

27th February 2024

Money and the financing of the economy • January 2024

Continued outflow of overnight deposits in January and growth in loans to the private sector

- **In January 2024, the outflow of overnight deposits (M1) continues** (-€19.4 bn, flows adjusted for seasonal variations, after -€7.0 bn in December; see table 2) **bringing down the outstanding amount to its April 2020 level after a high reached in July 2022**. The outflow also affects term deposits with agreed maturity of up to 2 years (-€7.4 bn, after +€11.6 bn in December), saving accounts (-€1.2 bn, after +€20.4 bn) and money-market funds shares (-€1.0 bn after +€7.5 bn) which until then had captured the majority of withdrawn overnight deposits.
- **The growth of domestic resources of monetary financial institutions (MFIs) included in M3 slows down in January but remains slightly positive** (+0.4% year-on-year, after +1.3% in December; see table 2). After taking into account gross monetary liabilities and assets vis-à-vis other monetary union members, the annual growth rate of the French component of the monetary aggregate M3 of the euro area is up very slightly at +0.7% (after +1.3%).
- On an annual basis, **MFI financing granted to the private sector reaches +1.4% in January** (after +1.2% in December, see table 3). **The growth of credits to households continues to moderate** (+1.1% after +1.2%) **as does that of credits to non-financial companies** (+1.3%, after +1.9%).

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

January 2024 (12-month cumulative flows, bn€)			
Total assets	159.2	Total liabilities	159.2
Domestic General Government financing	-5.0	Resources included in M3	10.0
of which loans	-1.3	M1	-181.0
of which securities	-3.7	M2 - M1	152.8
Domestic private sector financing	51.4	M3 - M2	38.1
of which loans to households	18.4	Long-term resources (a)	149.2
of which loans to NFC	17.2		
Net external assets	82.8		
Remaining counterparts (b)	30.0		

(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	Annual growth rate		Flows	
	(bn€)	(in %)		(bn€) (a)	
	Janv-24(p)	Déc-23(r)	Janv-24(p)	Déc-23(r)	Janv-24(p)
Overnight deposits	1,261	-12.4	-12.5	-7.0	-19.4
= Domestic resources included in M1	1,261	-12.4	-12.5	-7.0	-19.4
Term deposits with agreed maturity of up to 2 years	345	68.2	55.8	11.6	-7.4
+ Saving accounts	915	4.1	3.3	20.4	-1.2
= Domestic resources included in M2-M1	1,260	16.5	13.8	32.0	-8.6
MMF shares	305	24.5	19.5	7.5	-1.0
+ Repurchase agreements	47	-51.2	-52.7	2.3	4.7
+ Debt securities issued with a maturity of up to 2 years	47	9.4	19.6	8.6	-2.5
= Domestic resources included in M3-M2	400	13.6	10.8	18.4	1.2
Sum of domestic resources included in M3	2,921	1.3	0.4	43.3	-26.8
+ Monetary external liabilities vis-à-vis other monetary union members	389	10.3	10.0	1.8	2.4
- Monetary external assets vis-à-vis other monetary union members	99	49.9	33.2	3.7	0.6
= French component of euro area monetary aggregate M3	3,211	1.3	0.7	41.4	-25.0

(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	Annual growth rate		Flow	
	(bn€)	(in %)		(bn€) (a)	
	Janv-24(p)	Déc-23(r)	Janv-24(p)	Déc-23(r)	Janv-24(p)
ASSETS	5,667	3.1	2.9	62.1	-8.4
Domestic General government financing (1)	1,170	-0.3	-0.4	3.0	-1.1
of which loans	212	-0.7	-0.6	1.6	-0.2
of which securities	958	-0.2	-0.4	1.5	-0.9
Domestic private sector financing (2)	3,696	1.2	1.4	7.1	5.2
of which credits to households	1,729	1.2	1.1	-1.3	1.1
of which credits to NFCs	1,345	1.9	1.3	0.3	-2.3
Net external assets (3)	351	45.0	32.1	12.1	-1.2
Remaining counterparts (b) (4)	449	6.0	7.6	39.9	-11.3
RESSOURCES	5,667	3.1	2.9	62.1	-8.4
Long-term resources (c) (5)	2,746	5.2	5.8	-18.8	18.4
Domestic resources included in M3 (1)+(2)+(3)+(4)-(5)	2,921	1.3	0.4	43.3	-26.8

(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.

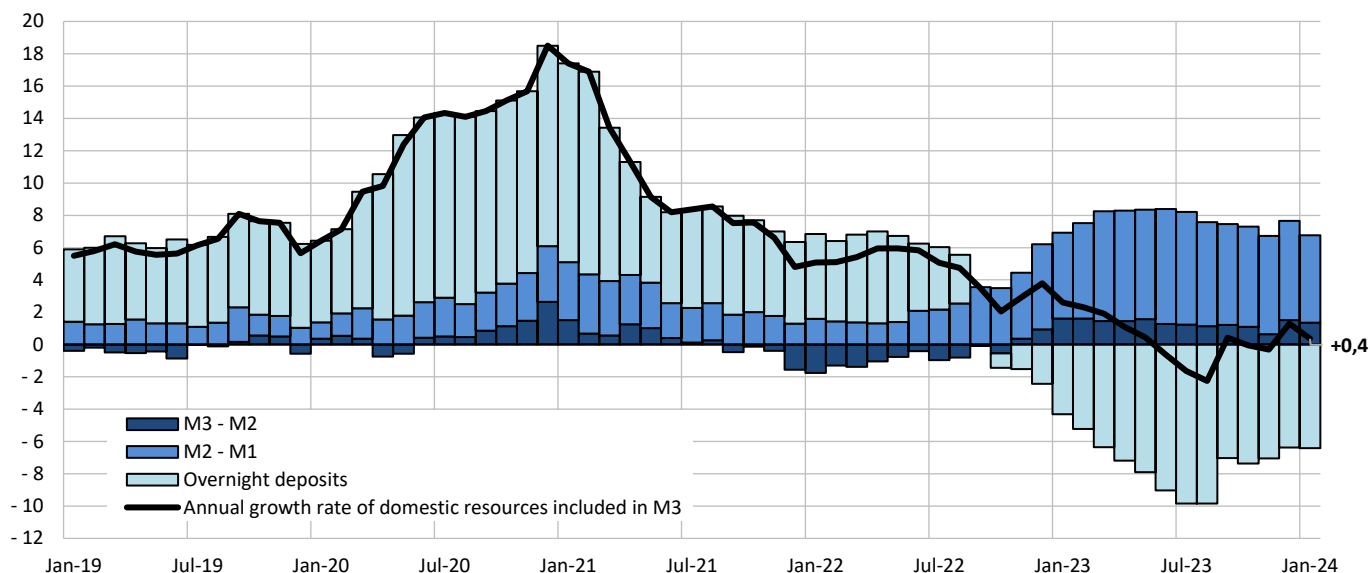
(c) Deposits over 2 years, debt securities issued, capital and reserves, central government deposits.

(p) Provisional

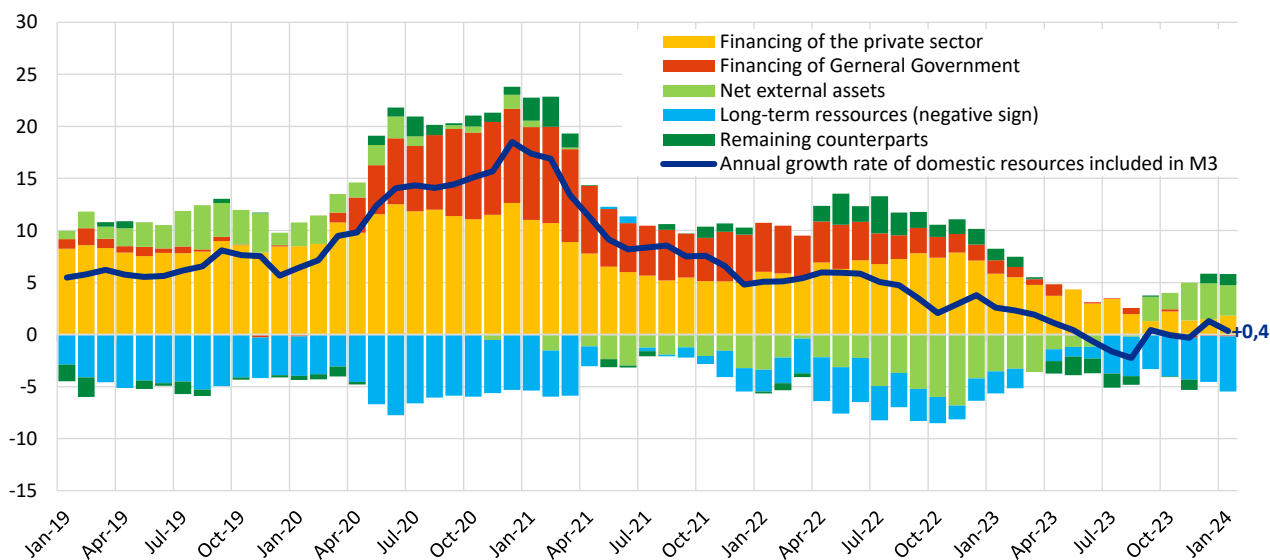
(r) Revised



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.

