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PRESS RELEASE

MONETARY DEVELOPMENTS IN THE EURO AREA: FEBRUARY 2007

The annual rate of growth of M3 stood at 10.0% in February 2007, compared with 9.9% in January 2007.¹ The three-month average of the annual growth rates of M3 over the period December 2006 - February 2007 rose to 9.9%, from 9.7% in the period November 2006 - January 2007.

12-month percentage changes; adjusted for seasonal and end-of-month calendar effects	DECEMBER 2006	JANUARY 2007	FEBRUARY 2007	DECEMBER 2006 - FEBRUARY 2007 AVERAGE
M3	9.7	9.9	10.0	9.9
M1	7.4	6.5	6.6	6.8
Loans to private sector	10.8	10.6	10.3	10.6

Regarding the main components of M3, the annual rate of growth of M1 stood at 6.6% in February 2007, compared with 6.5% in January. The annual rate of growth of short-term deposits other than overnight deposits decreased to 11.6% in February, from 12.0% in the previous month. The annual rate of growth of marketable instruments increased to 17.6% in February, from 16.2% 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 declined to 7.8% in February 2007, from 8.0% in January. The annual rate of change of credit extended to general government increased to -4.1% in February, from -4.8% in January, while the annual growth of credit extended to the private sector declined to 10.7% in February, from 11.3% in January. Among the components of the latter, the annual rate of growth of loans to the private sector decreased to 10.3% in February, from 10.6% in the previous month. The annual growth rate of loans to non-financial corporations decreased to 12.6% in February, from 13.2% in January.² The annual growth rate of loans to households stood at 8.0% in February, unchanged from the previous month. The annual rate of growth of lending for house purchase was 9.4% in February, unchanged from the previous month. The annual rate of growth of consumer credit decreased to 6.5% in February, from 7.1% in January, while the annual growth rate of other lending to households increased to 3.4% in February, from 2.9% in the previous month. Finally, the annual rate of growth of loans

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.

to non-monetary financial intermediaries (except insurance corporations and pension funds) decreased to 10.8% in February, from 11.4% in the previous month.

Over the 12 months up to February 2007, the net external asset position of the euro area MFI sector rose by EUR 249 billion, compared with a rise of EUR 184 billion over the 12 months up to January. The annual rate of growth of longer-term financial liabilities of the MFI sector decreased to 8.2% in February, compared with 8.4% in January.

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 March, April, May and June 2007 is scheduled to take place at 10 am on 30 April, 30 May, 28 June and 26 July 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 now 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: FEBRUARY 2007

DATA ADJUSTED FOR SEASONAL EFFECTS

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

	JANUARY 2007			FEBRUARY 2007			AVERAGE DEC-06 FEB-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)	7812	77	9.9	7865	56	10.0	9.9
(1.1) Currency in circulation	583	4	10.5	588	5	10.2	10.6
(1.2) Overnight deposits	3103	-1	5.8	3120	19	5.9	6.2
(1.3) M1 (items 1.1 and 1.2)	3686	3	6.5	3709	24	6.6	6.8
(1.4) Deposits with agreed maturity up to 2 years	1442	32	29.3	1468	28	29.3	28.6
(1.5) Deposits redeemable at notice up to 3 months	1547	-6	-0.5	1538	-9	-1.4	-0.4
(1.6) Other short term deposits (items 1.4 and 1.5)	2989	26	12.0	3006	19	11.6	11.7
(1.7) M2 (items 1.3 and 1.6)	6675	29	8.9	6715	43	8.8	9.0
(1.8) Repurchase agreements	270	7	11.7	264	-5	15.1	12.6
(1.9) Money market fund shares/units	645	15	8.2	656	11	9.6	7.5
(1.10) Debt securities issued with maturity up to 2 years	222	26	58.3	230	8	54.3	55.0
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	1137	48	16.2	1150	13	17.6	15.4
COUNTERPARTS OF M3							
MFI liabilities:							
(2) <i>Holdings against central government</i> ^{d)}	176	-3	-11.5	179	3	-6.0	-8.9
(3) <i>Longer-term financial liabilities against other euro area residents</i> (= items 3.1 to 3.4)	5470	29	8.4	5505	40	8.2	8.3
(3.1) Deposits with agreed maturity over 2 years	1667	9	8.9	1670	5	8.2	8.7
(3.2) Deposits redeemable at notice over 3 months	105	2	18.9	107	2	20.7	19.1
(3.3) Debt securities issued with maturity over 2 years	2420	15	10.2	2441	28	10.7	10.3
(3.4) Capital and reserves	1277	2	4.0	1287	6	2.8	3.6
MFI assets:							
(4) <i>Credit to euro area residents</i> (= items 4.1 and 4.2)	13093	81	8.0	13160	73	7.8	8.0
(4.1) Credit to general government	2321	-5	-4.8	2322	0	-4.1	-4.5
of which Loans	820	-1	-1.5	824	4	-0.8	-1.4
of which Securities other than shares	1500	-4	-6.5	1498	-4	-5.8	-6.2
(4.2) Credit to other euro area residents	10772	85	11.3	10839	74	10.7	11.2
of which Loans	9273	78	10.6	9341	73	10.3	10.6
of which Securities other than shares	650	5	18.9	656	6	18.4	19.1
of which Shares and other equities	849	2	13.4	842	-5	9.6	12.3
(5) <i>Net external assets</i>	630	-4	ND	680	51	ND	ND
(6) <i>Other counterparts of M3 (residual)</i> (= M3 + items 2, 3 - items 4, 5)	-264	26	ND	-291	-24	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 2007

DATA UNADJUSTED FOR SEASONAL EFFECTS

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

	JANUARY 2007			FEBRUARY 2007			AVERAGE DEC-06 FEB-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)	7810	11	9.8	7841	34	9.9	9.9
(1.1) Currency in circulation	576	-17	10.4	579	3	10.2	10.6
(1.2) Overnight deposits	3104	-66	5.5	3094	-9	5.6	6.1
(1.3) M1 (items 1.1 and 1.2)	3680	-83	6.3	3673	-5	6.3	6.8
(1.4) Deposits with agreed maturity up to 2 years	1446	22	29.8	1470	25	29.8	28.8
(1.5) Deposits redeemable at notice up to 3 months	1558	0	-0.5	1547	-11	-1.4	-0.5
(1.6) Other short term deposits (items 1.4 and 1.5)	3004	22	12.1	3016	14	11.6	11.8
(1.7) M2 (items 1.3 and 1.6)	6684	-61	8.8	6689	8	8.7	9.0
(1.8) Repurchase agreements	262	18	11.0	269	7	14.9	12.2
(1.9) Money market fund shares/units	642	29	8.2	652	11	9.6	7.4
(1.10) Debt securities issued with maturity up to 2 years	222	26	58.3	230	8	54.3	55.0
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	1126	72	16.1	1151	26	17.6	15.3
COUNTERPARTS OF M3							
MFI liabilities:							
(2) <i>Holdings against central government</i> ^{d)}	170	12	-11.7	189	19	-5.8	-9.0
(3) <i>Longer-term financial liabilities against other euro area residents</i> (= items 3.1 to 3.4)	5455	11	8.4	5502	53	8.2	8.3
(3.1) Deposits with agreed maturity over 2 years	1671	4	8.9	1673	3	8.2	8.7
(3.2) Deposits redeemable at notice over 3 months	106	2	18.9	108	2	20.7	19.1
(3.3) Debt securities issued with maturity over 2 years	2402	4	10.1	2435	41	10.7	10.3
(3.4) Capital and reserves	1277	0	4.0	1287	7	2.8	3.6
MFI assets:							
(4) <i>Credit to euro area residents</i> (= items 4.1 and 4.2)	13086	121	8.0	13149	68	7.8	8.0
(4.1) Credit to general government	2315	17	-4.8	2319	2	-4.1	-4.5
of which Loans	826	-3	-1.6	823	-3	-0.8	-1.4
of which Securities other than shares	1489	21	-6.5	1496	5	-5.8	-6.2
(4.2) Credit to other euro area residents	10771	103	11.3	10830	67	10.7	11.2
of which Loans	9275	87	10.6	9336	66	10.3	10.5
of which Securities other than shares	649	1	19.0	660	11	18.5	19.1
of which Shares and other equities	846	14	13.3	834	-10	9.4	12.1
(5) <i>Net external assets</i>	633	-23	ND	671	39	ND	ND
(6) <i>Other counterparts of M3 (residual)</i> (= M3 + items 2, 3 - items 4, 5)	-283	-63	ND	-287	-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 3

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

	DECEMBER 2006	JANUARY 2007	FEBRUARY 2007
(1) M1	3.6	3.2	3.2
(1.1) <i>of which</i> : Currency	0.8	0.8	0.8
(1.2) <i>of which</i> : Overnight deposits	2.8	2.4	2.4
(2) M2 - M1 (= other short-term deposits)	4.4	4.5	4.4
(3) M3 - M2 (= short-term marketable instruments)	1.7	2.3	2.4
(4) M3 (= items 1, 2 and 3)	9.7	9.9	10.0

a) Discrepancies can be due to rounding.

TABLE 4

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

	JANUARY 2007				FEBRUARY 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	3898	36	-1	13.2	3920	25	-1	12.6
(1.1) up to 1 year	1151	12	0	9.6	1154	4	0	9.0
(1.2) over 1 year and up to 5 years	722	7	0	20.8	730	9	0	19.8
(1.3) over 5 years	2025	17	-1	12.7	2035	12	0	12.3
(2) Loans to households ^{d)}	4556	17	-2	8.0	4577	22	-1	8.0
(2.1) Consumer credit	587	-2	0	7.1	584	-2	0	6.5
(2.2) Lending for house purchase	3231	19	0	9.4	3252	22	0	9.4
(2.3) Other lending ^{d)}	739	0	-1	2.9	741	2	0	3.4
(3) Loans to non-monetary financial intermediaries except insurance corporations and pension funds	722	17	0	11.4	743	22	0	10.8
(4) Loans to insurance corporations and pension funds	100	17	0	30.5	97	-3	0	28.8

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.