



EUROPEAN CENTRAL BANK

26 August 2005

ECB PRESS RELEASE

MONETARY DEVELOPMENTS IN THE EURO AREA: JULY 2005

The annual rate of growth of M3 increased to 7.9% in July 2005, from 7.6% in June 2005.¹ The three-month average of the annual growth rates of M3 over the period May 2005 - July 2005 rose to 7.6%, from 7.2% in the period April 2005 - June 2005.

12-month percentage changes; adjusted for seasonal and end-of-month calendar effects	MAY 2005	JUNE 2005	JULY 2005	MAY 2005 - JULY 2005 AVERAGE
M3	7.3	7.6	7.9	7.6
M1	10.1	10.9	11.1	10.7
Loans to private sector	7.5	8.0	8.2	7.9

Regarding the main components of M3, the annual rate of growth of M1 increased to 11.1% in July 2005, from 10.9% in June. The annual rate of growth of short-term deposits other than overnight deposits increased to 5.3% in July, from 5.1% in the previous month. The annual rate of growth of marketable instruments increased to 5.9% in July, from 5.0% in June.

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 increased to 6.8% in July 2005, from 6.6% in June. The annual rate of growth of credit extended to general government stood at 1.0% in July, compared with 1.1% in the previous month, while the annual growth of credit extended to the private sector rose to 8.4% in July, from 8.1% in June. Among the components of the latter, the annual rate of growth of loans to the private sector increased to 8.2% in July, from 8.0% in the previous month. The annual growth rate of loans to non-financial corporations increased to 6.9% in July, from 6.3% in June.² The annual growth rate of loans to households stood at 8.4% in July, unchanged from the previous month. The annual rate of growth of lending for house purchase was 10.5% in July, after 10.4% in June. The annual rate of growth of consumer credit decreased to 6.8% in July, from 7.0% in June, while the annual growth rate of other lending to households decreased to 2.1% in July, from 2.4% in the previous month. Finally, the annual

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.

rate of growth of loans to non-monetary financial intermediaries (except insurance corporations and pension funds) increased to 15.0% in July, from 13.6% in the previous month.

Over the 12 months up to July 2005, the net external asset position of the euro area MFI sector rose by EUR 163 billion, compared with a rise of EUR 155 billion over the 12 months up to June. The annual rate of growth of longer-term financial liabilities of the MFI sector decreased to 9.5% in July, from 9.7% in June.

Notes

- *In addition to the monthly monetary developments for the reference month, this press release incorporates revisions to the data for previous months.*
- *The publication of the statistics on monetary developments in August, September, October and November 2005 is scheduled to take place at 10 am on 27 September, 28 October, 29 November and 29 December 2005, respectively.*
- *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 "Data services" and then "Latest monetary, financial markets and balance of payments statistics". In addition, data on a number of breakdowns of deposits, loans and holdings of securities, together with longer time series for principal monetary aggregates (start date: January 1970) and methodological notes on the monetary statistics concepts and seasonal adjustment procedures can be found in the same section under "Money, banking and financial markets" and then "Monetary statistics".*