

Financing of non-financial corporations – France • February 2021

The growth of market financing of non-financial corporations remained robust at 12 % over the year in February

In February, the growth rate of financing of non-financial corporations remained robust, at 12.0% over one year. The growth of market financing slowed but remained at a high level (10.2% after 12.0% in the previous month). The annual growth rate of bank loans reached 13.1% after 13.3%.

The rise in non-financial corporations debt since March 2020 was globally accompanied by an increase in their cash flow.

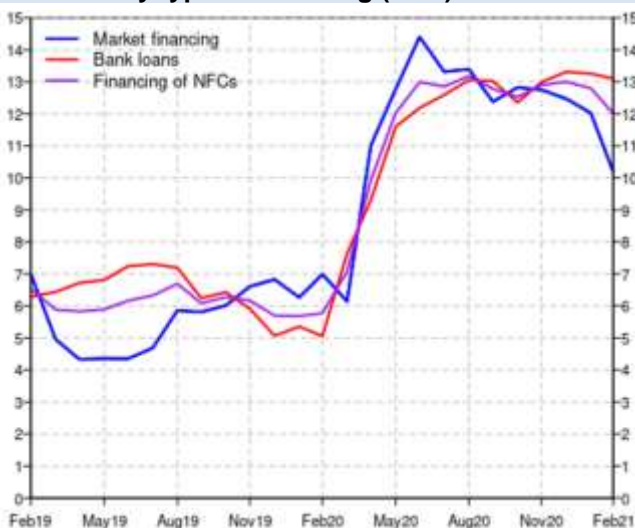
In February, the cost of financing slightly diminished, pushed by the reduction of the cost of credits over one year.

Financing of non-financial corporations

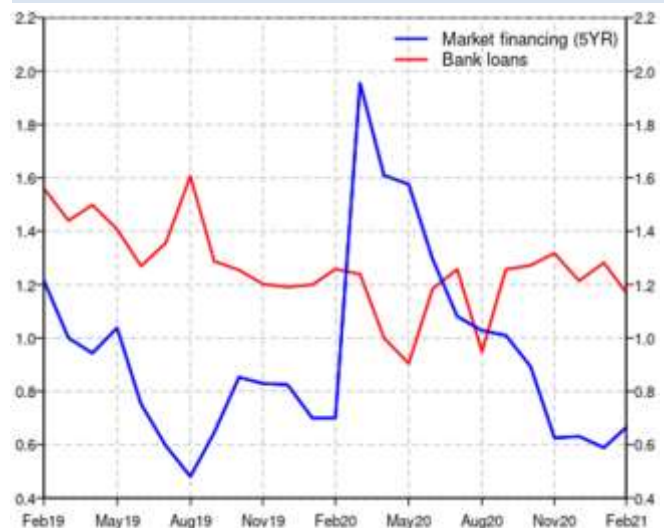
(Gross stocks and flows in billions of euros, growth rate and interest rate in %)

	Outstanding amount	Annual net issuance	Annual growth rate		Average cost of new financing (monthly average)	
	Feb.-21	Feb.-21	Jan.-21	Feb.-21	Jan.-21	Feb.-21
Financing of NFCs	1903	205	12.8	12.0	1.03	0.98
- Of which : bank loans	1202	140	13.3	13.1	1.28	1.17
- Of which : market financing	701	65	12.0	10.2	0.59	0.66
in euros	599	66	14.0	12.4		
in currencies	102	0	2.3	-0.5		

Annual growth rate, by type of financing (in %)



Average cost of financing (in %)



Source and calculations : General Directorate of Statistics, Economics and International



Composition of non-financial corporate debt

Non-financial corporate debt in this « Stat Info » refers to debt securities issues (bonds and negotiable debt securities) subscribed by residents and non-residents as well as to the credits granted by resident credit institutions.

Negotiable debt securities include short-term commercial papers (less than one year) and medium-term negotiable notes. Further details on loans to non-financial corporations is available in the « Stat Info » referring to loans to non-financial corporations :

<https://www.banque-france.fr/en/statistics/loans/loans/loans-non-financial-corporations>

Overall non-financial corporate debt also includes bank loans from non-resident credit institutions. This measure can be found in the « Stat Info » related to non-financial sector debt :

<https://www.banque-france.fr/en/statistics/savings/financial-accounts/financial-accounts>

The average cost of bank loans to non-financial corporations is computed using the monthly interest rate applied by French banks. This indicator only covers euro-denominated loans with a term of at least one year and with an initial amount of at least one million euros. It excludes revolving term facilities and overdrafts.

The average cost of market financing is calculated on the basis of month-end actuarial rates of return of alive securities. It only covers euro-denominated securities with an initial maturity longer than one year and with a fixed coupon rate. A specific calibration process using the yield curve is performed to align different maturities with a constant 5-year maturity. The average cost of market financing calculation methodology excludes extreme values.

The average cost of bank loans and the average cost of market financing cannot be directly compared since they often differ in their maturity horizon.

