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PRESS RELEASE

MONETARY DEVELOPMENTS IN THE EURO AREA: JANUARY 2008

The annual rate of growth of M3 stood at 11.5% in January 2008, compared with 11.6% in December 2007.¹ The three-month average of the annual growth rates of M3 over the period November 2007 - January 2008 declined to 11.8%, from 12.1% in the period October 2007 - December 2007.

12-month percentage changes; adjusted for seasonal and end-of-month calendar effects	NOVEMBER 2007	DECEMBER 2007	JANUARY 2008	NOVEMBER 2007 - JANUARY 2008 AVERAGE
M3	12.4	11.6	11.5	11.8
M1	6.3	4.1	4.4	4.9
Loans to private sector	11.1	11.2	11.1	11.1

Regarding the main components of M3, the annual rate of growth of M1 increased to 4.4% in January 2008, from 4.1% in December 2007. The annual rate of growth of short-term deposits other than overnight deposits stood at 17.9% in January, compared with 17.8% in the previous month. The annual rate of growth of marketable instruments decreased to 17.9% in January, from 19.9% in December.

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 10.0% in January 2008, compared with 10.1% in December 2007. The annual rate of decline of credit extended to general government stood at 2.2% in January, compared with 2.3% in December, while the annual growth of credit extended to the private sector was 12.7% in January, after 12.8% in December. Among the components of the latter, the annual rate of growth of loans to the private sector was 11.1% in January, after 11.2% in the previous month. The annual growth rate of loans to non-financial corporations stood at 14.6% in January, after 14.5% in December.² The annual growth rate of loans to households stood at 6.1% in January, unchanged from the previous month. The annual rate of growth of lending for house purchase declined to 6.9% in January, from 7.1% in December. The annual rate of growth of consumer credit increased to 5.8% in January, from 5.3% in December, while the annual growth rate of other lending to households stood at 2.6% in January, unchanged from the previous month. Finally, the annual rate of growth of loans to non-

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.

monetary financial intermediaries (except insurance corporations and pension funds) increased to 25.5% in January, from 24.5% in the previous month.

Over the 12 months up to January 2008, the net external asset position of the euro area MFI sector rose by EUR 28 billion, compared with a rise of EUR 17 billion over the 12 months up to December 2007. The annual rate of growth of longer-term financial liabilities of the MFI sector increased to 9.4% in January, from 9.1% in December.

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 February, March, April and May 2008 is scheduled to take place at 10 am on 31 March, 25 April, 29 May, and 26 June 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. The implications of the entry of Cyprus and Malta into the euro area for monetary statistics are further explained in Box 1 of the Monthly Bulletin of February 2008.*
- *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: JANUARY 2008

DATA ADJUSTED FOR SEASONAL EFFECTS

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

	DECEMBER 2007			JANUARY 2008			AVERAGE NOV-07 JAN-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)	8645	24	11.6	8779	69	11.5	11.8
(1.1) Currency in circulation	627	8	8.2	630	2	7.8	7.9
(1.2) Overnight deposits	3202	-39	3.3	3226	13	3.8	4.4
(1.3) M1 (items 1.1 and 1.2)	3829	-31	4.1	3856	15	4.4	4.9
(1.4) Deposits with agreed maturity up to 2 years	1972	58	41.4	2039	44	41.3	41.0
(1.5) Deposits redeemable at notice up to 3 months	1535	1	-3.6	1534	-7	-3.7	-3.8
(1.6) Other short term deposits (items 1.4 and 1.5)	3506	59	17.8	3573	37	17.9	17.5
(1.7) M2 (items 1.3 and 1.6)	7335	28	10.2	7429	52	10.5	10.5
(1.8) Repurchase agreements	299	-2	14.7	313	14	18.7	16.5
(1.9) Money market fund shares/units	693	-6	9.6	743	16	10.6	10.4
(1.10) Debt securities issued with maturity up to 2 years	318	4	60.3	293	-13	38.2	52.3
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	1310	-4	19.9	1350	17	17.9	19.5
COUNTERPARTS OF M3							
MFI liabilities:							
(2) <i>Holdings against central government</i> ^{d)}	173	-23	-6.8	175	-1	-5.0	-4.2
(3) <i>Longer-term financial liabilities against other euro area residents</i> (= items 3.1 to 3.4)	5980	81	9.1	6049	52	9.4	9.0
(3.1) Deposits with agreed maturity over 2 years	1812	32	9.9	1817	3	9.5	9.3
(3.2) Deposits redeemable at notice over 3 months	120	-1	9.7	123	0	7.7	9.6
(3.3) Debt securities issued with maturity over 2 years	2555	14	6.3	2583	32	6.8	6.7
(3.4) Capital and reserves	1493	35	13.3	1525	17	14.4	12.8
MFI assets:							
(4) <i>Credit to euro area residents</i> (= items 4.1 and 4.2)	14456	155	10.1	14596	88	10.0	9.8
(4.1) Credit to general government	2418	32	-2.3	2432	-3	-2.2	-2.9
of which Loans	965	0	-1.4	974	6	-0.6	-1.3
of which Securities other than shares	1453	31	-2.7	1459	-9	-3.1	-3.8
(4.2) Credit to other euro area residents	12038	124	12.8	12164	91	12.7	12.6
of which Loans	10164	65	11.2	10295	82	11.1	11.1
of which Securities other than shares	951	52	42.7	966	12	43.5	40.8
of which Shares and other equities	924	6	7.2	903	-3	6.7	6.7
(5) <i>Net external assets</i>	634	-60	ND	639	13	ND	ND
(6) <i>Other counterparts of M3 (residual)</i> (= M3 + items 2, 3 - items 4, 5)	-291	-13	ND	-232	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 2

MONETARY DEVELOPMENTS IN THE EURO AREA: JANUARY 2008

DATA UNADJUSTED FOR SEASONAL EFFECTS

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

	DECEMBER 2007			JANUARY 2008			AVERAGE NOV-07 JAN-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)	8695	120	11.4	8782	22	11.6	11.7
(1.1) Currency in circulation	638	20	7.7	623	-17	8.0	8.0
(1.2) Overnight deposits	3272	61	3.4	3230	-54	3.8	4.2
(1.3) M1 (items 1.1 and 1.2)	3911	80	4.1	3853	-71	4.5	4.8
(1.4) Deposits with agreed maturity up to 2 years	1985	70	41.1	2046	36	41.3	41.1
(1.5) Deposits redeemable at notice up to 3 months	1540	21	-3.6	1545	0	-3.7	-3.8
(1.6) Other short term deposits (items 1.4 and 1.5)	3525	90	17.6	3591	36	17.9	17.5
(1.7) M2 (items 1.3 and 1.6)	7436	171	10.1	7443	-35	10.5	10.5
(1.8) Repurchase agreements	281	-19	14.2	310	28	18.9	16.3
(1.9) Money market fund shares/units	661	-36	8.9	735	41	10.6	10.2
(1.10) Debt securities issued with maturity up to 2 years	318	4	60.3	293	-13	38.2	52.3
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	1260	-51	19.8	1338	57	18.0	19.5
COUNTERPARTS OF M3							
MFI liabilities:							
(2) <i>Holdings against central government</i> ^{d)}	152	-48	-7.0	169	14	-5.0	-4.3
(3) <i>Longer-term financial liabilities against other euro area residents</i> (= items 3.1 to 3.4)	5984	90	9.1	6033	32	9.4	9.0
(3.1) Deposits with agreed maturity over 2 years	1822	51	9.9	1822	-3	9.5	9.3
(3.2) Deposits redeemable at notice over 3 months	121	0	9.5	124	0	7.7	9.6
(3.3) Debt securities issued with maturity over 2 years	2548	0	6.3	2563	19	6.7	6.7
(3.4) Capital and reserves	1494	39	13.3	1524	15	14.3	12.8
MFI assets:							
(4) <i>Credit to euro area residents</i> (= items 4.1 and 4.2)	14408	105	10.1	14590	130	10.1	9.8
(4.1) Credit to general government	2393	-2	-2.1	2428	17	-2.2	-2.8
of which Loans	974	11	-1.4	980	3	-0.6	-1.3
of which Securities other than shares	1419	-13	-2.7	1448	14	-3.1	-3.8
(4.2) Credit to other euro area residents	12015	107	12.7	12162	113	12.7	12.5
of which Loans	10155	51	11.1	10298	95	11.1	11.1
of which Securities other than shares	954	59	42.7	965	8	43.5	40.8
of which Shares and other equities	906	-3	7.1	899	10	6.6	6.7
(5) <i>Net external assets</i>	653	-47	ND	631	-14	ND	ND
(6) <i>Other counterparts of M3 (residual)</i> (= M3 + items 2, 3 - items 4, 5)	-229	104	ND	-238	-49	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: JANUARY 2008
DATA ADJUSTED FOR SEASONAL EFFECTS
 (contributions in terms of the M3 annual percentage change ^{a)})

	NOVEMBER 2007	DECEMBER 2007	JANUARY 2008
(1) M1	3.0	1.9	2.1
(1.1) <i>of which</i> : Currency	0.6	0.6	0.6
(1.2) <i>of which</i> : Overnight deposits	2.4	1.3	1.5
(2) M2 - M1 (= other short-term deposits)	6.4	6.8	6.9
(3) M3 - M2 (= short-term marketable instruments)	3.0	2.8	2.6
(4) M3 (= items 1, 2 and 3)	12.4	11.6	11.5

a) Discrepancies can be due to rounding.

TABLE 4

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

	DECEMBER 2007				JANUARY 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	4387	64	-3	14.5	4463	48	-1	14.6
(1.1) up to 1 year	1277	10	-1	12.7	1298	15	-1	12.6
(1.2) over 1 year and up to 5 years	858	18	-2	21.8	877	14	0	22.6
(1.3) over 5 years	2253	36	-1	12.8	2287	19	0	12.8
(2) Loans to households ^{d)}	4808	12	-3	6.1	4838	12	-2	6.1
(2.1) Consumer credit	618	5	-1	5.3	621	2	-1	5.8
(2.2) Lending for house purchase	3437	10	-1	7.1	3458	11	-1	6.9
(2.3) Other lending ^{d)}	753	-3	-1	2.6	759	-1	-1	2.6
(3) Loans to non-monetary financial intermediaries except insurance corporations and pension funds	863	-11	0	24.5	895	29	0	25.5
(4) Loans to insurance corporations and pension funds	96	-13	0	16.3	102	6	0	2.3

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.