



11th January 2024

## Financing of firms – France • November 2023

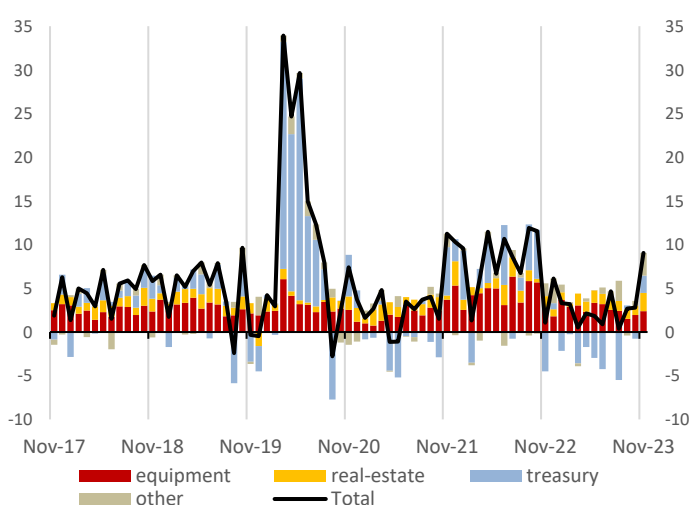
### Bank loan to NFCs remains buoyant

- In November 2023, bank credit continues to grow at a rate in excess of 2% (+2.7% year-on-year, after +2.1% in October and +2.9% in September), driven by a slight rebound in treasury loans (+2.1 bn€) and sustained growth in investment loans (+4.5 bn€).
- The annual growth rate for securities other than shares is +1.3% (after +1.7% in October).
- The interest rate on bank loans to NFCs is virtually stable in November (4.80%, after 4.77% in October), while that on debt securities falls sharply (3.93%, after 4.32% in October).

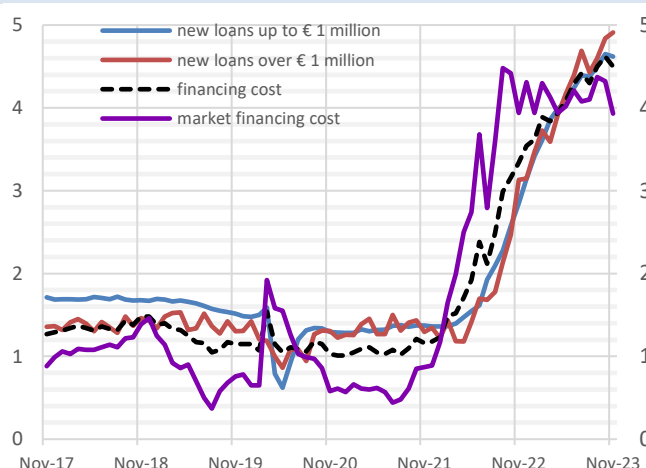
#### 1 - Overview of NFCs : Outstanding amounts and flows in € Bn, annual growth rate and cost in % (non-seasonally adjusted) <sup>W</sup>

	Nov-23			Annual growth rate			Cost (annual interest rate)		
	Outstanding amounts	Transactions (cumulative over 12 month)	New business (cumulative over 12 month)	Sep-23	Oct-23	Nov-23	Sep-23	Oct-23	Nov-23
<b>NFC's global financing</b>	<b>2,058.7</b>	<b>45.2</b>		<b>2.2</b>	<b>2.0</b>	<b>2.2</b>	<b>4.50</b>	<b>4.62</b>	<b>4.50</b>
<b>Loans</b>	<b>1,353.5</b>	<b>36.2</b>	<b>316.2</b>	<b>2.9</b>	<b>2.1</b>	<b>2.7</b>	<b>4.56</b>	<b>4.77</b>	<b>4.80</b>
Investment	956.8			5.3	4.9	4.9			
Equipment	600.7			6.2	5.5	5.4			
Real-estate	356.1			3.7	3.9	4.0			
Treasury	321.2			-5.3	-7.3	-5.5			
Other lending	75.6			12.9	14.2	15.5			
Loans up to € 1 million			114.5				4.50	4.65	4.62
Loans over € 1 million			201.7				4.60	4.84	4.91
<b>Securities other than shares</b>	<b>705.2</b>	<b>9.0</b>		<b>0.7</b>	<b>1.7</b>	<b>1.3</b>	<b>4.37</b>	<b>4.32</b>	<b>3.93</b>

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



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





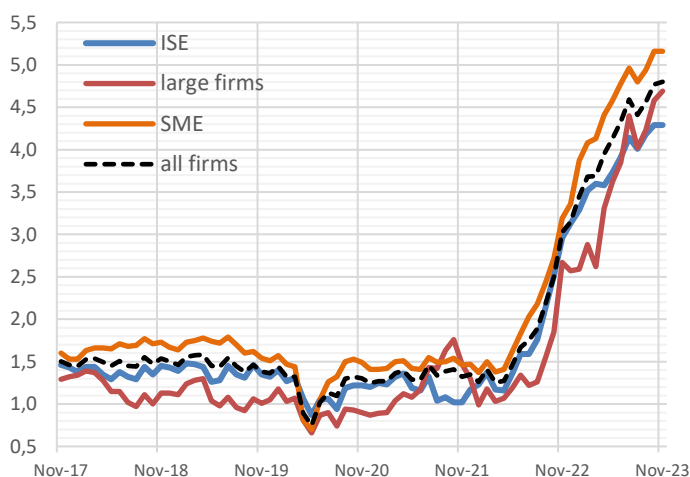
## 2 – Loans to firms by size <sup>W</sup>

- In November 2023, credit growth by size-class varies little compared to the previous month: credit growth to SMEs remains close to +2% (a slight decline compared to the previous month), ISEs credit growth returns to +2.2%, while last month's base effect fading significantly for large firms.
- The cost of credit increases only for large companies and remains stable for other size-classes.

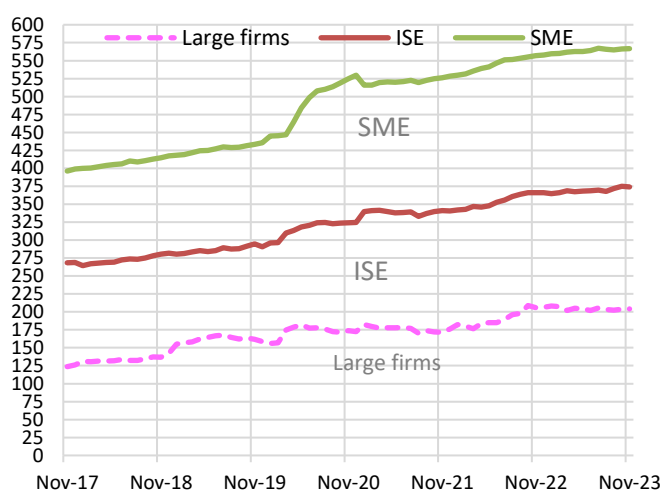
	Outstanding amounts (in Bn€) Nov-23	Annual growth rate in %			Cost in % (annual interest rate)		
		Sep-23	Oct-23	Nov-23	Sep-23	Oct-23	Nov-23
<b>All firms</b>	1,353.5	2.9	2.1	2.7	4.6	4.8	4.8
<i>Of which:</i>							
- SME	566.9	2.2	2.1	1.8	4.94	5.16	5.16
- ISE	374.0	2.2	2.5	2.2	4.18	4.29	4.29
- Large firms	204.3	2.2	-2.5	-0.8	4.23	4.58	4.69

*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 %) <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. It remains strong in the advisory and business support activities (+10%) and dynamic in real estate activities (+4.3%). Compared with its November 2022 level, however, outstanding loans continue to fall for industrial activities (-2.5%) and for the accommodation and food service activities (-2.0%).
- Also compared with its November 2022 level, outstanding construction loans are down by 3.6%, but for the real estate development sub-sector, they are up by 1.7%.

	Drawn credits			Drawn and undrawn credits		
	Outstanding amounts	Annual growth rate in %		Outstanding amounts	Annual growth rate in %	
	Nov-23	Oct-23	Nov-23	Nov-23	Oct-23	Nov-23
Agriculture, forestry and fishing (AZ)	64.9	5.2	4.7	74.0	4.0	3.4
Industry (BE)	171.3	-2.7	-2.5	266.5	-3.8	-3.1
- inc. Manufacturing (C)	122.4	-1.9	-1.7	189.6	-4.3	-3.0
Construction (FZ)	73.3	-5.7	-3.6	108.4	-6.0	-5.2
Wholesale and retail trade; repair of motor vehicles and motorcycles (G)	184.0	-1.3	-2.1	252.4	-3.7	-4.0
Transportation and storage (H)	63.1	0.8	2.4	80.3	0.8	3.1
Accommodation and food service activities (I)	50.6	-2.1	-2.0	55.5	-2.3	-2.3
Information and communication (JZ)	33.6	4.5	2.0	55.1	-0.6	-4.7
Real estate activities (LZ) (*)	529.0	4.0	4.3	581.5	4.1	4.0
Advisory & Business support activities (MN)	99.3	10.4	10.0	125.7	11.0	10.6
Education, human health and social work services, Art, entertainment and recreation, Other service activities (PS)	62.8	1.8	1.6	70.8	0.8	0.2
Holdings	23.1	16.7	17.1	27.9	12.3	11.1

(\*) including non-trading real estate companies

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