



EUROPEAN CENTRAL BANK

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PRESS RELEASE

MONETARY DEVELOPMENTS IN THE EURO AREA: NOVEMBER 2005

The annual rate of growth of M3 decreased to 7.6% in November 2005, from 8.0% in October 2005.¹ The three-month average of the annual growth rates of M3 over the period September 2005 - November 2005 declined to 8.0%, from 8.2% in the period August 2005 - October 2005.

12-month percentage changes; adjusted for seasonal and end-of-month calendar effects	SEPTEMBER 2005	OCTOBER 2005	NOVEMBER 2005	SEPTEMBER 2005 - NOVEMBER 2005 AVERAGE
M3	8.5	8.0	7.6	8.0
M1	11.1	11.2	10.6	11.0
Loans to private sector	8.7	8.9	9.0	8.9

Regarding the main components of M3, the annual rate of growth of M1 decreased to 10.6% in November 2005, from 11.2% in October. The annual rate of growth of short-term deposits other than overnight deposits stood at 5.9% in November, compared with 6.0% in the previous month. The annual rate of growth of marketable instruments decreased to 3.5% in November, from 4.0% 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 increased to 8.1% in November 2005, from 7.8% in October. The annual rate of growth of credit extended to general government increased to 3.4% in November, from 1.9% in October, while the annual growth of credit extended to the private sector was 9.4% in November, after 9.3% in October. Among the components of the latter, the annual rate of growth of loans to the private sector stood at 9.0% in November, compared with 8.9% in the previous month. The annual growth rate of loans to non-financial corporations rose to 7.5% in November, from 7.3% in October.² The annual growth rate of loans to households increased to 9.2% in November, from 9.0% in the previous month. The annual rate of growth of lending for house purchase rose to 11.2% in November, from 10.9% in October. The annual rate of growth of consumer credit increased to 8.0% in November, from 7.7% in October while the annual growth rate of other lending

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 households stood at 3.0% in November, compared with 3.1% 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 12.9% in November, from 15.6% in the previous month.

Over the 12 months up to November 2005, the net external asset position of the euro area MFI sector declined by EUR 2 billion, compared with a rise of EUR 51 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, compared with 8.8% 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 2005 and January, February and March 2006 is scheduled to take place at 10 am on 27 January, 27 February, 28 March and 28 April 2006 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".*

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TABLE 1

MONETARY DEVELOPMENTS IN THE EURO AREA: NOVEMBER 2005

DATA ADJUSTED FOR SEASONAL EFFECTS

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

	OCTOBER 2005			NOVEMBER 2005			AVERAGE SEP-05 NOV-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)	6995	10	8.0	7027	13	7.6	8.0
(1.1) Currency in circulation	515	8	15.3	520	5	14.6	15.1
(1.2) Overnight deposits	2855	13	10.4	2866	10	9.9	10.2
(1.3) M1 (items 1.1 and 1.2)	3370	21	11.2	3386	15	10.6	11.0
(1.4) Deposits with agreed maturity up to 2 years	1087	3	6.1	1090	2	6.7	6.7
(1.5) Deposits redeemable at notice up to 3 months	1549	3	5.7	1549	1	5.2	5.6
(1.6) Other short term deposits (items 1.4 and 1.5)	2636	5	6.0	2639	3	5.9	6.1
(1.7) M2 (items 1.3 and 1.6)	6005	26	8.6	6025	18	8.3	8.6
(1.8) Repurchase agreements	237	-8	5.0	238	1	6.6	6.8
(1.9) Money market fund shares/units	631	-9	1.4	634	-8	0.5	1.9
(1.10) Debt securities issued with maturity up to 2 years	122	1	17.6	131	2	14.9	15.8
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	990	-16	4.0	1002	-5	3.5	4.6
COUNTERPARTS OF M3							
MFI liabilities:							
(2) Holdings against central government ^{d)}	181	0	-9.0	180	-1	0.7	-6.5
(3) Longer-term financial liabilities against other euro area residents (= items 3.1 to 3.4)	4897	43	8.8	4938	26	8.6	8.6
(3.1) Deposits with agreed maturity over 2 years	1474	8	8.7	1484	10	8.3	8.6
(3.2) Deposits redeemable at notice over 3 months	87	-1	-3.8	87	0	-4.5	-3.5
(3.3) Debt securities issued with maturity over 2 years	2186	30	10.9	2196	6	10.8	10.6
(3.4) Capital and reserves	1150	5	6.0	1170	10	5.8	5.9
MFI assets:							
(4) Credit to euro area residents (= items 4.1 and 4.2)	11797	102	7.8	11953	105	8.1	7.7
(4.1) Credit to general government	2408	14	1.9	2478	29	3.4	2.2
of which Loans	840	-5	0.1	828	-12	-0.2	0.2
of which Securities other than shares	1568	19	2.9	1650	42	5.4	3.4
(4.2) Credit to other euro area residents	9390	89	9.3	9475	75	9.4	9.2
of which Loans	8148	64	8.9	8212	64	9.0	8.9
of which Securities other than shares	525	15	15.1	548	18	17.3	14.9
of which Shares and other equities	717	9	10.7	715	-6	8.7	9.7
(5) Net external assets	437	-19	ND	404	-44	ND	ND
(6) Other counterparts of M3 (residual) (= M3 + items 2, 3 - items 4, 5)	-162	-30	ND	-211	-23	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 2005

DATA UNADJUSTED FOR SEASONAL EFFECTS

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

	OCTOBER 2005			NOVEMBER 2005			AVERAGE SEP-05 NOV-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)	6962	38	7.9	7002	21	7.6	7.9
(1.1) Currency in circulation	510	3	14.9	514	4	14.6	15.1
(1.2) Overnight deposits	2839	23	10.5	2870	30	9.6	9.9
(1.3) M1 (items 1.1 and 1.2)	3350	27	11.2	3384	34	10.3	10.7
(1.4) Deposits with agreed maturity up to 2 years	1088	10	5.8	1086	-3	7.0	6.8
(1.5) Deposits redeemable at notice up to 3 months	1532	0	5.7	1532	0	5.2	5.6
(1.6) Other short term deposits (items 1.4 and 1.5)	2620	10	5.8	2618	-3	6.0	6.2
(1.7) M2 (items 1.3 and 1.6)	5970	37	8.6	6002	31	8.3	8.5
(1.8) Repurchase agreements	241	7	5.0	239	-2	6.8	6.8
(1.9) Money market fund shares/units	629	-6	1.5	629	-10	0.4	1.9
(1.10) Debt securities issued with maturity up to 2 years	122	1	17.6	131	2	14.9	15.8
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	992	2	4.1	1000	-10	3.6	4.6
COUNTERPARTS OF M3							
MFI liabilities:							
(2) Holdings against central government ^{d)}	179	-3	-9.3	185	5	0.8	-6.5
(3) Longer-term financial liabilities against other euro area residents (= items 3.1 to 3.4)	4898	41	8.8	4936	23	8.6	8.6
(3.1) Deposits with agreed maturity over 2 years	1465	6	8.7	1478	13	8.4	8.6
(3.2) Deposits redeemable at notice over 3 months	87	0	-3.9	87	0	-4.5	-3.6
(3.3) Debt securities issued with maturity over 2 years	2193	33	10.9	2202	5	10.8	10.6
(3.4) Capital and reserves	1154	3	6.0	1168	5	5.9	6.0
MFI assets:							
(4) Credit to euro area residents (= items 4.1 and 4.2)	11759	103	7.8	11949	139	8.1	7.8
(4.1) Credit to general government	2400	13	2.0	2479	38	3.4	2.3
of which Loans	833	-4	0.2	827	-7	-0.2	0.2
of which Securities other than shares	1567	17	3.0	1652	44	5.4	3.4
(4.2) Credit to other euro area residents	9359	90	9.3	9470	101	9.4	9.3
of which Loans	8133	65	8.9	8217	83	9.0	8.9
of which Securities other than shares	523	16	15.0	544	17	17.3	14.8
of which Shares and other equities	703	8	10.7	708	1	8.9	9.8
(5) Net external assets	458	-9	ND	424	-44	ND	ND
(6) Other counterparts of M3 (residual) (= M3 + items 2, 3 - items 4, 5)	-178	-17	ND	-250	-46	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 2005
DATA ADJUSTED FOR SEASONAL EFFECTS
(contributions in terms of the M3 annual percentage change ^{a)})

	SEPTEMBER 2005	OCTOBER 2005	NOVEMBER 2005
(1) M1	5.0	5.0	4.8
(1.1) <i>of which</i> : Currency	1.0	1.1	1.0
(1.2) <i>of which</i> : Overnight deposits	4.0	4.0	3.8
(2) M2 - M1 (= other short-term deposits)	2.6	2.3	2.3
(3) M3 - M2 (= short-term marketable instruments)	0.9	0.6	0.5
(4) M3 (= items 1, 2 and 3)	8.5	8.0	7.6

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: NOVEMBER 2005
DATA UNADJUSTED FOR SEASONAL EFFECTS
(EUR billions and annual percentage changes ^{a)})

	OCTOBER 2005				NOVEMBER 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	3342	23	-1	7.3	3373	32	0	7.5
(1.1) up to 1 year	1022	9	-1	5.9	1032	10	0	5.2
(1.2) over 1 year and up to 5 years	583	10	0	7.4	586	4	0	7.7
(1.3) over 5 years	1737	4	0	8.1	1755	18	0	8.8
(2) Loans to households ^{d)}	4121	41	-1	9.0	4152	32	-1	9.2
(2.1) Consumer credit	548	4	0	7.7	550	3	0	8.0
(2.2) Lending for house purchase	2851	31	0	10.9	2878	26	0	11.2
(2.3) Other lending ^{d)}	721	6	0	3.1	724	3	-1	3.0
(3) Loans to non-monetary financial intermediaries except insurance corporations and pension funds	602	-2	0	15.6	617	13	0	12.9
(4) Loans to insurance corporations and pension funds	69	4	0	24.0	75	6	0	37.3

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.