

## Press release

27 September 2021

# Monetary developments in the euro area: August 2021

- Annual growth rate of broad [monetary aggregate M3](#) increased to 7.9% in August 2021 from 7.6% in July
- Annual growth rate of narrower [monetary aggregate M1](#), comprising currency in circulation and overnight deposits, stood at 11.1% in August, compared with 11.0% in July
- Annual growth rate of [adjusted loans to households](#) stood at 4.2% in August, unchanged from previous month
- Annual growth rate of [adjusted loans to non-financial corporations](#) decreased to 1.5% in August from 1.7% in July

## Components of the broad monetary aggregate M3

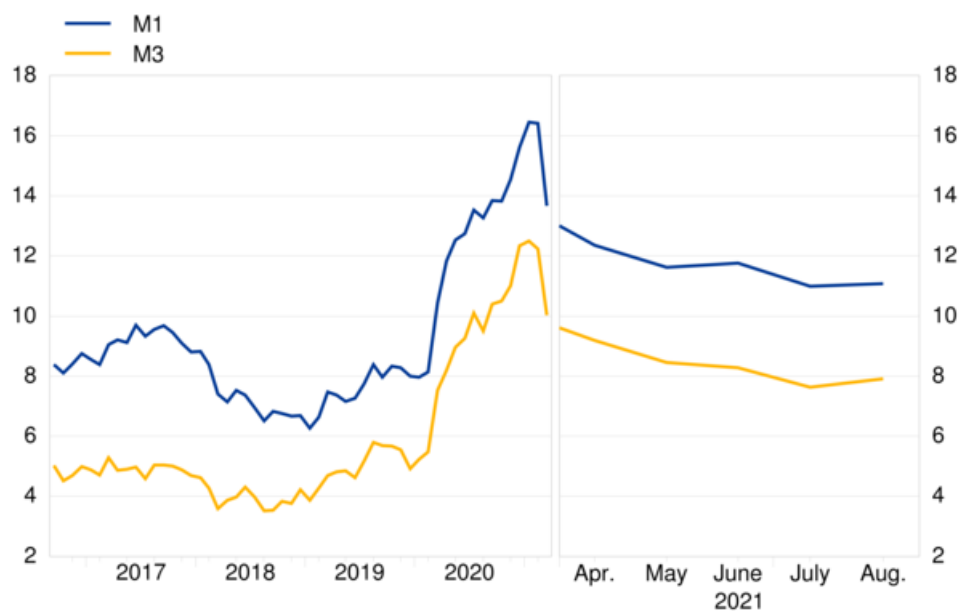
The annual growth rate of the broad monetary aggregate M3 increased to 7.9% in August 2021 from 7.6% in July, averaging 7.9% in the three months up to August. The [components of M3](#) showed the following developments. The annual growth rate of the narrower aggregate M1, which comprises currency in circulation and overnight deposits, stood at 11.1% in August, compared with 11.0% in July. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) was -1.5% in August, compared with -1.8% in July. The annual growth rate of marketable instruments (M3-M2) increased to 9.9% in August from 7.9% in July.

### 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](mailto:media@ecb.europa.eu), website: [www.ecb.europa.eu](http://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 7.8 percentage points (up from 7.7 percentage points in July), short-term deposits other than overnight deposits (M2-M1) contributed -0.4 percentage point (up from -0.5 percentage point) and marketable instruments (M3-M2) contributed 0.5 percentage point (up from 0.4 percentage point).

From the perspective of the holding sectors of [deposits in M3](#), the annual growth rate of deposits placed by households stood at 7.3% in August, unchanged from the previous month, while the annual growth rate of deposits placed by non-financial corporations increased to 7.0% in August from 6.8% in July. Finally, the annual growth rate of deposits placed by non-monetary financial corporations (excluding insurance corporations and pension funds) increased to 16.5% in August from 14.9% in July.

## Counterparts of the broad monetary aggregate 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](mailto:media@ecb.europa.eu), website: [www.ecb.europa.eu](http://www.ecb.europa.eu)

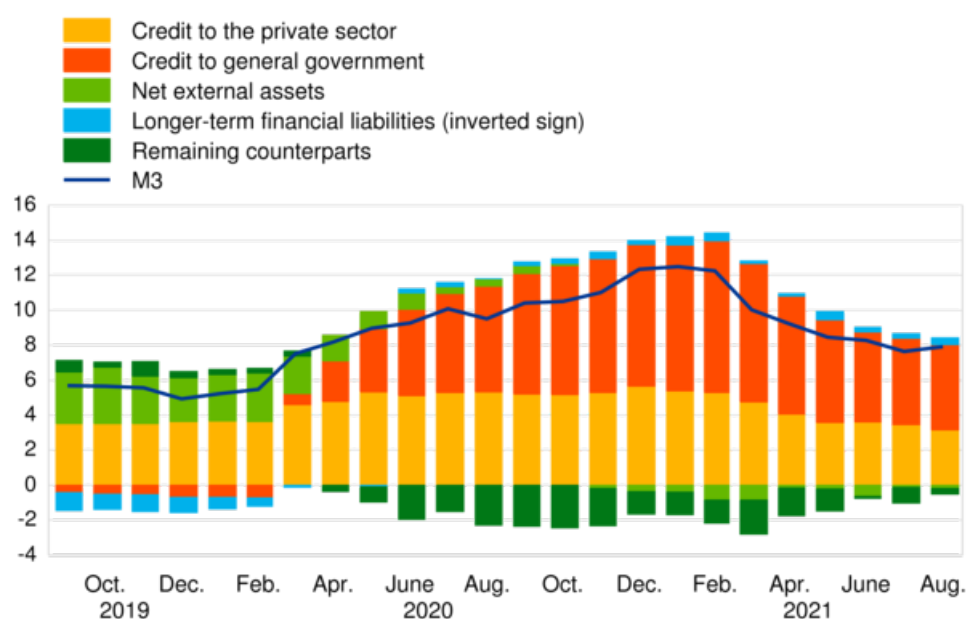
Reproduction is permitted provided that the source is acknowledged.

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 2021 can be broken down as follows: credit to general government contributed 4.9 percentage points (as in the previous month), credit to the private sector contributed 3.2 percentage points (down from 3.5 percentage points), longer-term financial liabilities contributed 0.4 percentage point (up from 0.3 percentage point), net external assets contributed -0.2 percentage point (down from -0.1 percentage point), and the remaining counterparts of M3 contributed -0.4 percentage point (up from -0.9 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](#)

## Credit to euro area residents

As regards the dynamics of credit, the annual growth rate of total [credit to euro area residents](#) decreased to 5.7% in August 2021 from 6.0% in the previous month. The annual growth rate of [credit to general government](#) decreased to 12.1% in August from 12.4% in July, while the annual growth rate of [credit to the private sector](#) decreased to 3.1% in August from 3.4% in July.

### 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](mailto:media@ecb.europa.eu), website: [www.ecb.europa.eu](http://www.ecb.europa.eu)

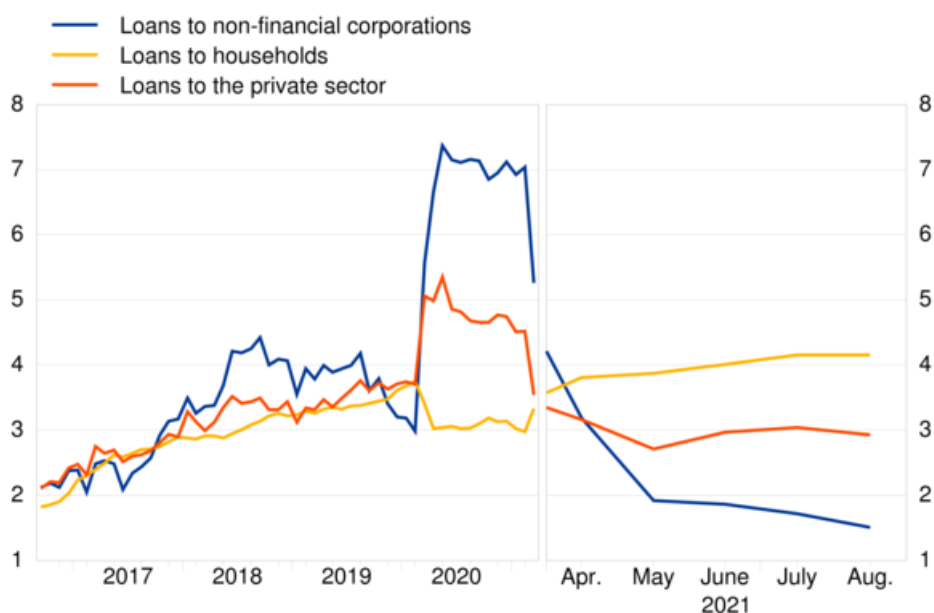
Reproduction is permitted provided that the source is acknowledged.

The annual growth rate of [adjusted loans to the private sector](#) (i.e. adjusted for loan sales, securitisation and notional cash pooling) stood at 2.9% in August, compared with 3.0% in July. Among the borrowing sectors, the annual growth rate of [adjusted loans to households](#) stood at 4.2% in August, unchanged from the previous month, while the annual growth rate of [adjusted loans to non-financial corporations](#) decreased to 1.5% in August from 1.7% in July.

### Chart 3

#### Adjusted loans to the private sector

(annual growth rates)



#### [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.

#### 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](mailto:media@ecb.europa.eu), website: [www.ecb.europa.eu](http://www.ecb.europa.eu)

Reproduction is permitted provided that the source is acknowledged.

## 1 Monetary developments in the euro area: August 2021

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

	End-of-month level	Monthly flow			Annual growth rate		
	Aug 2021	Jun 2021	Jul 2021	Aug 2021	Jun 2021	Jul 2021	Aug 2021
<b>COMPONENTS OF M3</b>							
<b>1. M3</b>	<b>15105</b>	<b>87</b>	<b>82</b>	<b>75</b>	<b>8.3</b>	<b>7.6</b>	<b>7.9</b>
1.1. M2	14350	90	65	81	8.3	7.6	7.8
1.1.1. M1	10948	121	64	93	11.8	11.0	11.1
Currency in circulation	1436	8	8	9	9.0	8.9	8.6
Overnight deposits	9512	113	57	85	12.2	11.3	11.5
1.1.2. Other short-term deposits (M2 - M1)	3402	-30	0	-13	-1.4	-1.8	-1.5
Deposits with an agreed maturity of up to two years	918	-34	3	-17	-13.0	-13.5	-12.6
Deposits redeemable at notice of up to three months	2484	4	-2	5	3.8	3.4	3.3
1.2. Marketable instruments (M3 - M2)	755	-4	17	-5	8.3	7.9	9.9
Repurchase agreements	111	4	5	-6	13.5	5.1	15.2
Money market fund shares	615	-1	4	2	5.7	4.0	4.8
Debt securities issued with a maturity of up to two years	30	-7	9	-1	18.8	234.7	230.7
<b>COUNTERPARTS OF M3</b>							
<b>MFI liabilities:</b>							
<b>2. Holdings against central government <sup>b)</sup></b>	<b>723</b>	<b>-33</b>	<b>26</b>	<b>40</b>	<b>-10.6</b>	<b>-9.6</b>	<b>-11.8</b>
<b>3. Longer-term financial liabilities vis-a-vis other euro area residents</b>	<b>6869</b>	<b>26</b>	<b>0</b>	<b>-16</b>	<b>-0.6</b>	<b>-0.5</b>	<b>-0.8</b>
3.1. Deposits with an agreed maturity of over two years	1848	-1	-7	-13	-2.7	-3.0	-3.9
3.2. Deposits redeemable at notice of over three months	39	0	-1	0	-8.2	-9.4	-9.4
3.3. Debt securities issued with a maturity of over two years	1962	-2	13	-5	-4.8	-4.0	-3.7
3.4. Capital and reserves	3020	30	-5	2	3.9	3.7	3.4
<b>MFI assets:</b>							
<b>4. Credit to euro area residents</b>	<b>20892</b>	<b>74</b>	<b>124</b>	<b>79</b>	<b>6.2</b>	<b>6.0</b>	<b>5.7</b>
4.1. Credit to general government	6342	47	79	60	13.1	12.4	12.1
Loans	1005	2	4	-5	0.6	1.1	1.0
Debt securities	5335	45	75	65	16.2	15.1	14.8
Equity <sup>c)</sup>	2	0	0	0	-82.3	-82.3	-81.9
4.2. Credit to the private sector <sup>d)</sup>	14550	27	45	18	3.6	3.4	3.1
Loans <sup>e)</sup>	12132	9	46	19	3.1	3.1	2.9
Adjusted loans <sup>f)</sup>	12487	24	46	16	3.0	3.0	2.9
Debt securities	1523	16	2	-5	5.1	4.3	2.6
Equity and non-money market fund investment fund shares	896	3	-3	4	7.6	6.9	7.0
<b>5. Net external assets</b>	<b>1499</b>	<b>-52</b>	<b>59</b>	<b>9</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>6. Other counterparts of M3 (residual)</b>	<b>306</b>	<b>57</b>	<b>-74</b>	<b>11</b>	<b>-</b>	<b>-</b>	<b>-</b>
of which:							
6.1. Repos with central counterparties (liabilities) <sup>c)</sup>	125	-10	10	-8	-22.3	-17.9	-26.5
6.2. Reverse repos to central counterparties (assets) <sup>c)</sup>	128	4	-1	-5	-22.9	-23.5	-27.7

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: August 2021

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

	Jun 2021	Jul 2021	Aug 2021
<b>COMPONENTS OF M3</b>			
1. M1	8.2	7.7	7.8
1.1. Currency in circulation	0.8	0.8	0.8
1.2. Overnight deposits	7.4	6.9	7.0
2. M2 - M1 (other short-term deposits)	-0.3	-0.5	-0.4
3. M3 - M2 (marketable instruments)	0.4	0.4	0.5
<b>COUNTERPARTS OF M3</b>			
4. Credit to the private sector	3.6	3.5	3.2
5. Credit to general government	5.1	4.9	4.9
6. Net external assets	-0.6	-0.1	-0.2
7. Longer-term financial liabilities (inverted sign) <sup>b)</sup>	0.3	0.3	0.4
8. Remaining counterparts	-0.1	-0.9	-0.4
<b>M3 (sum of items 1 to 3, or items 4 to 8)</b>	<b>8.3</b>	<b>7.6</b>	<b>7.9</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 2021 (EUR billions and annual percentage changes; data adjusted for seasonal effects <sup>a)</sup>)

	End-of-month level	Monthly flow			Annual growth rate		
	Aug 2021	Jun 2021	Jul 2021	Aug 2021	Jun 2021	Jul 2021	Aug 2021
<b>BREAKDOWN OF DEPOSITS IN M3</b>							
<b>Total deposits</b>	<b>13025</b>	<b>87</b>	<b>62</b>	<b>66</b>	<b>8.3</b>	<b>7.5</b>	<b>7.8</b>
<b>1. Deposits placed by households <sup>b)</sup></b>	<b>7989</b>	<b>32</b>	<b>23</b>	<b>51</b>	<b>7.7</b>	<b>7.3</b>	<b>7.3</b>
1.1. Overnight deposits	5287	33	30	51	11.0	10.6	10.7
1.2. Deposits with an agreed maturity of up to two years	394	-4	-9	-5	-11.8	-12.6	-12.6
1.3. Deposits redeemable at notice of up to three months	2308	4	2	5	4.6	4.2	4.1
1.4. Repurchase agreements	1	0	0	0	-20.0	-27.9	-27.7
<b>2. Deposits placed by non-financial corporations</b>	<b>3134</b>	<b>42</b>	<b>12</b>	<b>23</b>	<b>8.5</b>	<b>6.8</b>	<b>7.0</b>
2.1. Overnight deposits	2714	48	19	26	11.5	10.4	10.2
2.2. Deposits with an agreed maturity of up to two years	282	-6	-6	-3	-8.3	-14.2	-13.0
2.3. Deposits redeemable at notice of up to three months	131	-2	-1	0	-5.7	-5.5	-5.6
2.4. Repurchase agreements	8	2	-1	1	47.9	46.9	96.7
<b>3. Deposits placed by non-monetary financial corporations excluding insurance corporations and pension funds <sup>c)</sup></b>	<b>1175</b>	<b>22</b>	<b>12</b>	<b>-9</b>	<b>15.5</b>	<b>14.9</b>	<b>16.5</b>
3.1. Overnight deposits	923	34	0	1	20.9	18.9	19.2
3.2. Deposits with an agreed maturity of up to two years	153	-21	15	-6	-10.7	-1.9	3.7
3.3. Deposits redeemable at notice of up to three months	21	2	-3	0	2.9	-5.2	-5.6
3.4. Repurchase agreements <sup>c)</sup>	78	7	0	-5	21.7	15.6	20.0
<b>4. Deposits placed by insurance corporations and pension funds</b>	<b>230</b>	<b>-10</b>	<b>13</b>	<b>-2</b>	<b>-2.8</b>	<b>-3.9</b>	<b>-1.7</b>
<b>5. Deposits placed by other general government</b>	<b>496</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>5.4</b>	<b>4.1</b>	<b>6.1</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 2021 (EUR billions and annual percentage changes; data adjusted for seasonal effects <sup>a)</sup>)

	End-of-month level	Monthly flow			Annual growth rate		
	Aug 2021	Jun 2021	Jul 2021	Aug 2021	Jun 2021	Jul 2021	Aug 2021
<b>BREAKDOWN OF LOANS AS COUNTERPART TO M3</b>							
<b>1. Loans to households <sup>b)</sup></b>	<b>6291</b>	<b>28</b>	<b>26</b>	<b>17</b>	<b>4.5</b>	<b>4.5</b>	<b>4.5</b>
<i>Adjusted loans <sup>c)</sup></i>	<b>6552</b>	<b>26</b>	<b>28</b>	<b>20</b>	<b>4.0</b>	<b>4.2</b>	<b>4.2</b>
1.1. Credit for consumption	696	2	2	0	0.6	0.4	0.0
1.2. Lending for house purchase	4893	24	23	20	5.7	5.7	5.8
1.3. Other lending	702	2	1	-3	0.6	0.6	0.2
<i>of which: sole proprietors</i>	372	0	0	-2	0.7	0.4	-0.2
<b>2. Loans to non-financial corporations</b>	<b>4755</b>	<b>1</b>	<b>13</b>	<b>8</b>	<b>1.4</b>	<b>1.3</b>	<b>1.0</b>
<i>Adjusted loans <sup>c)</sup></i>	<b>4872</b>	<b>11</b>	<b>10</b>	<b>13</b>	<b>1.9</b>	<b>1.7</b>	<b>1.5</b>
2.1. up to 1 year	830	-39	-3	2	-11.7	-11.3	-10.9
2.2. over 1 year and up to 5 years	968	0	-3	1	-2.2	-3.2	-3.9
2.3. over 5 years	2956	40	19	5	7.3	7.2	6.8
<b>3. Loans to non-monetary financial corporations except insurance corporations and pension funds <sup>d)</sup></b>	<b>939</b>	<b>-13</b>	<b>8</b>	<b>-6</b>	<b>3.3</b>	<b>4.2</b>	<b>4.2</b>
<i>Adjusted loans <sup>c)</sup></i>	<b>928</b>	<b>-9</b>	<b>11</b>	<b>-15</b>	<b>3.1</b>	<b>4.0</b>	<b>3.7</b>
<b>4. Loans to insurance corporations and pension funds</b>	<b>147</b>	<b>-7</b>	<b>-2</b>	<b>-1</b>	<b>-3.5</b>	<b>-5.0</b>	<b>-6.0</b>
<i>Adjusted loans <sup>c)</sup></i>	<b>135</b>	<b>-4</b>	<b>-2</b>	<b>-3</b>	<b>-6.3</b>	<b>-7.1</b>	<b>-7.9</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.