

## Financing of non-financial corporations – France • May 2019

### Non-financial corporate financing remained dynamic in May

The annual growth rate of NFC debt stayed vigorous in May, at +5.8%. The growth in the market debt slightly slowed from +4.2% in April to +4.1% in May, while credit lending continued to increase (6.8% in May, compared to 6.7% in April).

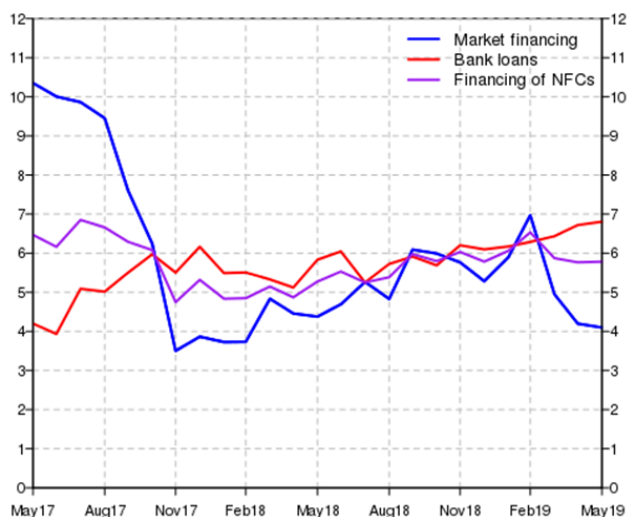
After four consecutive months of decline, the average cost of NFC market financing increased slightly by 8 basis points in May, reaching 1.01% (after 0.93% in April and 1.54% in December 2018).

#### Financing of non-financial corporations

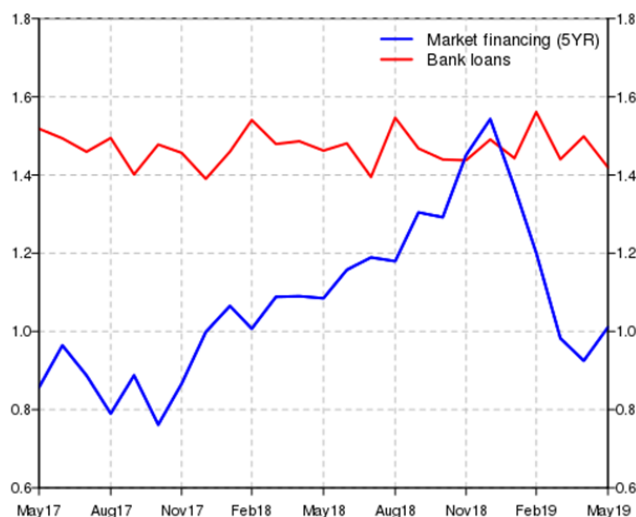
(Gross stocks and flows in billions of euros, growth rate and interest rate in %)

	Outstanding amount	Annual net issuance	Annual growth rate		Average cost of new financing (monthly average)	
	May-19	May-19	April-19	May-19	April-19	May-19
Financing of NFCs	1665	91	5.8	5.8	1.28	1.27
- Of which : bank loans	1043	67	6.7	6.8	1.50	1.42
- Of which : market financing	622	24	4.2	4.1	0.93	1.01
in euros	509	26	5.6	5.3		
in currencies	113	-1	-2.0	-1.2		

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

