



10th July 2024

Financing of firms – France • May 2024

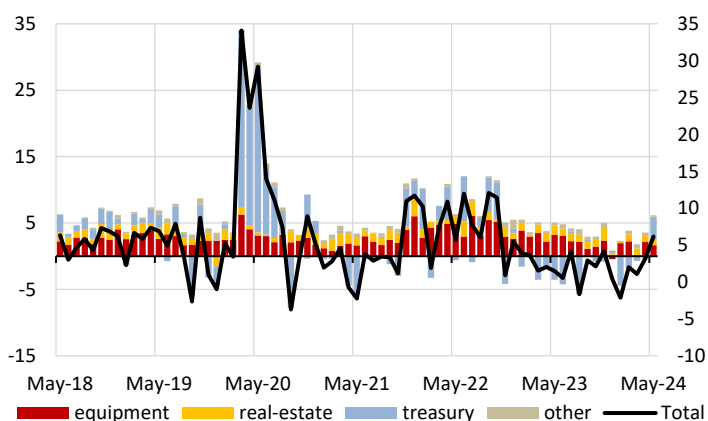
Growth in loans to NFCs increases again in May and their cost continues to fall

- Financing granted to non-financial corporations (NFCs) increases again in May by +1.8% over one year (after +1.6% in April and +1.4% in March). Bank financing is up (+1.8% after +1.4% in April), explained by a lesser decline in treasury loans (-4.9%, after -6.9% in April) and good dynamics in investment loans (+3.4%, after +3.7% in April). For its part, growth in financing by debt securities stabilizes at +1.9%.
- In May, the overall cost of new financing falls significantly (4.16% after 4.44% in April) as a result of a sharp drop in the interest rate on bank loans (4.31% after 4.76% in April), particularly affected by a major transaction by a large company, while the cost of debt securities increases slightly (3.89% after 3.82% in April).

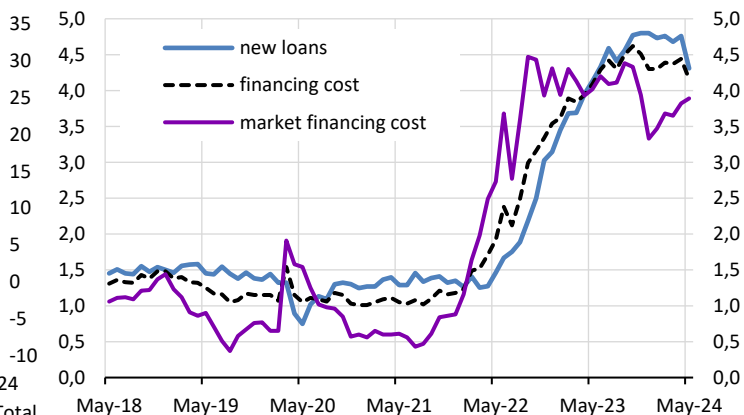
1 - Overview of NFCs : Outstanding amounts and flows in € Bn, annual growth rate and cost in % (non-seasonally adjusted) ^W

	May-24			Annual growth rate			Cost (annual interest rate)		
	Outstanding amounts	Transactions (cumulative over 12 month)	New business (cumulative over 12 month)	Mar-24	Apr-24	May-24	Mar-24	Apr-24	May-24
NFC's global financing	2,069.0	37.1		1.4	1.6	1.8	4.37	4.44	4.16
Loans	1,355.8	23.7	312.4	1.5	1.4	1.8	4.68	4.76	4.31
Investment	967.9			3.7	3.7	3.4			
Equipment	608.0			3.7	3.7	3.4			
Real-estate	359.9			3.7	3.6	3.4			
Treasury	311.8			-6.7	-6.9	-4.9			
Other lending	76.2			11.3	10.4	11.2			
Loans up to € 1 million			112.8				4.62	4.57	4.47
Loans over € 1 million			199.6				4.71	4.88	4.23
Securities other than shares	713.1	13.4		1.4	1.9	1.9	3.65	3.82	3.89

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



Cost (all maturities combined) by financing sources (in %) ^W





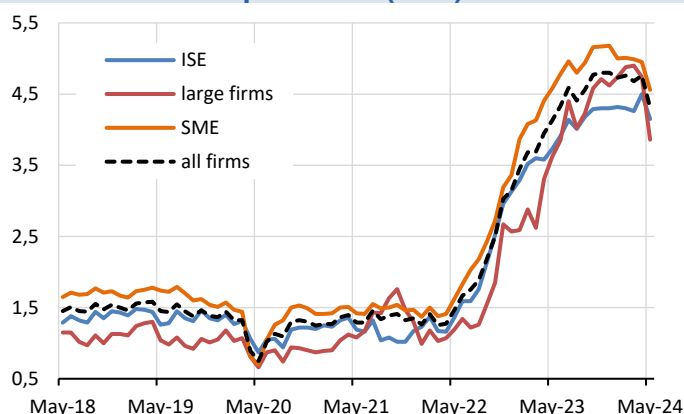
2 – Loans to firms by size ^W

- In May 2024, credit growth accelerates for SMEs (+2.0% after +1.6% in April), but mainly due to a significant loan granted to one of them. It declines slightly for ISEs (1.5% after 1.8% in April). On the other hand, outstanding bank loans for large firms continue to contract, but at a slower pace (-1.5% in May after -2.7% in April), a contraction notably due to the deleveraging of a large group. The average cost of credit continues to fall for all categories of companies, and particularly for large companies for which it is below 4%.

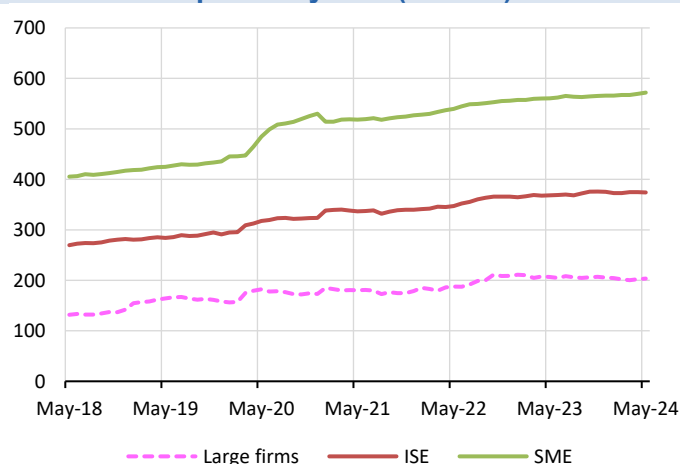
	Outstanding amounts (in Bn€) May-24	Annual growth rate in %			Cost in % (annual interest rate)		
		Mar-24	Apr-24	May-24	Mar-24	Apr-24	May-24
All firms	1,355.8	1.5	1.4	1.8	4.7	4.8	4.3
<i>Of which:</i>							
- SME	571.9	1.4	1.6	2.0	4.99	4.95	4.56
- ISE	374.0	1.6	1.8	1.5	4.26	4.50	4.15
- Large firms	203.6	-2.2	-2.7	-1.5	4.90	4.74	3.86

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 (all maturities combined) 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 outstanding loans mobilized is still very differentiated according to the economic sectors. It remains strong for the advisory and business support activities (+12.8%), for transportation and storage (+6.8%), for real estate activities (+4.3%) and agriculture, forestry and fishing (+3.0%). On the other hand, the outstanding loans mobilized continues to contract for industry (-5.6%), information and communication (-3.2%), wholesale and retail trade (-2.7%) and the accommodation and food service activities (-2.1%).
- Compared to its level in May 2023, the outstanding construction loan is contracting (-3.7%), but it is growing for the real estate development sub-sector (+8.5%).

	Drawn credits			Drawn and undrawn credits		
	Outstanding amounts	Annual growth rate in %		Outstanding amounts	Annual growth rate in %	
	May-24	Apr-24	May-24	May-24	Apr-24	May-24
Agriculture, forestry and fishing (AZ)	65.8	3.2	3.0	74.1	1.3	1.2
Industry (BE)	166.0	-6.9	-5.6	268.1	-2.9	-1.6
- inc. Manufacturing (C)	117.8	-4.7	-4.4	189.5	-1.4	-0.5
Construction (FZ)	73.2	-3.4	-3.7	108.4	-4.8	-5.1
Wholesale and retail trade; repair of motor vehicles and motorcycles (G)	181.8	-3.1	-2.7	251.4	-3.2	-3.0
Transportation and storage (H)	63.3	6.0	6.8	79.8	5.6	5.4
Accommodation and food service activities (I)	50.8	-1.1	-2.1	55.7	-1.8	-2.4
Information and communication (JZ)	31.9	-0.6	-3.2	53.2	-2.3	-4.9
Real estate activities (LZ) (*)	539.6	4.4	4.3	592.6	4.2	4.3
Advisory & Business support activities (MN)	106.9	10.8	12.8	136.3	15.0	12.3
Education, human health and social work services, Art, entertainment and recreation, Other service activities (PS)	61.6	-0.5	-0.8	70.6	0.2	-0.5
Holdings	22.7	14.5	15.3	26.7	12.0	12.3

(*) including non-trading real estate companies

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