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PRESS RELEASE

MONETARY DEVELOPMENTS IN THE EURO AREA: FEBRUARY 2008

The annual rate of growth of M3 decreased to 11.3% in February 2008, from 11.5% in January 2008.¹ The three-month average of the annual growth rates of M3 over the period December 2007 - February 2008 declined to 11.4%, from 11.7% in the period November 2007 - January 2008.

12-month percentage changes; adjusted for seasonal and end-of-month calendar effects	DECEMBER 2007	JANUARY 2008	FEBRUARY 2008	DECEMBER 2007 - FEBRUARY 2008 AVERAGE
M3	11.4	11.5	11.3	11.4
M1	3.7	4.3	3.7	3.9
Loans to private sector	11.2	11.1	10.9	11.0

Regarding the main components of M3, the annual rate of growth of M1 decreased to 3.7% in February 2008, from 4.3% in January. The annual rate of growth of short-term deposits other than overnight deposits increased to 19.4% in February, from 17.9% in the previous month. The annual rate of growth of marketable instruments decreased to 14.6% in February, from 18.2% in January.

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 9.8% in February 2008, from 10.0% in January. The annual rate of decline of credit extended to general government increased to 2.5% in February, from 2.2% in January, while the annual growth of credit extended to the private sector declined to 12.5% in February, from 12.7% in January. Among the components of the latter, the annual rate of growth of loans to the private sector decreased to 10.9% in February, from 11.1% in the previous month. The annual growth rate of loans to non-financial corporations increased to 14.8% in February, from 14.5% in January.² The annual growth rate of loans to households decreased to 5.8% in February, from 6.0% in the previous month. The annual rate of growth of lending for house purchase declined to 6.7% in February, from 6.9% in January. The annual rate of growth of consumer credit was 5.3% in February, unchanged from the previous month, while the annual growth rate of other lending to households stood at 2.6% in February, compared with 2.5% in the previous month. Finally, the annual rate of growth of loans to

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.

non-monetary financial intermediaries (except insurance corporations and pension funds) decreased to 22.7% in February, from 25.9% in the previous month.

Over the 12 months up to February 2008, the net external asset position of the euro area MFI sector declined by EUR 25 billion, compared with a rise of EUR 21 billion over the 12 months up to January. The annual rate of growth of longer-term financial liabilities of the MFI sector decreased to 8.0% in February, from 9.2% in January.

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 March, April, May and June 2008 is scheduled to take place at 10 am on 25 April, 29 May, 26 June and 25 July 2008 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, Slovenia as of January 2007 and Cyprus and Malta as of January 2008. Monthly flows and annual growth rates for January 2008 are corrected for the effect of the euro area enlargement.*
- *Data for Greece included in the euro area monetary statistics for February 2008 are estimated.*
- *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.europa.eu>) 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: FEBRUARY 2008

DATA ADJUSTED FOR SEASONAL EFFECTS

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

	JANUARY 2008			FEBRUARY 2008			AVERAGE DEC-07 FEB-08
	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)	8776	79	11.5	8819	49	11.3	11.4
(1.1) Currency in circulation	630	2	7.8	635	5	7.6	7.9
(1.2) Overnight deposits	3220	22	3.6	3214	-3	2.9	3.1
(1.3) M1 (items 1.1 and 1.2)	3850	24	4.3	3848	2	3.7	3.9
(1.4) Deposits with agreed maturity up to 2 years	2038	42	41.1	2105	69	43.1	41.9
(1.5) Deposits redeemable at notice up to 3 months	1534	-6	-3.6	1533	-1	-3.2	-3.5
(1.6) Other short term deposits (items 1.4 and 1.5)	3573	36	17.9	3639	68	19.4	18.3
(1.7) M2 (items 1.3 and 1.6)	7423	59	10.4	7487	70	10.7	10.3
(1.8) Repurchase agreements	309	10	17.1	306	-3	17.5	16.4
(1.9) Money market fund shares/units	745	18	11.0	758	12	10.9	10.5
(1.10) Debt securities issued with maturity up to 2 years	298	-8	40.4	268	-30	20.6	40.4
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	1352	20	18.2	1332	-21	14.6	17.6
COUNTERPARTS OF M3							
MFI liabilities:							
(2) <i>Holdings against central government</i> ^{d)}	175	-1	-5.3	176	1	-6.2	-6.1
(3) <i>Longer-term financial liabilities against other euro area residents</i> (= items 3.1 to 3.4)	6037	39	9.2	6006	-18	8.0	8.8
(3.1) Deposits with agreed maturity over 2 years	1817	3	9.5	1810	-6	8.8	9.4
(3.2) Deposits redeemable at notice over 3 months	123	2	9.2	122	-1	6.3	8.4
(3.3) Debt securities issued with maturity over 2 years	2574	23	6.4	2554	-11	4.7	5.8
(3.4) Capital and reserves	1523	12	13.9	1520	0	13.3	13.5
MFI assets:							
(4) <i>Credit to euro area residents</i> (= items 4.1 and 4.2)	14597	84	10.0	14647	57	9.8	10.0
(4.1) Credit to general government	2435	-4	-2.2	2426	-9	-2.5	-2.3
of which Loans	974	6	-0.5	974	0	-1.0	-1.0
of which Securities other than shares	1461	-10	-3.2	1452	-9	-3.4	-3.1
(4.2) Credit to other euro area residents	12162	88	12.7	12221	66	12.5	12.6
of which Loans	10293	79	11.1	10357	69	10.9	11.0
of which Securities other than shares	965	11	43.3	977	13	43.3	43.1
of which Shares and other equities	904	-3	6.7	887	-16	5.5	6.5
(5) <i>Net external assets</i>	632	5	ND	612	-13	ND	ND
(6) <i>Other counterparts of M3 (residual)</i> (= M3 + items 2, 3 - items 4, 5)	-242	28	ND	-257	-12	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: FEBRUARY 2008

DATA UNADJUSTED FOR SEASONAL EFFECTS

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

	JANUARY 2008			FEBRUARY 2008			AVERAGE DEC-07 FEB-08
	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)	8779	33	11.5	8792	18	11.3	11.3
(1.1) Currency in circulation	623	-17	8.0	628	5	8.4	8.0
(1.2) Overnight deposits	3224	-45	3.7	3172	-48	2.4	3.0
(1.3) M1 (items 1.1 and 1.2)	3847	-61	4.3	3801	-43	3.4	3.8
(1.4) Deposits with agreed maturity up to 2 years	2045	34	41.2	2117	74	43.8	42.0
(1.5) Deposits redeemable at notice up to 3 months	1546	0	-3.6	1543	-3	-3.1	-3.5
(1.6) Other short term deposits (items 1.4 and 1.5)	3590	34	17.8	3660	72	19.6	18.4
(1.7) M2 (items 1.3 and 1.6)	7438	-27	10.4	7461	29	10.7	10.3
(1.8) Repurchase agreements	306	24	17.3	313	7	17.1	16.2
(1.9) Money market fund shares/units	737	44	10.9	750	12	10.9	10.2
(1.10) Debt securities issued with maturity up to 2 years	298	-8	40.4	268	-30	20.6	40.4
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	1341	60	18.2	1331	-10	14.4	17.5
COUNTERPARTS OF M3							
MFI liabilities:							
(2) <i>Holdings against central government</i> ^{d)}	169	14	-5.3	186	17	-6.2	-6.2
(3) <i>Longer-term financial liabilities against other euro area residents</i> (= items 3.1 to 3.4)	6020	19	9.2	6005	-3	8.1	8.8
(3.1) Deposits with agreed maturity over 2 years	1822	-3	9.5	1813	-8	8.8	9.4
(3.2) Deposits redeemable at notice over 3 months	124	2	9.2	123	-1	6.3	8.4
(3.3) Debt securities issued with maturity over 2 years	2553	10	6.3	2548	3	4.7	5.8
(3.4) Capital and reserves	1521	10	13.9	1521	3	13.4	13.5
MFI assets:							
(4) <i>Credit to euro area residents</i> (= items 4.1 and 4.2)	14591	126	10.0	14637	53	9.8	10.0
(4.1) Credit to general government	2431	17	-2.2	2423	-7	-2.5	-2.3
of which Loans	980	4	-0.6	973	-8	-1.0	-1.0
of which Securities other than shares	1450	13	-3.2	1450	0	-3.4	-3.1
(4.2) Credit to other euro area residents	12160	109	12.7	12214	61	12.5	12.6
of which Loans	10296	92	11.1	10353	62	10.9	11.0
of which Securities other than shares	964	7	43.3	983	20	43.4	43.1
of which Shares and other equities	900	11	6.7	878	-21	5.4	6.4
(5) <i>Net external assets</i>	625	-21	ND	614	-4	ND	ND
(6) <i>Other counterparts of M3 (residual)</i> (= M3 + items 2, 3 - items 4, 5)	-248	-40	ND	-269	-17	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: FEBRUARY 2008
DATA ADJUSTED FOR SEASONAL EFFECTS
 (contributions in terms of the M3 annual percentage change ^{a)})

	DECEMBER 2007	JANUARY 2008	FEBRUARY 2008
(1) M1	1.8	2.0	1.7
(1.1) <i>of which</i> : Currency	0.6	0.6	0.6
(1.2) <i>of which</i> : Overnight deposits	1.1	1.4	1.1
(2) M2 - M1 (= other short-term deposits)	6.8	6.8	7.4
(3) M3 - M2 (= short-term marketable instruments)	2.8	2.6	2.1
(4) M3 (= items 1, 2 and 3)	11.4	11.5	11.3

a) Discrepancies can be due to rounding.

TABLE 4

BREAKDOWN OF LOANS BY COUNTERPART, TYPE AND ORIGINAL MATURITY: FEBRUARY 2008
DATA UNADJUSTED FOR SEASONAL EFFECTS
 (EUR billions and annual percentage changes ^{a)})

	JANUARY 2008				FEBRUARY 2008			
	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	4461	46	-2	14.5	4497	39	0	14.8
(1.1) up to 1 year	1296	13	-1	12.4	1308	13	0	13.1
(1.2) over 1 year and up to 5 years	878	14	0	22.6	887	11	0	22.6
(1.3) over 5 years	2287	19	0	12.8	2302	15	0	12.9
(2) Loans to households ^{d)}	4836	9	-2	6.0	4853	18	-1	5.8
(2.1) Consumer credit	620	-2	-1	5.3	618	-1	0	5.3
(2.2) Lending for house purchase	3458	11	-1	6.9	3473	16	0	6.7
(2.3) Other lending ^{d)}	759	-1	-1	2.5	761	3	0	2.6
(3) Loans to non-monetary financial intermediaries except insurance corporations and pension funds	897	32	0	25.9	899	4	0	22.7
(4) Loans to insurance corporations and pension funds	102	6	0	2.3	103	1	0	6.4

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.