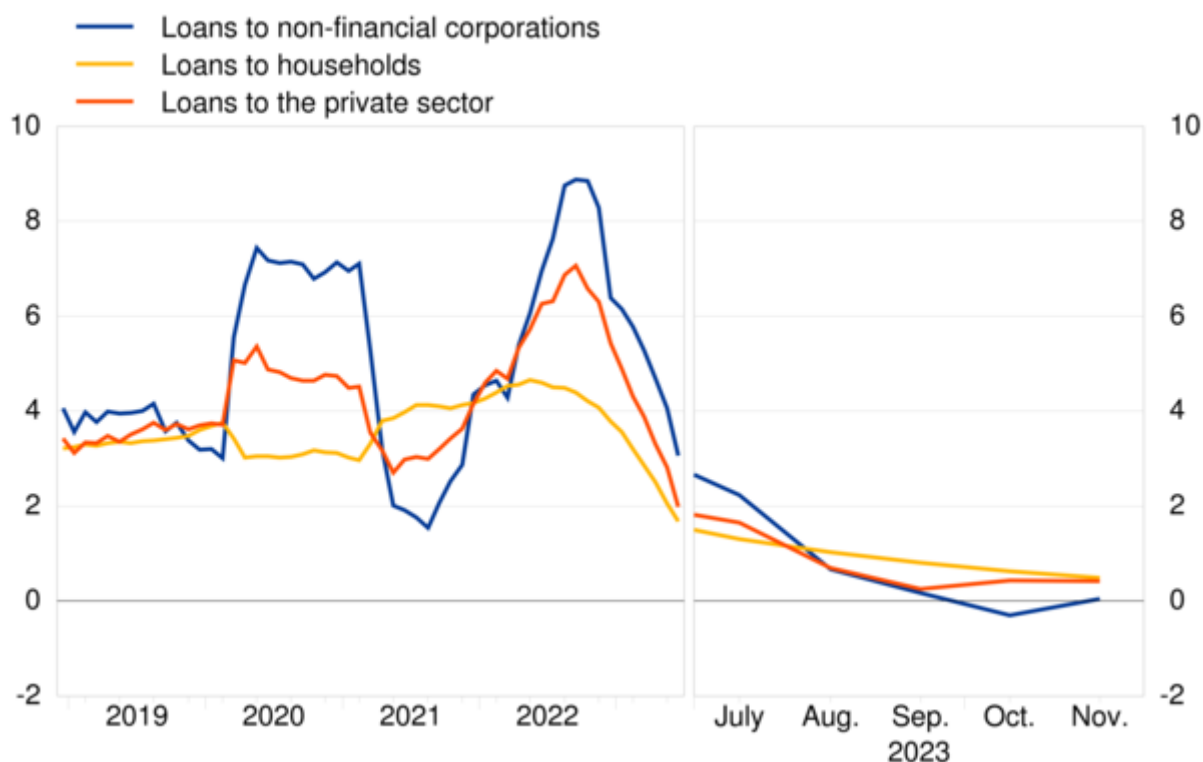
As regards the dynamics of credit, the annual growth rate of total [credit to euro area residents](#) stood at -0.6% in November 2023, compared with -0.5% in the previous month. The annual growth rate of [credit to general government](#) was -3.0% in November, compared with -2.6% in October, while the annual growth rate of [credit to the private sector](#) stood at 0.4% in November, unchanged from the previous month.

The annual growth rate of [adjusted loans to the private sector](#) (i.e. adjusted for loan sales, securitisation and notional cash pooling) stood at 0.4% in November, unchanged from the previous month. Among the borrowing sectors, the annual growth rate of [adjusted loans to households](#) stood at 0.5% in November, compared with 0.6% in October, while the annual growth rate of [adjusted loans to non-financial corporations](#) increased to 0.0% in November from -0.3% in October.

Chart 3

Adjusted loans to the private sector

(annual growth rates)



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[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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1 Monetary developments in the euro area: November 2023

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

	End-of-month level	Monthly flow			Annual growth rate		
	Nov 2023	Sep 2023	Oct 2023	Nov 2023	Sep 2023	Oct 2023	Nov 2023
COMPONENTS OF M3							
1. M3	16007	58	-19	45	-1.2	-1.0	-0.9
1.1. M2	15053	43	-43	36	-2.2	-2.2	-1.8
1.1.1. M1	10374	-27	-114	-24	-9.9	-10.0	-9.5
Currency in circulation	1534	2	0	-2	-0.2	-0.4	-0.5
Overnight deposits	8840	-29	-115	-22	-11.4	-11.5	-10.9
1.1.2. Other short-term deposits (M2 - M1)	4678	70	71	60	21.9	21.4	20.8
Deposits with an agreed maturity of up to two years	2232	90	84	66	76.3	72.9	68.6
Deposits redeemable at notice of up to three months	2447	-19	-12	-6	-3.3	-3.9	-4.1
1.2. Marketable instruments (M3 - M2)	955	15	24	9	19.9	22.9	17.9
Repurchase agreements	161	8	13	18	10.3	15.9	18.2
Money market fund shares	720	15	-3	8	18.4	14.5	13.0
Debt securities issued with a maturity of up to two years	74	-9	13	-16	64.9	264.2	95.3
COUNTERPARTS OF M3							
MFI liabilities:							
2. Holdings against central government ^{b)}	408	16	-16	-32	-30.3	-34.5	-40.3
3. Longer-term financial liabilities vis-a-vis other euro area residents	7258	34	34	32	4.9	5.6	5.5
3.1. Deposits with an agreed maturity of over two years	1811	16	-4	-7	1.4	1.7	1.2
3.2. Deposits redeemable at notice of over three months	84	5	5	6	48.7	57.7	68.3
3.3. Debt securities issued with a maturity of over two years	2426	7	26	32	10.4	11.1	11.1
3.4. Capital and reserves	2937	6	8	1	2.4	3.0	2.9
MFI assets:							
4. Credit to euro area residents	21703	17	15	12	-0.5	-0.5	-0.6
4.1. Credit to general government	6214	1	-17	-26	-2.1	-2.6	-3.0
Loans	986	2	1	-2	-2.1	-1.8	-1.7
Debt securities	5202	-1	-18	-24	-2.2	-2.7	-3.3
Equity ^{c)}	25	0	0	0	1.8	2.3	0.1
4.2. Credit to the private sector ^{d)}	15489	16	32	38	0.2	0.4	0.4
Loans ^{e)}	13036	13	37	36	-0.3	0.0	0.1
Adjusted loans ^{f)}	13247	8	34	31	0.3	0.4	0.4
Debt securities	1575	4	-13	10	1.7	1.3	0.9
Equity and non-money market fund investment fund shares	878	-1	8	-8	5.0	5.0	3.9
5. Net external assets	1778	58	61	55	-	-	-
6. Other counterparts of M3 (residual)	193	33	-78	-23	-	-	-
of which:							
6.1. Repos with central counterparties (liabilities) ^{c)}	170	-10	9	7	5.7	14.9	7.5
6.2. Reverse repos to central counterparties (assets) ^{c)}	162	5	-12	11	14.1	-0.6	-2.7

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 2023

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

	Sep 2023	Oct 2023	Nov 2023
COMPONENTS OF M3			
1. M1	-7.2	-7.2	-6.7
1.1. Currency in circulation	0.0	0.0	-0.1
1.2. Overnight deposits	-7.2	-7.1	-6.7
2. M2 - M1 (other short-term deposits)	5.1	5.1	5.0
3. M3 - M2 (marketable instruments)	0.9	1.1	0.9
COUNTERPARTS OF M3			
4. Credit to the private sector	0.2	0.4	0.4
5. Credit to general government	-0.8	-1.0	-1.2
6. Net external assets	2.1	2.4	2.6
7. Longer-term financial liabilities (inverted sign) ^{b)}	-2.1	-2.3	-2.3
8. Remaining counterparts	-0.5	-0.5	-0.4
M3 (sum of items 1 to 3, or items 4 to 8)	-1.2	-1.0	-0.9

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 2023 (EUR billions and annual percentage changes; data adjusted for seasonal effects ^{a)})

	End-of-month level	Monthly flow			Annual growth rate		
	Nov 2023	Sep 2023	Oct 2023	Nov 2023	Sep 2023	Oct 2023	Nov 2023
BREAKDOWN OF DEPOSITS IN M3							
Total deposits	13680	50	-30	56	-2.3	-2.2	-1.8
1. Deposits placed by households ^{b)}	8363	-10	-5	19	-0.3	-0.5	-0.3
1.1. Overnight deposits	5115	-33	-56	-34	-7.4	-8.3	-8.5
1.2. Deposits with an agreed maturity of up to two years	969	43	62	61	127.5	134.0	131.9
1.3. Deposits redeemable at notice of up to three months	2279	-20	-11	-7	-3.4	-4.0	-4.3
1.4. Repurchase agreements	1	0	0	0	-14.5	-28.7	-18.6
2. Deposits placed by non-financial corporations	3329	4	5	7	-1.2	-2.0	-1.8
2.1. Overnight deposits	2408	-16	-24	-3	-14.1	-14.2	-12.9
2.2. Deposits with an agreed maturity of up to two years	772	16	31	5	90.6	73.0	59.1
2.3. Deposits redeemable at notice of up to three months	132	0	0	1	0.2	0.7	1.1
2.4. Repurchase agreements	16	4	-2	4	83.5	45.8	102.5
3. Deposits placed by non-monetary financial corporations excluding insurance corporations and pension funds ^{c)}	1226	56	-10	25	-16.4	-10.7	-8.3
3.1. Overnight deposits	810	17	-15	21	-26.1	-20.5	-16.7
3.2. Deposits with an agreed maturity of up to two years	284	31	-4	-1	15.6	19.4	18.5
3.3. Deposits redeemable at notice of up to three months	19	1	-1	1	13.2	-0.4	6.3
3.4. Repurchase agreements ^{c)}	113	8	10	4	6.2	14.8	5.0
4. Deposits placed by insurance corporations and pension funds	223	-5	-2	14	-12.3	-16.0	-9.1
5. Deposits placed by other general government	538	5	-19	-8	1.8	-2.9	-4.6

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 2023 (EUR billions and annual percentage changes; data adjusted for seasonal effects ^{a)})

	End-of-month level	Monthly flow			Annual growth rate		
	Nov 2023	Sep 2023	Oct 2023	Nov 2023	Sep 2023	Oct 2023	Nov 2023
BREAKDOWN OF LOANS AS COUNTERPART TO M3							
1. Loans to households ^{b)}	6652	2	10	12	0.2	0.2	0.2
<i>Adjusted loans ^{c)}</i>	6867	1	0	6	0.8	0.6	0.5
1.1. Credit for consumption	732	3	0	1	2.9	2.8	2.6
1.2. Lending for house purchase	5232	2	12	9	0.2	0.3	0.3
1.3. Other lending	689	-2	-3	2	-2.7	-3.1	-2.9
<i>of which: sole proprietors</i>	361	-1	-1	-2	-2.7	-3.0	-3.3
2. Loans to non-financial corporations	5121	-5	3	13	-0.4	-0.9	-0.4
<i>Adjusted loans ^{c)}</i>	5137	1	0	20	0.2	-0.3	0.0
2.1. up to 1 year	905	0	-4	10	-9.0	-9.6	-7.6
2.2. over 1 year and up to 5 years	1088	-1	3	0	2.2	1.5	1.6
2.3. over 5 years	3129	-5	4	2	1.4	1.1	1.2
3. Loans to non-monetary financial corporations except insurance corporations and pension funds ^{d)}	1128	10	26	12	-0.6	4.7	3.4
<i>Adjusted loans ^{c)}</i>	1119	2	34	5	-0.8	4.5	2.9
4. Loans to insurance corporations and pension funds	134	6	-2	-1	-13.9	-14.2	-10.5
<i>Adjusted loans ^{c)}</i>	124	4	0	0	-14.6	-13.7	-8.8

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.