

27 February 2023

## Money and the financing of the economy • January 2023

### The shift from overnight deposits to interest-bearing deposits increases

- In January 2023, investments in interest-bearing deposits (M2-M1) in the form of deposits with agreed maturity of up to 2 years (+78.2% in January 2023) and saving accounts (+6.9% in January 2023) continue to grow. Outstanding overnight deposits (M1) contract again more sharply than in December (-4.6% year-on-year in January 2023, down from -1.6%).
- Over one year, the growth of domestic resources of Monetary Financial Institutions (MFIs) included in M3 decreases in January 2023 to +4.3% (down from +5.5% in December 2022).
- At the same time, annual growth in loans to households and NFCs remains significant at +4.9% and +6.8% respectively.
- Finally, MFI's net external assets continue to contract in January 2023 to -33.8%, after -39.3% in December 2022.

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

January 2023 (12-month cumulative flows)			
<b>Total assets</b>	<b>181,2</b>	<b>Total liabilities</b>	<b>181,2</b>
<b>Domestic General Government financing</b>	<b>37,5</b>	<b>Resources included in M3</b>	<b>120,3</b>
Of which loans	-0,1	M1	-69,7
Of which securities	37,6	M2 - M1	151,9
<b>Domestic private sector financing</b>	<b>164,8</b>	M3 - M2	38,1
Of which loans to households	79,5	<b>Long-term resources (a)</b>	<b>60,8</b>
Of which loans to NFCs	84,9		
<b>Net external assets</b>	<b>-94,2</b>		
<b>Remaining counterparts (b)</b>	<b>73,1</b>		

(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

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)	
	Jan-23	Dec-22	Jan-23	Dec-22	Jan-23	
	Overnight deposits	1 446	-1.6	-4.6	-11.1	-32.5
<b>= Domestic resources included in M1</b>	<b>1 446</b>	<b>-1.6</b>	<b>-4.6</b>	<b>-11.1</b>	<b>-32.5</b>	
Deposits with agreed maturity of up to 2 years	220	83.5	78.2	21.8	12.0	
+ Saving accounts	886	6.9	6.9	7.5	4.5	
<b>= Domestic resources included in M2-M1</b>	<b>1 106</b>	<b>16.1</b>	<b>16.0</b>	<b>29.2</b>	<b>16.5</b>	
MMF shares	247	-9.3	-2.1	10.5	-0.4	
+ Repurchase agreements	50	31.2	19.1	-11.0	9.6	
+ Debt securities issued with a maturity of up to 2 years	42	148.5	114.6	2.4	-8.0	
<b>= Domestic resources included in M3-M2</b>	<b>339</b>	<b>8.8</b>	<b>12.6</b>	<b>1.9</b>	<b>1.2</b>	
<b>Sum of domestic resources included in M3</b>	<b>2 890</b>	<b>5.5</b>	<b>4.3</b>	<b>20.1</b>	<b>-14.7</b>	
+ Monetary external liabilities vis-à-vis other monetary union members	366	7.7	10.4	-2.6	7.8	
- Monetary external assets vis-à-vis other monetary union members	74	-7.8	2.6	1.8	5.5	
<b>= French component of euro area monetary aggregate M3</b>	<b>3 182</b>	<b>5.9</b>	<b>4.9</b>	<b>15.7</b>	<b>-12.5</b>	

(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)	
	Jan-23	Dec-22	Jan-23	Dec-22	Jan-23	
	<b>ASSETS</b>					
<b>Domestic General government financing (1)</b>	<b>1 176</b>	<b>3.9</b>	<b>3.3</b>	<b>0.0</b>	<b>2.3</b>	
Of which loans	213	0.0	-0.1	-0.9	-0.4	
Of which securities	963	4.9	4.1	0.9	2.7	
<b>Domestic private sector financing (2)</b>	<b>3 644</b>	<b>5.8</b>	<b>4.7</b>	<b>6.3</b>	<b>-15.3</b>	
Of which loans to households	1 714	5.0	4.9	3.3	4.3	
Of which loans to NFCs	1 334	7.4	6.8	6.6	3.9	
<b>Net external assets (3)</b>	<b>230</b>	<b>-39.3</b>	<b>-33.8</b>	<b>29.0</b>	<b>4.4</b>	
<b>Remaining counterparts (b) (4)</b>	<b>357</b>	<b>24.0</b>	<b>20.7</b>	<b>1.4</b>	<b>-3.5</b>	
<b>LIABILITIES</b>						
<b>Long-term resources (c) (5)</b>	<b>2 517</b>	<b>2.5</b>	<b>2.5</b>	<b>-16.6</b>	<b>2.7</b>	
<b>Domestic resources included in M3 (1)+(2)+(3)+(4)-(5)</b>	<b>2 890</b>	<b>5.5</b>	<b>4.3</b>	<b>20.1</b>	<b>-14.7</b>	

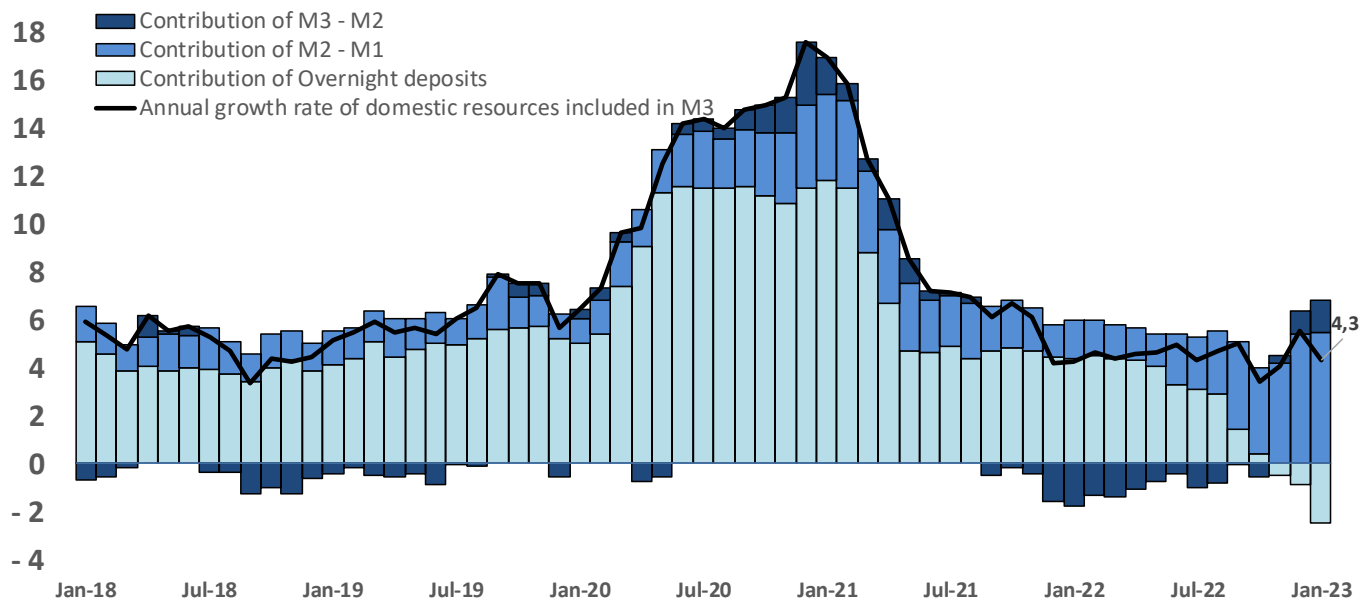
(a) Seasonally-adjusted data.

(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.

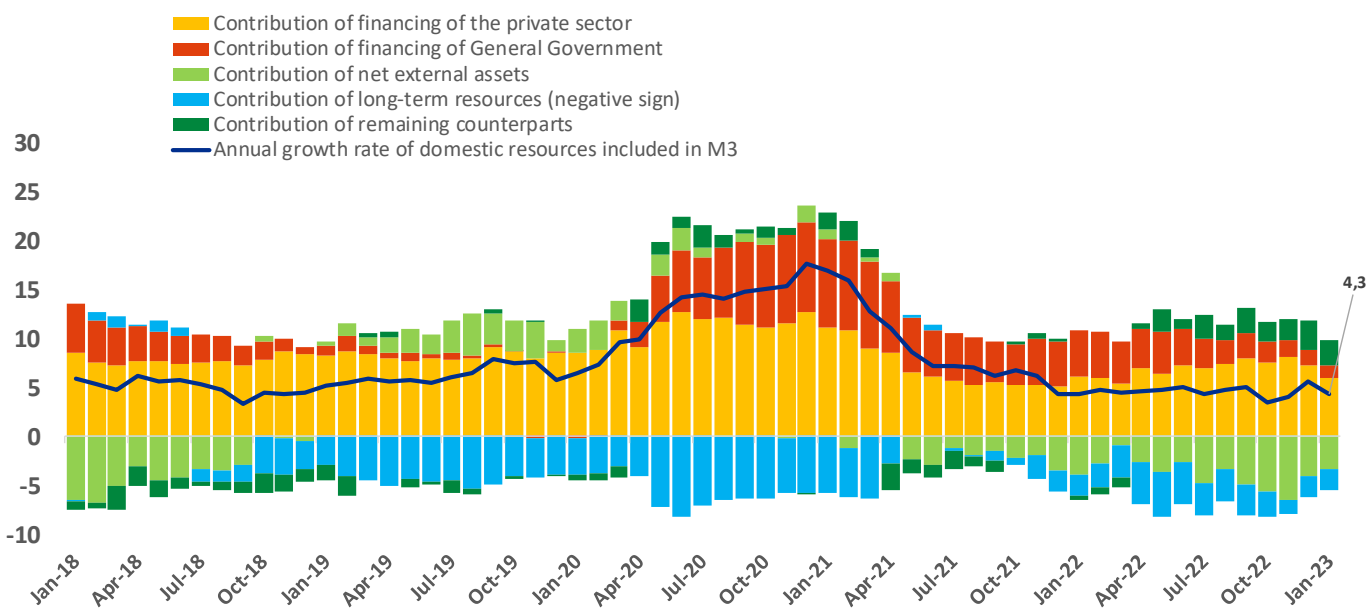
(c) Deposits over 2 years, debt securities issued, capital and reserves, central government deposits.



## 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.

