
PRESS RELEASE

MONETARY DEVELOPMENTS IN THE EURO AREA: JANUARY 2006

The annual rate of growth of M3 increased to 7.6% in January 2006, from 7.3% in December 2005.¹ The three-month average of the annual growth rates of M3 over the period November 2005 - January 2006 stood at 7.5%, compared with 7.6% in the period October 2005 - December 2005.

12-month percentage changes; adjusted for seasonal and end-of-month calendar effects	NOVEMBER 2005	DECEMBER 2005	JANUARY 2006	NOVEMBER 2005 - JANUARY 2006 AVERAGE
M3	7.6	7.3	7.6	7.5
M1	10.4	11.3	10.2	10.7
Loans to private sector	9.0	9.2	9.7	9.3

Regarding the main components of M3, the annual rate of growth of M1 decreased to 10.2% in January 2006, from 11.3% in December 2005. The annual rate of growth of short-term deposits other than overnight deposits increased to 6.4% in January, from 5.4% in the previous month. The annual rate of growth of marketable instruments rose to 3.3% in January, from 0.8% 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 8.5% in January 2006, after 8.4% in December 2005. The annual rate of growth of credit extended to general government decreased to 3.6% in January, from 4.5% in December, while the annual growth of credit extended to the private sector increased to 9.9% in January, from 9.4% in December. Among the components of the latter, the annual rate of growth of loans to the private sector rose to 9.7% in January, from 9.2% in the previous month. The annual growth rate of loans to non-financial corporations increased to 8.5% in January, from 8.1% in

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.
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December.² The annual growth rate of loans to households stood at 9.4% in January, compared with 9.3% in the previous month. The annual rate of growth of lending for house purchase increased to 11.7% in January, from 11.5% in December. The annual rate of growth of consumer credit rose to 8.0% in January, from 7.8% in December, while the annual growth rate of other lending to households decreased to 1.8% in January, from 2.1% in the previous month. Finally, the annual rate of growth of loans to non-monetary financial intermediaries (except insurance corporations and pension funds) increased to 15.9% in January, from 12.5% in the previous month.

Over the 12 months up to January 2006, the net external asset position of the euro area MFI sector rose by EUR 1 billion, compared with a decline of EUR 17 billion over the 12 months up to December 2005. The annual rate of growth of longer-term financial liabilities of the MFI sector stood at 8.5% in January, compared with 8.4% 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 2006 is scheduled to take place at 10 am on 28 March, 28 April, 30 May and 29 June 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".

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.