



EUROPEAN CENTRAL BANK

31 May 2005

MONETARY DEVELOPMENTS IN THE EURO AREA: APRIL 2005

The annual rate of growth of M3 increased to 6.7% in April 2005, from 6.5% in March 2005.¹ The three-month average of the annual growth rates of M3 over the period February 2005 - April 2005 stood at 6.6%, unchanged from the period January 2005 – March 2005.

12-month percentage changes; adjusted for seasonal and end-of-month calendar effects	FEBRUARY 2005	MARCH 2005	APRIL 2005	FEBRUARY 2005 - APRIL 2005 AVERAGE
M3	6.6	6.5	6.7	6.6
M1	10.2	9.3	9.3	9.6
Loans to private sector	7.3	7.6	7.4	7.4

Regarding the main components of M3, the annual rate of growth of M1 stood at 9.3% in April 2005, unchanged from the previous month. The annual rate of growth of short-term deposits other than overnight deposits increased to 5.2% in April, from 4.8% in the previous month. The annual rate of growth of marketable instruments increased to 3.2% in April, from 2.8% in March.

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 increased to 6.7% in April 2005, from 6.4% in March. The annual rate of growth of credit extended to general government rose to 2.9% in April, from 2.3% in March, while the annual growth of credit extended to the private sector increased to 7.7% in April, from 7.5% in March. Among the components of the latter, the annual rate of growth of loans to the private sector decreased to 7.4% in April, from 7.6% in the previous month. The annual growth rate of loans to non-financial corporations increased to 6.2% in April, from 6.0% in March.² The annual growth rate of loans to households stood at 8.0% in April, unchanged from the previous month. The annual rate of growth of lending for house purchase was 10.0% in April, unchanged from March. The annual rate of growth of consumer credit stood at 6.7% in April, unchanged from the previous month while the annual growth rate of other lending to households decreased to 1.8% in April, from 2.0% in the previous month. Finally, the annual rate of growth of loans to non-monetary financial intermediaries (except insurance corporations and pension funds) decreased to 9.6% in April, from 12.5% in the previous month.

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.

Over the 12 months up to April 2005, the net external asset position of the euro area MFI sector rose by EUR 88 billion, compared with a rise of EUR 98 billion over the 12 months up to March. The annual rate of growth of longer-term financial liabilities of the MFI sector decreased to 8.4% in April, from 8.7% in March.

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 May, June, July and August 2005 is scheduled to take place at 10 am on 28 June, 28 July, 26 August and 27 September 2005 respectively.*
- *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 "Data services" and then "Latest monetary, financial markets and balance of payments statistics". In addition, data on a number of breakdowns of deposits, loans and holdings of securities, together with longer time series for principal monetary aggregates (start date: January 1970) and methodological notes on the monetary statistics concepts and seasonal adjustment procedures can be found in the same section under "Money, banking and financial markets" and then "Monetary statistics".*

TABLE 1

MONETARY DEVELOPMENTS IN THE EURO AREA: APRIL 2005

DATA ADJUSTED FOR SEASONAL EFFECTS

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

	MARCH 2005			APRIL 2005			AVERAGE FEB-05 APR-05
	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)	6626	15	6.5	6676	50	6.7	6.6
(1.1) Currency in circulation	478	6	17.8	481	4	17.5	17.8
(1.2) Overnight deposits	2530	8	7.8	2544	14	7.9	8.2
(1.3) M1 (items 1.1 and 1.2)	3007	14	9.3	3026	18	9.3	9.6
(1.4) Deposits with agreed maturity up to 2 years	1020	-2	1.6	1031	11	3.2	1.7
(1.5) Deposits redeemable at notice up to 3 months	1656	9	6.8	1663	7	6.5	6.7
(1.6) Other short term deposits (items 1.4 and 1.5)	2676	8	4.8	2694	18	5.2	4.8
(1.7) M2 (items 1.3 and 1.6)	5683	21	7.1	5719	36	7.3	7.3
(1.8) Repurchase agreements	224	4	4.0	217	-7	0.4	1.2
(1.9) Money market fund shares/units	610	-2	1.8	618	8	2.6	2.3
(1.10) Debt securities issued with maturity up to 2 years	108	-8	6.6	121	13	13.0	10.4
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	943	-6	2.8	956	14	3.2	2.9
COUNTERPARTS OF M3							
MFI liabilities:							
(2) Holdings against central government ^{d)}	184	-15	0.7	186	2	0.4	3.2
(3) Longer-term financial liabilities against other euro area residents (= items 3.1 to 3.4)	4580	38	8.7	4613	27	8.4	8.6
(3.1) Deposits with agreed maturity over 2 years	1387	16	9.3	1395	8	8.8	8.9
(3.2) Deposits redeemable at notice over 3 months	91	0	0.5	91	0	1.2	0.7
(3.3) Debt securities issued with maturity over 2 years	2036	19	10.6	2055	17	10.4	10.7
(3.4) Capital and reserves	1066	3	5.2	1071	2	4.6	5.1
MFI assets:							
(4) Credit to euro area residents (= items 4.1 and 4.2)	11161	27	6.4	11265	102	6.7	6.6
(4.1) Credit to general government	2326	-17	2.3	2352	23	2.9	3.1
of which Loans	820	-3	-2.2	832	12	-0.7	-0.9
of which Securities other than shares	1506	-13	5.0	1520	11	5.0	5.5
(4.2) Credit to other euro area residents	8835	43	7.5	8913	79	7.7	7.5
of which Loans	7675	42	7.6	7708	32	7.4	7.4
of which Securities other than shares	481	3	10.7	487	6	11.2	10.7
of which Shares and other equities	679	-2	4.3	718	41	9.3	6.5
(5) Net external assets	396	-5	ND	414	15	ND	ND
(6) Other counterparts of M3 (residual) (= M3 + items 2, 3 - items 4, 5)	-167	17	ND	-204	-38	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: APRIL 2005

DATA UNADJUSTED FOR SEASONAL EFFECTS

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

	MARCH 2005			APRIL 2005			AVERAGE FEB-05 APR-05
	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)	6632	25	6.5	6715	82	6.9	6.6
(1.1) Currency in circulation	472	8	18.1	481	9	17.5	17.8
(1.2) Overnight deposits	2527	18	8.0	2551	24	8.3	8.4
(1.3) M1 (items 1.1 and 1.2)	2998	26	9.4	3032	34	9.7	9.8
(1.4) Deposits with agreed maturity up to 2 years	1018	3	1.4	1035	17	3.0	1.4
(1.5) Deposits redeemable at notice up to 3 months	1665	4	6.8	1671	6	6.6	6.8
(1.6) Other short term deposits (items 1.4 and 1.5)	2683	7	4.7	2706	23	5.2	4.7
(1.7) M2 (items 1.3 and 1.6)	5681	33	7.2	5738	56	7.5	7.3
(1.8) Repurchase agreements	228	1	3.7	228	0	1.1	1.3
(1.9) Money market fund shares/units	615	0	1.7	628	13	2.5	2.3
(1.10) Debt securities issued with maturity up to 2 years	108	-8	6.6	121	13	13.0	10.4
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	951	-8	2.7	977	26	3.3	2.9
COUNTERPARTS OF M3							
MFI liabilities:							
(2) Holdings against central government ^{d)}	186	-24	1.0	180	-6	0.1	3.2
(3) Longer-term financial liabilities against other euro area residents (= items 3.1 to 3.4)	4585	46	8.7	4608	18	8.4	8.6
(3.1) Deposits with agreed maturity over 2 years	1391	17	9.3	1396	5	8.8	8.9
(3.2) Deposits redeemable at notice over 3 months	92	0	0.6	91	0	1.3	0.8
(3.3) Debt securities issued with maturity over 2 years	2036	24	10.6	2054	16	10.4	10.7
(3.4) Capital and reserves	1066	5	5.1	1067	-3	4.6	5.0
MFI assets:							
(4) Credit to euro area residents (= items 4.1 and 4.2)	11181	52	6.4	11314	132	6.7	6.6
(4.1) Credit to general government	2336	-8	2.3	2358	18	2.9	3.1
of which Loans	827	-2	-2.2	833	5	-0.7	-0.9
of which Securities other than shares	1509	-6	4.9	1525	13	5.0	5.4
(4.2) Credit to other euro area residents	8844	60	7.5	8956	113	7.7	7.5
of which Loans	7675	52	7.6	7724	49	7.4	7.4
of which Securities other than shares	483	3	10.7	492	8	11.2	10.7
of which Shares and other equities	687	6	4.3	741	56	9.2	6.5
(5) Net external assets	381	-14	ND	381	-3	ND	ND
(6) Other counterparts of M3 (residual) (= M3 + items 2, 3 - items 4, 5)	-159	9	ND	-192	-34	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: APRIL 2005
DATA ADJUSTED FOR SEASONAL EFFECTS
(contributions in terms of the M3 annual percentage change ^{a)})

	FEBRUARY 2005	MARCH 2005	APRIL 2005
(1) M1	4.5	4.1	4.1
(1.1) <i>of which</i> : Currency	1.2	1.2	1.1
(1.2) <i>of which</i> : Overnight deposits	3.3	3.0	3.0
(2) M2 - M1 (= other short-term deposits)	1.8	2.0	2.1
(3) M3 - M2 (= short-term marketable instruments)	0.4	0.4	0.5
(4) M3 (= items 1, 2 and 3)	6.6	6.5	6.7

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.

TABLE 4

BREAKDOWN OF LOANS BY COUNTERPART, TYPE AND ORIGINAL MATURITY: APRIL 2005
DATA UNADJUSTED FOR SEASONAL EFFECTS
(EUR billions and annual percentage changes ^{a)})

	MARCH 2005				APRIL 2005			
	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	3194	20	-1	6.0	3219	27	-1	6.2
(1.1) up to 1 year	988	6	-1	4.2	997	10	0	4.8
(1.2) over 1 year and up to 5 years	556	5	0	6.9	560	6	0	6.8
(1.3) over 5 years	1651	9	0	6.8	1662	12	0	6.7
(2) Loans to households ^{d)}	3862	24	-1	8.0	3888	25	-1	8.0
(2.1) Consumer credit	520	6	0	6.7	523	4	0	6.7
(2.2) Lending for house purchase	2641	18	0	10.0	2662	21	0	10.0
(2.3) Other lending ^{d)}	702	0	-1	2.0	702	-1	0	1.8
(3) Loans to non-monetary financial intermediaries except insurance corporations and pension funds	561	9	0	12.5	557	-5	0	9.6
(4) Loans to insurance corporations and pension funds	58	-1	0	23.6	59	1	0	14.3

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.