

## PRESS RELEASE

### MONETARY DEVELOPMENTS IN THE EURO AREA: MARCH 2007

The annual rate of growth of M3 increased to 10.9% in March 2007, from 10.0% in February 2007.<sup>1</sup> The three-month average of the annual growth rates of M3 over the period January 2007 - March 2007 rose to 10.3%, from 9.9% in the period December 2006 - February 2007.

| 12-month percentage changes;<br>adjusted for seasonal<br>and end-of-month calendar effects | <b>JANUARY<br/>2007</b> | <b>FEBRUARY<br/>2007</b> | <b>MARCH<br/>2007</b> | <b>JANUARY 2007 -<br/>MARCH 2007<br/>AVERAGE</b> |
|--|-------------------------|--------------------------|-----------------------|--|
| <b>M3</b>  | 9.9                     | 10.0                     | 10.9                  | 10.3   |
| <b>MI</b>  | 6.6                     | 6.6                      | 7.0                   | 6.7  |
| <b>Loans to private sector</b>   | 10.6                    | 10.3                     | 10.5                  | 10.5   |

Regarding the main components of M3, the annual rate of growth of MI increased to 7.0% in March 2007, from 6.6% in February. The annual rate of growth of short-term deposits other than overnight deposits rose to 12.6% in March, from 11.6% in the previous month. The annual rate of growth of marketable instruments increased to 19.8% in March, from 18.0% in February.

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 7.7% in March 2007, after 7.8% in February. The annual rate of change of credit extended to general government was -4.9% in March, after -4.1% in February, while the annual growth of credit extended to the private sector stood at 10.8% in March, unchanged from the previous month. Among the components of the latter, the annual rate of growth of loans to the private sector increased to 10.5% in March, from 10.3% in the previous month. The annual growth rate of loans to non-financial corporations decreased to 12.4% in March, from 12.6% in February.<sup>2</sup> The annual growth rate of loans to households declined to 7.9% in March, from 8.1% in the previous month. The annual rate of growth of lending for house purchase decreased to 8.9% in March, from 9.4% in February. The annual rate of growth of consumer credit increased to 7.3% in March, from 6.7% in February, while the annual growth rate of other lending to households increased to 4.2% in March, from 3.4% in the previous month. Finally, the annual rate of growth of loans to non-monetary financial

<sup>1</sup> 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.

<sup>2</sup> 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.

intermediaries (except insurance corporations and pension funds) increased to 16.0% in March, from 10.8% in the previous month.

Over the 12 months up to March 2007, the net external asset position of the euro area MFI sector rose by EUR 335 billion, compared with a rise of EUR 251 billion over the 12 months up to February. The annual rate of growth of longer-term financial liabilities of the MFI sector increased to 9.1% in March, from 8.4% in February.

#### 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 April, May, June and July 2007 is scheduled to take place at 10 am on 30 May, 28 June, 26 July and 28 August 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 Slovenia as of January 2007. Monthly flows and annual growth rates for January 2001 and 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: MARCH 2007

DATA ADJUSTED FOR SEASONAL EFFECTS

(EUR billions and annual percentage changes <sup>a)</sup>)

|   | FEBRUARY 2007         |                               |                       | MARCH 2007            |                               |                       | AVERAGE<br>JAN-07<br>MAR-07 |
|---|-----------------------|-------------------------------|-----------------------|-----------------------|-------------------------------|-----------------------|-----------------------------|
|   | End of<br>month level | Monthly<br>flow <sup>b)</sup> | Annual<br>growth rate | End of<br>month level | Monthly<br>flow <sup>b)</sup> | Annual<br>growth rate | Annual<br>growth rate       |
| <b>COMPONENTS OF M3 <sup>c)</sup></b>   |                       |                               |                       |                       |                               |                       |                             |
| (1) <b>M3</b> (= items 1.3, 1.6 and 1.11)   | 7869                  | 61                            | 10.0                  | 7997                  | 129                           | 10.9                  | 10.3                        |
| (1.1) Currency in circulation   | 588                   | 5                             | 10.2                  | 592                   | 4                             | 10.5                  | 10.4                        |
| (1.2) Overnight deposits  | 3121                  | 19                            | 6.0                   | 3154                  | 34                            | 6.3                   | 6.0                         |
| (1.3) <b>M1</b> (items 1.1 and 1.2)   | 3709                  | 24                            | 6.6                   | 3746                  | 37                            | 7.0                   | 6.7                         |
| (1.4) Deposits with agreed maturity up to 2 years   | 1469                  | 28                            | 29.4                  | 1527                  | 59                            | 32.1                  | 30.3                        |
| (1.5) Deposits redeemable at notice up to 3 months  | 1538                  | -9                            | -1.4                  | 1536                  | -1                            | -1.8                  | -1.2                        |
| (1.6) Other short term deposits (items 1.4 and 1.5)   | 3006                  | 19                            | 11.6                  | 3063                  | 58                            | 12.6                  | 12.1                        |
| (1.7) <b>M2</b> (items 1.3 and 1.6)   | 6716                  | 43                            | 8.8                   | 6809                  | 95                            | 9.4                   | 9.0                         |
| (1.8) Repurchase agreements   | 265                   | -3                            | 15.2                  | 280                   | 15                            | 19.3                  | 15.4                        |
| (1.9) Money market fund shares/units  | 656                   | 11                            | 9.6                   | 671                   | 15                            | 12.3                  | 10.0                        |
| (1.10) Debt securities issued with maturity up to 2 years   | 232                   | 11                            | 56.5                  | 237                   | 4                             | 49.1                  | 54.7                        |
| (1.11) Marketable instruments (items 1.8, 1.9 and 1.10)   | 1153                  | 18                            | 18.0                  | 1188                  | 35                            | 19.8                  | 18.0                        |
| <b>COUNTERPARTS OF M3</b>   |                       |                               |                       |                       |                               |                       |                             |
| <b>MFI liabilities:</b>   |                       |                               |                       |                       |                               |                       |                             |
| (2) <i>Holdings against central government</i> <sup>d)</sup>  | 179                   | 3                             | -6.0                  | 181                   | 2                             | -5.4                  | -7.7                        |
| (3) <i>Longer-term financial liabilities against other euro area residents</i> (= items 3.1 to 3.4) | 5514                  | 41                            | 8.4                   | 5580                  | 76                            | 9.1                   | 8.7                         |
| (3.1) Deposits with agreed maturity over 2 years  | 1670                  | 4                             | 8.2                   | 1683                  | 14                            | 8.1                   | 8.4                         |
| (3.2) Deposits redeemable at notice over 3 months   | 107                   | 2                             | 20.7                  | 108                   | 1                             | 20.6                  | 20.1                        |
| (3.3) Debt securities issued with maturity over 2 years   | 2442                  | 27                            | 10.7                  | 2461                  | 23                            | 11.0                  | 10.6                        |
| (3.4) Capital and reserves  | 1296                  | 8                             | 3.6                   | 1329                  | 38                            | 6.2                   | 4.9                         |
| <b>MFI assets:</b>  |                       |                               |                       |                       |                               |                       |                             |
| (4) <i>Credit to euro area residents</i> (= items 4.1 and 4.2)                                      | 13165                 | 77                            | 7.8                   | 13270                 | 110                           | 7.7                   | 7.9                         |
| (4.1) Credit to general government  | 2322                  | -1                            | -4.1                  | 2300                  | -19                           | -4.9                  | -4.6                        |
| of which Loans  | 824                   | 4                             | -0.8                  | 819                   | -4                            | -1.4                  | -1.2                        |
| of which Securities other than shares   | 1498                  | -5                            | -5.8                  | 1482                  | -15                           | -6.8                  | -6.3                        |
| (4.2) Credit to other euro area residents   | 10843                 | 78                            | 10.8                  | 10969                 | 129                           | 10.8                  | 10.9                        |
| of which Loans  | 9343                  | 74                            | 10.3                  | 9443                  | 104                           | 10.5                  | 10.5                        |
| of which Securities other than shares   | 656                   | 8                             | 18.5                  | 687                   | 32                            | 22.0                  | 19.6                        |
| of which Shares and other equities  | 845                   | -4                            | 9.8                   | 839                   | -7                            | 5.9                   | 9.7                         |
| (5) <i>Net external assets</i>  | 680                   | 51                            | ND                    | 767                   | 93                            | ND                    | ND                          |
| (6) <i>Other counterparts of M3 (residual)</i><br>(= M3 + items 2, 3 - items 4, 5)                  | -282                  | -23                           | ND                    | -278                  | 4                             | 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: MARCH 2007

DATA UNADJUSTED FOR SEASONAL EFFECTS

(EUR billions and annual percentage changes <sup>a)</sup>)

|   | FEBRUARY 2007         |                    |                       | MARCH 2007            |                    |                       | AVERAGE<br>JAN-07<br>MAR-07 |
|---|-----------------------|--------------------|-----------------------|-----------------------|--------------------|-----------------------|-----------------------------|
|   | End of<br>month level | Monthly<br>flow b) | Annual<br>growth rate | End of<br>month level | Monthly<br>flow b) | Annual<br>growth rate | Annual<br>growth rate       |
| <b>COMPONENTS OF M3<sup>c)</sup></b>  |                       |                    |                       |                       |                    |                       |                             |
| (1) <b>M3</b> (= items 1.3, 1.6 and 1.11)   | 7844                  | 37                 | 9.9                   | 7997                  | 155                | 11.1                  | 10.3                        |
| (1.1) Currency in circulation   | 579                   | 3                  | 10.2                  | 588                   | 10                 | 10.5                  | 10.4                        |
| (1.2) Overnight deposits  | 3095                  | -8                 | 5.7                   | 3146                  | 52                 | 6.8                   | 6.0                         |
| (1.3) <b>M1</b> (items 1.1 and 1.2)   | 3673                  | -5                 | 6.3                   | 3734                  | 62                 | 7.3                   | 6.7                         |
| (1.4) Deposits with agreed maturity up to 2 years   | 1470                  | 25                 | 29.8                  | 1533                  | 64                 | 32.0                  | 30.5                        |
| (1.5) Deposits redeemable at notice up to 3 months  | 1547                  | -11                | -1.4                  | 1544                  | -2                 | -1.7                  | -1.2                        |
| (1.6) Other short term deposits (items 1.4 and 1.5)   | 3017                  | 14                 | 11.6                  | 3077                  | 61                 | 12.6                  | 12.1                        |
| (1.7) <b>M2</b> (items 1.3 and 1.6)   | 6690                  | 8                  | 8.7                   | 6811                  | 123                | 9.7                   | 9.1                         |
| (1.8) Repurchase agreements   | 269                   | 7                  | 14.9                  | 282                   | 13                 | 20.0                  | 15.3                        |
| (1.9) Money market fund shares/units  | 652                   | 12                 | 9.5                   | 667                   | 15                 | 12.2                  | 10.0                        |
| (1.10) Debt securities issued with maturity up to 2 years   | 232                   | 11                 | 56.5                  | 237                   | 4                  | 49.1                  | 54.7                        |
| (1.11) Marketable instruments (items 1.8, 1.9 and 1.10)   | 1154                  | 29                 | 17.9                  | 1186                  | 32                 | 19.9                  | 17.9                        |
| <b>COUNTERPARTS OF M3</b>   |                       |                    |                       |                       |                    |                       |                             |
| <b>MFI liabilities:</b>   |                       |                    |                       |                       |                    |                       |                             |
| (2) <i>Holdings against central government</i> <sup>d)</sup>  | 189                   | 19                 | -5.8                  | 183                   | -6                 | -5.5                  | -7.7                        |
| (3) <i>Longer-term financial liabilities against other euro area residents</i> (= items 3.1 to 3.4) | 5512                  | 53                 | 8.4                   | 5591                  | 89                 | 9.1                   | 8.7                         |
| (3.1) Deposits with agreed maturity over 2 years  | 1672                  | 3                  | 8.2                   | 1690                  | 18                 | 8.1                   | 8.4                         |
| (3.2) Deposits redeemable at notice over 3 months   | 108                   | 2                  | 20.7                  | 109                   | 1                  | 20.6                  | 20.1                        |
| (3.3) Debt securities issued with maturity over 2 years   | 2436                  | 40                 | 10.7                  | 2461                  | 29                 | 11.0                  | 10.6                        |
| (3.4) Capital and reserves  | 1296                  | 9                  | 3.7                   | 1332                  | 41                 | 6.2                   | 4.9                         |
| <b>MFI assets:</b>  |                       |                    |                       |                       |                    |                       |                             |
| (4) <i>Credit to euro area residents</i> (= items 4.1 and 4.2)                                      | 13154                 | 72                 | 7.8                   | 13286                 | 138                | 7.7                   | 7.9                         |
| (4.1) Credit to general government  | 2319                  | 1                  | -4.0                  | 2308                  | -9                 | -4.9                  | -4.6                        |
| of which Loans  | 823                   | -3                 | -0.8                  | 821                   | -1                 | -1.5                  | -1.3                        |
| of which Securities other than shares   | 1496                  | 4                  | -5.7                  | 1487                  | -8                 | -6.7                  | -6.3                        |
| (4.2) Credit to other euro area residents   | 10835                 | 71                 | 10.8                  | 10979                 | 147                | 10.8                  | 11.0                        |
| of which Loans  | 9338                  | 66                 | 10.4                  | 9440                  | 106                | 10.5                  | 10.5                        |
| of which Securities other than shares   | 661                   | 14                 | 18.5                  | 689                   | 29                 | 22.0                  | 19.7                        |
| of which Shares and other equities  | 836                   | -9                 | 9.6                   | 850                   | 12                 | 5.9                   | 9.6                         |
| (5) <i>Net external assets</i>  | 671                   | 39                 | ND                    | 749                   | 84                 | ND                    | ND                          |
| (6) <i>Other counterparts of M3 (residual)</i><br>(= M3 + items 2, 3 - items 4, 5)                  | -280                  | -2                 | ND                    | -264                  | 16                 | 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: MARCH 2007**  
**DATA ADJUSTED FOR SEASONAL EFFECTS**  
 (contributions in terms of the M3 annual percentage change <sup>a)</sup>)

|  | JANUARY 2007 | FEBRUARY 2007 | MARCH 2007 |
|--|--------------|---------------|------------|
| (1) <b>M1</b>  | 3.2          | 3.2           | 3.4        |
| (1.1) <i>of which</i> : Currency                         | 0.8          | 0.8           | 0.8        |
| (1.2) <i>of which</i> : Overnight deposits               | 2.4          | 2.4           | 2.6        |
| (2) <b>M2 - M1</b> (= other short-term deposits)         | 4.5          | 4.4           | 4.8        |
| (3) <b>M3 - M2</b> (= short-term marketable instruments) | 2.2          | 2.5           | 2.7        |
| (4) <b>M3</b> (= items 1, 2 and 3)                       | 9.9          | 10.0          | 10.9       |

a) Discrepancies can be due to rounding.

TABLE 4

**BREAKDOWN OF LOANS BY COUNTERPART, TYPE AND ORIGINAL MATURITY: MARCH 2007**  
**DATA UNADJUSTED FOR SEASONAL EFFECTS**  
 (EUR billions and annual percentage changes <sup>a)</sup>)

|   | FEBRUARY 2007      |                            |                          |                    | MARCH 2007         |                            |                          |                    |
|---|--------------------|----------------------------|--------------------------|--------------------|--------------------|----------------------------|--------------------------|--------------------|
|   | End of month level | Monthly flow <sup>b)</sup> | write-offs / write-downs | Annual growth rate | End of month level | Monthly flow <sup>b)</sup> | write-offs / write-downs | Annual growth rate |
| <b>BREAKDOWN OF LOANS <sup>c)</sup></b>   |                    |                            |                          |                    |                    |                            |                          |                    |
| (1) <b>Loans to non-financial corporations</b>  | 3920               | 25                         | -1                       | 12.6               | 3957               | 39                         | -1                       | 12.4               |
| (1.1) up to 1 year  | 1161               | 4                          | 0                        | 9.1                | 1171               | 11                         | 0                        | 9.3                |
| (1.2) over 1 year and up to 5 years   | 726                | 9                          | 0                        | 19.6               | 738                | 13                         | 0                        | 18.6               |
| (1.3) over 5 years  | 2033               | 11                         | 0                        | 12.3               | 2047               | 15                         | -1                       | 12.0               |
| (2) <b>Loans to households <sup>d)</sup></b>  | 4578               | 23                         | -1                       | 8.1                | 4610               | 33                         | -1                       | 7.9                |
| (2.1) Consumer credit   | 585                | -1                         | 0                        | 6.7                | 590                | 5                          | 0                        | 7.3                |
| (2.2) Lending for house purchase  | 3253               | 22                         | 0                        | 9.4                | 3271               | 19                         | 0                        | 8.9                |
| (2.3) Other lending <sup>d)</sup>   | 740                | 2                          | 0                        | 3.4                | 749                | 8                          | 0                        | 4.2                |
| (3) <b>Loans to non-monetary financial intermediaries except insurance corporations and pension funds</b> | 742                | 22                         | 0                        | 10.8               | 775                | 33                         | 0                        | 16.0               |
| (4) <b>Loans to insurance corporations and pension funds</b>  | 97                 | -3                         | 0                        | 28.8               | 99                 | 2                          | 0                        | 20.5               |

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.