



EUROPEAN CENTRAL BANK

30 May 2006

PRESS RELEASE

MONETARY DEVELOPMENTS IN THE EURO AREA: APRIL 2006

The annual rate of growth of M3 increased to 8.8% in April 2006, from 8.5% in March 2006.¹ The three-month average of the annual growth rates of M3 over the period February 2006 - April 2006 rose to 8.4%, from 8.1% in the period January 2006 - March 2006.

12-month percentage changes; adjusted for seasonal and end-of-month calendar effects	FEBRUARY 2006	MARCH 2006	APRIL 2006	FEBRUARY - APRIL 2006 AVERAGE
M3	8.0	8.5	8.8	8.4
M1	9.9	10.1	9.8	10.0
Loans to private sector	10.4	10.8	11.3	10.8

Regarding the main components of M3, the annual rate of growth of M1 decreased to 9.8% in April 2006, from 10.1% in March. The annual rate of growth of short-term deposits other than overnight deposits rose to 9.0% in April, from 7.8% in the previous month. The annual rate of growth of marketable instruments decreased to 5.4% in April, from 5.6% in March.

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 was 9.5% in April 2006, compared with 9.4% in March. The annual rate of growth of credit extended to general government decreased to 0.9% in April, from 1.5% in March, while the annual growth of credit extended to the private sector rose to 11.8% in April, from 11.5% in March. Among the components of the latter, the annual rate of growth of loans to the private sector increased to 11.3% in April, from 10.8% in the previous month. The annual growth rate of loans to non-financial corporations rose to 10.9% in April, from 10.4% in March.² The annual growth rate of loans to households stood at 9.8% in April, after 9.7% in the previous month. The annual rate of growth of lending for house purchase was 12.1% in April, unchanged from March. The annual rate of growth of consumer credit stood at 7.8% in April, compared with 7.9% in March, while the annual growth rate of other lending to households stood at 2.3% in April, compared with 2.2% in the previous

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.

month. Finally, the annual rate of growth of loans to non-monetary financial intermediaries (except insurance corporations and pension funds) increased to 20.6% in April, from 16.9% in the previous month.

Over the 12 months up to April 2006, the net external asset position of the euro area MFI sector rose by EUR 16 billion, compared with a rise of EUR 22 billion over the 12 months up to March. The annual rate of growth of longer-term financial liabilities of the MFI sector increased to 8.6% in April, from 8.5% in March.

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 May, June, July and August 2006 is scheduled to take place at 10 am on 29 June, 28 July, 28 August and 27 September 2006 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".*

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TABLE 1

MONETARY DEVELOPMENTS IN THE EURO AREA: APRIL 2006

DATA ADJUSTED FOR SEASONAL EFFECTS

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

	MARCH 2006			APRIL 2006			AVERAGE FEB-06 APR-06
	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)	7224	77	8.5	7286	66	8.8	8.4
(1.1) Currency in circulation	536	0	12.4	541	5	12.2	12.7
(1.2) Overnight deposits	2961	30	9.8	2969	10	9.4	9.5
(1.3) M1 (items 1.1 and 1.2)	3497	30	10.1	3510	15	9.8	10.0
(1.4) Deposits with agreed maturity up to 2 years	1159	23	12.8	1199	43	16.2	13.4
(1.5) Deposits redeemable at notice up to 3 months	1563	5	4.4	1564	0	3.9	4.3
(1.6) Other short term deposits (items 1.4 and 1.5)	2722	28	7.8	2763	43	9.0	8.1
(1.7) M2 (items 1.3 and 1.6)	6219	58	9.0	6273	58	9.4	9.0
(1.8) Repurchase agreements	239	11	3.8	239	1	9.9	5.5
(1.9) Money market fund shares/units	604	-1	-0.5	606	2	-1.1	-0.7
(1.10) Debt securities issued with maturity up to 2 years	163	9	43.3	168	5	30.0	33.6
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	1005	19	5.6	1013	8	5.4	4.9
COUNTERPARTS OF M3							
MFI liabilities:							
(2) <i>Holdings against central government</i> ^{d)}	191	4	3.1	189	-3	0.9	-0.4
(3) <i>Longer-term financial liabilities against other euro area residents</i> (= items 3.1 to 3.4)	5131	34	8.5	5158	37	8.6	8.6
(3.1) Deposits with agreed maturity over 2 years	1551	16	8.9	1573	23	9.8	9.1
(3.2) Deposits redeemable at notice over 3 months	88	1	-3.2	89	1	-2.4	-3.2
(3.3) Debt securities issued with maturity over 2 years	2239	15	8.6	2246	17	8.6	8.7
(3.4) Capital and reserves	1253	3	8.7	1250	-4	8.1	8.6
MFI assets:							
(4) <i>Credit to euro area residents</i> (= items 4.1 and 4.2)	12327	104	9.4	12444	129	9.5	9.2
(4.1) Credit to general government	2432	-19	1.5	2424	-3	0.9	1.4
of which Loans	838	1	1.5	840	2	0.9	1.1
of which Securities other than shares	1594	-20	1.6	1584	-5	0.9	1.6
(4.2) Credit to other euro area residents	9895	123	11.5	10021	132	11.8	11.3
of which Loans	8554	84	10.8	8638	89	11.3	10.8
of which Securities other than shares	574	12	18.4	581	8	18.3	17.8
of which Shares and other equities	767	27	14.0	802	36	12.0	11.9
(5) <i>Net external assets</i>	472	26	ND	481	8	ND	ND
(6) <i>Other counterparts of M3 (residual)</i> (= M3 + items 2, 3 - items 4, 5)	-252	-14	ND	-292	-36	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: APRIL 2006

DATA UNADJUSTED FOR SEASONAL EFFECTS

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

	MARCH 2006			APRIL 2006			AVERAGE FEB-06 APR-06
	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)	7205	65	8.4	7327	126	8.9	8.4
(1.1) Currency in circulation	532	7	12.8	540	8	12.3	12.8
(1.2) Overnight deposits	2938	18	9.1	2984	48	9.9	9.4
(1.3) M1 (items 1.1 and 1.2)	3470	26	9.7	3524	56	10.2	9.9
(1.4) Deposits with agreed maturity up to 2 years	1162	28	13.5	1202	42	15.8	13.5
(1.5) Deposits redeemable at notice up to 3 months	1571	2	4.5	1569	-2	3.9	4.3
(1.6) Other short term deposits (items 1.4 and 1.5)	2733	30	8.2	2771	41	8.8	8.1
(1.7) M2 (items 1.3 and 1.6)	6203	56	8.9	6295	97	9.5	9.0
(1.8) Repurchase agreements	236	1	3.6	250	14	10.0	5.6
(1.9) Money market fund shares/units	603	-1	-0.6	613	10	-1.1	-0.8
(1.10) Debt securities issued with maturity up to 2 years	163	9	43.3	168	5	30.0	33.6
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	1002	10	5.5	1031	29	5.4	4.8
COUNTERPARTS OF M3							
MFI liabilities:							
(2) <i>Holdings against central government</i> ^{d)}	193	-7	2.8	183	-11	0.7	-0.5
(3) <i>Longer-term financial liabilities against other euro area residents</i> (= items 3.1 to 3.4)	5141	47	8.5	5158	27	8.6	8.6
(3.1) Deposits with agreed maturity over 2 years	1559	20	8.9	1578	20	9.8	9.1
(3.2) Deposits redeemable at notice over 3 months	89	1	-3.1	90	0	-2.3	-3.2
(3.3) Debt securities issued with maturity over 2 years	2239	21	8.6	2245	16	8.6	8.7
(3.4) Capital and reserves	1254	5	8.7	1245	-10	8.1	8.6
MFI assets:							
(4) <i>Credit to euro area residents</i> (= items 4.1 and 4.2)	12336	116	9.3	12488	163	9.5	9.2
(4.1) Credit to general government	2438	-12	1.5	2434	2	0.9	1.4
of which Loans	842	4	1.5	842	0	1.0	1.1
of which Securities other than shares	1597	-16	1.6	1592	1	0.9	1.6
(4.2) Credit to other euro area residents	9898	128	11.4	10054	162	11.8	11.3
of which Loans	8544	83	10.8	8639	100	11.3	10.8
of which Securities other than shares	576	9	18.4	586	12	18.4	17.9
of which Shares and other equities	777	36	14.1	828	51	12.0	11.9
(5) <i>Net external assets</i>	466	18	ND	464	-2	ND	ND
(6) <i>Other counterparts of M3 (residual)</i> (= M3 + items 2, 3 - items 4, 5)	-262	-29	ND	-285	-19	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: APRIL 2006
DATA ADJUSTED FOR SEASONAL EFFECTS
 (contributions in terms of the M3 annual percentage change ^{a)})

	FEBRUARY 2006	MARCH 2006	APRIL 2006
(1) M1	4.6	4.7	4.6
(1.1) <i>of which</i> : Currency	1.0	0.9	0.9
(1.2) <i>of which</i> : Overnight deposits	3.7	3.9	3.7
(2) M2 - M1 (= other short-term deposits)	2.8	3.0	3.4
(3) M3 - M2 (= short-term marketable instruments)	0.5	0.8	0.8
(4) M3 (= items 1, 2 and 3)	8.0	8.5	8.8

a) Discrepancies can be due to rounding.

TABLE 4

BREAKDOWN OF LOANS BY COUNTERPART, TYPE AND ORIGINAL MATURITY: APRIL 2006
DATA UNADJUSTED FOR SEASONAL EFFECTS
 (EUR billions and annual percentage changes ^{a)})

	MARCH 2006				APRIL 2006			
	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	3525	43	-1	10.4	3568	46	0	10.9
(1.1) up to 1 year	1065	11	0	7.8	1087	22	0	9.1
(1.2) over 1 year and up to 5 years	629	15	0	14.7	637	9	0	15.0
(1.3) over 5 years	1831	18	-1	10.6	1844	15	0	10.6
(2) Loans to households ^{d)}	4276	36	-1	9.7	4306	31	0	9.8
(2.1) Consumer credit	556	2	0	7.9	560	4	0	7.8
(2.2) Lending for house purchase	3000	31	0	12.1	3025	25	0	12.1
(2.3) Other lending ^{d)}	720	3	-1	2.2	721	1	0	2.3
(3) Loans to non-monetary financial intermediaries except insurance corporations and pension funds	661	-3	0	16.9	677	18	0	20.6
(4) Loans to insurance corporations and pension funds	82	7	0	40.8	87	5	0	46.3

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.