

25 October 2023

Money and the financing of the economy • September 2023

Outstanding overnight deposits stabilizes

- The annual growth rate in domestic resources of monetary financial institutions (MFIs) included in M3 is nearly stable in September (-0.1% after -2.3% in August, see table 2). After taking into account gross monetary liabilities and assets vis-à-vis the rest of the monetary union members, the growth rate of the French component of the euro area monetary aggregate M3 is positive again, at +0.5%, after -1.8% in August (see table 2).
- **In September, the decline in outstanding overnight deposits pauses, interrupting a period of steady decline that began in August last year** (+€0.05 bn, after -€8.3 bn in August 2023). **Outstanding remunerated deposits (M2-M1) rise in September** after a slight fall the previous month (+12.6 bn€, after -0.8 bn€ in August), driven by the increase in term deposits of less than 2 years (+13.2 bn€, after -1.9 bn€). Money market fund shares/units (belonging to M3-M2) also increase, supported by dynamic inflows (+9.7 bn€, after +0.9 bn€ in August).
- On an annual basis, **growth in financing to the private sector continues to moderate in September** (+1.1%, after +1.6% in August), **but remains higher for loans to non-financial companies** (+3.0% after +3.6% in August) **and households** (+2.1%, after +2.4% in August; see table 3)

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

September 2023 (12-month cumulative flows, bn€)			
Total assets	92.7	Total liabilities	92.7
Domestic General Government financing	0.0	Resources included in M3	-2.2
of which loans	-2.1	M1	-203.7
of which securities	2.0	M2 - M1	179.4
Domestic private sector financing	38.7	M3 - M2	22.2
of which loans to households	35.2	Long-term resources (a)	94.8
of which loans to NFC	38.5		
Net external assets	61.2		
Remaining counterparts (b)	-7.2		

(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)	
	Sep-23	Aug-23	Sep-23	Aug-23	Sep-23	
	Overnight deposits	1,332	-17.8	-13.3	-8.3	0.0
= Domestic resources included in M1	1,332	-17.8	-13.3	-8.3	0.0	
Term deposits with agreed maturity of up to 2 years	317	105.8	89.0	-1.9	13.2	
+ Saving accounts	901	4.4	3.5	1.1	-0.6	
= Domestic resources included in M2-M1	1,218	18.8	17.3	-0.8	12.6	
MMF shares	279	21.4	26.3	0.9	9.7	
+ Repurchase agreements	17	-59.5	-62.8	-0.6	-2.0	
+ Debt securities issued with a maturity of up to 2 years	37	36.8	-15.2	1.9	-9.9	
= Domestic resources included in M3-M2	333	10.8	7.1	2.2	-2.2	
Sum of domestic resources included in M3	2,884	-2.3	-0.1	-6.9	10.4	
+ Monetary external liabilities vis-à-vis other monetary union members	378	13.1	17.8	4.2	13.7	
- Monetary external assets vis-à-vis other monetary union members	94	59.1	70.5	1.4	3.4	
= French component of euro area monetary aggregate M3	3,168	-1.8	0.5	-4.1	20.7	

(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 (bn€)		Annual growth rate (in %)		Flow (bn€) (a)	
	Sep-23	Aug-23	Sep-23	Aug-23	Sep-23	
	ASSETS	5,561	0.8	1.7	-3.5	1.1
Domestic General government financing (1)	1,168	1.5	0.0	10.1	-3.7	
of which loans	209	0.0	-1.0	1.2	-1.7	
of which securities	959	1.8	0.2	9.0	-2.0	
Domestic private sector financing (2)	3,666	1.6	1.1	-18.0	4.3	
of which credits to households	1,731	2.4	2.1	1.6	1.3	
of which credits to NFCs	1,335	3.6	3.0	0.2	2.8	
Net external assets (3)	334	-6.4	23.4	0.2	24.5	
Remaining counterparts (b) (4)	394	-5.8	-1.8	4.3	-24.0	
RESSOURCES	5,561	0.8	1.7	-3.5	1.1	
Long-term resources (c) (5)	2,678	4.5	3.8	-3.4	-9.3	
Domestic resources included in M3 (1)+(2)+(3)+(4)-(5)	2,884	-2.3	-0.1	-6.9	10.4	

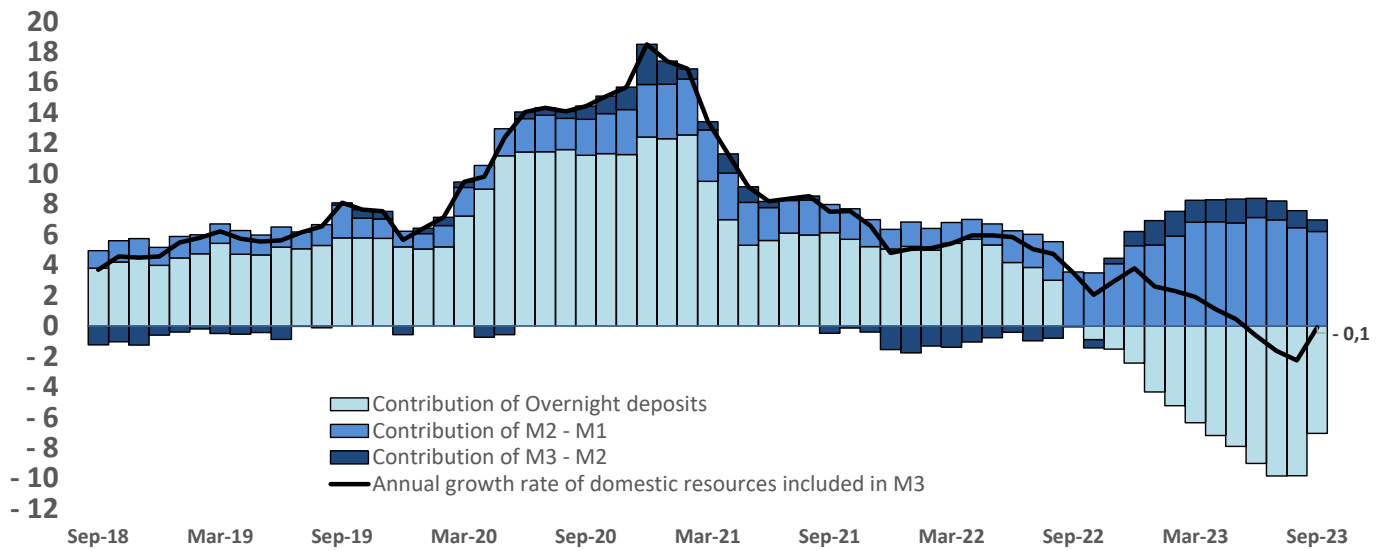
(a) Seasonally-adjusted data.

(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.

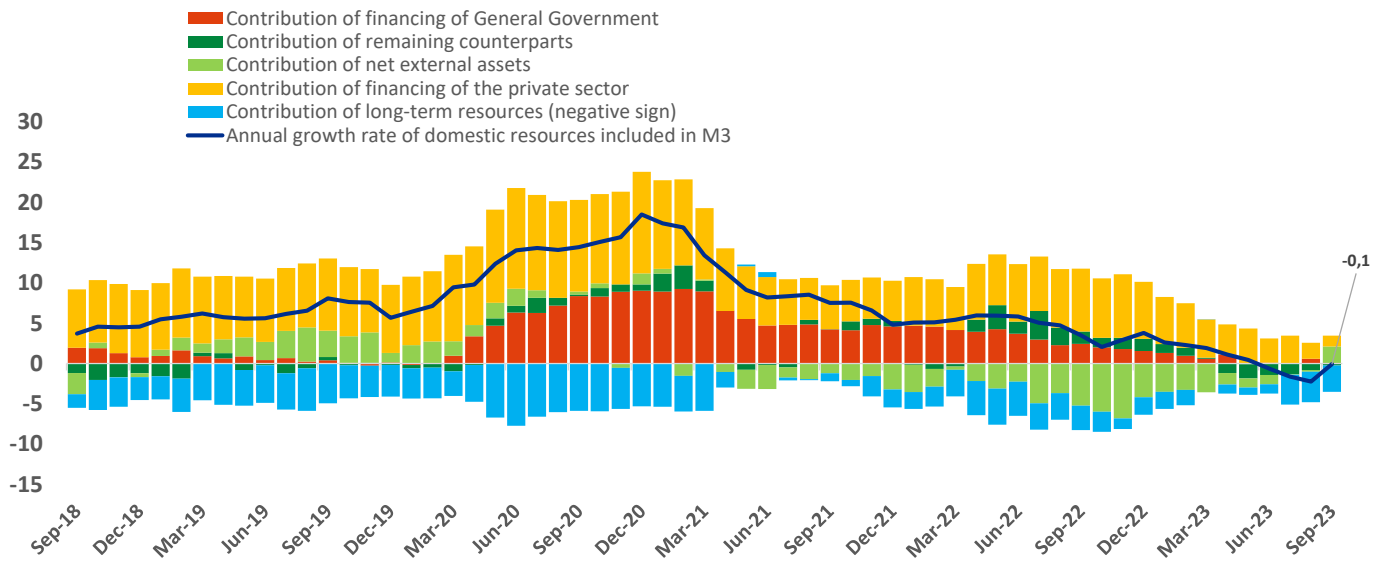
(c) Deposits over 2 years, debt securities issued, capital and reserves, central government deposits.



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 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.

