



EUROPEAN CENTRAL BANK

EUROSYSTEM

Press release

25 March 2022

Monetary developments in the euro area: February 2022

- Annual growth rate of broad [monetary aggregate M3](#) stood at 6.3% in February 2022, after 6.4% in January 2022
- Annual growth rate of narrower [monetary aggregate M1](#), comprising currency in circulation and overnight deposits, stood at 9.0% in February, compared with 9.1% in January
- Annual growth rate of [adjusted loans to households](#) stood at 4.4% in February, compared with 4.3% in January
- Annual growth rate of [adjusted loans to non-financial corporations](#) stood at 4.4% in February, unchanged from previous month

Components of the broad monetary aggregate M3

The annual growth rate of the broad monetary aggregate M3 stood at 6.3% in February 2022, after 6.4% in January, averaging 6.6% in the three months up to February. 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 9.0% in February, compared with 9.1% in January. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) stood at -0.3% in February, compared with -0.2% in January. The annual growth rate of marketable instruments (M3-M2) decreased to -0.5% in February from 0.5% in January.

European Central Bank

Directorate General Communications, Global Media Relations Division

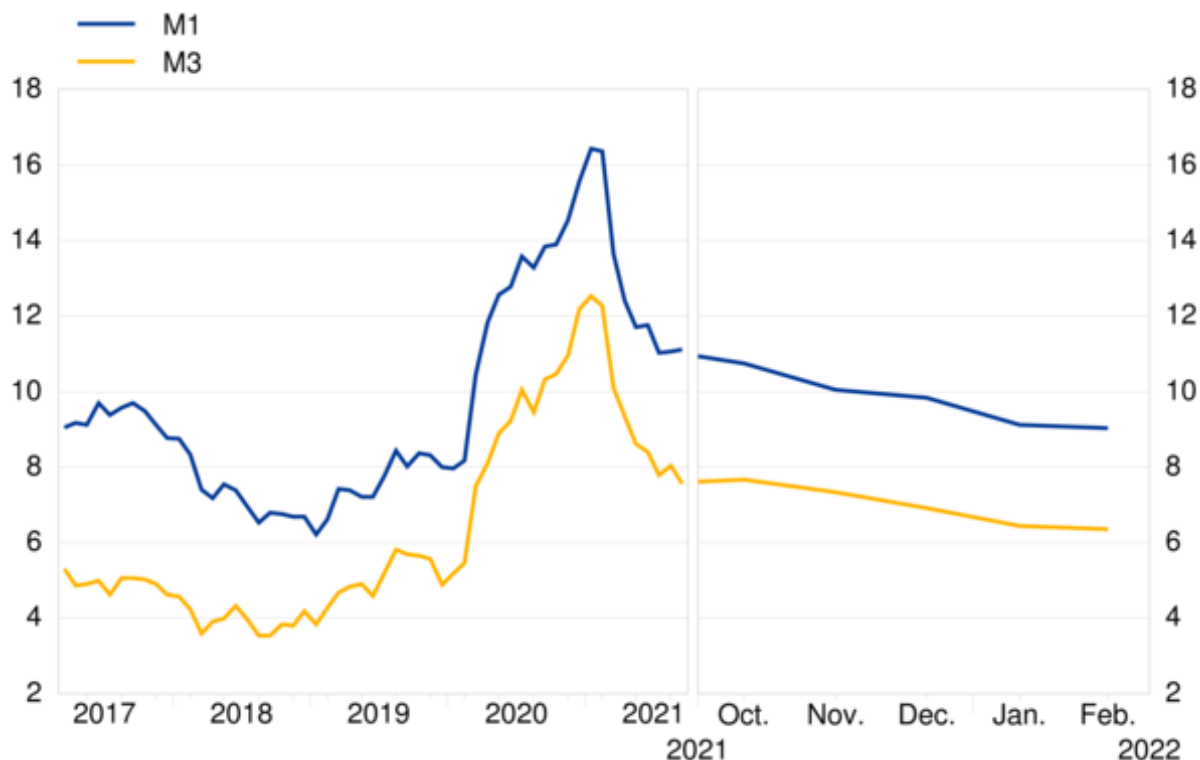
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Chart 1 Monetary aggregates

(annual growth rates)



[Data for monetary aggregates](#)

Looking at the [components' contributions to the annual growth rate of M3](#), the narrower aggregate M1 contributed 6.4 percentage points (down from 6.5 percentage points in January), short-term deposits other than overnight deposits (M2-M1) contributed -0.1 percentage point (as in the previous month) and marketable instruments (M3-M2) contributed 0.0 percentage point (as in the previous month).

From the perspective of the holding sectors of [deposits in M3](#), the annual growth rate of deposits placed by households decreased to 5.1% in February from 5.3% in January, while the annual growth rate of deposits placed by non-financial corporations stood at 7.7% in February, unchanged from the previous month. Finally, the annual growth rate of deposits placed by non-monetary financial corporations (excluding insurance corporations and pension funds) decreased to 14.7% in February from 14.9% in January.

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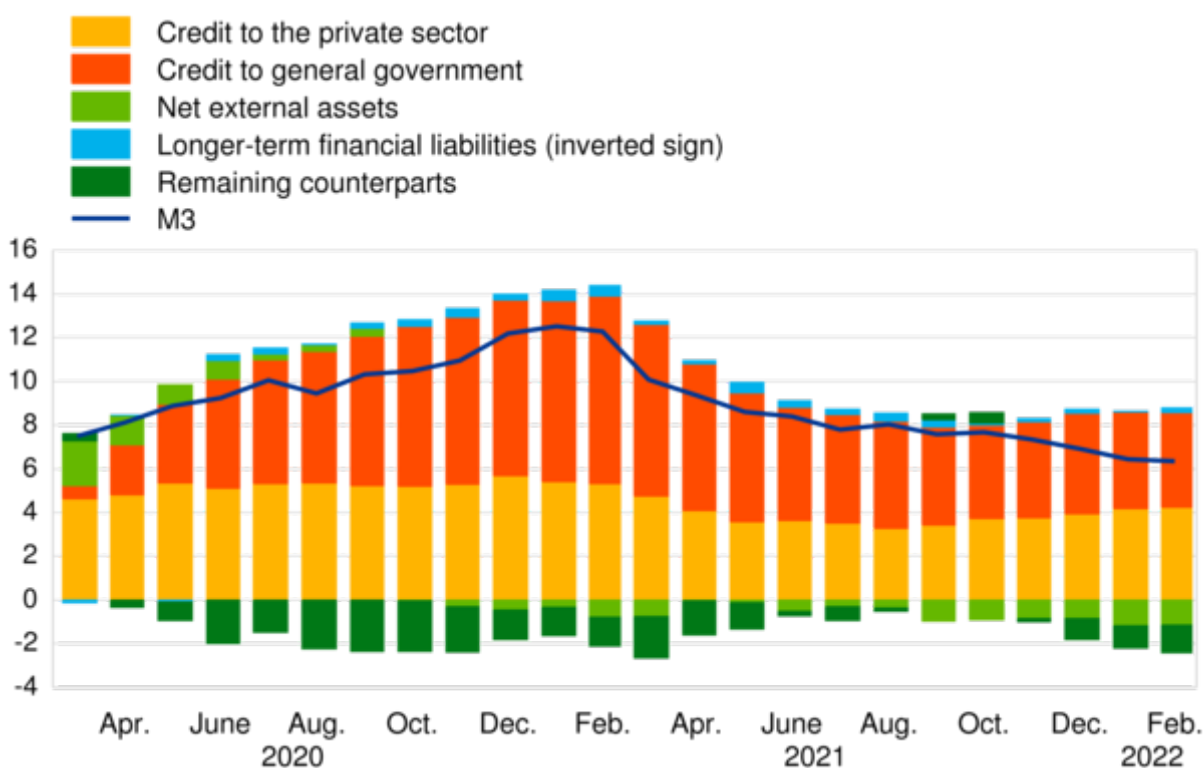
Counterparts of the broad monetary aggregate M3

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 February 2022 can be broken down as follows: credit to general government contributed 4.4 percentage points (as in the previous month), credit to the private sector contributed 4.2 percentage points (as in the previous month), longer-term financial liabilities contributed 0.2 percentage point (up from 0.1 percentage point), net external assets contributed -1.2 percentage points (as in the previous month), and the remaining counterparts of M3 contributed -1.3 percentage points (down from -1.0 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

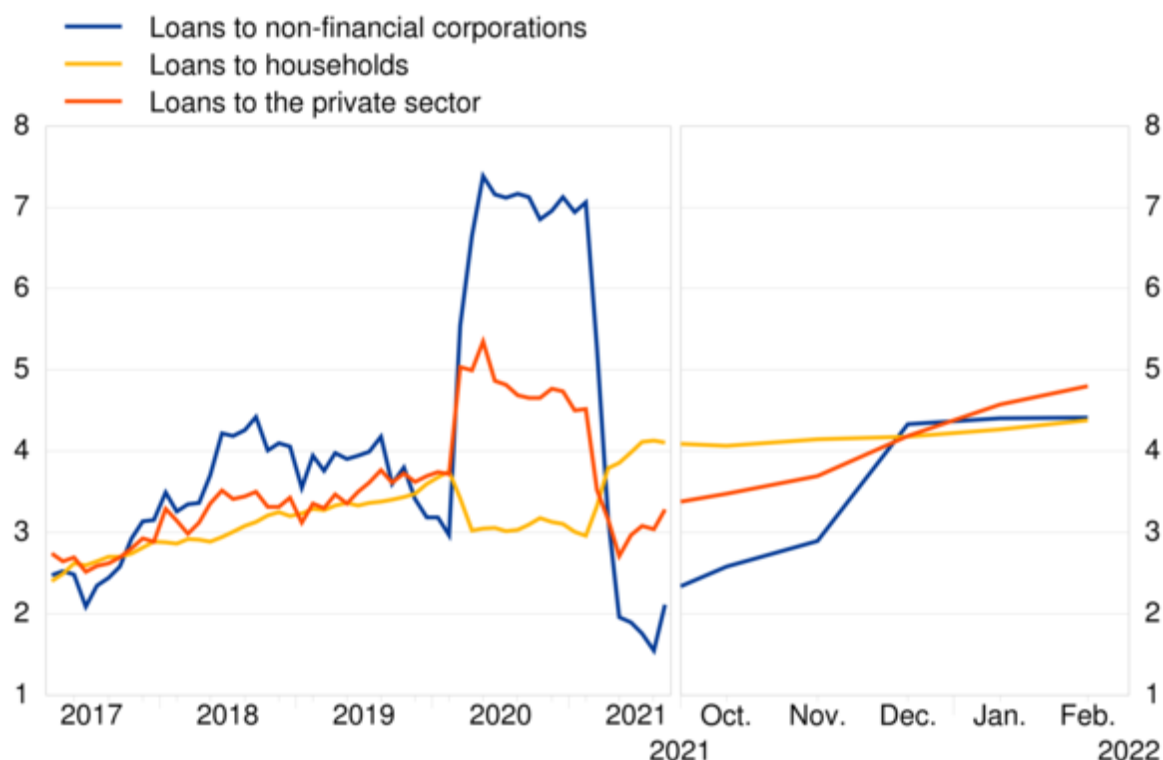
As regards the dynamics of credit, the annual growth rate of total [credit to euro area residents](#) stood at 6.2% in February 2022, unchanged from the previous month. The annual growth rate of [credit to general government](#) stood at 10.7% in February, compared with 10.8% in January, while the annual growth rate of [credit to the private sector](#) stood at 4.3% in February, 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) increased to 4.8% in February from 4.6% in January. Among the borrowing sectors, the annual growth rate of [adjusted loans to households](#) stood at 4.4% in February, compared with 4.3% in January, while the annual growth rate of [adjusted loans to non-financial corporations](#) stood at 4.4% in February, unchanged from the previous month.

Chart 3

Adjusted loans to the private sector

(annual growth rates)



[Data for adjusted loans to the private sector](#)

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Notes:

- New reporting requirements under [Regulation \(EU\) 2021/379 of the European Central Bank of 22 January 2021 on the balance sheet items of credit institutions and of the monetary financial institutions sector \(ECB/2021/2\)](#) came into force with effect from the January 2022 reference period. The implementation of the new Regulation, together with other changes to the statistical reporting framework and practices in euro area countries, may result in revisions to preliminary data in subsequent press releases.
- 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: February 2022

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

	End-of-month level	Monthly flow			Annual growth rate		
	Feb 2022	Dec 2021	Jan 2022	Feb 2022	Dec 2021	Jan 2022	Feb 2022
COMPONENTS OF M3							
1. M3	15605	94	47	66	6.9	6.4	6.3
1.1. M2	14851	110	65	84	7.0	6.8	6.7
1.1.1. M1	11397	104	39	89	9.8	9.1	9.0
Currency in circulation	1494	5	17	12	7.7	7.7	7.8
Overnight deposits	9903	99	22	77	10.2	9.3	9.2
1.1.2. Other short-term deposits (M2 - M1)	3454	6	25	-5	-1.5	-0.2	-0.3
Deposits with an agreed maturity of up to two years	935	-2	20	-12	-11.4	-7.1	-6.7
Deposits redeemable at notice of up to three months	2519	8	5	7	2.7	2.5	2.3
1.2. Marketable instruments (M3 - M2)	754	-16	-18	-18	6.1	0.5	-0.5
Repurchase agreements	132	-9	12	2	11.9	14.0	17.5
Money market fund shares	587	14	-44	-27	3.6	-3.2	-4.7
Debt securities issued with a maturity of up to two years	35	-22	15	7	-	60.4	23.4
COUNTERPARTS OF M3							
MFI liabilities:							
2. Holdings against central government ^{b)}	732	90	-70	8	7.1	5.4	6.2
3. Longer-term financial liabilities vis-a-vis other euro area residents	6882	7	-10	-19	-0.4	-0.1	-0.4
3.1. Deposits with an agreed maturity of over two years	1837	8	-10	-10	-3.9	-4.2	-4.3
3.2. Deposits redeemable at notice of over three months	37	-1	0	0	-11.9	-12.1	-11.8
3.3. Debt securities issued with a maturity of over two years	2005	-18	0	-8	-1.7	-0.5	-0.7
3.4. Capital and reserves	3003	18	1	0	2.9	2.9	2.5
MFI assets:							
4. Credit to euro area residents	21497	202	71	102	6.1	6.2	6.2
4.1. Credit to general government	6559	104	11	51	11.3	10.8	10.7
Loans	997	10	-5	4	0.0	0.1	0.0
Debt securities	5559	94	16	47	13.8	13.0	12.8
Equity ^{c)}	3	0	0	0	-80.7	48.5	51.2
4.2. Credit to the private sector ^{d)}	14938	98	60	51	4.0	4.3	4.3
Loans ^{e)}	12498	54	75	55	4.0	4.5	4.6
Adjusted loans ^{f)}	12652	99	63	61	4.2	4.6	4.8
Debt securities	1562	42	-14	0	5.3	4.6	4.4
Equity and non-money market fund investment fund shares	878	2	-1	-4	1.1	1.0	-0.1
5. Net external assets	1370	-38	-9	-6	-	-	-
6. Other counterparts of M3 (residual)	351	27	-95	-41	-	-	-
of which:							
6.1. Repos with central counterparties (liabilities) ^{c)}	166	-26	46	0	-8.7	12.1	13.8
6.2. Reverse repos to central counterparties (assets) ^{c)}	159	-13	29	1	-1.7	13.1	14.3

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: February 2022

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

	Dec 2021	Jan 2022	Feb 2022
COMPONENTS OF M3			
1. M1	7.0	6.5	6.4
1.1. Currency in circulation	0.7	0.7	0.7
1.2. Overnight deposits	6.2	5.8	5.7
2. M2 - M1 (other short-term deposits)	-0.4	-0.1	-0.1
3. M3 - M2 (marketable instruments)	0.3	0.0	0.0
COUNTERPARTS OF M3			
4. Credit to the private sector	3.9	4.2	4.2
5. Credit to general government	4.6	4.4	4.4
6. Net external assets	-0.8	-1.2	-1.2
7. Longer-term financial liabilities (inverted sign) ^{b)}	0.2	0.1	0.2
8. Remaining counterparts	-1.0	-1.0	-1.3
M3 (sum of items 1 to 3, or items 4 to 8)	6.9	6.4	6.3

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: February 2022 (EUR billions and annual percentage changes; data adjusted for seasonal effects ^{a)})

	End-of-month level	Monthly flow			Annual growth rate		
	Feb 2022	Dec 2021	Jan 2022	Feb 2022	Dec 2021	Jan 2022	Feb 2022
BREAKDOWN OF DEPOSITS IN M3							
Total deposits	13489	97	59	74	6.9	6.7	6.7
1. Deposits placed by households ^{b)}	8170	24	44	37	5.5	5.3	5.1
1.1. Overnight deposits	5457	20	44	33	8.3	8.0	7.7
1.2. Deposits with an agreed maturity of up to two years	362	-5	-6	-3	-14.9	-15.1	-14.8
1.3. Deposits redeemable at notice of up to three months	2350	9	7	7	3.4	3.2	3.0
1.4. Repurchase agreements	1	0	0	0	-18.6	-13.8	1.6
2. Deposits placed by non-financial corporations	3257	37	-6	20	8.5	7.7	7.7
2.1. Overnight deposits	2834	39	-13	29	11.1	9.5	9.6
2.2. Deposits with an agreed maturity of up to two years	284	0	3	-10	-6.9	-3.7	-4.2
2.3. Deposits redeemable at notice of up to three months	127	-1	0	-1	-5.0	-4.1	-4.9
2.4. Repurchase agreements	12	-1	4	1	98.2	55.9	96.1
3. Deposits placed by non-monetary financial corporations excluding insurance corporations and pension funds ^{c)}	1281	5	27	12	13.2	14.9	14.7
3.1. Overnight deposits	994	12	16	10	18.5	18.3	18.3
3.2. Deposits with an agreed maturity of up to two years	168	-4	11	-3	-12.8	0.8	-2.0
3.3. Deposits redeemable at notice of up to three months	20	-1	-1	1	-8.9	-14.5	-7.6
3.4. Repurchase agreements ^{c)}	99	-3	1	4	24.2	15.7	17.5
4. Deposits placed by insurance corporations and pension funds	235	-4	9	-4	-3.5	2.6	2.1
5. Deposits placed by other general government	546	35	-14	9	9.6	6.9	10.1

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: February 2022 (EUR billions and annual percentage changes; data adjusted for seasonal effects ^{a)})

	End-of-month level	Monthly flow			Annual growth rate		
	Feb 2022	Dec 2021	Jan 2022	Feb 2022	Dec 2021	Jan 2022	Feb 2022
BREAKDOWN OF LOANS AS COUNTERPART TO M3							
1. Loans to households ^{b)}	6436	14	26	22	4.3	4.4	4.4
<i>Adjusted loans ^{c)}</i>	6639	24	24	28	4.2	4.3	4.4
1.1. Credit for consumption	701	-1	1	4	1.5	1.9	2.3
1.2. Lending for house purchase	5028	17	24	17	5.4	5.5	5.4
1.3. Other lending	707	-1	1	1	-0.5	-0.3	-0.2
<i>of which: sole proprietors</i>	376	0	-1	0	-0.8	-0.9	-1.0
2. Loans to non-financial corporations	4882	53	2	12	3.8	3.7	3.8
<i>Adjusted loans ^{c)}</i>	4856	79	3	11	4.3	4.4	4.4
2.1. up to 1 year	897	21	-3	9	-0.1	0.3	1.2
2.2. over 1 year and up to 5 years	999	28	-7	-2	0.3	0.1	0.1
2.3. over 5 years	2986	4	12	4	6.2	6.1	5.9
3. Loans to non-monetary financial corporations except insurance corporations and pension funds ^{d)}	1010	-14	36	24	5.7	7.4	9.3
<i>Adjusted loans ^{c)}</i>	1002	-6	31	23	5.3	7.1	9.3
4. Loans to insurance corporations and pension funds	170	1	11	-2	-4.7	11.8	11.4
<i>Adjusted loans ^{c)}</i>	155	3	6	-2	-6.6	7.6	7.8

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.