



10th July 2023

Financing of firms – France • May 2023

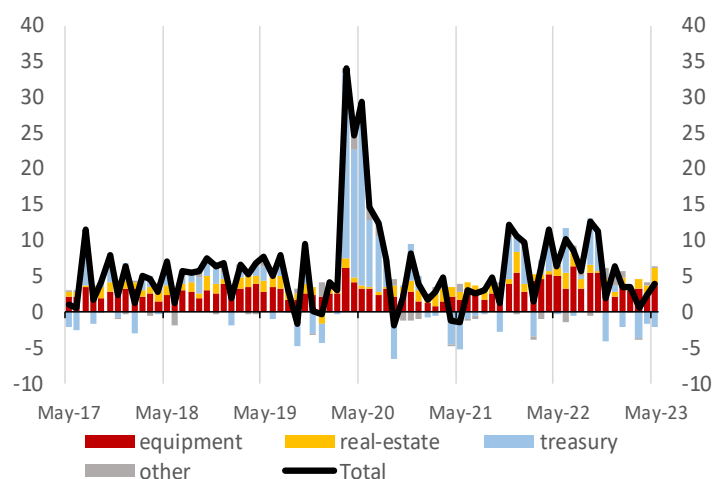
Growth in bank loans remains significant for all company sizes

- In May 2023, growth in bank loans to non-financial companies remains high (+5.4%, after 5.7% in April and +6.5% in March). The investment component continues to grow at a sustained pace, still driven by equipment loans (+8.2% after +8.4% in April) and, to a lesser extent, by real-estate loans (+4.8% after +4.5% in April), the only segment where the growth rate is increasing. Growth in treasury loans is slower in May (+1.1%, after +2.0% in April and +3.8% in March).
- Annual growth in financing in the form of debt securities, negative since July 2022, becomes very slightly positive again in May (+0.1%, after -0.6%).
- The average interest rate on bank loans continues to rise, reaching 4.13% in May (after 3.95% in April), while the average interest rate on debt securities, which has alternated between rises and falls since the beginning of the year, now stands at 4.01% (after 3.94% in April).

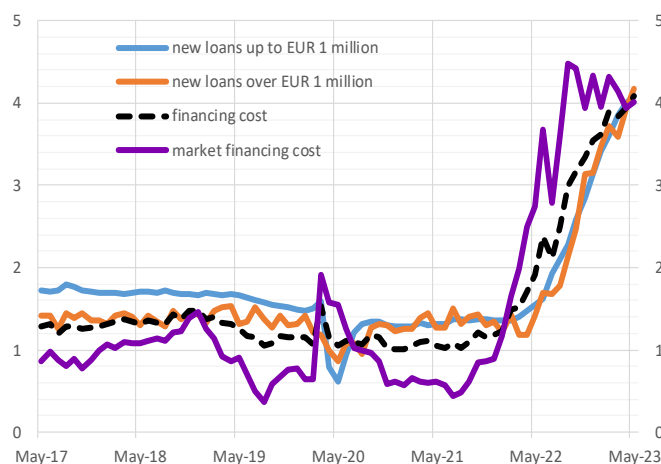
1 - Overview of NFCs : Outstanding amounts and flows in € Bn, annual growth rate and cost in % (non-seasonally adjusted) ^W

	May-23			Annual growth rate			Cost (annual interest rate)		
	Outstanding amounts	Transactions (cumulative over 12 month)	New business (cumulative over 12 month)	Mar-23	Apr-23	May-23	Mar-23	Apr-23	May-23
NFC's global financing	2 041.3	69.0		3.6	3.4	3.5	3.84	3.94	4.09
Loans	1 337.0	68.7	347.4	6.5	5.7	5.4	3.69	3.95	4.13
Investment	938.4			7.2	6.9	6.9			
Equipment	595.8			9.0	8.4	8.2			
real-estate	342.6			4.3	4.5	4.8			
Treasury	328.4			3.8	2.0	1.1			
Other lending	70.2			9.4	7.7	6.6			
Loans up to €1 million			119.9				3.86	3.99	4.08
Loans over €1 million			227.5				3.59	3.92	4.17
Securities other than shares	704.3	0.3		-1.5	-0.6	0.1	4.14	3.94	4.01

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



Cost by financing sources (in %) ^W



-1-



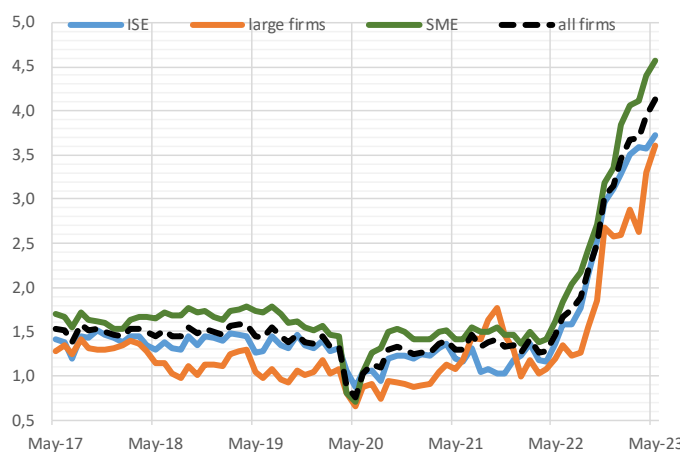
2 – Loans to firms by size ^W

- Annual credit growth rates remain high for all company sizes, but are declining slightly month by month.
- This moderation in the annual growth rate of credit should be seen in the light of the continuing rise in the cost of credit. Annual interest rates now stand at 4.57% for SMEs, 3.72% for ISEs and 3.61% for large firms.

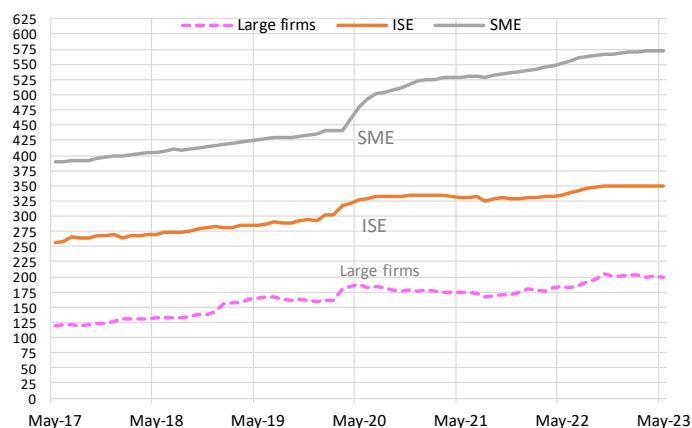
	Outstanding amounts (in Bn €) May-23	Annual growth rate in %			Cost in % (annual interest rate)		
		Mar-23	Apr-23	May-23	Mar-23	Apr-23	May-23
All firms	1 337.0	6.5	5.7	5.4	3.69	3.95	4.13
<i>Of which:</i>							
- SME	572.9	5.1	4.6	4.0	4.12	4.40	4.57
- ISE	350.2	5.0	5.3	4.9	3.59	3.57	3.72
- Large firms	198.5	13.4	10.4	8.1	2.62	3.30	3.61

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

- Growth in outstanding loans continues to be strong in the business consultancy and services sector (+10.7%), the information and communication sector (+10.2%) and the real estate sector (+8.7%). Outstanding loans continues to fall in the accommodation and catering sector (-2.9%) and in transport and storage (-3.6%). Bank financing of industrial activities is still growing, with +2.6% in May 2023, but down on April 2023 (+4.9% year-on-year).

	Drawn credits			Drawn and undrawn credits		
	Outstanding amounts	Annual growth rate in %		Outstanding amounts	Annual growth rate in %	
		May-23	Apr-23		May-23	May-23
Agriculture, forestry and fishing (AZ)	64.0	4.3	4.6	73.4	4.2	4.2
Industry (BE)	165.9	4.9	2.6	255.9	3.0	1.4
- inc. Manufacturing (C)	116.2	1.0	-1.2	178.9	0.6	-0.9
Construction (FZ)	76.2	6.5	4.8	115.6	3.7	2.4
Wholesale and retail trade; repair of motor vehicles and motorcycles (G)	181.9	2.6	1.9	251.9	-0.4	-0.6
Transportation and storage (H)	55.6	-2.9	-3.6	69.7	-1.3	-1.5
Accommodation and food service activities (I)	49.0	-3.1	-2.9	53.7	-3.1	-3.0
Information and communication (JZ)	34.6	13.8	10.2	56.6	2.9	1.7
Real estate activities (LZ) (*)	527.9	8.9	8.7	581.4	8.6	8.3
Advisory & Business support activities (MN)	98.0	12.1	10.7	127.6	11.0	10.1
Education, human health and social work services, Art, entertainment and recreation, Other service activities (PS)	59.4	1.2	1.2	68.3	0.5	1.2
Holdings	23.2	29.6	27.3	28.1	29.0	24.5

(*) including non-trading real estate companies

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