



EUROPEAN CENTRAL BANK  
EUROSYSTEM

## Press release

27 September 2022

# Monetary developments in the euro area: August 2022

- Annual growth rate of broad [monetary aggregate M3](#) increased to 6.1% in August 2022 from 5.7% in July (revised from 5.5%)
- Annual growth rate of narrower [monetary aggregate M1](#), comprising currency in circulation and overnight deposits, stood at 6.8% in August, unchanged from previous month
- Annual growth rate of [adjusted loans to households](#) stood at 4.5% in August, unchanged from previous month
- Annual growth rate of [adjusted loans to non-financial corporations](#) increased to 8.7% in August from 7.6% in July

## Components of the broad monetary aggregate M3

The annual growth rate of the broad monetary aggregate M3 increased to 6.1% in August 2022 from 5.7% in July, averaging 5.8% in the three months up to August. 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 6.8% in August, unchanged from the previous month. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) increased to 4.6% in August from 3.3% in July. The annual growth rate of marketable instruments (M3-M2) increased to 2.6% in August from 0.7% in July.

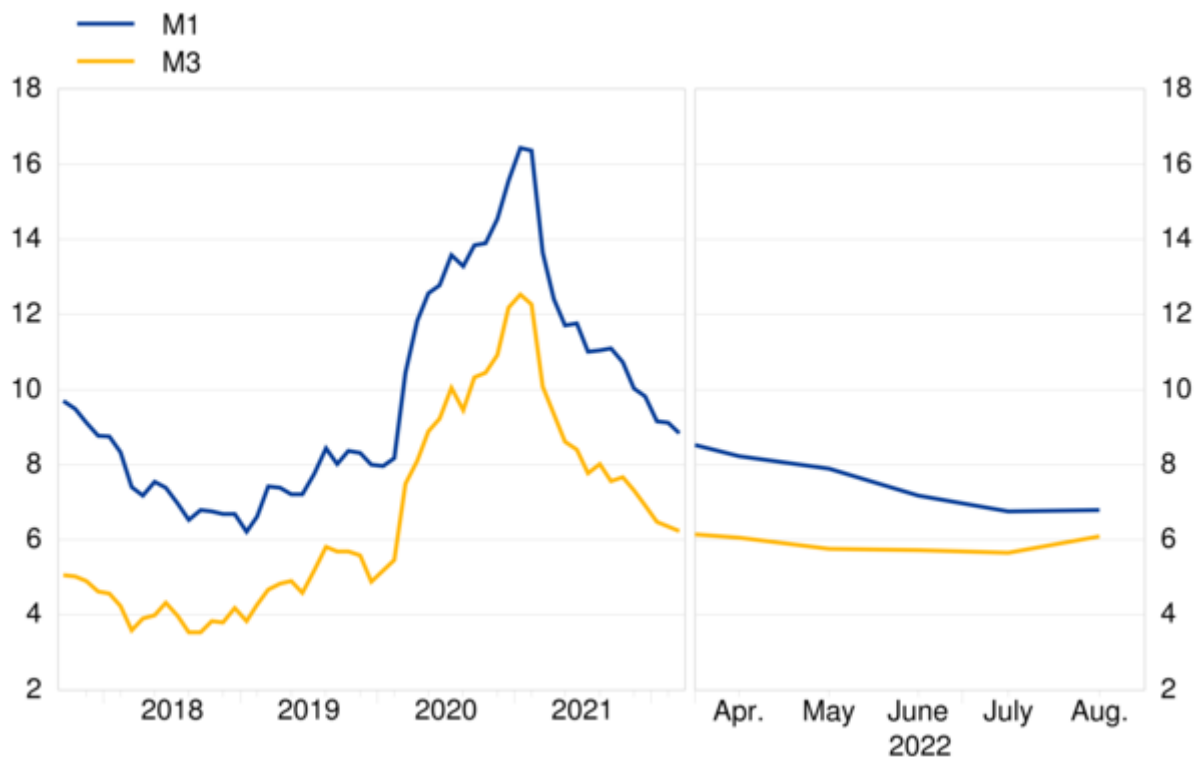
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## Chart 1 Monetary aggregates

(annual growth rates)



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

Looking at the [components' contributions to the annual growth rate of M3](#), the narrower aggregate M1 contributed 4.9 percentage points (as in the previous month), short-term deposits other than overnight deposits (M2-M1) contributed 1.0 percentage points (up from 0.7 percentage points) and marketable instruments (M3-M2) contributed 0.1 percentage points (up from 0.0 percentage points).

From the perspective of the holding sectors of [deposits in M3](#), the annual growth rate of deposits placed by households stood at 4.2% in August, unchanged from the previous month, while the annual growth rate of deposits placed by non-financial corporations increased to 7.4% in August from 6.1% in July. Finally, the annual growth rate of deposits placed by non-monetary financial corporations (excluding insurance corporations and pension funds) increased to 13.8% in August from 11.7% in July.

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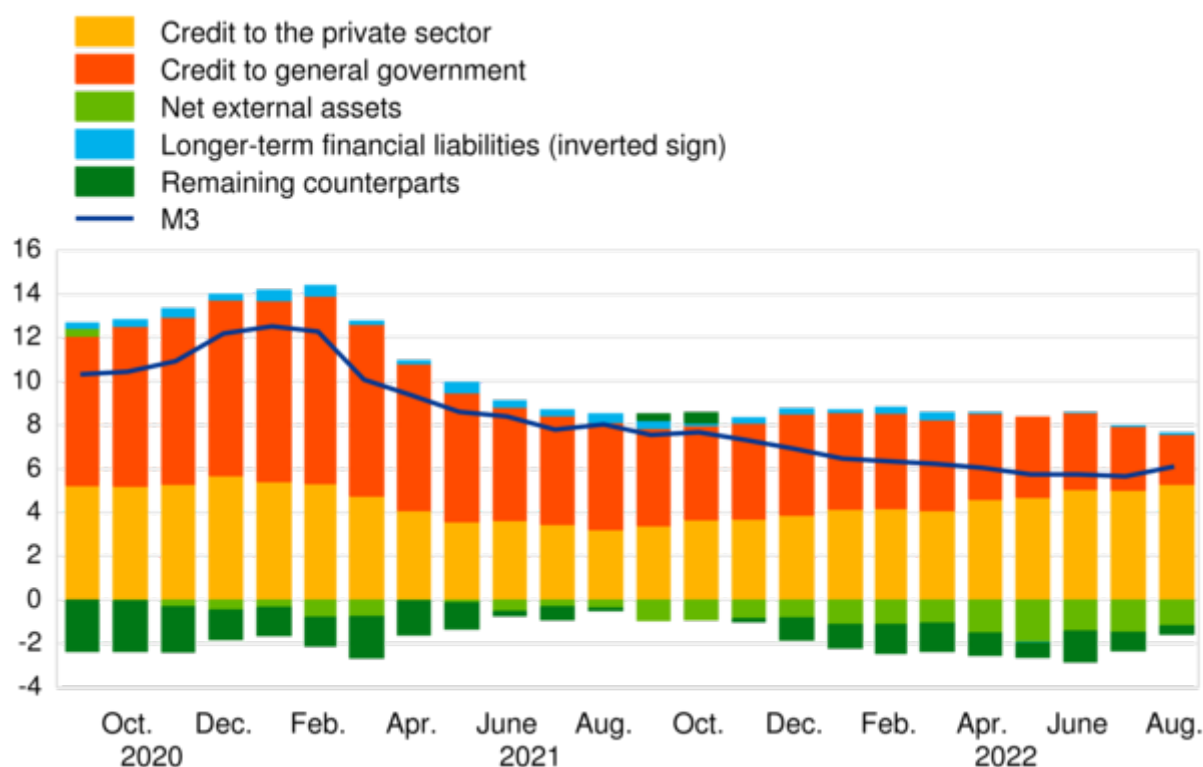
## Counterparts of the broad monetary aggregate M3

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 August 2022 can be broken down as follows: credit to the private sector contributed 5.3 percentage points (up from 5.0 percentage points in July), credit to general government contributed 2.3 percentage points (down from 2.9 percentage points), longer-term financial liabilities contributed 0.1 percentage points (up from 0.0 percentage points), net external assets contributed -1.2 percentage points (up from -1.5 percentage points), and the remaining counterparts of M3 contributed -0.4 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](#)

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## Credit to euro area residents

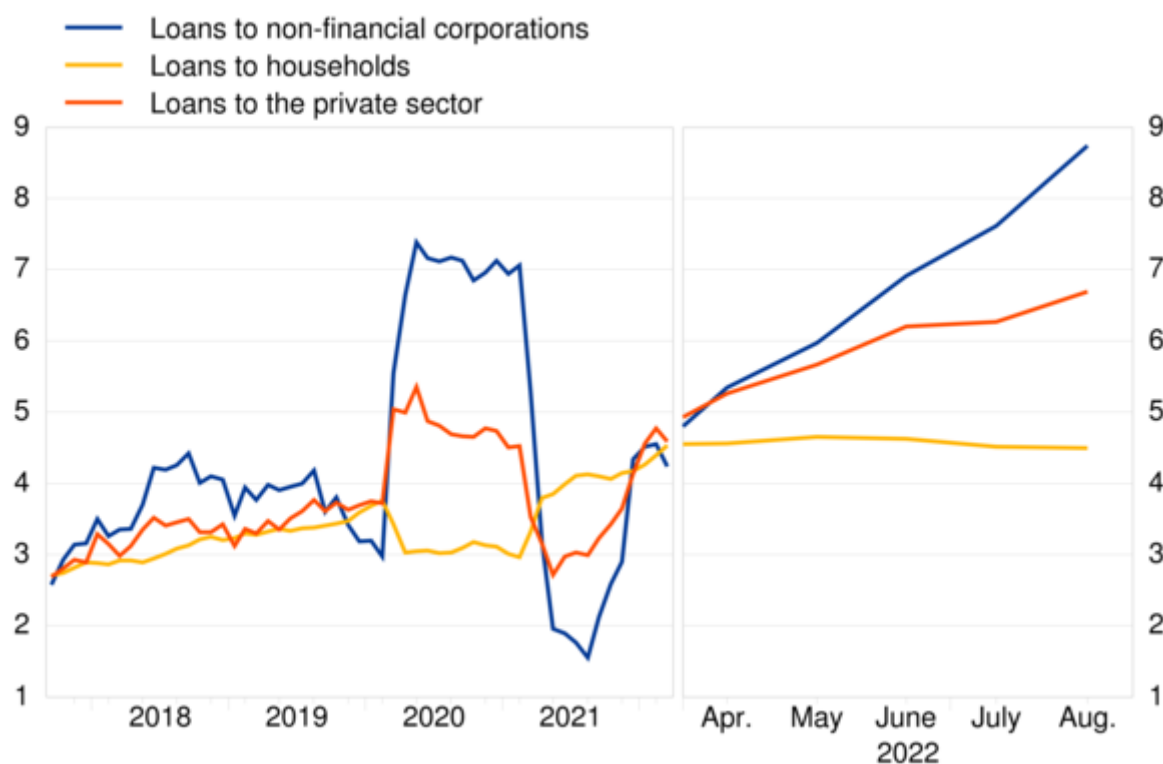
As regards the dynamics of credit, the annual growth rate of total [credit to euro area residents](#) decreased to 5.5% in August 2022 from 5.8% in the previous month. The annual growth rate of [credit to general government](#) decreased to 5.5% in August from 7.0% in July, while the annual growth rate of [credit to the private sector](#) increased to 5.5% in August from 5.2% in July.

The annual growth rate of [adjusted loans to the private sector](#) (i.e. adjusted for loan sales, securitisation and notional cash pooling) increased to 6.7% in August from 6.3% in July. Among the borrowing sectors, the annual growth rate of [adjusted loans to households](#) stood at 4.5% in August, unchanged from the previous month, while the annual growth rate of [adjusted loans to non-financial corporations](#) increased to 8.7% in August from 7.6% in July.

### 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: August 2022

(EUR billions and annual percentage changes; data adjusted for seasonal effects <sup>a)</sup>)

	End-of-month level	Monthly flow			Annual growth rate		
	Aug 2022	Jun 2022	Jul 2022	Aug 2022	Jun 2022	Jul 2022	Aug 2022
<b>COMPONENTS OF M3</b>							
<b>1. M3</b>	<b>16059</b>	<b>75</b>	<b>92</b>	<b>146</b>	<b>5.7</b>	<b>5.7</b>	<b>6.1</b>
1.1. M2	15310	64	85	134	5.9	5.9	6.3
1.1.1. M1	11732	28	46	100	7.2	6.8	6.8
Currency in circulation	1536	2	2	3	7.9	7.4	7.0
Overnight deposits	10196	26	44	97	7.1	6.7	6.8
1.1.2. Other short-term deposits (M2 - M1)	3578	36	39	34	2.0	3.3	4.6
Deposits with an agreed maturity of up to two years	1030	33	31	23	2.5	6.3	10.8
Deposits redeemable at notice of up to three months	2548	3	8	11	1.8	2.1	2.3
1.2. Marketable instruments (M3 - M2)	749	10	6	12	2.0	0.7	2.6
Repurchase agreements	123	-11	12	-4	-2.8	4.1	3.5
Money market fund shares	587	6	-22	3	-1.1	-5.4	-4.9
Debt securities issued with a maturity of up to two years	38	15	16	13	78.2	85.3	170.9
<b>COUNTERPARTS OF M3</b>							
<b>MFI liabilities:</b>							
<b>2. Holdings against central government <sup>b)</sup></b>	<b>647</b>	<b>32</b>	<b>-22</b>	<b>-88</b>	<b>12.0</b>	<b>7.6</b>	<b>-8.2</b>
<b>3. Longer-term financial liabilities vis-a-vis other euro area residents</b>	<b>6823</b>	<b>16</b>	<b>-4</b>	<b>-13</b>	<b>0.0</b>	<b>-0.1</b>	<b>-0.1</b>
3.1. Deposits with an agreed maturity of over two years	1812	-1	-14	-25	-3.0	-3.4	-4.2
3.2. Deposits redeemable at notice of over three months	32	-1	0	1	-21.3	-21.0	-18.4
3.3. Debt securities issued with a maturity of over two years	2077	2	-6	5	-1.5	-2.2	-1.7
3.4. Capital and reserves	2902	16	16	6	3.2	3.8	3.8
<b>MFI assets:</b>							
<b>4. Credit to euro area residents</b>	<b>21731</b>	<b>121</b>	<b>20</b>	<b>38</b>	<b>6.2</b>	<b>5.8</b>	<b>5.5</b>
4.1. Credit to general government	6420	38	-23	-36	8.5	7.0	5.5
Loans	999	2	-4	1	-0.2	-0.9	-0.5
Debt securities	5397	37	-20	-37	10.1	8.5	6.7
Equity <sup>c)</sup>	24	-1	0	0	35.9	36.1	32.7
4.2. Credit to the private sector <sup>d)</sup>	15311	83	43	74	5.2	5.2	5.5
Loans <sup>e)</sup>	12938	82	51	84	5.9	5.9	6.3
Adjusted loans <sup>f)</sup>	13070	92	51	83	6.2	6.3	6.7
Debt securities	1544	13	-7	-12	5.0	4.3	3.7
Equity and non-money market fund investment fund shares	829	-12	-1	2	-2.8	-2.7	-3.0
<b>5. Net external assets</b>	<b>1360</b>	<b>38</b>	<b>-4</b>	<b>48</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>6. Other counterparts of M3 (residual)</b>	<b>438</b>	<b>-36</b>	<b>50</b>	<b>-41</b>	<b>-</b>	<b>-</b>	<b>-</b>
of which:							
6.1. Repos with central counterparties (liabilities) <sup>c)</sup>	155	-19	10	-15	29.6	27.9	24.1
6.2. Reverse repos to central counterparties (assets) <sup>c)</sup>	146	-14	2	-13	22.2	24.8	18.6

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.

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: August 2022

(contributions in terms of the M3 annual percentage change; data adjusted for seasonal effects <sup>a)</sup>)

	Jun 2022	Jul 2022	Aug 2022
<b>COMPONENTS OF M3</b>			
1. M1	5.2	4.9	4.9
1.1. Currency in circulation	0.7	0.7	0.7
1.2. Overnight deposits	4.4	4.2	4.3
2. M2 - M1 (other short-term deposits)	0.5	0.7	1.0
3. M3 - M2 (marketable instruments)	0.1	0.0	0.1
<b>COUNTERPARTS OF M3</b>			
4. Credit to the private sector	5.1	5.0	5.3
5. Credit to general government	3.5	2.9	2.3
6. Net external assets	-1.4	-1.5	-1.2
7. Longer-term financial liabilities (inverted sign) <sup>b)</sup>	0.0	0.0	0.1
8. Remaining counterparts	-1.4	-0.8	-0.4
<b>M3 (sum of items 1 to 3, or items 4 to 8)</b>	<b>5.7</b>	<b>5.7</b>	<b>6.1</b>

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: August 2022 (EUR billions and annual percentage changes; data adjusted for seasonal effects <sup>a)</sup>)

	End-of-month level	Monthly flow			Annual growth rate		
	Aug 2022	Jun 2022	Jul 2022	Aug 2022	Jun 2022	Jul 2022	Aug 2022
<b>BREAKDOWN OF DEPOSITS IN M3</b>							
<b>Total deposits</b>	<b>13897</b>	<b>51</b>	<b>95</b>	<b>127</b>	<b>5.6</b>	<b>5.7</b>	<b>6.2</b>
<b>1. Deposits placed by households <sup>b)</sup></b>	<b>8334</b>	<b>7</b>	<b>47</b>	<b>39</b>	<b>4.1</b>	<b>4.2</b>	<b>4.2</b>
1.1. Overnight deposits	5600	7	38	26	6.1	6.2	5.8
1.2. Deposits with an agreed maturity of up to two years	357	-2	0	4	-12.6	-10.8	-8.8
1.3. Deposits redeemable at notice of up to three months	2377	2	9	9	2.3	2.5	2.7
1.4. Repurchase agreements	1	0	0	0	-15.9	-5.1	5.7
<b>2. Deposits placed by non-financial corporations</b>	<b>3391</b>	<b>12</b>	<b>25</b>	<b>63</b>	<b>5.8</b>	<b>6.1</b>	<b>7.4</b>
2.1. Overnight deposits	2905	-4	13	36	6.5	6.0	6.6
2.2. Deposits with an agreed maturity of up to two years	345	15	14	26	2.4	9.3	19.3
2.3. Deposits redeemable at notice of up to three months	133	0	0	3	-1.2	-1.0	1.3
2.4. Repurchase agreements	8	1	-1	-2	23.1	16.5	-19.3
<b>3. Deposits placed by non-monetary financial corporations excluding insurance corporations and pension funds <sup>c)</sup></b>	<b>1361</b>	<b>25</b>	<b>21</b>	<b>25</b>	<b>12.0</b>	<b>11.7</b>	<b>13.8</b>
3.1. Overnight deposits	1077	15	11	32	13.1	12.6	14.9
3.2. Deposits with an agreed maturity of up to two years	170	19	2	-9	15.6	10.9	10.3
3.3. Deposits redeemable at notice of up to three months	17	1	-1	0	-15.4	-10.9	-10.8
3.4. Repurchase agreements <sup>c)</sup>	96	-11	9	1	0.7	8.5	14.6
<b>4. Deposits placed by insurance corporations and pension funds</b>	<b>238</b>	<b>-1</b>	<b>12</b>	<b>-5</b>	<b>2.8</b>	<b>5.8</b>	<b>3.7</b>
<b>5. Deposits placed by other general government</b>	<b>572</b>	<b>8</b>	<b>-10</b>	<b>5</b>	<b>16.1</b>	<b>13.1</b>	<b>13.6</b>

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: August 2022 (EUR billions and annual percentage changes; data adjusted for seasonal effects <sup>a)</sup>)

	End-of-month level	Monthly flow			Annual growth rate		
	Aug 2022	Jun 2022	Jul 2022	Aug 2022	Jun 2022	Jul 2022	Aug 2022
<b>BREAKDOWN OF LOANS AS COUNTERPART TO M3</b>							
<b>1. Loans to households <sup>b)</sup></b>	<b>6597</b>	<b>35</b>	<b>21</b>	<b>18</b>	<b>4.6</b>	<b>4.5</b>	<b>4.4</b>
<i>Adjusted loans <sup>c)</sup></i>	<b>6786</b>	<b>24</b>	<b>19</b>	<b>21</b>	<b>4.6</b>	<b>4.5</b>	<b>4.5</b>
1.1. Credit for consumption	709	2	3	-1	3.4	3.6	3.4
1.2. Lending for house purchase	5180	30	21	18	5.4	5.3	5.2
1.3. Other lending	707	2	-3	1	0.1	-0.2	0.0
<i>of which: sole proprietors</i>	375	0	0	-1	-0.8	-0.8	-0.7
<b>2. Loans to non-financial corporations</b>	<b>5137</b>	<b>41</b>	<b>46</b>	<b>69</b>	<b>5.9</b>	<b>6.6</b>	<b>7.8</b>
<i>Adjusted loans <sup>c)</sup></i>	<b>5106</b>	<b>53</b>	<b>44</b>	<b>67</b>	<b>6.9</b>	<b>7.6</b>	<b>8.7</b>
2.1. up to 1 year	985	12	8	27	14.0	15.4	18.7
2.2. over 1 year and up to 5 years	1065	11	14	23	5.9	7.5	9.8
2.3. over 5 years	3087	18	24	19	3.7	3.8	4.1
<b>3. Loans to non-monetary financial corporations except insurance corporations and pension funds <sup>d)</sup></b>	<b>1054</b>	<b>5</b>	<b>-11</b>	<b>7</b>	<b>13.6</b>	<b>12.2</b>	<b>12.6</b>
<i>Adjusted loans <sup>c)</sup></i>	<b>1037</b>	<b>13</b>	<b>-5</b>	<b>3</b>	<b>13.3</b>	<b>11.9</b>	<b>12.7</b>
<b>4. Loans to insurance corporations and pension funds</b>	<b>150</b>	<b>1</b>	<b>-6</b>	<b>-9</b>	<b>8.0</b>	<b>4.8</b>	<b>-0.7</b>
<i>Adjusted loans <sup>c)</sup></i>	<b>141</b>	<b>3</b>	<b>-6</b>	<b>-8</b>	<b>7.8</b>	<b>4.5</b>	<b>0.5</b>

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.