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PRESS RELEASE

MONETARY DEVELOPMENTS IN THE EURO AREA: AUGUST 2007

The annual rate of growth of M3 stood at 11.6% in August 2007, after 11.7% in July 2007.¹ The three-month average of the annual growth rates of M3 over the period June 2007 - August 2007 rose to 11.4%, from 11.1% in the period May 2007 - July 2007.

12-month percentage changes; adjusted for seasonal and end-of-month calendar effects	JUNE 2007	JULY 2007	AUGUST 2007	JUNE 2007 - AUGUST 2007 AVERAGE
M3	10.9	11.7	11.6	11.4
M1	6.1	6.8	6.8	6.6
Loans to private sector	10.8	11.0	11.2	11.0

Regarding the main components of M3, the annual rate of growth of M1 stood at 6.8% in August 2007, unchanged from the previous month. The annual rate of growth of short-term deposits other than overnight deposits increased to 15.3% in August, from 15.0% in the previous month. The annual rate of growth of marketable instruments decreased to 17.8% in August, from 19.5% in July.

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 8.8% in August 2007, compared with 8.7% in July. The annual rate of decline of credit extended to general government increased to 4.2% in August, from 3.7% in July, while the annual rate of growth of credit extended to the private sector rose to 11.8% in August, from 11.6% in July. Among the components of the latter, the annual rate of growth of loans to the private sector increased to 11.2% in August, from 11.0% in the previous month. The annual growth rate of loans to non-financial corporations increased to 14.2% in August, from 13.6% in July.² The annual growth rate of loans to households stood at 7.0% in August, unchanged from the previous month. The annual rate of growth of lending for house purchase was 8.1% in August, unchanged from the previous month. The annual rate of growth of consumer credit stood at 5.7% in August, after 5.8% in July, while the annual growth rate of other lending to households was 3.3% in August, compared with 3.2% in the previous month. Finally, the annual rate of growth of loans to non-monetary financial intermediaries

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.

(except insurance corporations and pension funds) decreased to 19.6% in August, from 20.5% in the previous month.

Over the 12 months up to August 2007, the net external asset position of the euro area MFI sector rose by EUR 247 billion, compared with a rise of EUR 280 billion over the 12 months up to July. The annual rate of growth of longer-term financial liabilities of the MFI sector stood at 9.4% in August, after 9.3% in July.

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 September, October, November and December 2007 is scheduled to take place at 10 am on 26 October, 28 November 2007, 03 January and 28 January 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 and Slovenia as of January 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.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: AUGUST 2007

DATA ADJUSTED FOR SEASONAL EFFECTS

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

	JULY 2007			AUGUST 2007			AVERAGE JUN-07 AUG-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)	8270	89	11.7	8344	76	11.6	11.4
(1.1) Currency in circulation	605	6	9.2	608	4	8.7	9.0
(1.2) Overnight deposits	3200	16	6.4	3219	19	6.4	6.1
(1.3) M1 (items 1.1 and 1.2)	3805	21	6.8	3828	22	6.8	6.6
(1.4) Deposits with agreed maturity up to 2 years	1709	66	37.5	1762	52	38.5	37.0
(1.5) Deposits redeemable at notice up to 3 months	1519	-7	-2.9	1511	-8	-3.5	-3.0
(1.6) Other short term deposits (items 1.4 and 1.5)	3229	59	15.0	3273	44	15.3	14.7
(1.7) M2 (items 1.3 and 1.6)	7033	80	10.4	7101	67	10.6	10.2
(1.8) Repurchase agreements	291	6	14.5	288	-4	11.4	13.5
(1.9) Money market fund shares/units	705	4	14.4	695	-10	12.8	13.9
(1.10) Debt securities issued with maturity up to 2 years	240	-2	46.8	260	23	44.2	46.5
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	1236	9	19.5	1243	9	17.8	19.0
COUNTERPARTS OF M3							
MFI liabilities:							
(2) <i>Holdings against central government</i> ^{d)}	174	-22	-9.1	181	7	-7.7	-3.7
(3) <i>Longer-term financial liabilities against other euro area residents</i> (= items 3.1 to 3.4)	5767	48	9.3	5800	31	9.4	9.4
(3.1) Deposits with agreed maturity over 2 years	1765	16	9.9	1769	4	9.6	9.7
(3.2) Deposits redeemable at notice over 3 months	111	1	17.0	111	0	15.4	16.7
(3.3) Debt securities issued with maturity over 2 years	2526	13	10.8	2548	19	10.9	10.9
(3.4) Capital and reserves	1366	17	5.4	1372	7	6.2	5.7
MFI assets:							
(4) <i>Credit to euro area residents</i> (= items 4.1 and 4.2)	13720	106	8.7	13817	98	8.8	8.7
(4.1) Credit to general government	2286	-15	-3.7	2265	-22	-4.2	-3.8
of which Loans	818	1	-0.6	817	-2	-0.7	-0.8
of which Securities other than shares	1467	-16	-5.4	1449	-20	-6.1	-5.4
(4.2) Credit to other euro area residents	11435	121	11.6	11552	120	11.8	11.6
of which Loans	9783	102	11.0	9888	106	11.2	11.0
of which Securities other than shares	777	21	28.5	791	14	29.7	28.8
of which Shares and other equities	875	-2	5.8	873	0	5.3	6.2
(5) <i>Net external assets</i>	741	23	ND	692	-49	ND	ND
(6) <i>Other counterparts of M3 (residual)</i> (= M3 + items 2, 3 - items 4, 5)	-251	-14	ND	-185	64	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: AUGUST 2007

DATA UNADJUSTED FOR SEASONAL EFFECTS

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

	JULY 2007			AUGUST 2007			AVERAGE JUN-07 AUG-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)	8278	52	11.6	8290	13	11.5	11.4
(1.1) Currency in circulation	613	8	8.8	611	-2	9.1	9.0
(1.2) Overnight deposits	3213	-25	6.4	3142	-72	5.8	6.1
(1.3) M1 (items 1.1 and 1.2)	3826	-17	6.7	3752	-74	6.4	6.5
(1.4) Deposits with agreed maturity up to 2 years	1695	62	37.4	1764	69	39.1	37.2
(1.5) Deposits redeemable at notice up to 3 months	1516	-10	-2.9	1509	-8	-3.4	-2.9
(1.6) Other short term deposits (items 1.4 and 1.5)	3211	52	14.9	3273	62	15.6	14.8
(1.7) M2 (items 1.3 and 1.6)	7037	34	10.3	7026	-13	10.5	10.2
(1.8) Repurchase agreements	288	6	14.4	298	10	12.0	13.6
(1.9) Money market fund shares/units	713	14	14.5	706	-7	12.8	13.9
(1.10) Debt securities issued with maturity up to 2 years	240	-2	46.8	260	23	44.2	46.5
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	1240	17	19.4	1265	26	17.9	19.0
COUNTERPARTS OF M3							
MFI liabilities:							
(2) <i>Holdings against central government</i> ^{d)}	179	-43	-8.9	173	-6	-7.6	-3.6
(3) <i>Longer-term financial liabilities against other euro area residents</i> (= items 3.1 to 3.4)	5777	49	9.3	5791	12	9.4	9.4
(3.1) Deposits with agreed maturity over 2 years	1766	14	9.9	1763	-3	9.6	9.7
(3.2) Deposits redeemable at notice over 3 months	110	1	17.1	110	0	15.4	16.7
(3.3) Debt securities issued with maturity over 2 years	2532	12	10.7	2545	10	10.9	10.9
(3.4) Capital and reserves	1369	22	5.5	1373	5	6.1	5.7
MFI assets:							
(4) <i>Credit to euro area residents</i> (= items 4.1 and 4.2)	13745	85	8.7	13742	-2	8.8	8.7
(4.1) Credit to general government	2292	-22	-3.7	2256	-37	-4.2	-3.9
of which Loans	817	2	-0.6	811	-7	-0.7	-0.8
of which Securities other than shares	1474	-24	-5.4	1446	-30	-6.1	-5.4
(4.2) Credit to other euro area residents	11453	108	11.6	11485	35	11.8	11.6
of which Loans	9810	101	11.0	9849	39	11.2	11.0
of which Securities other than shares	778	18	28.6	783	6	29.7	28.8
of which Shares and other equities	866	-11	5.8	854	-10	5.1	6.1
(5) <i>Net external assets</i>	744	22	ND	692	-53	ND	ND
(6) <i>Other counterparts of M3 (residual)</i> (= M3 + items 2, 3 - items 4, 5)	-255	-49	ND	-179	74	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: AUGUST 2007
DATA ADJUSTED FOR SEASONAL EFFECTS
 (contributions in terms of the M3 annual percentage change ^{a)})

	JUNE 2007	JULY 2007	AUGUST 2007
(1) M1	2.9	3.3	3.2
(1.1) <i>of which</i> : Currency	0.7	0.7	0.7
(1.2) <i>of which</i> : Overnight deposits	2.2	2.6	2.6
(2) M2 - M1 (= other short-term deposits)	5.3	5.7	5.8
(3) M3 - M2 (= short-term marketable instruments)	2.8	2.7	2.5
(4) M3 (= items 1, 2 and 3)	10.9	11.7	11.6

a) Discrepancies can be due to rounding.

TABLE 4

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

	JULY 2007				AUGUST 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	4169	62	-1	13.6	4187	18	0	14.2
(1.1) up to 1 year	1242	17	0	11.5	1233	-9	0	13.2
(1.2) over 1 year and up to 5 years	792	16	0	19.4	802	10	0	20.2
(1.3) over 5 years	2135	29	0	12.8	2152	17	0	12.7
(2) Loans to households ^{d)}	4717	26	-1	7.0	4730	14	-1	7.0
(2.1) Consumer credit	606	4	0	5.8	606	0	0	5.7
(2.2) Lending for house purchase	3360	23	0	8.1	3374	15	0	8.1
(2.3) Other lending ^{d)}	751	-1	0	3.2	750	0	0	3.3
(3) Loans to non-monetary financial intermediaries except insurance corporations and pension funds	813	12	0	20.5	820	8	0	19.6
(4) Loans to insurance corporations and pension funds	111	1	0	24.0	111	-1	0	27.9

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.