

02 January 2024

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

### Domestic resources of monetary financial institutions included in M3 are virtually stable

- In November 2023, outflows from overnight deposits slow (-€4.8 bn up from -€21.0 bn in October 2023, see Table 2, seasonally adjusted flow data), while transfers continue to term deposits with maturities of up to 2 years (+€12.7 bn up from +€8.5 bn) and, to a lesser extent, money market fund shares/units (+€1.9 bn up from +€0.8 bn).
- As in the previous month, total domestic resources of monetary financial institutions (MFIs) included in M3 are virtually stable year-on-year (-0.1% in November, see Table 2). After taking into account gross monetary liabilities and assets vis-à-vis the rest of the euro area, the annual growth rate of the French component of the euro area monetary aggregate M3 falls very slightly to -0.2% (down from +0.7% in October).
- On an annual basis, financing granted to the private sector continues to increase, but at a pace that continues to moderate (+1.2% in November after +1.8% in October, see table 3). Households loans follow the same trend (+1.5% after +1.8% in October), but growth in loans to non-financial companies, which were steadily decelerating since the end of 2022, picks up again (+2.7%, up from +2.1% in October), notably due to a base effect on treasury loans.

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

November 2023 (12-month cumulative flows. bn€)			
<b>Total assets</b>	<b>113.4</b>	<b>Total liabilities</b>	<b>113.4</b>
<b>Domestic General Government financing</b>	<b>-8.8</b>	<b>Resources included in M3</b>	<b>-3.3</b>
of which loans	-4.7	M1	-197.9
of which securities	-4.1	M2 - M1	176.2
<b>Domestic private sector financing</b>	<b>42.1</b>	M3 - M2	18.5
of which loans to households	25.9	<b>Long-term resources (a)</b>	<b>116.7</b>
of which loans to NFC	36.2		
<b>Net external assets</b>	<b>102.1</b>		
<b>Remaining counterparts (b)</b>	<b>-21.9</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 (bn€)		Annual growth rate (in %)		Flows (bn€) (a)	
	nov-23(p)	oct-23(r)	nov-23(p)	oct-23(r)	nov-23(p)	oct-23(r)
Overnight deposits	1,295		-14.1	-13.2	-21.0	-4.8
<b>= Domestic resources included in M1</b>	<b>1,295</b>		<b>-14.1</b>	<b>-13.2</b>	<b>-21.0</b>	<b>-4.8</b>
Term deposits with agreed maturity of up to 2 years	337		90.8	82.0	8.5	12.7
+ Saving accounts	891		2.9	2.8	-0.3	0.6
<b>= Domestic resources included in M2-M1</b>	<b>1,229</b>		<b>17.3</b>	<b>16.7</b>	<b>8.2</b>	<b>13.3</b>
MMF shares	296		25.7	22.4	0.8	1.9
+ Repurchase agreements	17		-63.3	-65.9	0.5	-0.9
+ Debt securities issued with a maturity of up to 2 years	47		5.2	-4.0	-1.8	2.0
<b>= Domestic resources included in M3-M2</b>	<b>360</b>		<b>9.8</b>	<b>5.4</b>	<b>-0.6</b>	<b>3.0</b>
<b>Sum of domestic resources included in M3</b>	<b>2,884</b>		<b>-0.1</b>	<b>-0.1</b>	<b>-13.4</b>	<b>11.6</b>
+ Monetary external liabilities vis-à-vis other monetary union members	388		16.1	9.5	5.7	1.9
- Monetary external assets vis-à-vis other monetary union members	103		48.0	56.7	0.3	8.9
<b>= French component of euro area monetary aggregate M3</b>	<b>3,169</b>		<b>0.7</b>	<b>-0.2</b>	<b>-7.9</b>	<b>4.5</b>

(a) Seasonally-adjusted data.

(p) Provisional

(r) Revised

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 (bn€)		Annual growth rate (in %)		Flow (bn€) (a)	
	nov-23(p)	oct-23(r)	nov-23(p)	oct-23(r)	nov-23(p)	oct-23(r)
<b>ASSETS</b>	<b>5,561</b>	<b>2.1</b>	<b>2.1</b>	<b>-1.9</b>	<b>13.2</b>	
<b>Domestic General government financing (1)</b>	<b>1,160</b>	<b>0.6</b>	<b>-0.8</b>	<b>3.0</b>	<b>-6.5</b>	
of which loans	208		-1.5	-2.2	-0.5	-1.3
of which securities	952		1.0	-0.4	3.5	-5.2
<b>Domestic private sector financing (2)</b>	<b>3,687</b>	<b>1.8</b>	<b>1.2</b>	<b>27.3</b>	<b>2.6</b>	
of which credits to households	1,731		1.8	1.5	0.8	0.1
of which credits to NFCs	1,354		2.1	2.7	2.8	9.0
<b>Net external assets (3)</b>	<b>312</b>	<b>20.7</b>	<b>60.2</b>	<b>-36.5</b>	<b>27.9</b>	
<b>Remaining counterparts (b) (4)</b>	<b>403</b>	<b>-0.3</b>	<b>-5.1</b>	<b>4.3</b>	<b>-10.8</b>	
<b>RESSOURCES</b>	<b>5,561</b>	<b>2.1</b>	<b>2.1</b>	<b>-1.9</b>	<b>13.2</b>	
<b>Long-term resources (c) (5)</b>	<b>2,677</b>	<b>4.7</b>	<b>4.8</b>	<b>11.5</b>	<b>1.6</b>	
<b>Domestic resources included in M3 (1)+(2)+(3)+(4)-(5)</b>	<b>2,884</b>	<b>-0.1</b>	<b>-0.1</b>	<b>-13.4</b>	<b>11.6</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.

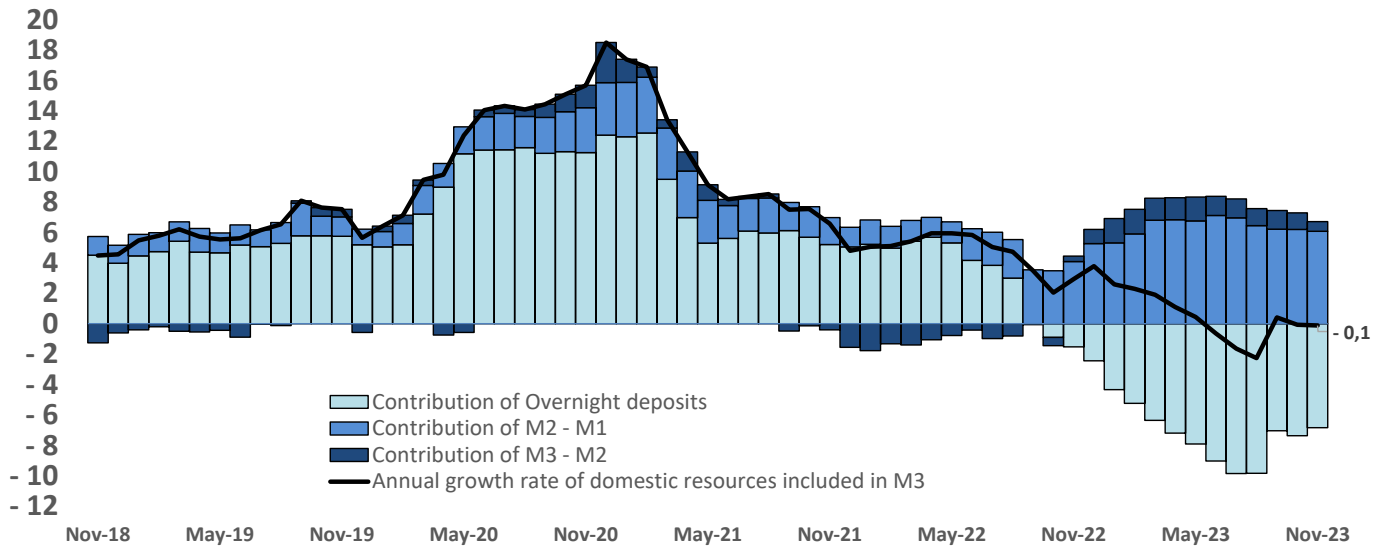
(c) Deposits over 2 years, debt securities issued, capital and reserves, central government deposits.

(p) Provisional

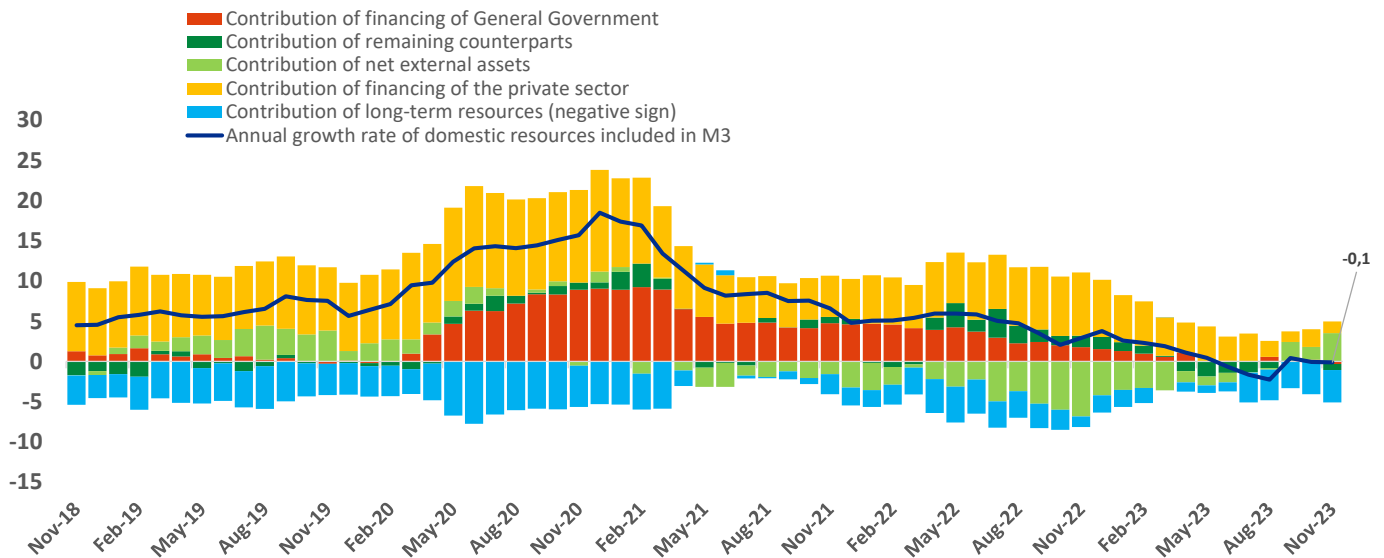
(r) Revised



## Contributions to the annual growth of the domestic resources included in M3



## Contribution of monetary counterparts to the annual 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 Negotiable European Commercial Paper (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). For **loans to households and nonfinancial companies (NFCs)**, loans transferred (securitisations) with impact on banks' balance sheets are reintegrated.

**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.

