



8 september 2023

Financing of firms – France • July 2023

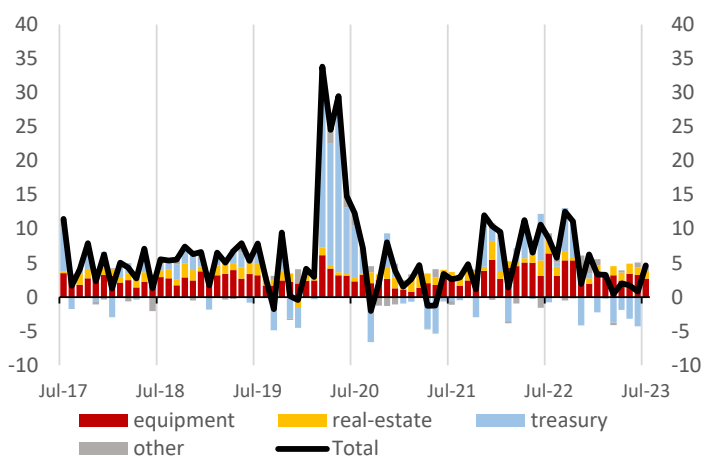
Growth in corporate loans moderates but remains positive

- In July 2023, outstanding bank loans to non-financial companies (NFCs) continues to rise for all business sizes, albeit at a more moderate pace (+4.0%, after +4.4% in June on an annualized basis). Growth in investment credit remains high (+6.0% in July), still driven by its equipment component (+7.2%) and, to a lesser extent, by corporate real estate loans (+3.8% in April). Conversely, outstanding treasury loans fall (-2.2% in July, on an annualized basis).
- Growth in financing in the form of debt securities is again slightly negative in July (0.7%, after -0.6% in June on an annualized basis).
- The cost of bank loans continues to rise in July (4.59% in July, after 4.33% in June), while the more volatile cost of debt securities fluctuates slightly above 4% (4.08%, after 4.21% in June).

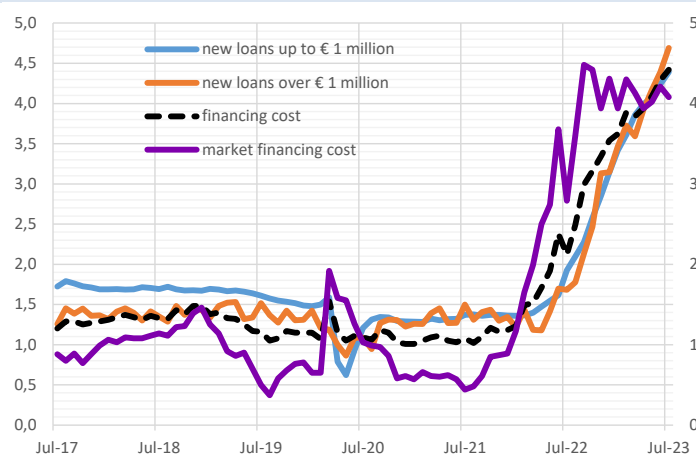
1 - Overview of NFCs : Outstanding amounts and flows in €bn, annual growth rate and cost in % (non-seasonally adjusted) ^W

	Jul-23			Annual growth rate			Cost (annual interest rate)		
	Outstanding amounts	Transactions (cumulative over 12 month)	New business (cumulative over 12 month)	May-23	Jun-23	Jul-23	May-23	Jun-23	Jul-23
NFC's global financing	2,034.8	47.6		3.4	2.7	2.4	4.09	4.29	4.42
Loans	1,345.2	52.1	335.2	5.2	4.4	4.0	4.13	4.33	4.59
Investment	948.2			6.7	6.6	6.0			
Equipment	603.4			8.0	8.0	7.2			
real-estate	344.8			4.6	4.2	3.8			
Treasury	325.9			0.8	-2.5	-2.2			
Other lending	71.1			6.6	11.3	9.2			
Loans up to € 1 million			116.9				4.08	4.24	4.39
Loans over € 1 million			218.4				4.17	4.39	4.69
Securities other than shares	689.6	-4.6		0.1	-0.6	-0.7	4.02	4.21	4.08

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



Cost by financing sources (in %) ^W



-1-



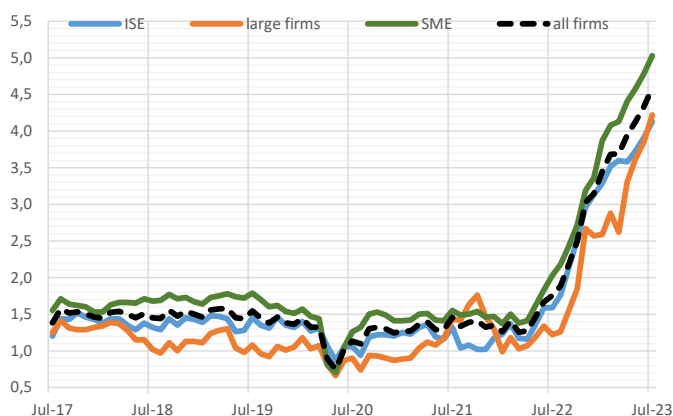
2 – Loans to firms by size ^W

- Credit growth rates remain high, but continue to fall slightly year-on-year for SMEs, at +2.8% in July 2023 compared with +3.0% in June 2023, and for ISE, at +3.6% in July 2023 compared with +4.3% in June 2023; the annual growth rate in credit for large companies is virtually stable, at +8.6% in July 2023 compared with +8.4% in June 2023.
- The cost of credit continues to rise for all categories of company, with an annual interest rate of 5.03% for SMEs in July 2023, compared with 4.78% in June 2023; 4.13% for ISEs in July 2023, compared with 3.91% in June 2023; and 4.22% for large companies in July 2023, compared with 3.85% in June 2023.

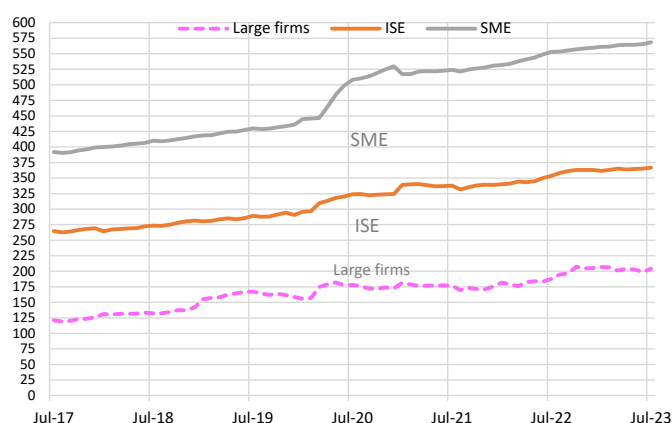
	Outstanding amounts (in bn€) Jul-23	Annual growth rate in %			Cost in % (annual interest rate)		
		May-23	Jun-23	Jul-23	May-23	Jun-23	Jul-23
All firms	1,345.2	5.2	4.4	4.0	4.13	4.33	4.59
<i>Of which:</i>							
- SME	568.6	3.7	3.0	2.8	4.58	4.78	5.03
- ISE	366.5	5.6	4.3	3.6	3.73	3.91	4.13
- Large firms	204.0	10.5	8.4	8.6	3.62	3.85	4.22

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 (+11.5%), information and communication (+5.1%) and real estate (+7.3%) sectors. On the other hand, outstanding loans fall in the accommodation and catering (-2.1%) and transport and storage (-1.6%) sectors. Bank financing of industrial activities grows slightly by +1.4% in July 2023, down slightly on June 2023 when it stood at +1.7%

	Drawn credits			Drawn and undrawn credits		
	Outstanding amounts	Annual growth rate in %		Outstanding amounts	Annual growth rate in %	
		Jul-23	Jun-23		Jul-23	Jun-23
Agriculture, forestry and fishing (AZ)	64.5	5.3	4.9	73.4	4.6	3.5
Industry (BE)	171.9	1.7	1.4	265.7	0.1	-0.6
- inc. Manufacturing (C)	123.3	0.2	0.5	189.2	-0.8	-1.6
Construction (FZ)	75.4	4.4	3.5	112.3	2.8	0.4
Wholesale and retail trade; repair of motor vehicles and motorcycles (G)	186.0	1.1	0.2	256.7	-2.8	-3.1
Transportation and storage (H)	58.3	-1.1	-1.6	75.4	1.0	-0.4
Accommodation and food service activities (I)	51.5	-1.8	-2.1	57.3	-1.9	-0.8
Information and communication (JZ)	33.1	8.1	5.1	55.8	2.8	-1.8
Real estate activities (LZ) (*)	523.8	7.4	7.3	578.1	7.7	7.5
Advisory & Business support activities (MN)	97.9	11.8	11.5	125.9	12.0	13.6
Education, human health and social work services, Art, entertainment and recreation, Other service activities (PS)	61.1	0.3	0.2	70.1	-1.1	-0.9
Holdings	23.0	16.3	21.5	27.7	9.9	13.2

(*) 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 (1) ^W

Loans to VSEs: breakdown by type of loans (1) ^W

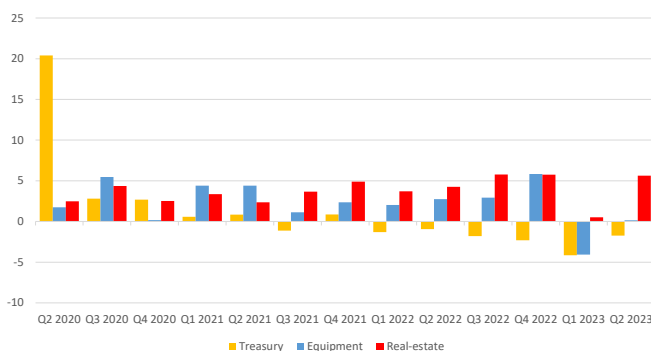
	Outstanding amounts (Billions euros)	Annual growth rate in %	
		Q1 2023	Q2 2023
Loans	397.1	3.8	3.3
Treasury	37.7	-19.1	-21.0
Equipment	161.2	4.8	3.1
Real-estate	198.2	9.2	9.8

- At the end of June 2023, outstanding loans to very small enterprises reached €397.1 billion. Annual loan growth slows to +3.3%, compared with +3.8% in the previous quarter, mainly due to negative trends in treasury loans, which fall to €37.7 bn, after €39.9 bn in the first quarter of 2023 (-21.0% annualized).
- Annual growth in equipment and real estate loans remains positive, at +3.1% and +9.8% respectively, after +4.8% and +9.2% in the previous quarter.



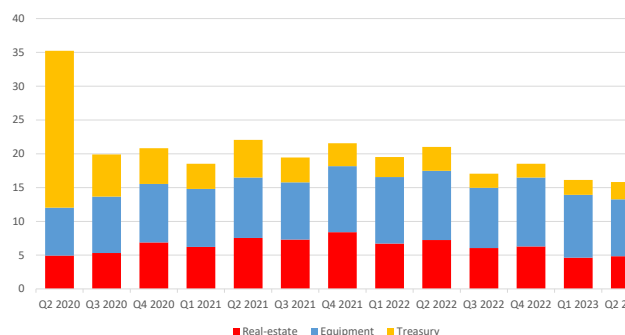
Change in outstanding loans to VSEs

(in €bn)



Quarterly new loans to VSEs

(in €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.