

10th September 2024

## Financing of firms – France • July 2024

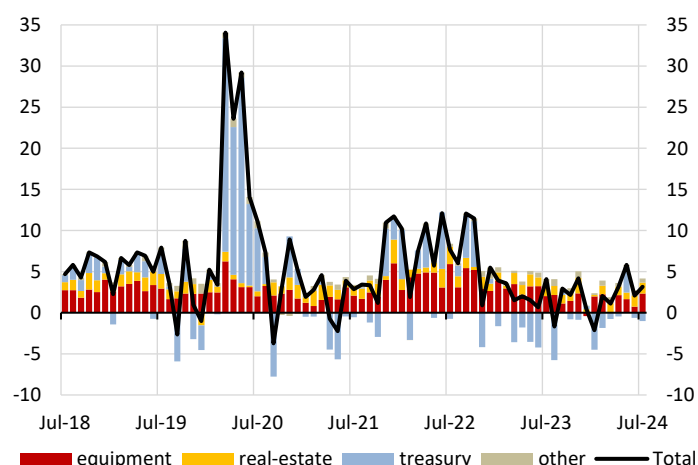
### Growth in financing to NFCs remains positive

- In July 2024, year-on-year growth in financing granted to non-financial companies (NFCs) slowed slightly (+2.2% on an annualized basis, after +2.6% in June) due to slower growth in financing in the form of debt securities (+3.0%, after +3.7% in June) and bank loans (+1.8%, after +2.0% in June). Among the latter, outstanding treasury loans continued to fall year-on-year (-4.4% after -3.3% in June), while investment loans rose again (+3.2% after +3.1% in June).
- The overall cost of new financing was slightly down in July (4.27% after 4.37% in June) due to a reduction in the cost of new debt issues (3.53% after 3.83% in June), with bank loan interest rates stable at 4.65%.

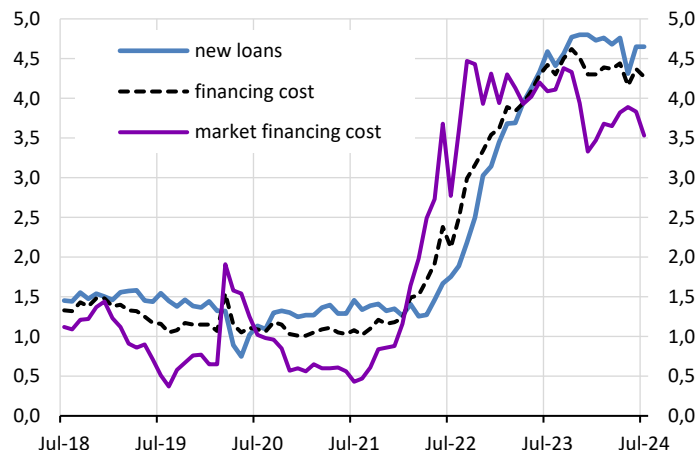
#### 1 - Overview of NFCs : Outstanding amounts and flows in € Bn, annual growth rate and cost in % (non-seasonally adjusted) <sup>W</sup>

	Jul-24			Annual growth rate			Cost (annual interest rate)		
	Outstanding amounts	Transactions (cumulative over 12 month)	New business (cumulative over 12 month)	May-24	Jun-24	Jul-24	May-24	Jun-24	Jul-24
<b>NFC's global financing</b>	<b>2,076.7</b>	<b>45.0</b>		<b>1.8</b>	<b>2.6</b>	<b>2.2</b>	<b>4.16</b>	<b>4.37</b>	<b>4.27</b>
<b>Loans</b>	<b>1,366.8</b>	<b>24.1</b>	<b>317.0</b>	<b>1.7</b>	<b>2.0</b>	<b>1.8</b>	<b>4.31</b>	<b>4.65</b>	<b>4.65</b>
Investment	976.6			3.4	3.1	3.2			
Equipment	613.2			3.4	2.9	3.0			
Real-estate	363.3			3.4	3.5	3.5			
Treasury	314.2			-5.0	-3.3	-4.4			
Other lending	76.1			10.6	10.8	11.5			
Loans up to € 1 million			113.7				4.47	4.44	4.39
Loans over € 1 million			203.3				4.23	4.75	4.77
<b>Securities other than shares</b>	<b>709.8</b>	<b>20.9</b>		<b>1.9</b>	<b>3.7</b>	<b>3.0</b>	<b>3.89</b>	<b>3.83</b>	<b>3.53</b>

#### Monthly changes in outstanding loans by purpose (seasonally adjusted data in € Bn) <sup>W</sup>



#### Cost (all maturities combined) by financing sources (in %) <sup>W</sup>





## 2 – Loans to firms by size <sup>W</sup>

- In July 2024, year-on-year credit growth slowed for all company sizes. Outstanding loans grew by +1.0% for SMEs and indeterminate sizes (after +1.4% in June), by +1.6% for ISE (after +2.6%), and by +0.3% for large firms (after +0.9%). The dynamic performance of large companies is due in particular to the deleveraging of a major group.
- Average cost of credit stabilizes relative to June 2024, for all company categories.

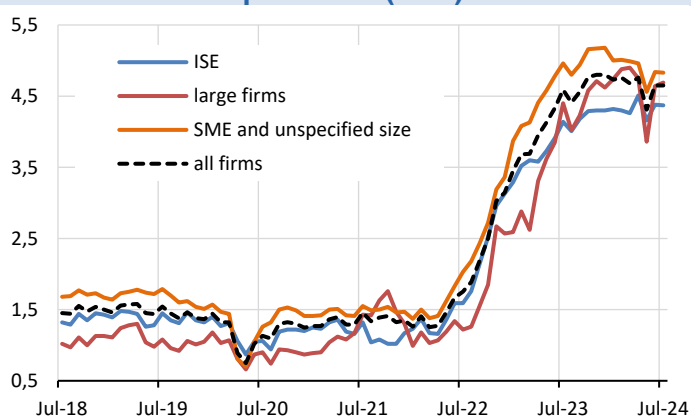
	Outstanding amounts (in Bn€) Jul-24	Annual growth rate in %			Cost in % (annual interest rate)		
		May-24	Jun-24	Jul-24	May-24	Jun-24	Jul-24
<b>All firms</b>	1,366.8	1.7	2.0	1.8	4.31	4.65	4.65
<i>Of which:</i>							
- SME and unspecified size	568.0	1.7	1.4	1.0	4.56	4.84	4.83
- ISE	384.2	2.4	2.6	1.6	4.16	4.38	4.37
- Large firms	202.9	-0.5	0.9	0.3	3.86	4.64	4.69

Note on methodology:

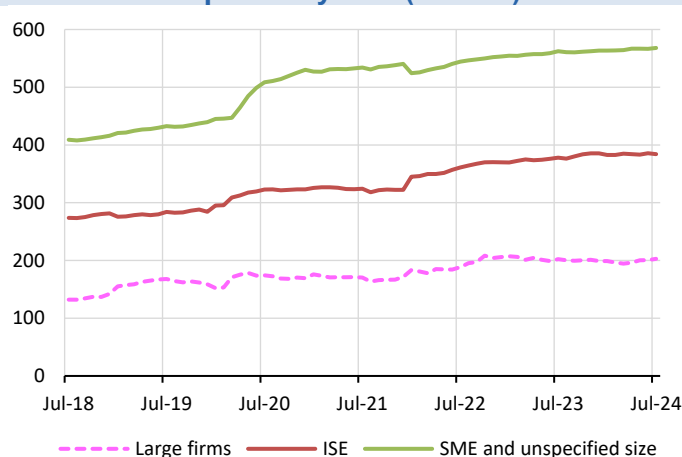
The scope of SME credit outstandings includes companies of indeterminate size (e.g., companies created during the year, etc.), which may be reclassified in another category as and when available information on sales, workforce, balance sheet size or financial links is updated.

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 %) <sup>W</sup>



### Outstanding amounts of loans to resident enterprises by size (in € Bn) <sup>W</sup>





### 3 – Outstanding amounts by sector\*\* (stocks in € Bn, annual growth rate in %) <sup>W</sup>

- Growth in outstanding loans continues to vary widely from one economic sector to another. Growth remains strong in the business consultancy and services sector (+9.4%), transport and storage (+7.2%), information and communication (+6.4%), real estate (+3.4%) and agriculture, forestry and fishing (+3.2%). On the other hand, outstanding loans continued to contract for industrial activities (-4.4%), trade (-3.2%) and the accommodation and catering sector (-1.7%).
- Compared with its level in July 2023, outstanding construction loans are contracting (-2.2%), but they are growing in the property development sub-sector (+5.3%).

	Drawn credits			Drawn and undrawn credits		
	Outstanding amounts	Annual growth rate in %		Outstanding amounts	Annual growth rate in %	
		Jul-24	Jun-24		Jul-24	Jun-24
Agriculture, forestry and fishing (AZ)	67.3	2.8	3.2	75.4	1.0	1.8
Industry (BE)	166.2	-3.6	-4.4	267.7	0.6	-0.1
- inc. Manufacturing (C)	115.6	-2.4	-4.0	187.1	1.4	0.8
Construction (FZ)	71.8	-2.8	-2.2	105.4	-4.2	-3.5
Wholesale and retail trade; repair of motor vehicles and motorcycles (G)	184.1	-2.9	-3.2	254.5	-2.2	-3.0
Transportation and storage (H)	64.2	7.6	7.2	82.5	4.3	4.6
Accommodation and food service activities (I)	52.1	-1.5	-1.7	57.6	-1.7	-2.6
Information and communication (JZ)	34.9	9.9	6.4	55.9	3.4	0.4
Real estate activities (LZ) (*)	541.3	3.5	3.4	594.9	2.9	3.0
Advisory & Business support activities (MN)	105.0	10.1	9.4	133.8	10.3	8.7
Education, human health and social work services, Art, entertainment and recreation, Other service activities (PS)	62.4	0.1	-2.2	71.8	0.6	-1.4
Holdings	18.7	10.1	7.3	22.3	7.0	10.1

(\*) 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) <sup>W</sup>

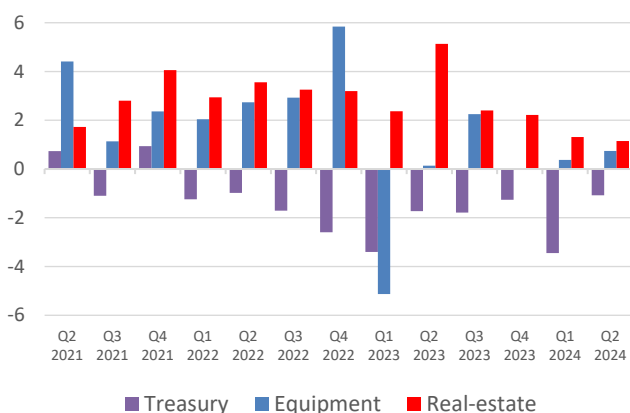
#### Loans to VSEs: breakdown by type of loans (1) <sup>W</sup>

	Outstanding amounts (Billions euros)	Annual growth rate in %	
		Q1 2024	Q2 2024
	Q2 2024	Q1 2024	Q2 2024
Loans	357.5	1.6	0.8
Treasury	27.0	-22.9	-22.0
Equipment	163.5	1.7	2.1
Real-estate	167.0	7.1	4.4



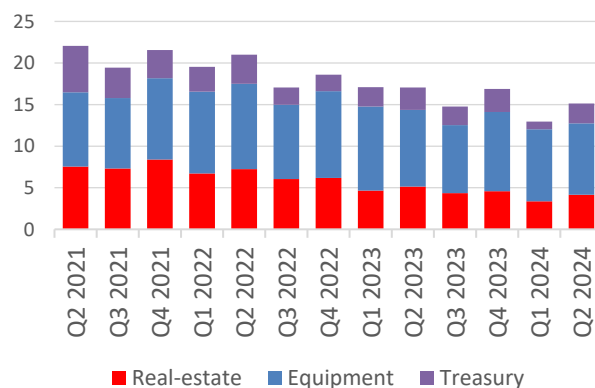
## Change in outstanding loans to VSEs

(in €bn)



## Quarterly new loans to VSEs

(in €bn)



In this quarterly additional information, very small enterprises (VSEs) are characterized by the criteria of the 2008 LME Act - companies employing fewer than 20 people and with annual sales or balance sheet total not exceeding 10 million euros - or failing that, by sales not exceeding 10 million euros.

Very small businesses, which include microenterprises, form 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 business credit rates is now integrated quarterly into Stat Info Financing of firms.