



10th August 2023

Financing of firms – France • June 2023

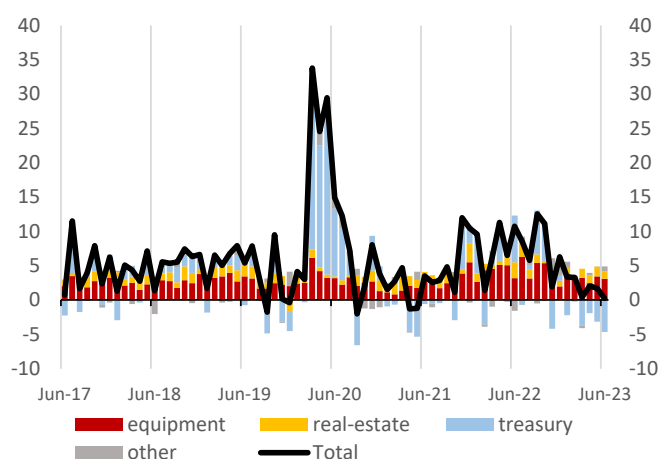
Investment loans support growth of loans to NFCs

- In June 2023, annual growth of bank loans to non-financial corporations (NFCs) remains significant (+4.4%, after +5.2% in May and +5.7% in April). It is the investment component, mainly equipment loans (+8.0% in June as in May) and to a lesser extent real estate loans (+4.1% after +4.6% in May), which brings growth. However, treasury loans, more volatile by nature, fold-up in June (-2.6%, after +0.8% in May).
- Outstanding debt securities issued on the markets remains broadly stable for the second consecutive month (-0.2% in June year-on-year, after +0.1% in May and -0.6% in April), new issues of securities offsetting the repayments.
- The average interest rate on bank loans stands at 4.33% in June (after 4.13% in May and 3.95% in April) and the one of debt security issues reaches 4.18% (after 4.01% in May and +3.94% in April).

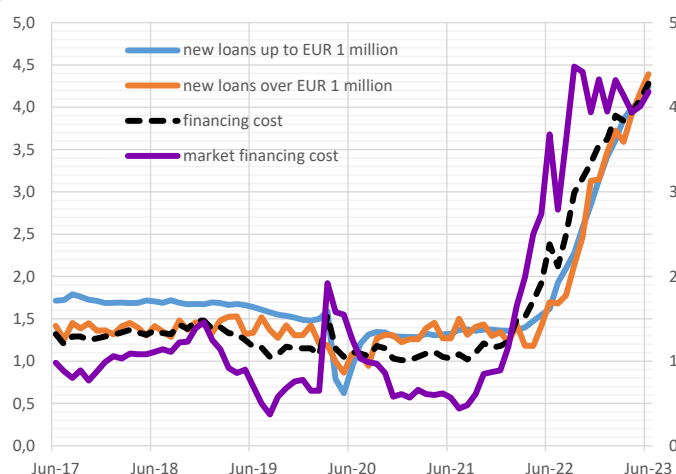
1 - Overview of NFCs : Outstanding amounts and flows in € Bn, annual growth rate and cost in % (non-seasonally adjusted) ^W

	Jun-23			Annual growth rate			Cost (annual interest rate)		
	Outstanding amounts	Transactions (cumulative over 12 month)	New business (cumulative over 12 month)	Apr-23	May-23	Jun-23	Apr-23	May-23	Jun-23
NFC's global financing	2 029.5	55.0		3.4	3.4	2.8	3.94	4.09	4.28
Loans	1 335.6	56.4	340.0	5.7	5.2	4.4	3.95	4.13	4.33
Investment	942.0			6.9	6.7	6.5			
Equipment	598.6			8.4	8.0	8.0			
real-estate	343.4			4.5	4.6	4.1			
Treasury	322.1			2.0	0.8	-2.6			
Other lending	71.5			7.7	6.6	11.4			
Loans up to €1 million			117.8				3.99	4.08	4.24
Loans over €1 million			222.2				3.92	4.17	4.39
Securities other than shares	693.8	-1.4		-0.6	0.1	-0.2	3.94	4.01	4.18

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



Cost by financing sources (in %) ^W



-1-



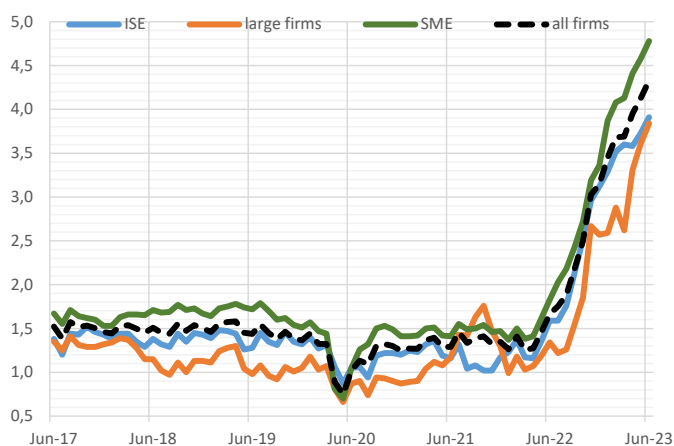
2 – Loans to firms by size ^W

- Annual credit growth rates remain high but are moderating slightly for all company sizes, rising for SMEs to +3% in June against +3.7% in May, for ETIs at +4.5% in June against +5.5% in May and for large companies at +8.5% in June against +10.6% in May.
- The cost of credit continues to increase for all sizes of companies, settling at an annual interest rate, for SMEs of 4.78% in June against 4.58% in May, for ETIs at 3.91% in June against 3.73% in May and for large companies at 3.84% in June against 3.61% in May.

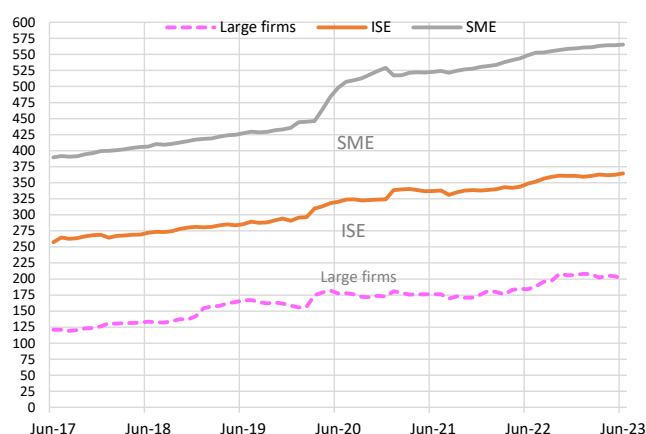
	Outstanding amounts (in Bn €)	Annual growth rate in %			Cost in % (annual interest rate)		
	Jun-23	Apr-23	May-23	Jun-23	Apr-23	May-23	Jun-23
All firms	1 335.6	5.7	5.2	4.4	3.95	4.13	4.33
<i>Of which:</i>							
- SME	565.4	4.2	3.7	3.0	4.41	4.58	4.78
- ISE	364.4	5.8	5.5	4.5	3.58	3.73	3.91
- Large firms	200.0	12.1	10.6	8.5	3.31	3.61	3.84

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 annual growth in the outstanding amount of mobilized loans is not homogeneous for all sectors : for instance, growth for agriculture, forestry and fishing (+5.3% in June after +4.9% in May): it remains strong for advisory & business support activities (+11.9% in June after +12.7%), information and communication (+7.9% after +9.7%) and real estate activities (+7.6% after +7.7%); bank financing of industrial activities is still growing, with +1.6% in June 2023, figure however down compared to May 2023 when it stood at +4.1%. On the other hand, outstanding loans fell in the accommodation and food service activities (-1.9%) and in the transportation and storage (-1.1%).

	Drawn credits			Drawn and undrawn credits		
	Outstanding amounts	Annual growth rate in %		Outstanding amounts	Annual growth rate in %	
		Jun-23	May-23		Jun-23	May-23
Agriculture, forestry and fishing (AZ)	64.1	4.9	5.3	73.2	4.5	4.6
Industry (BE)	167.6	4.1	1.6	260.3	2.5	0.0
- inc. Manufacturing (C)	120.0	0.7	0.0	185.7	0.2	-0.9
Construction (FZ)	74.0	5.9	4.3	111.8	3.6	2.7
Wholesale and retail trade; repair of motor vehicles and motorcycles (G)	186.2	3.1	1.3	256.3	0.3	-2.6
Transportation and storage (H)	58.2	-1.9	-1.1	75.5	0.1	1.0
Accommodation and food service activities (I)	51.5	-1.3	-1.9	56.5	-1.6	-2.0
Information and communication (JZ)	33.9	9.7	7.9	56.2	1.7	2.6
Real estate activities (LZ) (*)	523.4	7.7	7.6	577.7	7.5	7.9
Advisory & Business support activities (MN)	96.0	12.7	11.9	122.2	13.2	12.1
Education, human health and social work services, Art, entertainment and recreation, Other service activities (PS)	60.8	1.7	0.2	69.8	1.6	-1.2
Holdings	21.7	18.9	16.3	26.8	13.0	9.9

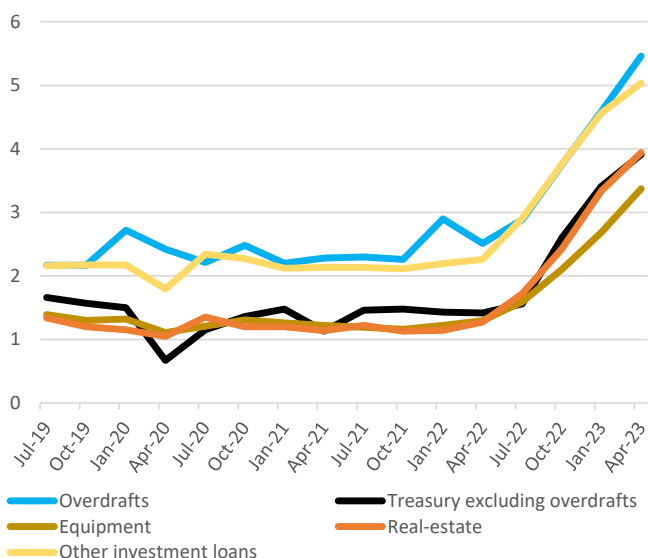
(*) including non-trading real estate companies

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

4 – Quarterly additional information about loans to NFCs rates (1) ^W

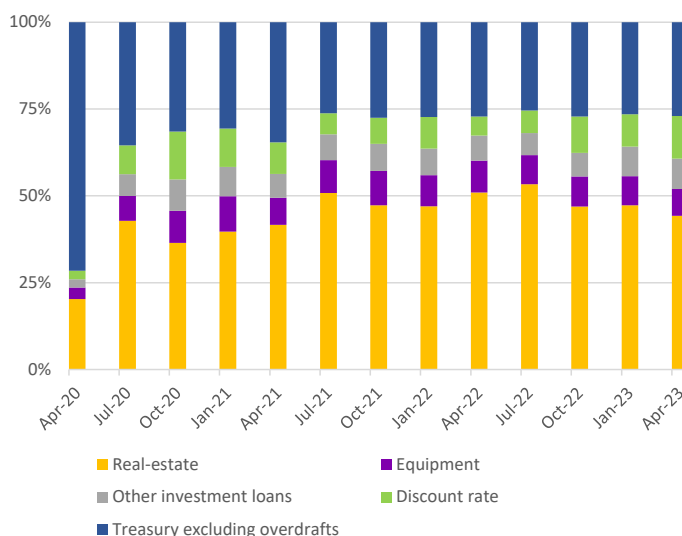
Cost of new loans by purpose ^{LE}

(in %)



Breakdown of new loans by purpose ^{LE}

(in % of new business credits excluding overdrafts)





Characteristics of new loans to NFC 

	Average rate (en %)		Average maturity (in month)	Share of loans fixed rate (in %)
	Jan-23	Apr-23	Apr-23	Apr-23
Overdrats	4.59	5.46		
Treasury excluding overdrafts	3.41	3.91	25	20
Equipment	3.34	3.94	114	81
Real-estate	2.69	3.37	190	87
Other investment loans	4.56	5.03	60	95

The survey is conducted among a sample of branches and headquarters of banking institutions operating in metropolitan France. It takes into account new loans granted in the first month of each quarter to non-financial corporations. It is based on the effective rate in the narrow sense (TESE), i.e. the interest component of the overall effective rate (TEG).

- (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 business credit rates is now integrated quarterly into Stat Info Financing of firms.