



15th May 2023

Financing of firms – France • March 2023

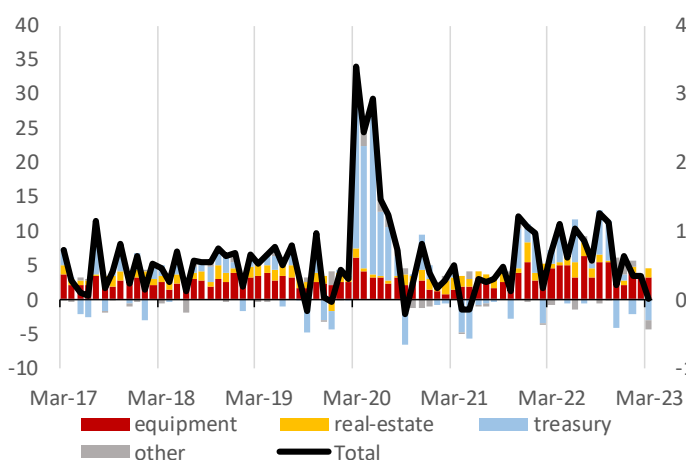
Loans to NFCs remains abundant

- Annual growth in outstanding bank lending to non-financial companies falls slightly in March 2023, while remaining dynamic (+6.4%, down from +6.9% in February). Growth in investment loans is particularly strong (+7.2% in March), driven mainly by the equipment component (+9.0%) and to a lesser extent by the real estate component (+4.3%). On the other hand, the increase in treasury loans slows down (+4.0%, down from +5.7% in February).
- The average interest rate for bank loans stabilizes in March at 3.68%, after 11 consecutive months of increases, and the average rate for debt issues decreases (4.13%, after 4.31% in February). In total, the overall cost of financing for non-financial companies falls to 3.84% in March, down 6 basis points from February.

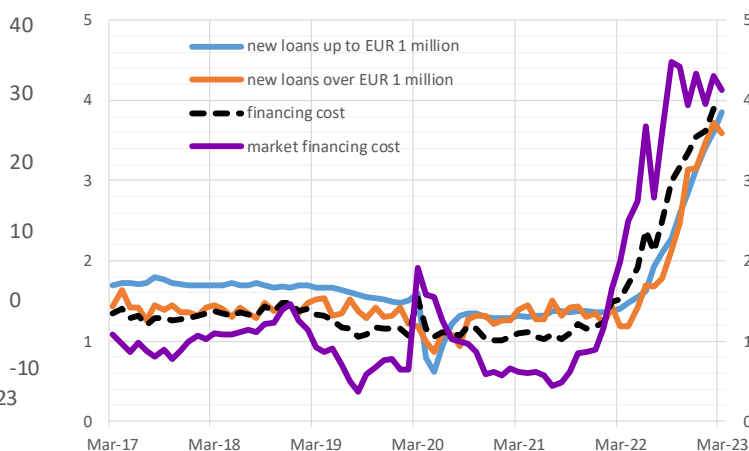
1 - Overview of NFCs : Outstanding amounts and flows in € Bn, annual growth rate and cost in % (non-seasonally adjusted) ^W

	Mar-23			Annual growth rate			Cost (annual interest rate)		
	Outstanding amounts	Transactions (cumulative over 12 month)	New business (cumulative over 12 month)	Jan-23	Feb-23	Mar-23	Jan-23	Feb-23	Mar-23
NFC's global financing	2 019.1	70.1		4.1	4.4	3.6	3.62	3.90	3.84
Loans	1 330.7	80.5	362.9	6.8	6.9	6.4	3.45	3.68	3.68
Investment	926.1			7.6	7.3	7.2			
<i>Equipment</i>	586.2			9.7	9.3	9.0			
<i>real-estate</i>	339.9			4.3	4.1	4.3			
Treasury	335.3			4.6	5.7	4.0			
Other lending	69.3			7.0	7.8	7.8			
Loans up to €1 million			123.4				3.42	3.61	3.86
Loans over €1 million			239.5				3.47	3.73	3.58
Securities other than shares	688.4	-10.3		-0.8	-0.1	-1.5	3.96	4.31	4.13

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



Cost by financing sources (in %) ^W





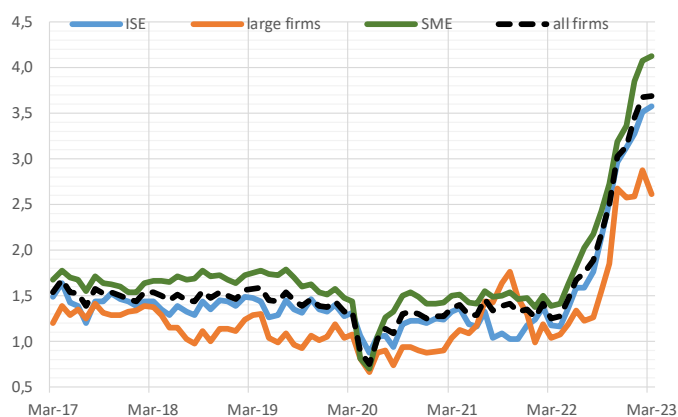
2 – Loans to firms by size ^W

- Annual credit growth rates at the end of March remain high for all sizes of firms, especially the largest.
- Over the year to the end of March, credit growth is almost stable for SMEs (+5.0% compared to +5.3% at the end of February). However, it decreases slightly for small and medium-sized companies (+5.6% at the end of March compared to +6.5% at the end of February).
- The annual growth rate of credit remains high for large companies (+13.2% at the end of March after +13.0% at the end of February and +12.2% at the end of January) but masks two opposite trends: a particularly dynamic increase in outstandings carried by some large companies while others are deleveraging.

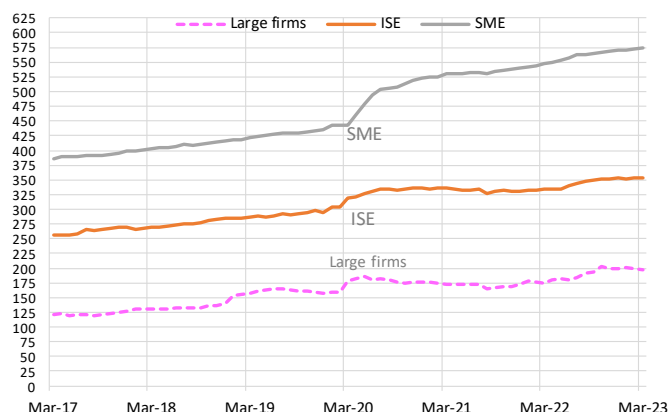
	Outstanding amounts (in Bn €)	Annual growth rate in %			Cost in % (annual interest rate)		
	Mar-23	Jan-23	Feb-23	Mar-23	Jan-23	Feb-23	Mar-23
All firms	1 330.7	6.8	6.9	6.4	3.45	3.68	3.68
<i>Of which:</i>							
- SME	574.0	5.5	5.3	5.0	3.85	4.07	4.12
- ISE	353.1	6.3	6.5	5.6	3.28	3.51	3.58
- Large firms	196.8	12.2	13.0	13.2	2.59	2.88	2.61

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 is still strong in the business consulting and services sector (+13.4%), the information and communication sector (+11.9%) and the real estate sector (+9.6%). The accommodation and catering sector continues to reduce its bank debt (-2.6% after -2.4%). The increase in bank financing for industrial activities, excluding manufacturing, continues in March (+7.5% after +6.8% in February). The growth rate of outstanding loans in the construction sector accelerates (+7.3% in March after +5.6% in February).

	Drawn credits			Drawn and undrawn credits		
	Outstanding amounts	Annual growth rate in %		Outstanding amounts	Annual growth rate in %	
		Mar-23	Feb-23		Mar-23	Feb-23
Agriculture, forestry and fishing (AZ)	63.5	4.2	4.3	73.1	5.5	5.1
Industry (BE)	167.7	6.8	7.5	256.7	5.2	1.2
- inc. Manufacturing (C)	117.3	-1.6	0.3	180.8	-0.4	-0.2
Construction (FZ)	76.3	5.6	7.3	115.8	4.4	3.6
Wholesale and retail trade; repair of motor vehicles and motorcycles (G)	181.9	4.3	2.3	250.5	4.3	-1.9
Transportation and storage (H)	56.7	0.7	-2.1	70.6	1.7	-1.8
Accommodation and food service activities (I)	49.0	-2.4	-2.6	53.9	-1.9	-2.4
Information and communication (JZ)	34.3	12.1	11.9	56.3	5.2	2.5
Real estate activities (LZ) (*)	523.9	9.9	9.6	577.8	10.2	9.4
Advisory & Business support activities (MN)	99.5	15.3	13.4	128.2	12.9	11.5
Education, human health and social work services, Art, entertainment and recreation, Other service activities (PS)	60.0	1.0	1.6	68.6	-0.4	0.5
Holdings	22.6	27.4	29.1	27.5	24.5	30.4

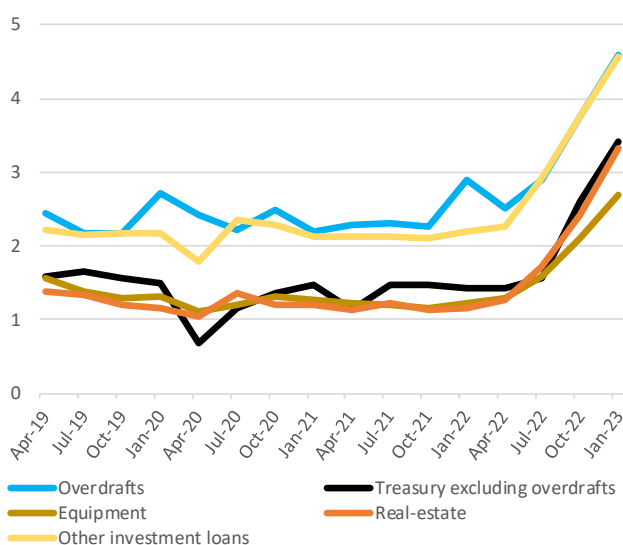
(*) including non-trading real estate companies

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

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

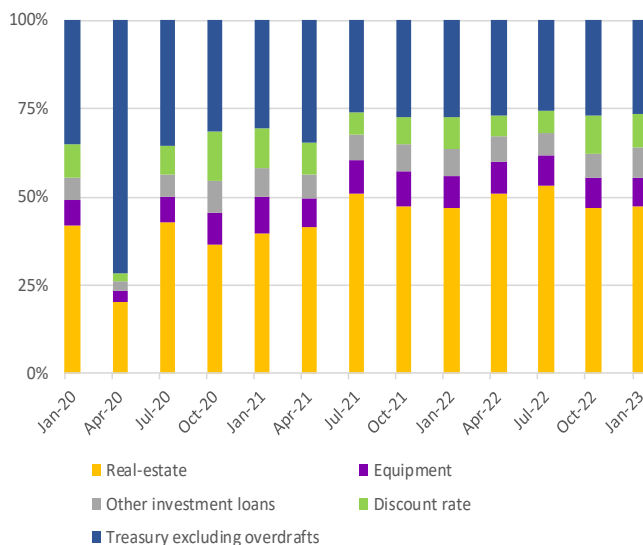
Cost of new loans by purpose ^W

(in %)



Breakdown of new loans by purpose ^W

(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 %)
	Oct-22	Jan-23	Jan-23	Jan-23
Overdrats	3.75	4.59		
Treasury excluding overdrafts	2.60	3.41	24	24
Equipment	2.43	3.34	117	82
Real-estate	2.10	2.69	196	88
Other investment loans	3.76	4.56	62	99

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.