



EUROPEAN CENTRAL BANK

EUROSYSTEM

Press release

27 July 2022

Monetary developments in the euro area: June 2022

- Annual growth rate of broad [monetary aggregate M3](#) stood at 5.7% in June 2022, after 5.8% in May 2022 (revised from 5.6%)
- Annual growth rate of narrower [monetary aggregate M1](#), comprising currency in circulation and overnight deposits, decreased to 7.2% in June from 7.9% in May
- Annual growth rate of [adjusted loans to households](#) stood at 4.6% in June, unchanged from previous month
- Annual growth rate of [adjusted loans to non-financial corporations](#) increased to 6.8% in June from 5.8% in May

Components of the broad monetary aggregate M3

The annual growth rate of the broad monetary aggregate M3 stood at 5.7% in June 2022, after 5.8% in May, averaging 5.9% in the three months up to June. 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, decreased to 7.2% in June from 7.9% in May. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) increased to 2.0% in June from 0.3% in May. The annual growth rate of marketable instruments (M3-M2) increased to 2.3% in June from 0.6% in May.

European Central Bank

Directorate General Communications, Global Media Relations Division

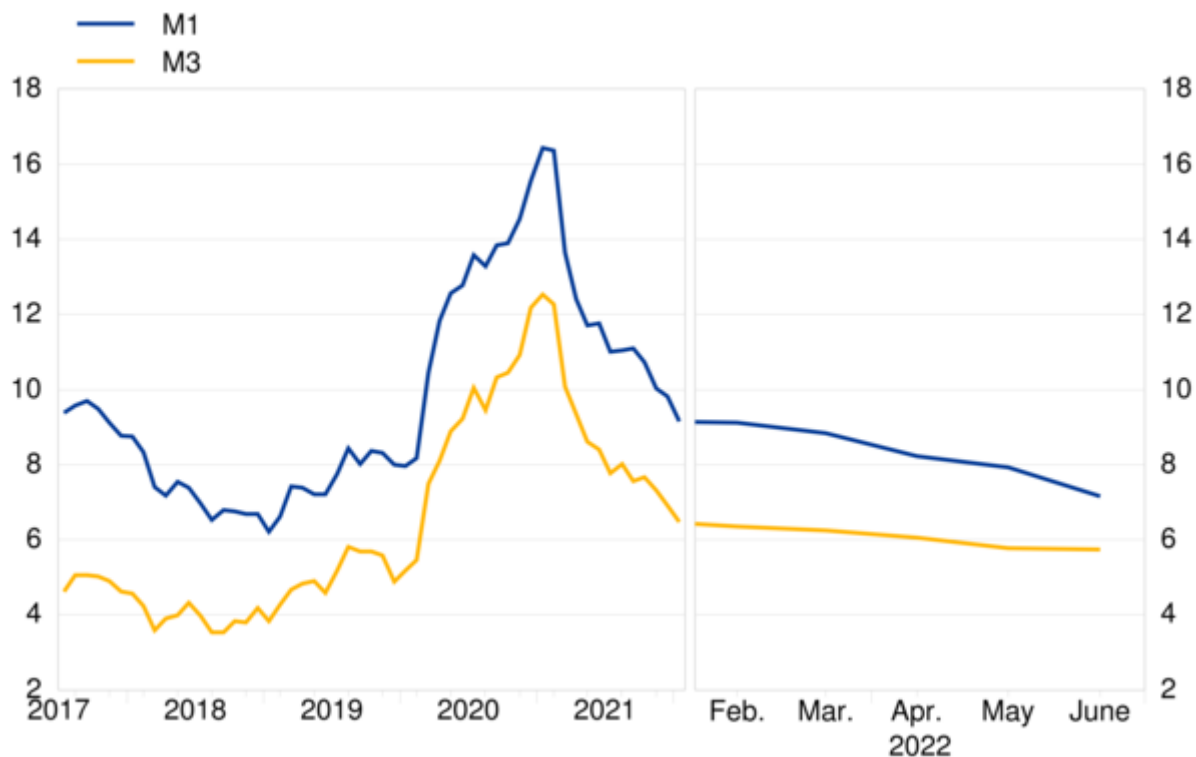
Sonnemannstrasse 20, 60314 Frankfurt am Main, Germany

Tel.: +49 69 1344 7455, e-mail: media@ecb.europa.eu, website: www.ecb.europa.eu

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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 5.2 percentage points (down from 5.7 percentage points in May), short-term deposits other than overnight deposits (M2-M1) contributed 0.5 percentage point (up from 0.1 percentage point) and marketable instruments (M3-M2) contributed 0.1 percentage point (up from 0.0 percentage point).

From the perspective of the holding sectors of [deposits in M3](#), the annual growth rate of deposits placed by households decreased to 4.1% in June from 4.4% in May, while the annual growth rate of deposits placed by non-financial corporations decreased to 5.8% in June from 6.5% in May. Finally, the annual growth rate of deposits placed by non-monetary financial corporations (excluding insurance corporations and pension funds) increased to 11.9% in June from 10.7% in May.

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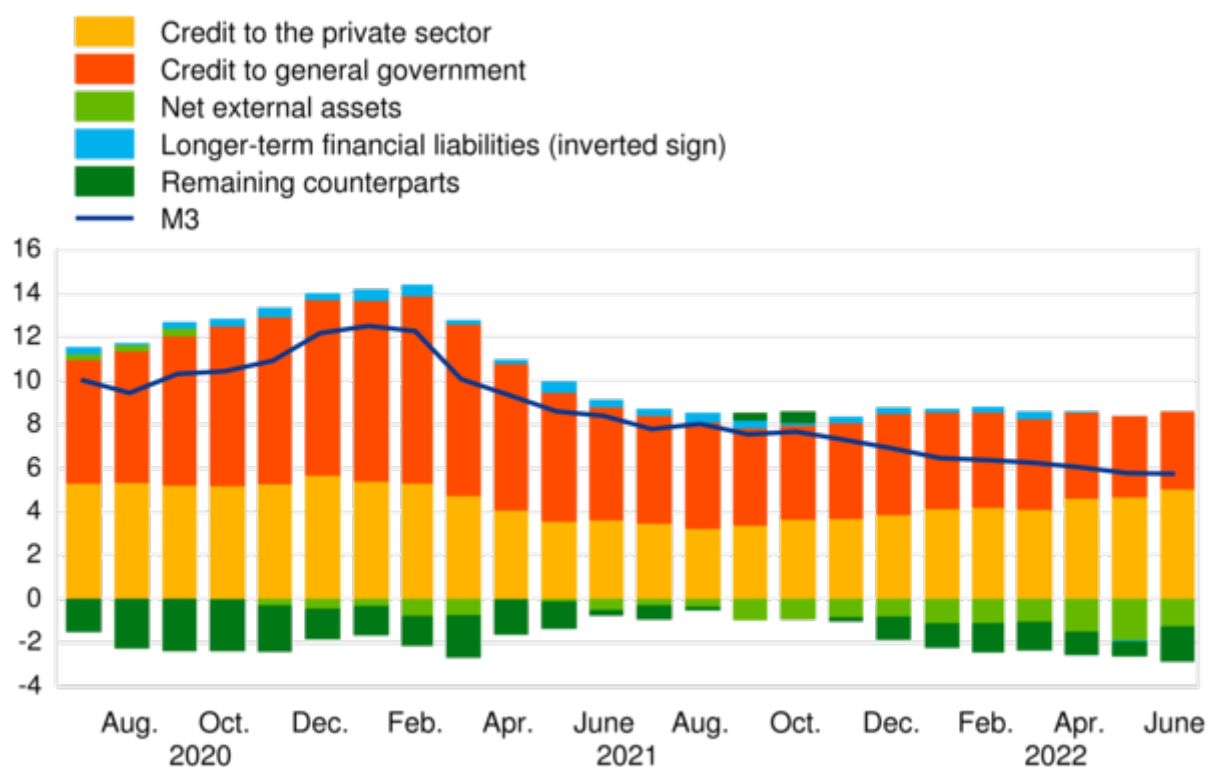
Counterparts of the broad monetary aggregate M3

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 June 2022 can be broken down as follows: credit to the private sector contributed 5.1 percentage points (up from 4.7 percentage points in May), credit to general government contributed 3.5 percentage points (down from 3.7 percentage points), longer-term financial liabilities contributed 0.0 percentage point (up from -0.1 percentage point), net external assets contributed -1.3 percentage points (up from -1.9 percentage points), and the remaining counterparts of M3 contributed -1.6 percentage points (down from -0.6 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

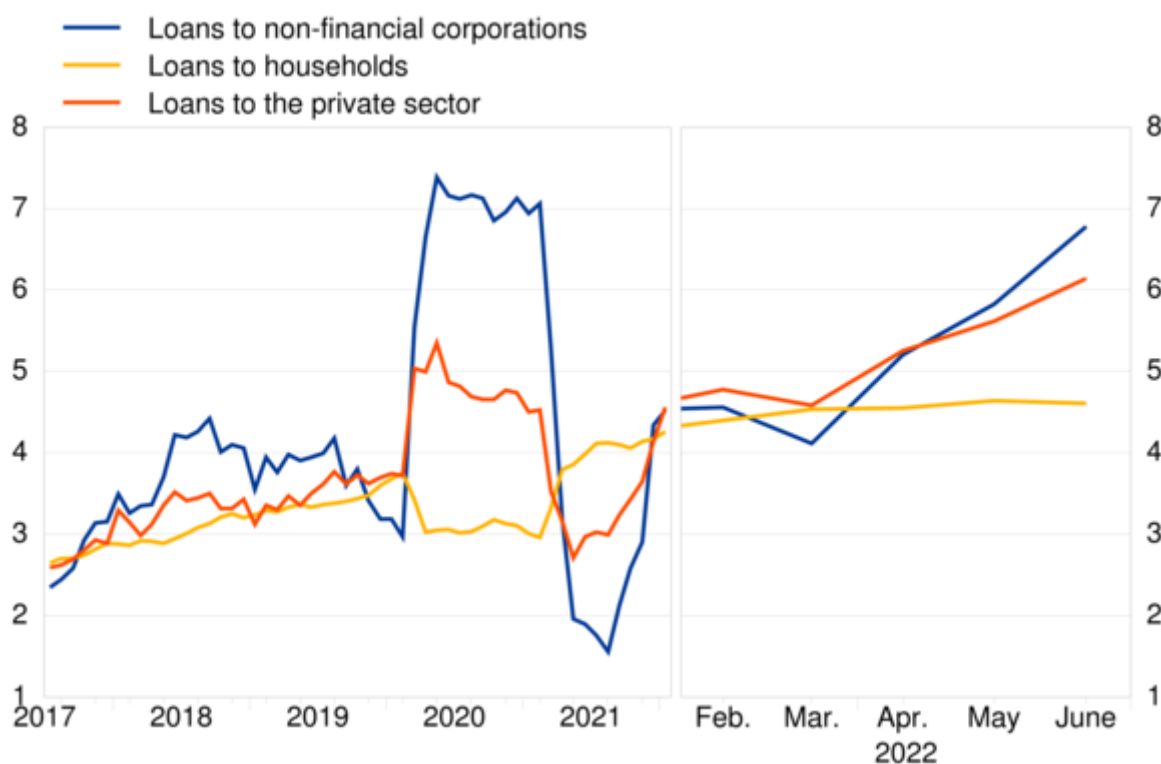
As regards the dynamics of credit, the annual growth rate of total [credit to euro area residents](#) increased to 6.2% in June 2022 from 6.0% in the previous month. The annual growth rate of [credit to general government](#) decreased to 8.5% in June from 8.9% in May, while the annual growth rate of [credit to the private sector](#) increased to 5.2% in June from 4.8% in May.

The annual growth rate of [adjusted loans to the private sector](#) (i.e. adjusted for loan sales, securitisation and notional cash pooling) increased to 6.1% in June from 5.6% in May. Among the borrowing sectors, the annual growth rate of [adjusted loans to households](#) stood at 4.6% in June, unchanged from the previous month, while the annual growth rate of [adjusted loans to non-financial corporations](#) increased to 6.8% in June from 5.8% in May.

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: June 2022

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

	End-of-month level	Monthly flow			Annual growth rate		
	Jun 2022	Apr 2022	May 2022	Jun 2022	Apr 2022	May 2022	Jun 2022
COMPONENTS OF M3							
1. M3	15851	35	43	73	6.1	5.8	5.7
1.1. M2	15068	22	41	61	6.3	6.1	5.9
1.1.1. M1	11567	10	52	23	8.2	7.9	7.2
Currency in circulation	1530	-1	4	2	8.8	8.4	7.9
Overnight deposits	10037	10	48	21	8.1	7.8	7.0
1.1.2. Other short-term deposits (M2 - M1)	3501	12	-11	38	0.4	0.3	2.0
Deposits with an agreed maturity of up to two years	971	13	-17	33	-2.8	-3.7	2.5
Deposits redeemable at notice of up to three months	2530	-1	6	5	1.7	1.8	1.9
1.2. Marketable instruments (M3 - M2)	782	14	2	13	1.3	0.6	2.3
Repurchase agreements	114	-9	9	-11	1.3	10.5	-2.8
Money market fund shares	609	7	-2	8	-1.8	-2.2	-0.8
Debt securities issued with a maturity of up to two years	60	15	-5	15	71.6	16.5	79.3
COUNTERPARTS OF M3							
MFI liabilities:							
2. Holdings against central government ^{b)}	756	28	-43	30	7.4	4.5	11.7
3. Longer-term financial liabilities vis-a-vis other euro area residents	6803	27	-14	15	0.0	0.1	0.0
3.1. Deposits with an agreed maturity of over two years	1848	-5	3	-1	-3.1	-2.9	-2.8
3.2. Deposits redeemable at notice of over three months	32	0	-3	0	-13.3	-20.8	-20.9
3.3. Debt securities issued with a maturity of over two years	2004	2	-20	1	-1.7	-1.8	-1.6
3.4. Capital and reserves	2919	31	7	15	3.2	3.6	3.2
MFI assets:							
4. Credit to euro area residents	21695	84	75	122	6.2	6.0	6.2
4.1. Credit to general government	6516	16	22	40	9.6	8.9	8.5
Loans	1006	2	-4	6	0.4	-0.2	0.2
Debt securities	5485	14	26	34	11.4	10.7	10.1
Equity ^{c)}	25	1	0	0	35.7	31.0	39.7
4.2. Credit to the private sector ^{d)}	15179	68	53	82	4.7	4.8	5.2
Loans ^{e)}	12779	63	83	73	4.9	5.3	5.8
Adjusted loans ^{f)}	12926	80	72	91	5.3	5.6	6.1
Debt securities	1570	10	-43	21	7.5	4.8	5.5
Equity and non-money market fund investment fund shares	829	-5	13	-12	-1.7	-1.1	-2.8
5. Net external assets	1322	-34	-73	55	-	-	-
6. Other counterparts of M3 (residual)	392	40	-16	-58	-	-	-
of which:							
6.1. Repos with central counterparties (liabilities) ^{c)}	158	28	0	-23	35.9	35.2	27.6
6.2. Reverse repos to central counterparties (assets) ^{c)}	157	7	4	-18	36.7	40.2	22.2

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: June 2022

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

	Apr 2022	May 2022	Jun 2022
COMPONENTS OF M3			
1. M1	5.9	5.7	5.2
1.1. Currency in circulation	0.8	0.8	0.7
1.2. Overnight deposits	5.1	4.9	4.4
2. M2 - M1 (other short-term deposits)	0.1	0.1	0.5
3. M3 - M2 (marketable instruments)	0.1	0.0	0.1
COUNTERPARTS OF M3			
4. Credit to the private sector	4.6	4.7	5.1
5. Credit to general government	3.9	3.7	3.5
6. Net external assets	-1.5	-1.9	-1.3
7. Longer-term financial liabilities (inverted sign) ^{b)}	0.0	-0.1	0.0
8. Remaining counterparts	-1.0	-0.6	-1.6
M3 (sum of items 1 to 3, or items 4 to 8)	6.1	5.8	5.7

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

	End-of-month level	Monthly flow			Annual growth rate		
	Jun 2022	Apr 2022	May 2022	Jun 2022	Apr 2022	May 2022	Jun 2022
BREAKDOWN OF DEPOSITS IN M3							
Total deposits	13651	13	46	48	6.0	5.8	5.6
1. Deposits placed by households ^{b)}	8245	10	35	9	4.4	4.4	4.1
1.1. Overnight deposits	5532	13	31	6	6.9	6.7	6.1
1.2. Deposits with an agreed maturity of up to two years	353	-2	-2	-2	-13.8	-13.2	-12.6
1.3. Deposits redeemable at notice of up to three months	2360	-1	7	4	2.2	2.4	2.4
1.4. Repurchase agreements	1	0	0	0	8.1	-13.6	-15.9
2. Deposits placed by non-financial corporations	3296	0	4	10	6.9	6.5	5.8
2.1. Overnight deposits	2850	-7	13	-7	8.3	8.2	6.4
2.2. Deposits with an agreed maturity of up to two years	304	8	-11	16	-0.8	-4.4	2.7
2.3. Deposits redeemable at notice of up to three months	131	0	1	0	-4.1	-2.5	-1.2
2.4. Repurchase agreements	11	-2	1	1	22.0	40.5	23.1
3. Deposits placed by non-monetary financial corporations excluding insurance corporations and pension funds ^{c)}	1304	0	-3	23	12.3	10.7	11.9
3.1. Overnight deposits	1028	0	3	15	15.3	13.6	13.1
3.2. Deposits with an agreed maturity of up to two years	174	2	-9	18	-0.6	-6.2	15.2
3.3. Deposits redeemable at notice of up to three months	18	1	-1	1	-7.9	-15.2	-15.4
3.4. Repurchase agreements ^{c)}	85	-2	5	-11	11.6	19.7	0.7
4. Deposits placed by insurance corporations and pension funds	231	-7	7	0	-1.1	0.4	3.0
5. Deposits placed by other general government	575	10	3	7	14.3	15.1	15.8

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

	End-of-month level	Monthly flow			Annual growth rate		
	Jun 2022	Apr 2022	May 2022	Jun 2022	Apr 2022	May 2022	Jun 2022
BREAKDOWN OF LOANS AS COUNTERPART TO M3							
1. Loans to households ^{b)}	6546	21	32	26	4.4	4.5	4.5
<i>Adjusted loans ^{c)}</i>	6744	25	30	23	4.6	4.6	4.6
1.1. Credit for consumption	707	2	3	2	3.0	3.4	3.3
1.2. Lending for house purchase	5133	19	28	23	5.3	5.4	5.3
1.3. Other lending	707	0	1	1	-0.2	-0.2	0.0
<i>of which: sole proprietors</i>	375	0	-1	-1	-0.5	-0.8	-0.9
2. Loans to non-financial corporations	5017	23	31	42	4.5	5.0	5.9
<i>Adjusted loans ^{c)}</i>	4993	24	25	54	5.2	5.8	6.8
2.1. up to 1 year	948	11	12	14	5.7	7.2	14.0
2.2. over 1 year and up to 5 years	1027	7	5	10	1.8	4.6	5.8
2.3. over 5 years	3042	4	14	19	5.1	4.6	3.7
3. Loans to non-monetary financial corporations except insurance corporations and pension funds ^{d)}	1052	12	18	3	10.0	11.8	13.2
<i>Adjusted loans ^{c)}</i>	1034	26	16	11	10.3	11.7	13.4
4. Loans to insurance corporations and pension funds	164	8	3	1	3.7	2.4	8.0
<i>Adjusted loans ^{c)}</i>	154	6	1	3	5.6	3.1	7.9

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.