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PRESS RELEASE

MONETARY DEVELOPMENTS IN THE EURO AREA: NOVEMBER 2007

The annual rate of growth of M3 stood at 12.3% in November 2007, unchanged from the previous month.¹ The three-month average of the annual growth rates of M3 over the period September 2007 - November 2007 rose to 11.9%, from 11.7% in the period August 2007 - October 2007.

12-month percentage changes; adjusted for seasonal and end-of-month calendar effects	SEPTEMBER 2007	OCTOBER 2007	NOVEMBER 2007	SEPTEMBER 2007 - NOVEMBER 2007 AVERAGE
M3	11.3	12.3	12.3	11.9
M1	6.0	6.5	6.2	6.2
Loans to private sector	11.0	11.2	11.0	11.1

Regarding the main components of M3, the annual rate of growth of M1 decreased to 6.2% in November 2007, from 6.5% in October. The annual rate of growth of short-term deposits other than overnight deposits decreased to 16.7% in November, from 17.0% in the previous month. The annual rate of growth of marketable instruments increased to 20.4% in November, from 19.0% in October.

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 9.2% in November 2007, from 9.4% in October. The annual rate of decline of credit extended to general government increased to 4.2% in November, from 4.0% in October, while the annual growth of credit extended to the private sector declined to 12.2% in November, from 12.4% in October. Among the components of the latter, the annual rate of growth of loans to the private sector decreased to 11.0% in November, from 11.2% in the previous month. The annual growth rate of loans to non-financial corporations stood at 14.0% in November, compared with 13.9% in October.² The annual growth rate of loans to households decreased to 6.5% in November, from 6.8% in the previous month. The annual rate of growth of lending for house purchase declined to 7.6% in November, from 7.9% in October. The annual rate of growth of consumer credit decreased to 5.0% in November, from 5.5% in October, while the annual growth rate of other lending to households stood at 3.1% in November, compared with 3.2% in the

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.

previous month. Finally, the annual rate of growth of loans to non-monetary financial intermediaries (except insurance corporations and pension funds) increased to 23.1% in November, from 22.9% in the previous month.

Over the 12 months up to November 2007, the net external asset position of the euro area MFI sector rose by EUR 151 billion, compared with a rise of EUR 189 billion over the 12 months up to October. The annual rate of growth of longer-term financial liabilities of the MFI sector decreased to 8.6% in November, from 9.1% in October.

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 December 2007 and January, February and March 2008 is scheduled to take place at 10 am on 28 January, 27 February, 31 March, and 25 April 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), estimates for sectoral M3 holdings and methodological notes on the monetary statistics concepts and seasonal adjustment procedures.*

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TABLE 1

MONETARY DEVELOPMENTS IN THE EURO AREA: NOVEMBER 2007

DATA ADJUSTED FOR SEASONAL EFFECTS

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

	OCTOBER 2007			NOVEMBER 2007			AVERAGE SEP-07 NOV-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)	8532	118	12.3	8613	84	12.3	11.9
(1.1) Currency in circulation	618	7	8.1	619	1	7.7	8.0
(1.2) Overnight deposits	3220	15	6.2	3237	18	5.9	5.9
(1.3) M1 (items 1.1 and 1.2)	3838	22	6.5	3856	19	6.2	6.2
(1.4) Deposits with agreed maturity up to 2 years	1884	84	41.9	1914	32	40.4	40.1
(1.5) Deposits redeemable at notice up to 3 months	1537	-10	-4.2	1533	-4	-4.1	-4.0
(1.6) Other short term deposits (items 1.4 and 1.5)	3421	74	17.0	3447	28	16.7	16.4
(1.7) M2 (items 1.3 and 1.6)	7259	96	11.2	7303	47	10.9	10.8
(1.8) Repurchase agreements	289	-9	12.7	300	11	15.9	13.5
(1.9) Money market fund shares/units	685	15	11.4	700	14	11.0	10.6
(1.10) Debt securities issued with maturity up to 2 years	299	16	51.2	310	11	56.9	54.5
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	1273	22	19.0	1310	37	20.4	19.1
COUNTERPARTS OF M3							
MFI liabilities:							
(2) <i>Holdings against central government</i> ^{d)}	183	-10	-8.2	196	14	-1.0	-4.7
(3) <i>Longer-term financial liabilities against other euro area residents</i> (= items 3.1 to 3.4)	5920	56	9.1	5920	15	8.6	8.9
(3.1) Deposits with agreed maturity over 2 years	1781	13	8.9	1782	3	8.5	8.8
(3.2) Deposits redeemable at notice over 3 months	121	1	13.8	121	0	11.5	13.5
(3.3) Debt securities issued with maturity over 2 years	2564	-2	8.8	2554	-2	7.6	8.8
(3.4) Capital and reserves	1455	44	9.2	1463	14	10.4	8.7
MFI assets:							
(4) <i>Credit to euro area residents</i> (= items 4.1 and 4.2)	14265	175	9.4	14313	58	9.2	9.1
(4.1) Credit to general government	2401	-1	-4.0	2389	-14	-4.2	-4.2
of which Loans	964	-4	-2.2	964	1	-1.8	-1.8
of which Securities other than shares	1437	3	-5.1	1425	-15	-5.6	-5.5
(4.2) Credit to other euro area residents	11865	176	12.4	11924	72	12.2	12.1
of which Loans	10043	89	11.2	10101	65	11.0	11.1
of which Securities other than shares	892	43	36.4	905	14	37.5	35.2
of which Shares and other equities	930	44	7.3	918	-8	6.1	5.7
(5) <i>Net external assets</i>	668	0	ND	694	41	ND	ND
(6) <i>Other counterparts of M3 (residual)</i> (= M3 + items 2, 3 - items 4, 5)	-298	-11	ND	-278	14	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: NOVEMBER 2007

DATA UNADJUSTED FOR SEASONAL EFFECTS

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

	OCTOBER 2007			NOVEMBER 2007			AVERAGE SEP-07 NOV-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)	8484	90	12.2	8567	87	12.2	11.9
(1.1) Currency in circulation	613	3	8.1	619	5	8.1	8.2
(1.2) Overnight deposits	3179	-29	5.8	3208	31	5.3	5.7
(1.3) M1 (items 1.1 and 1.2)	3792	-26	6.2	3827	36	5.8	6.1
(1.4) Deposits with agreed maturity up to 2 years	1891	104	41.9	1915	27	40.8	40.2
(1.5) Deposits redeemable at notice up to 3 months	1525	-15	-4.2	1519	-6	-4.1	-4.0
(1.6) Other short term deposits (items 1.4 and 1.5)	3416	88	17.2	3434	20	17.0	16.5
(1.7) M2 (items 1.3 and 1.6)	7208	63	11.1	7261	56	10.8	10.7
(1.8) Repurchase agreements	292	-2	12.5	300	8	15.8	13.5
(1.9) Money market fund shares/units	684	13	11.3	697	12	11.0	10.6
(1.10) Debt securities issued with maturity up to 2 years	299	16	51.2	310	11	56.9	54.5
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	1275	27	19.0	1307	31	20.4	19.1
COUNTERPARTS OF M3							
MFI liabilities:							
(2) <i>Holdings against central government</i> ^{d)}	184	-16	-8.3	200	16	-0.9	-4.6
(3) <i>Longer-term financial liabilities against other euro area residents</i> (= items 3.1 to 3.4)	5924	67	9.1	5914	6	8.6	8.8
(3.1) Deposits with agreed maturity over 2 years	1771	17	9.0	1773	4	8.5	8.8
(3.2) Deposits redeemable at notice over 3 months	120	1	13.7	120	1	11.5	13.4
(3.3) Debt securities issued with maturity over 2 years	2573	7	8.8	2561	-5	7.6	8.8
(3.4) Capital and reserves	1460	42	9.2	1459	6	10.4	8.7
MFI assets:							
(4) <i>Credit to euro area residents</i> (= items 4.1 and 4.2)	14227	179	9.4	14315	98	9.2	9.1
(4.1) Credit to general government	2396	3	-4.1	2398	0	-4.3	-4.2
of which Loans	962	-3	-2.2	963	1	-1.9	-1.8
of which Securities other than shares	1434	6	-5.1	1435	-1	-5.6	-5.5
(4.2) Credit to other euro area residents	11831	176	12.4	11917	98	12.2	12.1
of which Loans	10025	81	11.2	10105	87	11.0	11.1
of which Securities other than shares	887	47	36.4	902	17	37.5	35.3
of which Shares and other equities	919	48	7.4	909	-5	6.2	5.8
(5) <i>Net external assets</i>	684	11	ND	700	31	ND	ND
(6) <i>Other counterparts of M3 (residual)</i> (= M3 + items 2, 3 - items 4, 5)	-319	-50	ND	-333	-20	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: NOVEMBER 2007
DATA ADJUSTED FOR SEASONAL EFFECTS
 (contributions in terms of the M3 annual percentage change ^{a)})

	SEPTEMBER 2007	OCTOBER 2007	NOVEMBER 2007
(1) M1	2.8	3.1	2.9
(1.1) <i>of which</i> : Currency	0.6	0.6	0.6
(1.2) <i>of which</i> : Overnight deposits	2.2	2.5	2.4
(2) M2 - M1 (= other short-term deposits)	5.9	6.5	6.4
(3) M3 - M2 (= short-term marketable instruments)	2.5	2.7	2.9
(4) M3 (= items 1, 2 and 3)	11.3	12.3	12.3

a) Discrepancies can be due to rounding.

TABLE 4

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

	OCTOBER 2007				NOVEMBER 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	4272	40	-1	13.9	4329	59	-1	14.0
(1.1) up to 1 year	1251	-1	0	11.8	1271	21	0	12.0
(1.2) over 1 year and up to 5 years	828	17	-1	20.5	842	15	0	21.0
(1.3) over 5 years	2193	24	0	12.7	2216	24	0	12.8
(2) Loans to households ^{d)}	4772	22	-1	6.8	4797	27	-1	6.5
(2.1) Consumer credit	613	6	0	5.5	611	0	0	5.0
(2.2) Lending for house purchase	3407	16	0	7.9	3428	20	0	7.6
(2.3) Other lending ^{d)}	752	0	-1	3.2	758	6	0	3.1
(3) Loans to non-monetary financial intermediaries except insurance corporations and pension funds	866	16	0	22.9	871	8	0	23.1
(4) Loans to insurance corporations and pension funds	115	4	0	30.2	108	-7	0	14.5

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.