



EUROPEAN CENTRAL BANK
EUROSYSTEM

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.

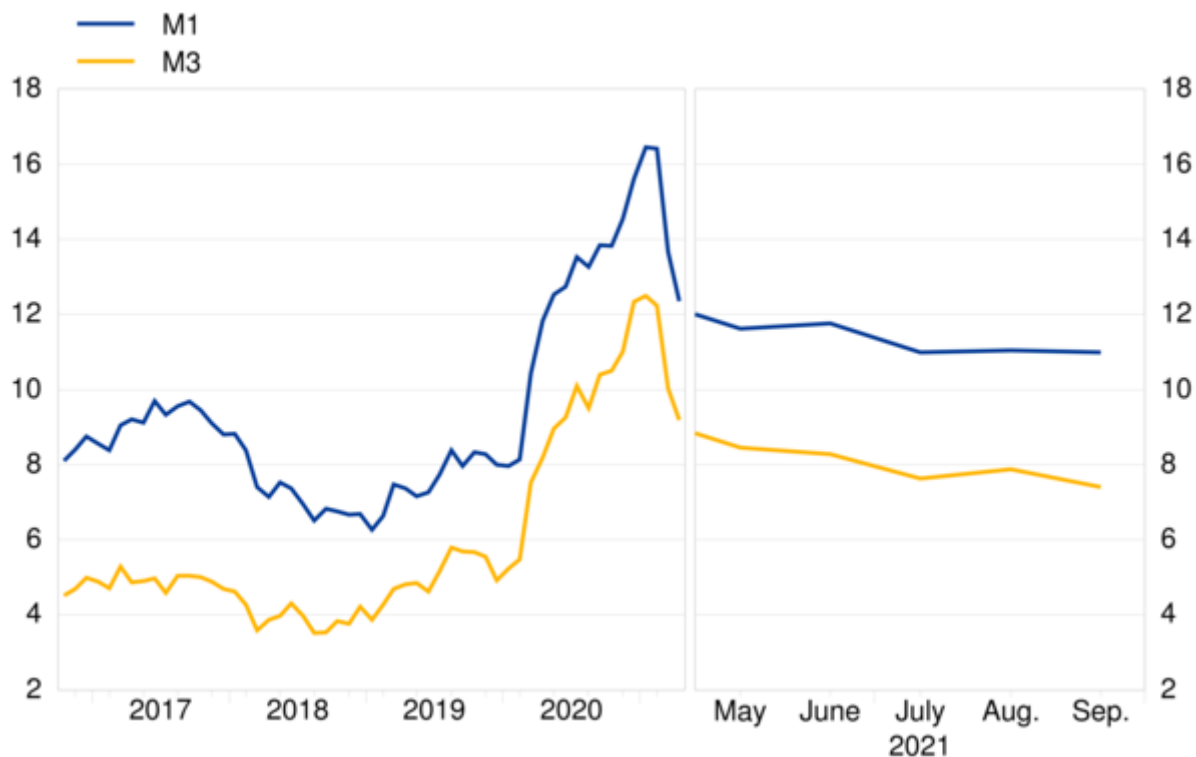
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Chart 1 Monetary aggregates

(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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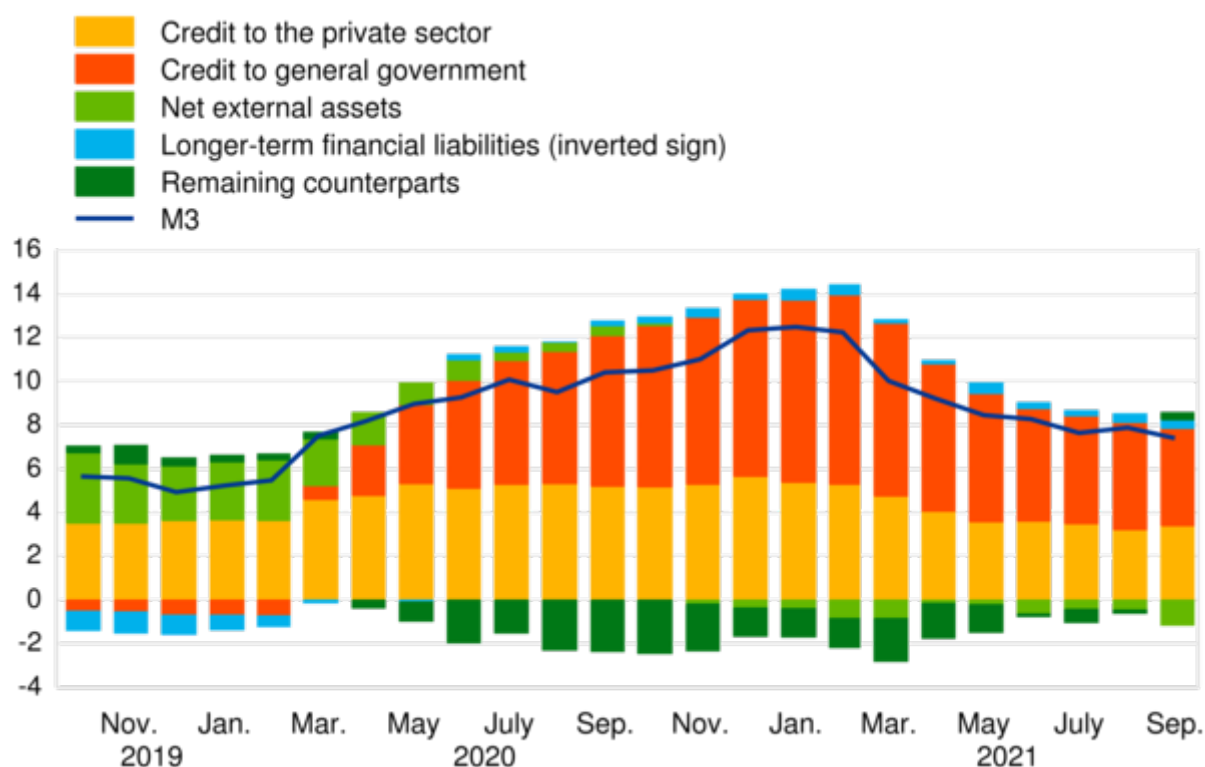
Counterparts of the broad monetary aggregate M3

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

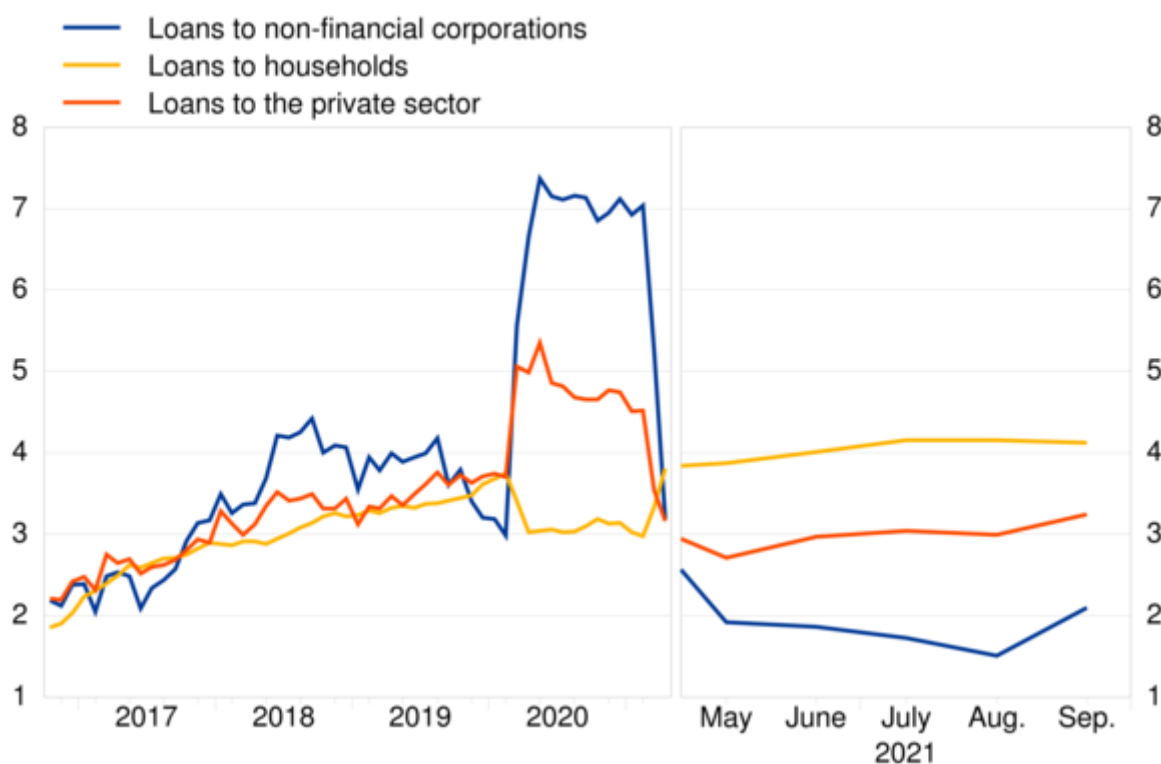
As regards the dynamics of credit, the annual growth rate of total [credit to euro area residents](#) stood at 5.6% in September 2021, compared with 5.7% in the previous month. The annual growth rate of [credit to general government](#) decreased to 11.0% in September from 12.1% in August, while the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