

29 December 2022

Money and the financing of the economy • November 2022

Transfers from overnight deposits to interest-bearing deposits intensify

- Over 12 months, the domestic resources included in M3 increases by +4.2% (up from +3.4% in October 2022, see Table 2), which corresponds to an increase of 117.6 billion euros.
- Over one year, overnight deposits falls for the first time since March 2013 (-0.9% in November, down from +0.7% in October), mainly due to transfers by non-financial corporations to interest-bearing deposits (see graph p.3). As a result, growth in the M2 – M1 aggregate increases significantly (+12.5%, up from +10.8% in October), driven by the sharp increase in deposits with agreed maturity of up to 2 years (+57.9% , after +41.8% in October) and the relative strength of saving accounts (+6.2% in November).
- It is the financing in favor of non-financial corporations and households that constitutes the main counterpart of this increase in the money supply. In fact, the growth of loans from MFIs to the public sector continues to moderate (+4.6% in November, down from +5.4% in October) while that to the private sector¹ progresses slightly (+6.5%, up from + 6.2% in October). The growth rate of loans to non-financial corporations remains dynamic (+7.7% after +8.6% in October), as does that of loans to households (+5.4% at an annual rate in November, after +5. 5% in October).
- Net external assets falls again sharply in November 2022 (-54.5%, after -46.8% in October 2022) under the combined effect of the reduction in MFI assets with the rest of the world and the increase in resources from non-residents.

Table 1 - France : M3 and the financing of the economy

November 2022 (12-month cumulative flows)			
Total assets	154.9	Total liabilities	154.9
Domestic General		Resources included in M3	117.6
Government financing	50.5	M1	-12.9
Of which loans	1.0	M2 - M1	116.5
Of which securities	49.5	M3 - M2	14.0
Domestic private sector financing	222.4	Long-term resources (a)	37.3
Of which loansto households	87.4		
Of which loansto NFCs	95.1		
Net external assets	-179.7		
Remaining counterparts (b)	61.8		
	154.9		

(a) Deposits over 2 years, debt securities issued, capital and reserves, central government deposits.

(b) Net of inter-MFI assets and liabilities, net of other balance sheet items (financial derivatives, accounting lags, fixed assets), currency in circulation, gold, SDR.

Source and production: Banque de France – Direction générale de la statistique, des études et de l'international

¹ Annual growth in loans to the private sector is driven in November by loans to financial sectors (non-bank financial intermediaries), not detailed in table 3, whose annual growth rises from 14.7% in October to almost 23% in November.

Table 2 - France : monetary resources of monetary financial institutions

Decomposition of French component of euro-area M3	Outstandings (in € Bn)		Annual growth rate (in %)		Flows (en € Bn) (a)	
	Nov-22	Oct-22	Nov-22	Oct-22	Nov-22	Oct-22
	Overnight deposits	1 492	0.7	-0.9	-20.6	-18.8
= Domestic resources included in M1	1 492	0.7	-0.9	-20.6	-18.8	
Deposits with agreed maturity of up to 2 years	185	41.8	57.9	1.6	15.3	
+ Saving accounts	867	6.4	6.2	4.4	1.7	
= Domestic resources included in M2-M1	1 052	10.8	12.5	6.1	17.0	
MMF shares	246	-17.8	-13.3	3.6	8.8	
+ Repurchase agreements	51	27.9	27.3	2.3	2.7	
+ Debt securities issued with a maturity of up to 2 years	48	64.9	140.1	-5.5	7.7	
= Domestic resources included in M3-M2	345	-3.7	5.1	0.4	19.2	
Sum of domestic resources included in M3	2 889	3.4	4.2	-14.1	17.4	
+ Monetary external liabilities vis-à-vis other monetary union members	348	7.2	9.0	11.6	13.6	
- Monetary external assets vis-à-vis other monetary union members	65	-19.3	-15.8	7.2	1.4	
= French component of euro area monetary aggregate M3	3 172	4.2	5.0	-9.7	29.5	

(a) Seasonally-adjusted data.

Source and production: Banque de France – Direction générale de la statistique, des études et de l'international

Table 3 – Counterparts of domestic resources included in M3

	Outstandings (in € Bn)		Annual growth rate (in %)		Flows (en € Bn) (a)	
	Nov-22	Oct-22	Nov-22	Oct-22	Nov-22	Oct-22
ASSETS						
Domestic General government financing (1)	1 165	5.4	4.6	-2.7	9.7	
Of which loans	210	1.0	0.5	0.3	-0.4	
Of which securities	955	6.5	5.5	-3.0	10.0	
Domestic private sector financing (2)	3 651	6.2	6.5	6.1	25.0	
Of which loans to households	1 709	5.5	5.4	5.3	5.9	
Of which loans to NFCs	1 324	8.6	7.7	8.9	5.5	
Net external assets (3)	174	-46.8	-54.5	-27.0	-23.0	
Remaining counterparts (b) (4)	357	15.1	16.8	1.1	4.8	
LIABILITIES						
Long-term resources (c) (5)	2 458	3.0	1.5	8.4	-0.9	
Domestic resources included in M3 (1)+(2)+(3)+(4)-(5)	2 889	3.4	4.2	-14.1	17.4	

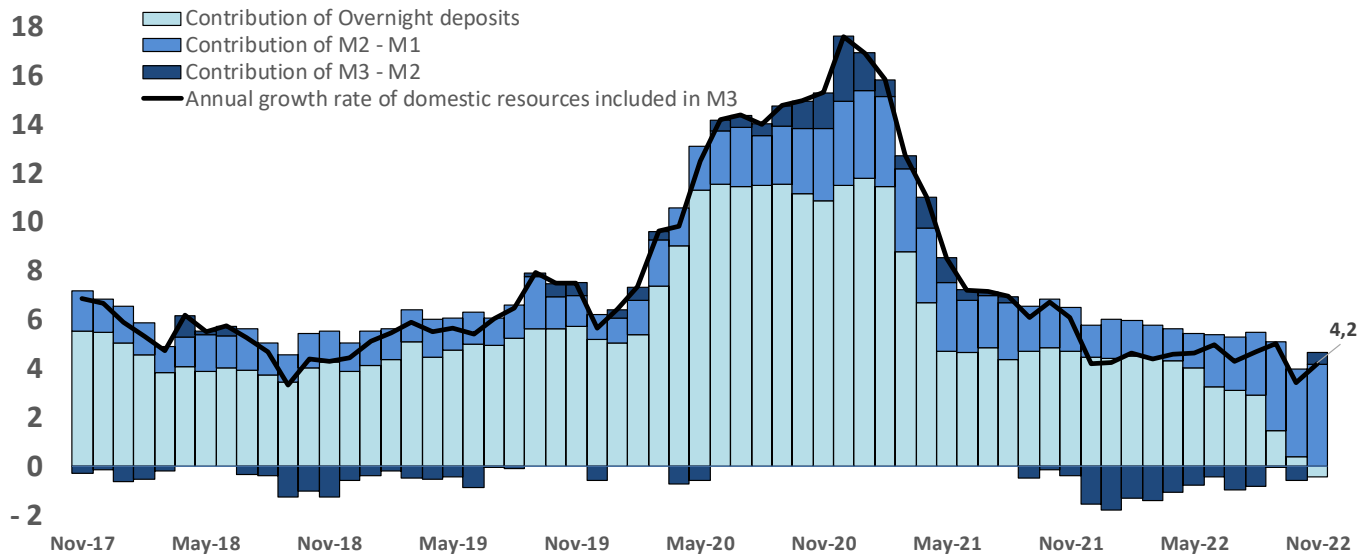
(a) Seasonally-adjusted data.

(b) Net of inter-MFI assets and liabilities, net of other balance sheet items (financial derivatives, accounting lags, fixed assets), currency in circulation, gold, SDR.

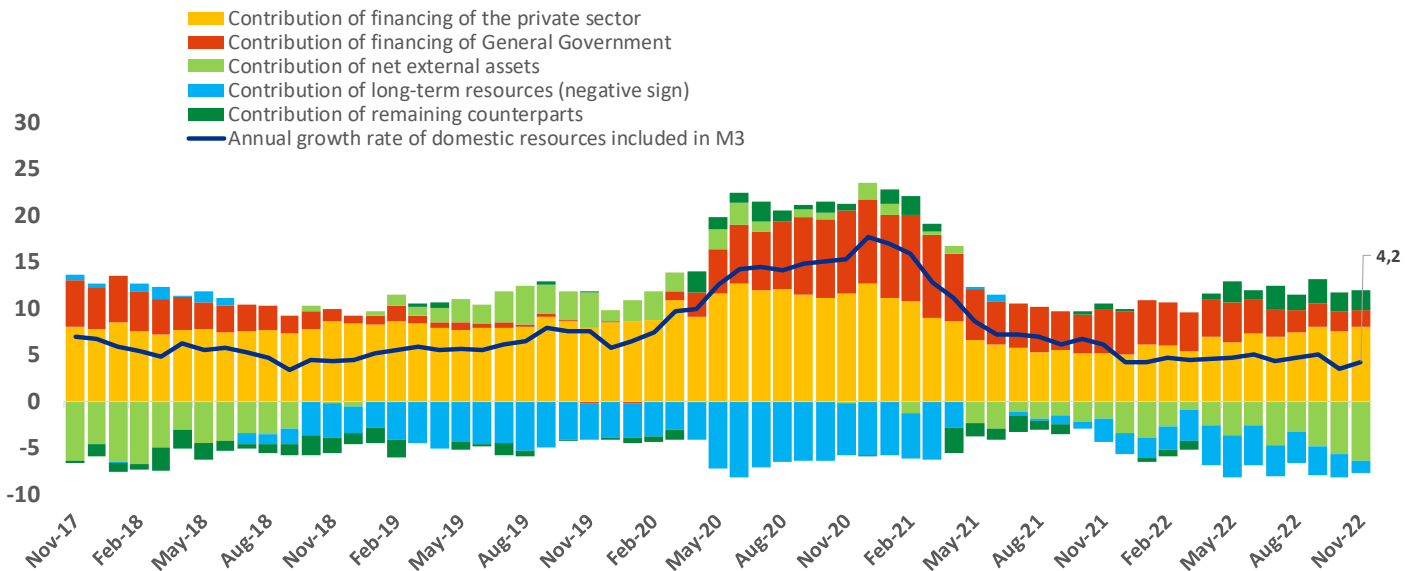
(c) Deposits over 2 years, debt securities issued, capital and reserves, central government deposits.



Contributions to the growth of the domestic resources included in M3



Contribution of monetary counterparts to growth of the domestic resources included in M3



Source and production: Banque de France – Direction générale de la statistique, des études et de l'international



Additional information

Resources included in M3 (excluding banknotes and coins) consist of investments with a maturity of up to two years held by money-holding agents (households, non-financial corporations, General government excluding central government, insurance companies, pension funds, non-monetary mutual funds, investment firms and special purpose vehicles, for the most part) with monetary financial institutions (MFI)

Monetary financial institutions (MFIs) include credit institutions, finance companies, the Caisse des dépôts et consignations, money market funds and the Banque de France.

Saving accounts include Livret A and Livret Bleu passbooks, sustainable development and solidarity passbooks, home savings accounts, popular savings passbooks, youth passbooks and ordinary passbooks. Regulated savings are partly centralized in the Savings Fund managed by the Caisse des Dépôts et Consignations and thus only pass through the banks' balance sheets. Repurchase agreements are temporary purchases of securities by customers (particularly companies, insurance companies and non-money market funds). Debt securities with a maximum maturity of two years mainly comprise NEUCP issued by French banks and subscribed by customers that are not credit institutions or money market funds

Funding of the economy includes all financing provided by MFIs to the domestic public and private sectors, in the form of loans and securities (debt and equity).

Net external assets correspond to the balance (assets minus liabilities) of MFI operations with the rest of the world.

Long-term inflows of MFIs include capital and reserves, debt securities issued by MFIs with a maturity of more than 2 years, deposits with a maturity of more than 2 years and central government deposits.

The item "**Remaining counterparts**" includes the balance of inter-MFI receivables and liabilities, the net of other balance sheet items (financial derivatives, accounting differences, fixed assets) and currency in circulation.

Growth rates for the outstanding amounts are calculated by adjusting changes in stocks for effects not resulting from economic transactions, in particular corrections for classification errors, but not for exchange rate effects.

The data on outstanding amounts, annual growth rates, and 12-month cumulative flows published in this Statinfo are not seasonally adjusted, but the monthly flow data are.

