

Non-financial sector financial transactions – France • Q2 2021

NON-FINANCIAL CORPORATIONS*

| FINANCIAL TRANSACTIONS (EUR billions) | YEAR | | QUARTERS (SA) | | | |
|--|--------------|--------------|---------------|-------------|-------------|-------------|
| | 2019 | 2020 | 2020 Q3 | 2020 Q4 | 2021 Q1 | 2021 Q2 |
| Financial investment (a) | 86,5 | 256,3 | 30,2 | 38,6 | 3,4 | 0,5 |
| - Currency and deposits | 85,3 | 187,1 | 28,4 | -7,9 | 18,3 | 6,3 |
| - Securities | 4,2 | 52,9 | 8,5 | 42,9 | -20,6 | -5,7 |
| debt securities | 11,5 | -4,5 | 7,0 | 2,2 | -3,2 | -1,0 |
| money market fund shares | -8,7 | 60,2 | 3,8 | 37,9 | -19,3 | -1,5 |
| non-MMF investment fund shares | 1,3 | -2,9 | -2,3 | 2,8 | 1,9 | -3,2 |
| - Other net financial assets (b) | -3,1 | 16,3 | -6,7 | 3,6 | 5,7 | -0,1 |
| Financing | 127,9 | 257,8 | 23,2 | 46,1 | 29,0 | -9,6 |
| - MFI loans | 49,1 | 148,8 | 17,3 | 17,6 | 5,9 | 0,9 |
| - Debt securities | 39,3 | 78,2 | 9,7 | 4,3 | -5,5 | -4,6 |
| - Shares and net equities (c) | 39,6 | 30,8 | -3,8 | 24,2 | 28,6 | -5,9 |

(a) are excluded here several residual items

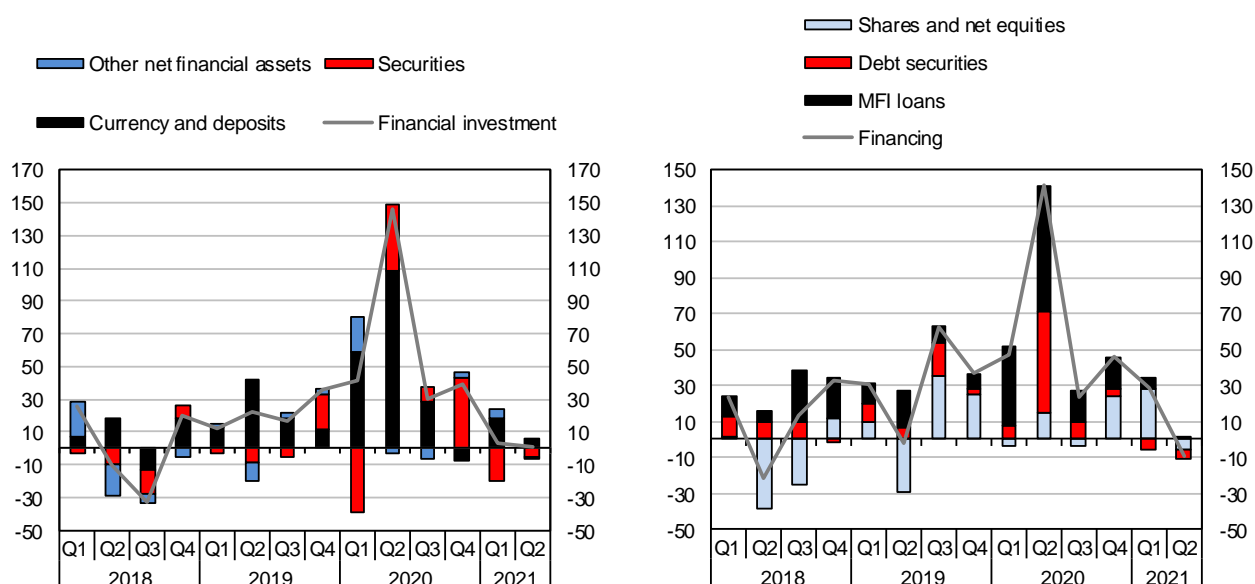
(b) mainly cross-border intercompany lending/borrowing

(c) including direct investment (equity capital and reinvested earnings)

In the 2nd quarter of 2021, the financing of **non-financial corporations** (NFCs) declines compared with the previous quarter: this is the first quarter with a negative financing since the beginning of the health crisis. MFI loans flows are almost stable, in contrast to the large flows observed in 2020 (37.2 bn on average per quarter) in connection with the distribution of State-guaranteed loans. NFCs redeem more debt securities than they issue, and net issuances of shares and equities, less net purchases, are back into negative territory after two consecutive quarterly increases. At the same time, flows of financial investment by non-financial corporations are almost stable. Their deposits increase, but at a slower pace than in the previous quarter. Investment in securities declines, due to the decrease in flows of money market fund and non-MMF investment fund shares, as well as in flows of debt securities.

Flows of financial investment and financing (SA)

EUR billions



(*) Accounting discrepancies can occur between yearly figures and the sum of quarterly flows due to rounding differences in the series used.

GENERAL GOVERNMENT*

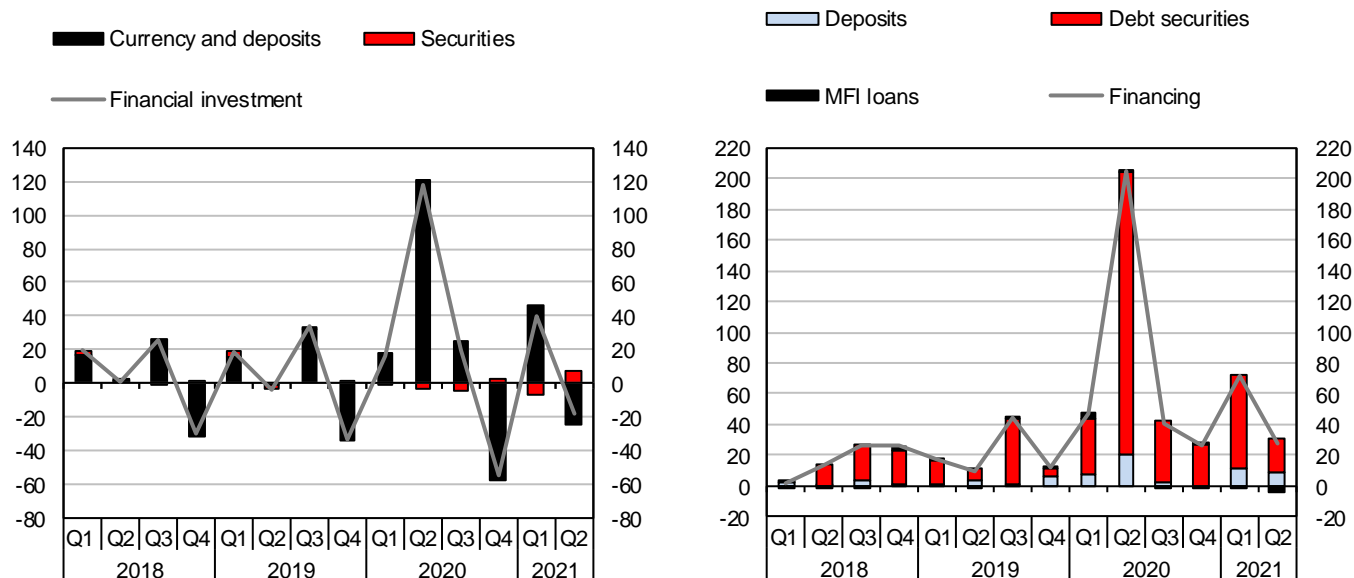
| FINANCIAL TRANSACTIONS (EUR billions) | YEAR | | QUARTERS (SA) | | | |
|--|-------------|--------------|---------------|--------------|-------------|--------------|
| | 2019 | 2020 | 2020 Q3 | 2020 Q4 | 2021 Q1 | 2021 Q2 |
| Financial investment (a) | 16,1 | 98,7 | 19,8 | -55,3 | 39,9 | -18,3 |
| - Currency and deposits | 11,7 | 105,5 | 24,5 | -57,8 | 46,6 | -25,2 |
| - Securities | 4,4 | -6,8 | -4,7 | 2,5 | -6,7 | 6,9 |
| <i>debt securities</i> | 0,1 | -7,8 | 0,5 | -0,1 | -4,5 | 4,7 |
| <i>net equities</i> | -1,7 | -1,1 | -1,2 | 0,5 | 0,7 | -0,8 |
| <i>investment fund shares</i> | 6,0 | 2,1 | -4,0 | 2,1 | -2,9 | 3,0 |
| Financing | 85,0 | 319,2 | 41,0 | 26,0 | 71,8 | 27,8 |
| - Deposits | 11,3 | 29,3 | 2,5 | -1,5 | 11,5 | 8,6 |
| - MFI loans | 1,7 | 3,7 | -1,1 | 1,1 | -0,7 | -3,7 |
| - Debt securities | 72,0 | 286,2 | 39,6 | 26,4 | 61,0 | 22,9 |

(a) are excluded here several residual items

In the second quarter of 2021, **general government** financing grows at a slower pace than in the previous quarter, due to a slowdown in debt securities issuances. Deposits on the liabilities side of the general government remain positive, while MFI loans decline. At the same time, general government financial investment starts to drop again. Deposits decrease, contrary to the first quarter. Investment in securities is back in positive territory, due to the rebound in flows of debt securities and investment fund shares.

Flows of financial investment and financing (SA)

EUR billions



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HOUSEHOLDS*

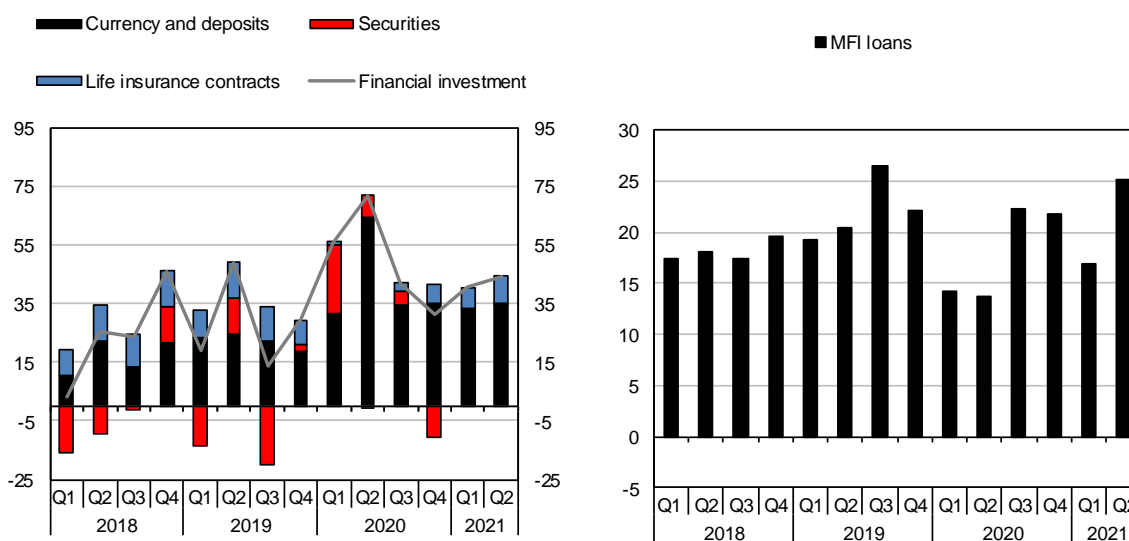
| FINANCIAL TRANSACTIONS (EUR billions) | YEARS | | QUARTERS (SA) | | | |
|---|--------------|--------------|---------------|-------------|-------------|-------------|
| | 2019 | 2020 | 2020 Q3 | 2020 Q4 | 2021 Q1 | 2021 Q2 |
| Financial investment (a) | 111,6 | 201,0 | 41,9 | 31,1 | 40,6 | 44,4 |
| - Currency and deposits | 88,9 | 165,0 | 34,6 | 35,0 | 32,9 | 34,5 |
| <i>of which transferable deposits</i> | 40,8 | 84,5 | 16,2 | 14,7 | 13,4 | 17,4 |
| <i>passbook savings</i> | 32,3 | 65,9 | 15,7 | 16,8 | 16,0 | 13,3 |
| <i>home saving plans</i> | 6,3 | 8,6 | 1,9 | 1,9 | 0,7 | 0,1 |
| - Securities | -19,4 | 25,8 | 4,7 | -10,7 | 0,2 | 0,4 |
| <i>debt securities</i> | -2,9 | -0,1 | 1,0 | -0,9 | 0,0 | -0,7 |
| <i>listed shares</i> | 0,4 | 18,2 | 2,8 | 3,1 | 1,3 | 1,1 |
| <i>unlisted shares and other equities</i> | -8,6 | 13,0 | 3,7 | 0,5 | 2,6 | 3,7 |
| <i>money market fund shares</i> | -0,5 | -0,7 | 0,1 | -0,7 | -0,2 | -0,1 |
| <i>non-MMF investment fund shares</i> | -7,8 | -4,5 | -2,9 | -12,7 | -3,5 | -3,6 |
| - Life insurance and pension plans | 42,0 | 10,1 | 2,6 | 6,8 | 7,5 | 9,5 |
| <i>of which non-unit linked contracts</i> | 39,3 | -11,1 | -1,8 | 1,4 | -4,3 | -0,6 |
| Financing | 88,4 | 72,0 | 22,3 | 21,8 | 16,9 | 25,2 |
| - MFI Loans | 88,4 | 72,0 | 22,3 | 21,8 | 16,9 | 25,2 |

(a) are excluded here several residual items

Households' financial investment in Q2 2021 increases compared to Q1, against a backdrop of successive lockdowns and its gradual end during the quarter. Households continue to invest in their transferable deposits and passbook savings. Securities flows are nearly stable, with a decline in non-MMF investment fund shares offset by an increase in unlisted shares and other equities. Investment in life insurance and pension plans rises again, driven by unit-linked contracts, and approaches its average quarterly pre-COVID level. On the liabilities side, the flow of MFI loans is higher than in the first quarter.

Flows of financial investment and financing (SA)

EUR billions



Source and compilation:
Direction Générale des Statistiques, des Études et de l'International



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