



9 janvier 2023

Financing of firms – France • November 2022

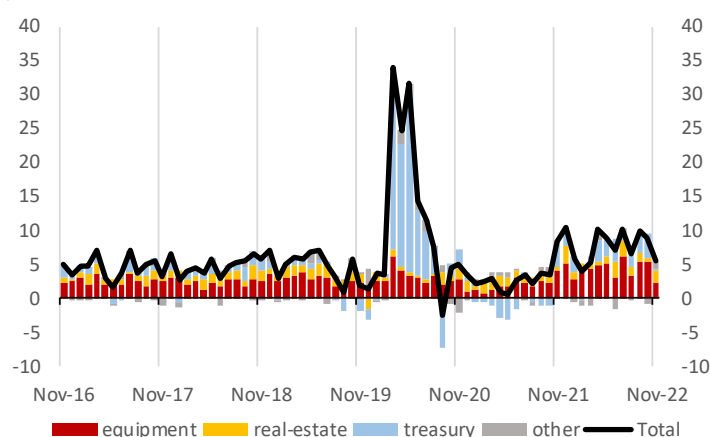
Credit remains abundant

- Year-on-year credit growth remains strong (+7.7% at the end of November after +8.6% at the end of October). It remains dynamic, in particular for large companies (+18.4% compared to +6.8% for SMEs and +5.8% for SMIs). By sector, growth is driven by industry as a whole (+13.8%) and business consultancy and services (+12.5%), while accommodation and catering stands out with a fall in credit growth over the year (-0.9%).
- The reintermediation of corporate financing by banks is continuing due to the fact that the cost of bank credit remains lower than the cost of issuing debt securities.
- Nevertheless, the cost of bank credit increases by 52 basis points in November (3.02%, after 2.50% in October), while the cost of debt issuance decreases (3.92%, after 4.39% in October). In total, the overall cost of financing for non-financial companies reaches 3.33% in November, up 18 basis points from October.

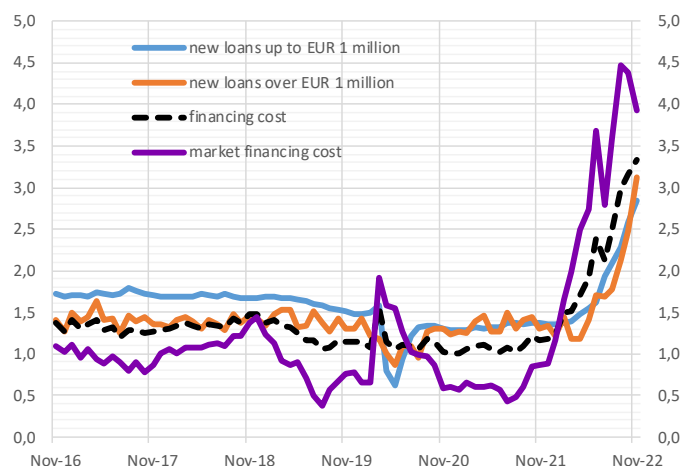
1 - Overview of NFCs : Outstanding amounts and flows in € Bn, annual growth rate and cost in % (non-seasonally adjusted) ^W

	Nov-22			Annual growth rate			Cost (annual interest rate)		
	Outstanding amounts	Transactions (cumulative over 12 month)	New business (cumulative over 12 month)	Sep-22	Oct-22	Nov-22	Sep-22	Oct-22	Nov-22
NFC's global financing	2 021.7	87.2		4.8	4.8	4.5	2.98	3.15	3.33
Loans	1 323.7	95.1	378.2	7.9	8.6	7.7	2.18	2.50	3.02
Investment	912.8			8.1	8.3	8.2			
Equipment	574.2			10.0	10.6	10.1			
real-estate	338.6			5.1	4.7	5.1			
Treasury	344.3			8.4	11.1	8.0			
Other lending	66.6			2.5	0.2	0.6			
Loans up to €1 million			125.7				2.28	2.58	2.85
Loans over €1 million			252.5				2.13	2.47	3.13
Securities other than shares	698.0	-7.9		-0.6	-1.9	-1.1	4.47	4.39	3.92

Monthly changes in outstanding loans by purpose (seasonally adjusted data in € Bn) ^W



Cost by financing sources (in %) ^W





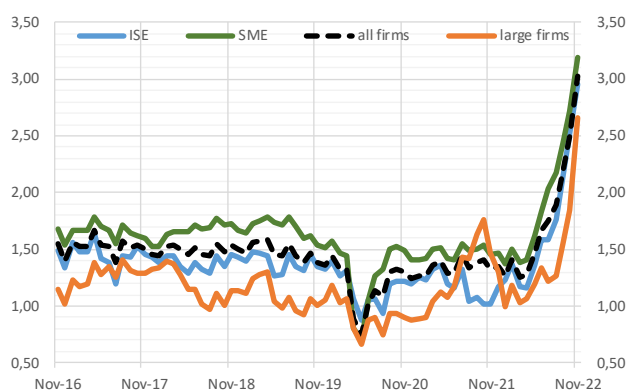
2 – Loans to firms by size ^W

- Credit growth rates are relatively stable over the year compared to October with, for large firms, a slight decrease to +18.4% in November 2022 compared to +20.3% in October 2022, for ISE a slight increase to +6.8% in November 2022 compared to +6.2% in October 2022, while credit growth for SME is stable at +5.8% in October and November 2022.

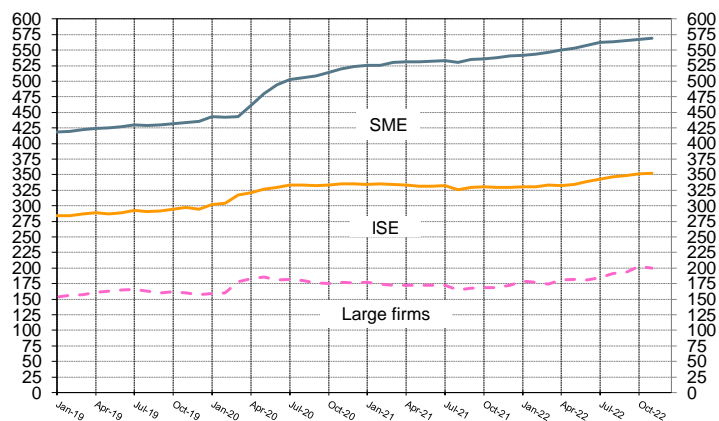
	Outstanding amounts (in Bn €) Nov-22	Annual growth rate in %			Cost in % (annual interest rate)		
		Sep-22	Oct-22	Nov-22	Sep-22	Oct-22	Nov-22
All firms	1 323.7	7.9	8.6	7.7	2.18	2.50	3.02
<i>Of which:</i>							
- SME	568.9	5.7	5.8	5.8	2.43	2.72	3.19
- ISE	351.8	5.7	6.2	6.8	2.14	2.52	2.96
- Large firms	199.6	15.2	20.3	18.4	1.55	1.85	2.66

Note on methodology: Total loans to all firms is measured on the basis of data from bank balance sheets, which provide "macro" information, i.e., exhaustive information (all companies based on loans to the first euro), with certain breakdowns according to the nature of the loan. At the same time, on a regulatory basis, credit institutions and investment firms must declare by borrower ("micro" information) to the Central Risk Service of the Banque de France (SCR) the loans granted when they exceed €25,000. This collection is gradually being abandoned in favor of the AnaCredit collection, except for small banks which will not be subject to this declaration, in order to respect the "proportionality" between the economic importance of the bank and the constraints of its declaration obligations. This "micro" collection, which is fairly broad but not exhaustive, offers the advantage of being able to adopt the concepts of enterprise and category of enterprise defined by decree no. 2008-1354 on the criteria for determining the category of enterprise for the purposes of statistical and economic analysis (decree implementing article 51 of the law on the modernization of the economy - LME). The residual difference between the total by firm size and the total firm is essentially explained by these differences in scope and by legal units that cannot be assigned to a size category according to the criteria of the LME ("SCI and miscellaneous").

Interest rates by enterprise size (in %) ^W



Outstanding amounts of loans to resident enterprises by size (in € Bn) ^W





3 – Outstanding amounts by sector (stocks in € Bn, annual growth rate in %) ^W

- The growth of drawn credits is notably driven by all industries (+13.8%, although it was very low for manufacturing industry, 3.2%) and advisory and business support activities (+12.5%). On the other hand, outstanding loans falls in the accommodation and food service activities (-0.9%).

	Drawn credits			Drawn and undrawn credits		
	Outstanding amounts	Annual growth rate in %		Outstanding amounts	Annual growth rate in %	
		Nov-22	Oct-22/ Oct-21		Nov-22/ Nov-21	Nov-22
Agriculture, forestry and fishing (AZ)	61.8	3.2	3.4	71.3	4.6	5.0
Industry (BE)	167.6	12.6	13.8	262.7	7.5	8.2
- inc. Manufacturing (C)	117.3	0.9	3.2	184.9	0.7	2.3
Construction (FZ)	76.8	11.0	8.3	115.9	7.0	6.7
Wholesale and retail trade; repair of motor vehicles and motorcycles (G)	184.9	5.1	4.0	257.7	5.9	5.5
Transportation and storage (H)	57.8	3.2	1.2	71.7	4.1	2.5
Accommodation and food service activities (I)	48.8	-0.5	-0.9	53.5	-0.3	-0.6
Information and communication (JZ)	32.6	10.2	11.7	57.0	4.0	9.3
Real estate activities (LZ) (*)	518.5	10.9	10.7	573.3	11.3	11.3
Advisory & Business support activities (MN)	100.1	11.7	12.5	127.5	9.3	10.0
Education, human health and social work services, Art, entertainment and recreation, Other service activities (PS)	59.2	0.8	0.9	67.9	-0.9	-1.1
Holdings	16.9	32.1	37.0	20.4	24.6	35.9
Total (**)	1 325.1	8.8	8.7	1 679.1	7.7	8.0

(*) including non-trading real estate companies

(**) For the difference between total firms and total, see the method note