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PRESS RELEASE

MONETARY DEVELOPMENTS IN THE EURO AREA: JUNE 2007

The annual rate of growth of M3 increased to 10.9% in June 2007, from 10.6% in May 2007.¹ The three-month average of the annual growth rates of M3 over the period April 2007 - June 2007 stood at 10.6%, unchanged from the previous period.

12-month percentage changes; adjusted for seasonal and end-of-month calendar effects	APRIL 2007	MAY 2007	JUNE 2007	APRIL 2007 - JUNE 2007 AVERAGE
M3	10.3	10.6	10.9	10.6
M1	6.0	5.9	6.1	6.0
Loans to private sector	10.4	10.4	10.8	10.5

Regarding the main components of M3, the annual rate of growth of M1 increased to 6.1% in June 2007, from 5.9% in May 2007. The annual rate of growth of short-term deposits other than overnight deposits increased to 13.9% in June, from 13.6% in the previous month. The annual rate of growth of marketable instruments rose to 19.9% in June, from 18.6% in May.

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 8.7% in June 2007, compared with 8.3% in May 2007. The annual rate of decline of credit extended to general government increased to 3.6% in June, from 3.1% in May, while the annual rate of growth of credit extended to the private sector rose to 11.5% in June, from 11.1% in May. Among the components of the latter, the annual rate of growth of loans to the private sector increased to 10.8% in June, from 10.4% in the previous month. The annual growth rate of loans to non-financial corporations rose to 13.3% in June, from 12.8% in May.² The annual growth rate of loans to households decreased to 7.2% in June, from 7.4% in the previous month. The annual rate of growth of lending for house purchase declined to 8.3% in June, from 8.6% in May. The annual rate of growth of consumer credit decreased to 5.7% in June, from 6.0% in May while the annual growth rate of other lending to households stood at 3.7% in June, compared with 3.6% in the previous

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.

month. Finally, the annual rate of growth of loans to non-monetary financial intermediaries (except insurance corporations and pension funds) increased to 17.9% in June, from 14.3% in the previous month.

Over the 12 months up to June 2007, the net external asset position of the euro area MFI sector rose by EUR 262 billion, compared with a rise of EUR 298 billion over the 12 months up to May 2007. The annual rate of growth of longer-term financial liabilities of the MFI sector increased to 9.2% in June, from 8.5% in May.

Notes

- *In addition to the monthly monetary developments for the reference month, this press release incorporates revisions to the data for previous months.*
- *The publication of the statistics on monetary developments in July, August, September and October 2007 is scheduled to take place at 10 am on 28 August, 27 September, 26 October and 28 November 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.*
- *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: JUNE 2007

DATA ADJUSTED FOR SEASONAL EFFECTS

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

	MAY 2007			JUNE 2007			AVERAGE APR-07 JUN-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)	8114	70	10.6	8183	68	10.9	10.6
(1.1) Currency in circulation	598	0	9.6	599	1	9.2	9.8
(1.2) Overnight deposits	3171	27	5.3	3185	13	5.5	5.3
(1.3) M1 (items 1.1 and 1.2)	3769	28	5.9	3785	15	6.1	6.0
(1.4) Deposits with agreed maturity up to 2 years	1596	21	34.7	1644	49	35.0	33.6
(1.5) Deposits redeemable at notice up to 3 months	1532	-1	-2.3	1526	-6	-2.5	-2.3
(1.6) Other short term deposits (items 1.4 and 1.5)	3128	20	13.6	3170	43	13.9	13.3
(1.7) M2 (items 1.3 and 1.6)	6897	48	9.3	6955	58	9.5	9.2
(1.8) Repurchase agreements	270	-1	10.3	286	14	14.8	12.9
(1.9) Money market fund shares/units	692	11	13.8	701	10	14.5	13.8
(1.10) Debt securities issued with maturity up to 2 years	255	11	48.0	242	-14	48.5	49.7
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	1217	21	18.6	1229	10	19.9	19.3
COUNTERPARTS OF M3							
MFI liabilities:							
(2) Holdings against central government ^{d)}	215	36	19.4	194	-21	5.3	6.4
(3) Longer-term financial liabilities against other euro area residents (= items 3.1 to 3.4)	5640	14	8.5	5711	78	9.2	8.9
(3.1) Deposits with agreed maturity over 2 years	1716	22	8.3	1736	20	8.8	8.3
(3.2) Deposits redeemable at notice over 3 months	109	0	18.4	109	1	17.6	18.8
(3.3) Debt securities issued with maturity over 2 years	2489	16	10.7	2517	29	11.0	10.9
(3.4) Capital and reserves	1327	-24	4.1	1348	27	5.7	5.2
MFI assets:							
(4) Credit to euro area residents (= items 4.1 and 4.2)	13526	146	8.3	13628	109	8.7	8.2
(4.1) Credit to general government	2314	37	-3.1	2301	-12	-3.6	-4.1
of which Loans	820	1	-0.9	817	-3	-1.3	-1.2
of which Securities other than shares	1494	36	-4.3	1483	-9	-4.8	-5.6
(4.2) Credit to other euro area residents	11212	109	11.1	11327	121	11.5	11.1
of which Loans	9593	77	10.4	9689	99	10.8	10.5
of which Securities other than shares	730	24	25.4	757	28	28.2	25.6
of which Shares and other equities	889	8	7.7	881	-6	7.7	7.2
(5) Net external assets	727	-5	ND	719	-3	ND	ND
(6) Other counterparts of M3 (residual) (= M3 + items 2, 3 - items 4, 5)	-283	-22	ND	-259	18	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: JUNE 2007

DATA UNADJUSTED FOR SEASONAL EFFECTS

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

	MAY 2007			JUNE 2007			AVERAGE APR-07 JUN-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)	8152	75	10.6	8229	75	11.1	10.6
(1.1) Currency in circulation	598	3	9.9	605	7	9.2	9.7
(1.2) Overnight deposits	3179	20	5.3	3239	60	6.0	5.5
(1.3) M1 (items 1.1 and 1.2)	3776	23	6.0	3844	67	6.5	6.1
(1.4) Deposits with agreed maturity up to 2 years	1600	26	34.4	1633	34	35.1	33.5
(1.5) Deposits redeemable at notice up to 3 months	1533	-4	-2.3	1527	-6	-2.5	-2.3
(1.6) Other short term deposits (items 1.4 and 1.5)	3133	22	13.5	3160	28	13.9	13.2
(1.7) M2 (items 1.3 and 1.6)	6909	45	9.3	7004	95	9.7	9.2
(1.8) Repurchase agreements	285	3	11.2	283	-4	14.9	13.1
(1.9) Money market fund shares/units	703	16	13.9	700	-2	14.5	13.9
(1.10) Debt securities issued with maturity up to 2 years	255	11	48.0	242	-14	48.5	49.7
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	1243	30	18.8	1224	-20	19.9	19.3
COUNTERPARTS OF M3							
MFI liabilities:							
(2) Holdings against central government ^{d)}	200	26	18.8	220	21	5.2	6.2
(3) Longer-term financial liabilities against other euro area residents (= items 3.1 to 3.4)	5638	9	8.5	5721	90	9.2	8.9
(3.1) Deposits with agreed maturity over 2 years	1719	17	8.3	1739	20	8.8	8.4
(3.2) Deposits redeemable at notice over 3 months	109	0	18.5	109	1	17.7	18.9
(3.3) Debt securities issued with maturity over 2 years	2494	21	10.7	2525	32	11.1	10.9
(3.4) Capital and reserves	1316	-28	4.0	1347	37	5.7	5.2
MFI assets:							
(4) Credit to euro area residents (= items 4.1 and 4.2)	13586	136	8.3	13673	95	8.6	8.2
(4.1) Credit to general government	2321	31	-3.2	2314	-6	-3.6	-4.1
of which Loans	816	-6	-0.9	816	-1	-1.2	-1.2
of which Securities other than shares	1505	37	-4.4	1498	-5	-4.8	-5.6
(4.2) Credit to other euro area residents	11265	105	11.1	11359	101	11.5	11.1
of which Loans	9601	75	10.4	9718	120	10.8	10.5
of which Securities other than shares	736	24	25.4	761	26	28.1	25.5
of which Shares and other equities	928	6	7.9	881	-45	7.6	7.3
(5) Net external assets	693	-14	ND	724	36	ND	ND
(6) Other counterparts of M3 (residual) (= M3 + items 2, 3 - items 4, 5)	-289	-11	ND	-227	55	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: JUNE 2007
DATA ADJUSTED FOR SEASONAL EFFECTS
(contributions in terms of the M3 annual percentage change ^{a)})

	APRIL 2007	MAY 2007	JUNE 2007
(1) M1	2.9	2.9	2.9
(1.1) <i>of which</i> : Currency	0.8	0.7	0.7
(1.2) <i>of which</i> : Overnight deposits	2.1	2.2	2.3
(2) M2 - M1 (= other short-term deposits)	4.7	5.1	5.2
(3) M3 - M2 (= short-term marketable instruments)	2.7	2.6	2.8
(4) M3 (= items 1, 2 and 3)	10.3	10.6	10.9

a) Discrepancies can be due to rounding.

TABLE 4

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

	MAY 2007				JUNE 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	4048	50	-1	12.8	4113	67	-1	13.3
(1.1) up to 1 year	1197	8	0	10.3	1231	34	0	11.3
(1.2) over 1 year and up to 5 years	766	17	-1	19.6	776	11	0	20.0
(1.3) over 5 years	2085	25	0	12.0	2107	22	-1	12.1
(2) Loans to households ^{d)}	4655	28	-1	7.4	4692	38	-1	7.2
(2.1) Consumer credit	596	2	0	6.0	601	6	0	5.7
(2.2) Lending for house purchase	3312	25	0	8.6	3334	23	0	8.3
(2.3) Other lending ^{d)}	748	0	-1	3.6	756	9	0	3.7
(3) Loans to non-monetary financial intermediaries except insurance corporations and pension funds	789	-7	0	14.3	802	14	0	17.9
(4) Loans to insurance corporations and pension funds	109	3	0	25.5	110	1	0	30.6

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.

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.