

27 March 2023

Money and the financing of the economy • February 2023

The pace of interest-bearing deposits growth increases

- The annual growth in the resources of Monetary Financial Institutions (MFIs) included in M3 decreases slightly to +4.1% in February 2023 (down from +4.5% in January), due to the sharp drop in overnight deposits.
 - The growth rate of interest-bearing deposits (M2-M1) increases (+17.8% in February, up from +16.1% in January as in December 2022). Growth in saving accounts is still robust but stable (+6.9% in February as in the previous month), although this stability includes a significant shift from unregulated to regulated savings accounts.
 - Deposits with a maturity of up to 2 years are the main counterparts of the reallocation of overnight deposits, whose outstanding amounts continue to decline (-6.7% in February year-on-year, after - 4.8% in January). The outstanding amount of these deposits with agreed maturity up to 2 years rises sharply in February – it has almost doubled over one year.
- The annual growth of loans granted by MFIs to the private sector remains dynamic (+4.6% in February), and that of loans to NFCs even increased slightly (+6.9% after +6.8% in January 2023).

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

February 2023 (12-month cumulative flows)			
Total assets	169.3	Total liabilities	169.3
Domestic General		Resources included in M3	115.0
Government financing	27.9	M1	-101.5
Of which loans	0.7	M2 - M1	170.2
Of which securities	27.3	M3 - M2	46.3
Domestic private sector financing	159.4	Long-term resources (a)	54.4
Of which loans to households	74.7		
Of which loans to NFCs	86.4		
Net external assets	-91.8		
Remaining counterparts (b)	73.8		

(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)	
	Feb-23	Jan-23	Feb-23	Jan-23	Feb-23	Jan-23
	Overnight deposits	1 425		-4.8	-6.7	-35.4
= Domestic resources included in M1	1 425		-4.8	-6.7	-35.4	-20.7
Deposits with agreed maturity of up to 2 years	236		78.5	94.6	12.4	14.7
+ Saving accounts	892		6.9	6.9	4.6	4.9
= Domestic resources included in M2-M1	1 128		16.1	17.8	17.0	19.7
MMF shares	251		1.0	3.0	0.7	2.3
+ Repurchase agreements	47		19.1	-4.1	9.6	-7.2
+ Debt securities issued with a maturity of up to 2 years	48		114.6	142.4	-8.0	5.4
= Domestic resources included in M3-M2	346		15.2	15.3	2.3	0.5
Sum of domestic resources included in M3	2 899		4.5	4.1	-16.1	-0.6
+ Monetary external liabilities vis-à-vis other monetary union members	354		8.4	17.0	3.2	-1.3
- Monetary external assets vis-à-vis other monetary union members	73		2.5	-11.1	5.7	-0.1
= French component of euro area monetary aggregate M3	3 180		4.8	5.5	-18.6	-1.8

(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

ASSETS	Outstandings (in € Bn)		Annual growth rate (in %)		Flows (en € Bn) (a)	
	Feb-23	Jan-23	Feb-23	Jan-23	Feb-23	Jan-23
	Domestic General government financing (1)	1 177		3.3	2.4	2.2
Of which loans	210		-0.1	0.3	-0.3	0.7
Of which securities	967		4.1	2.9	2.5	-1.1
Domestic private sector financing (2)	3 642		4.8	4.6	-7.5	6.8
Of which loans to households	1 715		4.8	4.6	4.1	4.3
Of which loans to NFCs	1 333		6.8	6.9	3.6	3.6
Net external assets (3)	236		-31.5	-32.9	10.3	-3.2
Remaining counterparts (b) (4)	342		18.9	21.1	-18.5	-3.7
LIABILITIES						
Long-term resources (c) (5)	2 497		2.5	2.2	-2.6	0.1
Domestic resources included in M3 (1)+(2)+(3)+(4)-(5)	2 899		4.5	4.1	-16.1	-0.6

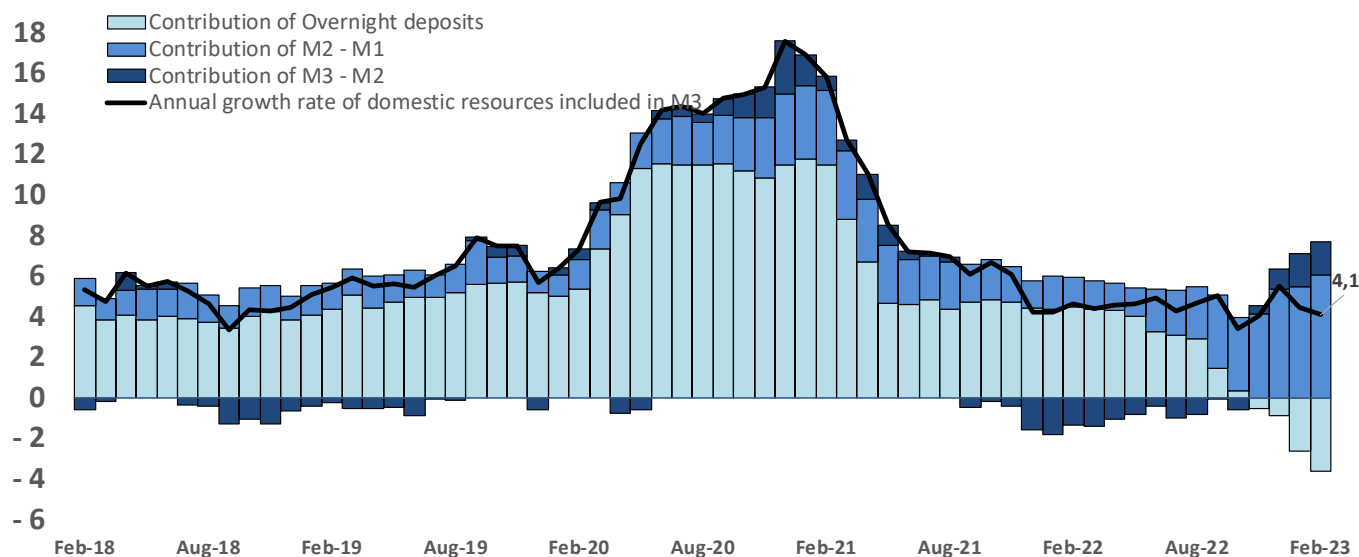
(a) Seasonally-adjusted data.

(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.

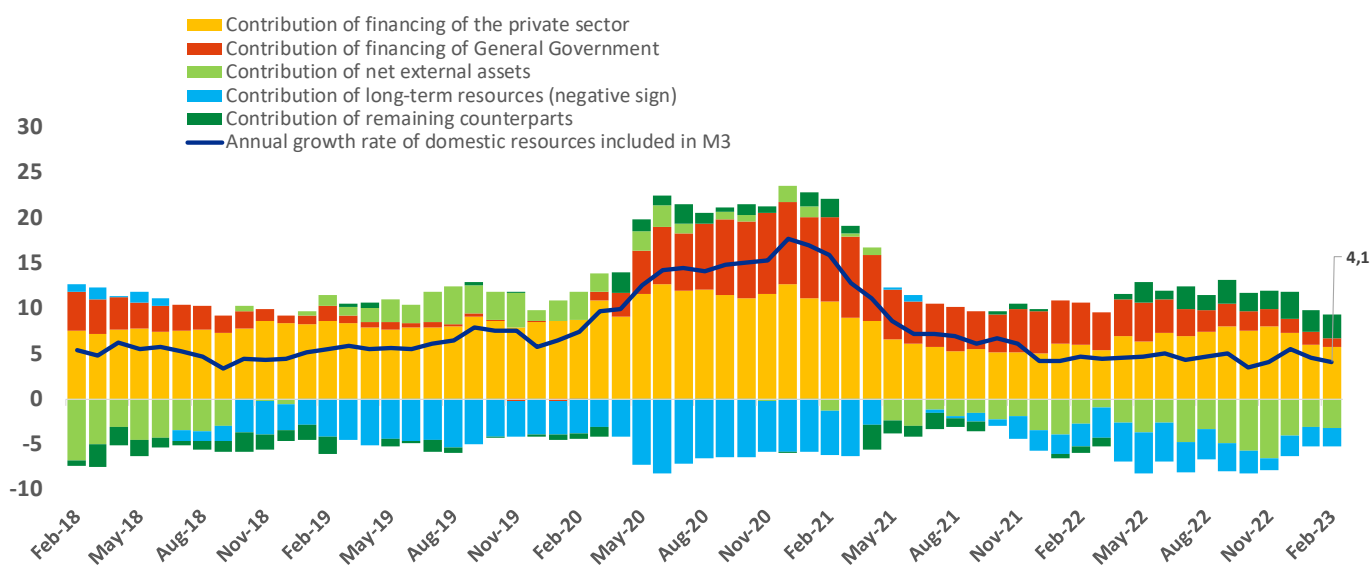
(c) Deposits over 2 years, debt securities issued, capital and reserves, central government deposits.



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.

