

27 February 2007

PRESS RELEASE

MONETARY DEVELOPMENTS IN THE EURO AREA: JANUARY 2007

The annual rate of growth of M3 stood at 9.8% in January 2007, unchanged from the previous month.¹ The three-month average of the annual growth rates of M3 over the period November 2006 - January 2007 rose to 9.7%, from 9.2% in the period October 2006 - December 2006.

12-month percentage changes; adjusted for seasonal and end-of-month calendar effects	NOVEMBER 2006	DECEMBER 2006	JANUARY 2007	NOVEMBER 2006 - JANUARY 2007 AVERAGE
M3	9.3	9.8	9.8	9.7
M1	6.6	7.5	6.5	6.8
Loans to private sector	11.2	10.7	10.6	10.8

Regarding the main components of M3, the annual rate of growth of M1 decreased to 6.5% in January 2007, from 7.5% in December 2006. The annual rate of growth of short-term deposits other than overnight deposits increased to 12.0% in January, from 11.8% in the previous month. The annual rate of growth of marketable instruments increased to 15.7% in January, from 12.4% in December.

Turning to the main counterparts of M3 on the asset side of the consolidated balance sheet of the MFI sector, the annual growth rate of total credit granted to euro area residents decreased to 8.0% in January 2007, from 8.2% in December 2006. The annual rate of growth of credit extended to general government decreased to -5.0% in January, from -4.8% in December, while the annual growth of credit extended to the private sector decreased to 11.3% in January, from 11.5% in December. Among the components of the latter, the annual rate of growth of loans to the private sector stood at 10.6% in January, compared with 10.7% in the previous month. The annual growth rate of loans to non-financial corporations increased to 13.2% in January, from 13.0% in December.² The annual growth rate of loans to households decreased to 7.9% in January, from 8.2% in the previous month. The annual rate of growth of lending for house purchase declined to 9.3% in January, from 9.5% in December. The annual rate of growth of consumer credit decreased to 6.9% in January, from 7.8% in December, while the annual growth rate of other lending to households stood at 2.8% in January, compared with 2.9% in the previous month. Finally, the annual rate of

¹ These rates of growth refer to aggregates adjusted for seasonal and end-of-month calendar effects; this applies throughout this press release unless specified otherwise.

² The rates of growth referring to the breakdown of loans to the private sector by counterpart and type are unadjusted for seasonal and end-of-month calendar effects.

growth of loans to non-monetary financial intermediaries (except insurance corporations and pension funds) decreased to 11.5% in January, from 13.2% in the previous month.

Over the 12 months up to January 2007, the net external asset position of the euro area MFI sector rose by EUR 181 billion, compared with a rise of EUR 195 billion over the 12 months up to December 2006. The annual rate of growth of longer-term financial liabilities of the MFI sector stood at 8.3% in January, compared with 8.4% in December.

Notes

- *In addition to the monthly monetary developments for the reference month, this press release incorporates minor revisions to the data for previous months.*
- *The publication of the statistics on monetary developments in February, March, April and May 2007 is scheduled to take place at 10 am on 28 March, 30 April, 30 May and 28 June 2007 respectively.*
- *Data refer to the changing composition of the euro area, i.e. they cover the EU Member States that had adopted the euro at the time to which the statistics relate. Data on outstanding amounts referring to periods up to and including December 2000 therefore cover the initial 11 euro area Member States, Greece is included as of January 2001 and Slovenia as of January 2007. Monthly flows and annual growth rates for January 2007 are corrected for the effect of the euro area enlargement. The implications of the entry of Slovenia into the euro area for monetary statistics are further explained in Box 1 of the ECB Monthly Bulletin of February 2007.*
- *The latest monetary data as contained in Tables 2.1 to 2.8 of the ECB's Monthly Bulletin can be found on the ECB's website (<http://www.ecb.int/>) in the "Statistics" section under "Money, banking and financial markets" and then "Monetary statistics". The same section contains also longer time series for principal monetary aggregates (start date: January 1970) and methodological notes on the monetary statistics concepts and seasonal adjustment procedures.*

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TABLE 1

MONETARY DEVELOPMENTS IN THE EURO AREA: JANUARY 2007

DATA ADJUSTED FOR SEASONAL EFFECTS

(EUR billions and annual percentage changes ^{a)})

	DECEMBER 2006			JANUARY 2007			AVERAGE NOV-06 JAN-07
	End of month level	Monthly flow ^{b)}	Annual growth rate	End of month level	Monthly flow ^{b)}	Annual growth rate	Annual growth rate
COMPONENTS OF M3 ^{c)}							
(1) M3 (= items 1.3, 1.6 and 1.11)	7720	70	9.8	7813	66	9.8	9.7
(1.1) Currency in circulation	578	4	11.1	584	5	10.4	10.8
(1.2) Overnight deposits	3099	58	6.9	3099	-15	5.8	6.1
(1.3) M1 (items 1.1 and 1.2)	3677	62	7.5	3683	-10	6.5	6.8
(1.4) Deposits with agreed maturity up to 2 years	1401	23	27.3	1451	37	29.2	28.0
(1.5) Deposits redeemable at notice up to 3 months	1553	-8	0.7	1547	-7	-0.4	0.4
(1.6) Other short term deposits (items 1.4 and 1.5)	2954	15	11.8	2998	31	12.0	11.9
(1.7) M2 (items 1.3 and 1.6)	6631	77	9.4	6681	21	8.9	9.0
(1.8) Repurchase agreements	262	5	11.1	266	4	10.1	10.1
(1.9) Money market fund shares/units	629	-11	4.5	644	16	8.0	6.1
(1.10) Debt securities issued with maturity up to 2 years	197	-1	52.3	223	26	58.7	53.4
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	1088	-8	12.4	1132	45	15.7	13.5
COUNTERPARTS OF M3							
MFI liabilities:							
(2) <i>Holdings against central government</i> ^{d)}	176	-19	-10.0	176	-2	-11.6	-5.6
(3) <i>Longer-term financial liabilities against other euro area residents</i> (= items 3.1 to 3.4)	5430	36	8.4	5463	16	8.3	8.4
(3.1) Deposits with agreed maturity over 2 years	1659	7	9.1	1661	5	8.7	9.2
(3.2) Deposits redeemable at notice over 3 months	103	1	17.8	105	2	18.9	17.7
(3.3) Debt securities issued with maturity over 2 years	2399	34	10.0	2418	11	10.1	9.6
(3.4) Capital and reserves	1269	-6	3.9	1279	-2	3.6	4.6
MFI assets:							
(4) <i>Credit to euro area residents</i> (= items 4.1 and 4.2)	12960	17	8.2	13088	87	8.0	8.3
(4.1) Credit to general government	2316	-26	-4.8	2321	-2	-5.0	-4.5
of which Loans	820	-8	-1.7	818	-3	-1.6	-1.0
of which Securities other than shares	1496	-18	-6.4	1503	1	-6.7	-6.4
(4.2) Credit to other euro area residents	10644	43	11.5	10767	88	11.3	11.6
of which Loans	9149	38	10.7	9257	77	10.6	10.8
of which Securities other than shares	650	8	20.1	654	3	19.0	19.6
of which Shares and other equities	844	-4	13.8	855	8	13.5	13.8
(5) <i>Net external assets</i>	631	69	ND	627	-7	ND	ND
(6) <i>Other counterparts of M3 (residual)</i> (= M3 + items 2, 3 - items 4, 5)	-265	1	ND	-262	2	ND	ND

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.

b) Calculated from the monthly difference in levels adjusted for reclassifications, exchange rate variations, other revaluations and any other changes which do not arise from transactions.

c) Liabilities of monetary financial institutions (MFIs) and specific units of the central government (post offices, treasury) vis-à-vis non-MFI euro area residents excluding central government.

d) Includes holdings of the central government of deposits with the MFI sector and of securities issued by the MFI sector.

TABLE 2

MONETARY DEVELOPMENTS IN THE EURO AREA: JANUARY 2007

DATA UNADJUSTED FOR SEASONAL EFFECTS

(EUR billions and annual percentage changes ^{a)})

	DECEMBER 2006			JANUARY 2007			AVERAGE NOV-06 JAN-07
	End of month level	Monthly flow b)	Annual growth rate	End of month level	Monthly flow b)	Annual growth rate	Annual growth rate
COMPONENTS OF M3^{c)}							
(1) M3 (= items 1.3, 1.6 and 1.11)	7779	165	9.9	7810	3	9.7	9.7
(1.1) Currency in circulation	592	21	11.1	576	-17	10.4	10.9
(1.2) Overnight deposits	3154	119	7.2	3103	-67	5.5	6.2
(1.3) M1 (items 1.1 and 1.2)	3747	140	7.8	3678	-84	6.2	6.9
(1.4) Deposits with agreed maturity up to 2 years	1416	47	26.9	1452	23	29.9	27.9
(1.5) Deposits redeemable at notice up to 3 months	1560	16	0.7	1558	-2	-0.5	0.4
(1.6) Other short term deposits (items 1.4 and 1.5)	2976	64	11.7	3010	20	12.1	11.8
(1.7) M2 (items 1.3 and 1.6)	6723	204	9.5	6688	-64	8.8	9.0
(1.8) Repurchase agreements	245	-16	10.7	259	14	9.5	9.7
(1.9) Money market fund shares/units	614	-21	4.5	640	27	8.0	6.1
(1.10) Debt securities issued with maturity up to 2 years	197	-1	52.3	223	26	58.7	53.4
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	1056	-39	12.4	1121	67	15.6	13.5
COUNTERPARTS OF M3							
MFI liabilities:							
(2) <i>Holdings against central government</i> ^{d)}	156	-36	-9.5	170	12	-11.7	-5.5
(3) <i>Longer-term financial liabilities against other euro area residents</i> (= items 3.1 to 3.4)	5430	40	8.3	5450	4	8.2	8.4
(3.1) Deposits with agreed maturity over 2 years	1666	21	9.1	1665	1	8.7	9.2
(3.2) Deposits redeemable at notice over 3 months	103	2	17.7	106	2	18.9	17.6
(3.3) Debt securities issued with maturity over 2 years	2390	18	9.9	2402	4	10.1	9.6
(3.4) Capital and reserves	1270	-1	3.9	1278	-3	3.6	4.5
MFI assets:							
(4) <i>Credit to euro area residents</i> (= items 4.1 and 4.2)	12928	-13	8.2	13086	117	8.0	8.3
(4.1) Credit to general government	2293	-54	-4.7	2315	15	-5.0	-4.5
of which Loans	830	5	-1.7	826	-4	-1.6	-1.0
of which Securities other than shares	1463	-59	-6.4	1489	19	-6.7	-6.3
(4.2) Credit to other euro area residents	10635	41	11.4	10771	102	11.3	11.5
of which Loans	9155	39	10.7	9271	85	10.6	10.8
of which Securities other than shares	651	12	20.0	653	2	19.0	19.6
of which Shares and other equities	829	-10	13.6	847	15	13.4	13.7
(5) <i>Net external assets</i>	653	80	ND	630	-26	ND	ND
(6) <i>Other counterparts of M3 (residual)</i> (= M3 + items 2, 3 - items 4, 5)	-217	101	ND	-286	-71	ND	ND

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.

b) Calculated from the monthly difference in levels adjusted for reclassifications, exchange rate variations, other revaluations and any other changes which do not arise from transactions.

c) Liabilities of monetary financial institutions (MFIs) and specific units of the central government (post offices, treasury) vis-à-vis non-MFI euro area residents excluding central government.

d) Includes holdings of the central government of deposits with the MFI sector and of securities issued by the MFI sector.

TABLE 3

CONTRIBUTIONS OF M3 COMPONENTS TO THE M3 ANNUAL GROWTH RATE: JANUARY 2007
DATA ADJUSTED FOR SEASONAL EFFECTS
 (contributions in terms of the M3 annual percentage change ^{a)})

	NOVEMBER 2006	DECEMBER 2006	JANUARY 2007
(1) M1	3.2	3.6	3.1
(1.1) <i>of which</i> : Currency	0.8	0.8	0.8
(1.2) <i>of which</i> : Overnight deposits	2.4	2.8	2.4
(2) M2 - M1 (= other short-term deposits)	4.4	4.4	4.5
(3) M3 - M2 (= short-term marketable instruments)	1.7	1.7	2.2
(4) M3 (= items 1, 2 and 3)	9.3	9.8	9.8

a) Discrepancies can be due to rounding.

TABLE 4

BREAKDOWN OF LOANS BY COUNTERPART, TYPE AND ORIGINAL MATURITY: JANUARY 2007
DATA UNADJUSTED FOR SEASONAL EFFECTS
 (EUR billions and annual percentage changes ^{a)})

	DECEMBER 2006				JANUARY 2007			
	End of month level	Monthly flow ^{b)}	write-offs / write-downs	Annual growth rate	End of month level	Monthly flow ^{b)}	write-offs / write-downs	Annual growth rate
BREAKDOWN OF LOANS ^{c)}								
(1) Loans to non-financial corporations	3847	43	-3	13.0	3899	38	-1	13.2
(1.1) up to 1 year	1126	-2	-1	9.4	1152	14	0	9.8
(1.2) over 1 year and up to 5 years	712	12	-1	21.1	722	7	0	20.8
(1.3) over 5 years	2009	33	-1	12.4	2025	17	-1	12.7
(2) Loans to households ^{d)}	4536	23	-3	8.2	4553	12	-2	7.9
(2.1) Consumer credit	588	4	-1	7.8	587	-3	0	6.9
(2.2) Lending for house purchase	3214	19	-1	9.5	3228	16	0	9.3
(2.3) Other lending ^{d)}	734	0	-1	2.9	738	0	-1	2.8
(3) Loans to non-monetary financial intermediaries except insurance corporations and pension funds	689	-14	0	13.2	718	17	0	11.5
(4) Loans to insurance corporations and pension funds	83	-12	0	28.3	100	17	0	31.1

a) Discrepancies can be 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.

b) Calculated from monthly difference in levels adjusted for write-offs/write-downs, reclassifications, exchange rate variations and any other changes which do not arise from transactions.

c) Loans granted by monetary financial institutions (MFIs) to non-MFI euro area residents excluding general government.

d) Includes loans to non-profit institutions serving households.