

13th June 2023

Financing of firms – France • April 2023

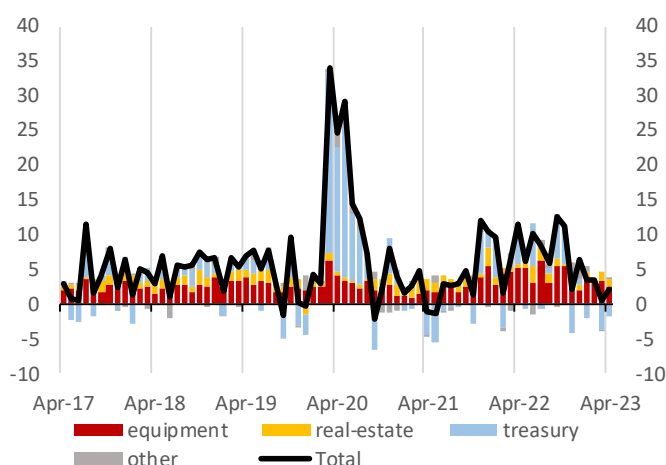
Growth of bank loans remains high

- In April 2023, outstanding bank loans to non-financial corporations (NFCs) continues to increase for all company sizes, at a more moderate pace than in March (+5.7% after +6.5%). Growth in investment loans remains strong (+6.9% in April), still driven by its equipment component (+8.4%) and, to a lesser extent, by real-estate loans to enterprises, including property management companies (+4.5% in April). Growth in treasury loans moderates (+2.0% in April after +3.8% in March).
- The average cost of bank loans to NFCs caught up in April with the cost of debt securities (3.94%). After a pause in March, it resumes its rise (+25 basis points compared to March) while the rate of debt securities continues to fall (-18 basis points compared to 4.12% in March).

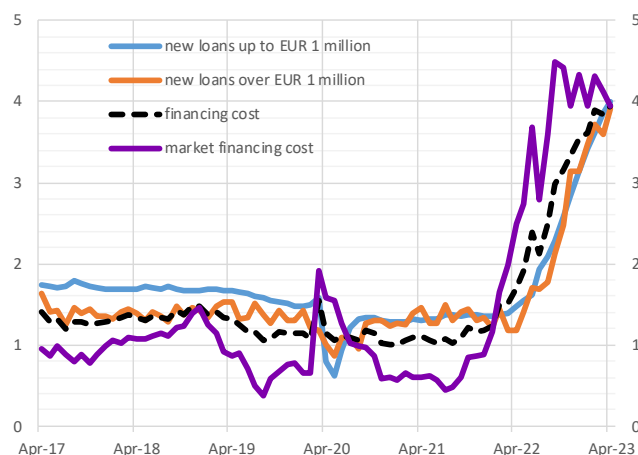
1 - Overview of NFCs : Outstanding amounts and flows in € Bn, annual growth rate and cost in % (non-seasonally adjusted) ^W

	Apr-23			Annual growth rate			Cost (annual interest rate)		
	Outstanding amounts	Transactions (cumulative over 12 month)	New business (cumulative over 12 month)	Feb-23	Mar-23	Apr-23	Feb-23	Mar-23	Apr-23
NFC's global financing	2 032.2	67.7		4.4	3.6	3.4	3.90	3.84	3.94
Loans	1 336.5	72.2	356.8	6.9	6.5	5.7	3.68	3.69	3.94
Investment	928.6			7.3	7.2	6.9			
Equipment	588.3			9.3	9.0	8.4			
real-estate	340.3			4.1	4.3	4.5			
Treasury	337.0			5.7	3.8	2.0			
Other lending	70.9			7.8	9.4	7.7			
Loans up to €1 million			122.1				3.61	3.86	3.99
Loans over €1 million			234.8				3.73	3.59	3.91
Securities other than shares	695.7	-4.5		-0.2	-1.5	-0.6	4.32	4.12	3.94

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



Cost by financing sources (in %) ^W





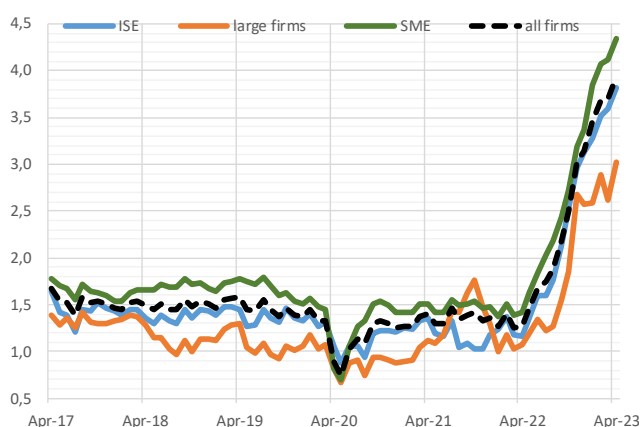
2 – Loans to firms by size ^W

- At the end of April, annual outstanding credit growth rates remain high for all company sizes.
- Annual credit growth slows slightly for SMEs (+4.5% after +5.0% in March).
- For large firms, the slowdown is relatively more marked, although the increase in outstandings remains high (+10.0%, compared with around 13% in February and March). Some large companies are continuing to reduce their debt levels, following increases in outstandings during the COVID crisis.
- On the contrary, for ISEs, the growth rate in credit increases slightly (+6.1% up from +5.6%).

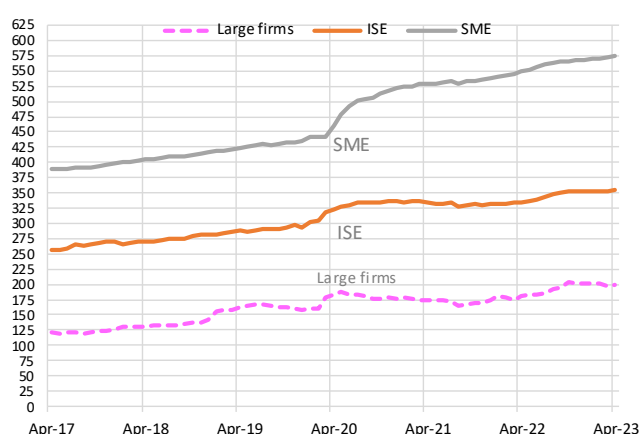
	Outstanding amounts (in Bn €)	Annual growth rate in %			Cost in % (annual interest rate)		
	Apr-23	Feb-23	Mar-23	Apr-23	Feb-23	Mar-23	Apr-23
All firms	1 336.5	6.9	6.5	5.7	3.68	3.69	3.94
<i>Of which:</i>							
- SME	573.5	5.4	5.0	4.5	4.07	4.12	4.34
- ISE	354.1	6.5	5.6	6.1	3.51	3.59	3.81
- Large firms	200.2	12.8	13.0	10.0	2.88	2.62	3.02

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 in the outstanding amount of drawn loans is still strong for the sectors of Advisory & Business support activities (+ 13.3%), information and communication (+ 13.7%). The annual increase in outstanding loans in real estate activities (+9%) remains substantial at the end of April 2023. Bank credits deleveraging in the accommodation and food service activities accelerates (-3.1% after -2.6 %). With regard to industry: outstanding loans financing the manufacturing industry are more or less stable over 2 years at around EUR 118 billion; for other industrial activities, the increase in outstandings slows by a third (+4.9% against +7.5% a month earlier).

	Drawn credits			Drawn and undrawn credits		
	Outstanding amounts	Annual growth rate in %		Outstanding amounts	Annual growth rate in %	
		Apr-23	Mar-23		Apr-23	Mar-23
Agriculture, forestry and fishing (AZ)	63.8	4.3	4.2	73.2	5.1	4.2
Industry (BE)	167.8	7.5	4.9	259.5	1.1	2.8
- inc. Manufacturing (C)	117.2	0.1	1.0	181.5	-0.3	0.4
Construction (FZ)	76.1	7.2	6.4	115.7	3.6	3.7
Wholesale and retail trade; repair of motor vehicles and motorcycles (G)	183.9	2.4	2.6	253.2	-1.9	-0.5
Transportation and storage (H)	55.7	-2.5	-2.9	70.1	-2.0	-1.3
Accommodation and food service activities (I)	48.9	-2.6	-3.1	53.8	-2.2	-3.2
Information and communication (JZ)	35.0	12.0	13.7	56.4	2.6	2.7
Real estate activities (LZ) (*)	525.7	9.6	9.0	579.4	9.4	8.8
Advisory & Business support activities (MN)	100.7	13.6	13.3	129.2	11.7	12.0
Education, human health and social work services, Art, entertainment and recreation, Other service activities (PS)	59.6	1.5	1.1	68.1	0.4	0.5
Holdings	22.9	29.5	29.2	28.0	30.8	28.7

(*) including non-trading real estate companies

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

4 – Quarterly additional information : financing of VSE ^W

Loans to VSEs: breakdown by type of loans (1) ^{LE}

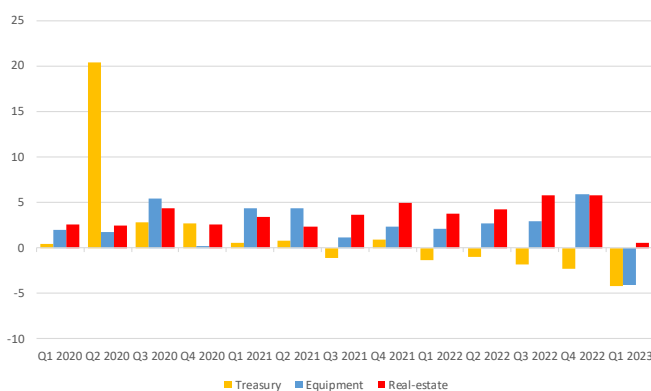
	Outstanding amounts	Annual growth rate in %	
		Q1 2023	Q4 2022
Loans	392.7	7.2	3.8
Treasury	39.1	-13.0	-19.1
Equipment	161.1	8.9	4.8
Real-estate	192.5	11.3	9.2

- At the end of March 2023, the annual growth of loans to VSEs slows down and stands at 3.8%, against 7.2% in the previous quarter.
- Outstanding loans to VSEs reaches 392.7 billion, down 6.97 billion (-1.7%) compared to the fourth quarter of 2022, due to decreases in treasury loans and loans to equipment. Treasury loans thus falls to 39 billion, after 42.5 billion in the fourth quarter of 2022 (-8.1%), while equipment loans falls of 4 billion (-2.5%).
- On an annual basis, growth in equipment and real estate loans remains positive, at 4.8% and 9.2% respectively, after +8.9% and +11.3% in the previous quarter. The decrease in Treasury loans accelerates to -19.1% against -13% in the previous quarter.



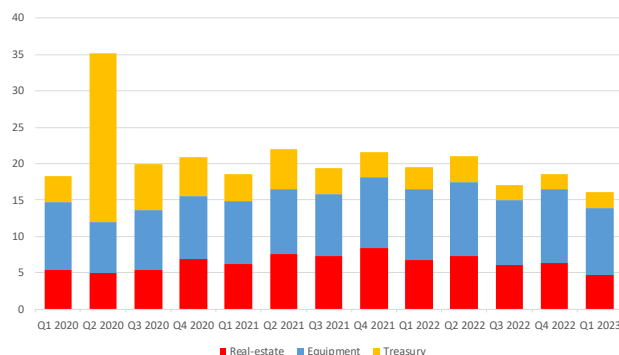
Change in outstanding loans to VSEs

(in EUR bn)



Quarterly new loans to VSEs

(in EUR Bn)



Additional information

In this publication, the very small enterprises (VSEs) are characterized by the criteria of the 2008 LME law - legal units excluding self-employed entrepreneurs with less than 10 employees, and which have an annual turnover or balance sheet total not exceeding 2 million euros - or by default, by a turnover not exceeding 2 million euros.

VSEs are part of small and medium-sized enterprises (SMEs).

(1) Following a change in the editorial line of some Stat Info (see the press release available here <https://www.banque-france.fr/communique-de-presse/la-banque-de-france-presente-la-refonte-de-ses-stat-info>), the quarterly publication on microenterprise financing is now integrated quarterly into Stat Info Financing of firms.