



8th February 2024

## Financing of firms – France • December 2023

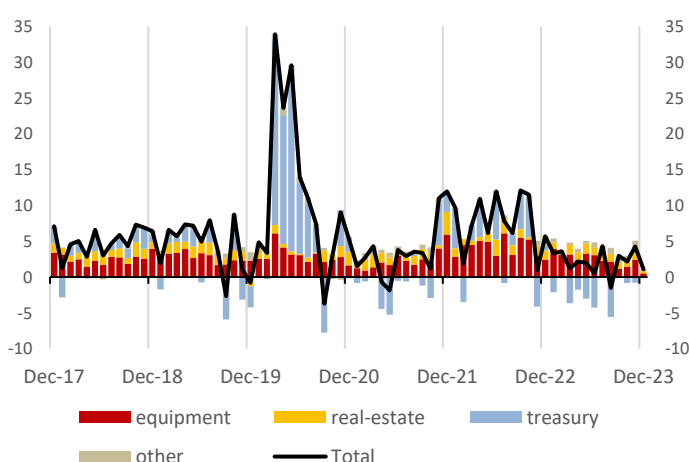
### With volumes still rising, interest rates for NFCs stabilize on bank loans, and fall on market financing

- Over one year, growth in outstanding bank loans to non-financial companies reaches +2.0% in December (after +2.5% in November), driven by the dynamism of the investment component (+4.5% year-on-year, after +4.8% in November) which more than compensates for the drop in outstanding treasury loans (-6.3%, after -6.4% in November).
- For their part, financing in the form of debt securities increases by +1.3% over the whole year.
- In December, the interest rate on new loans is stable (4.79%, after 4.80% in November and 4.77% in October) while that of debt securities decreases significantly (3.32% in December, after 3.93% in November).

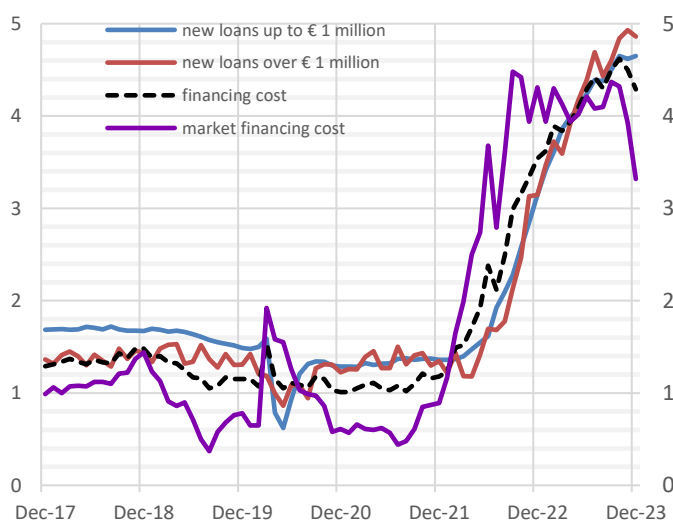
#### 1 - Overview of NFCs : Outstanding amounts and flows in € Bn, annual growth rate and cost in % (non-seasonally adjusted) <sup>W</sup>

	Dec-23			Annual growth rate			Cost (annual interest rate)		
	Outstanding amounts	Transactions (cumulative over 12 month)	New business (cumulative over 12 month)	Oct-23	Nov-23	Dec-23	Oct-23	Nov-23	Dec-23
<b>NFC's global financing</b>	<b>2,049.4</b>	<b>34.7</b>		<b>2.0</b>	<b>2.1</b>	<b>1.7</b>	<b>4.62</b>	<b>4.50</b>	<b>4.29</b>
<b>Loans</b>	<b>1,349.7</b>	<b>25.9</b>	<b>314.6</b>	<b>2.1</b>	<b>2.5</b>	<b>2.0</b>	<b>4.77</b>	<b>4.80</b>	<b>4.79</b>
Investment	956.5			4.9	4.8	4.5			
Equipment	599.9			5.5	5.4	5.0			
Real-estate	356.6			3.9	4.0	3.7			
Treasury	318.7			-7.3	-6.4	-6.3			
Other lending	74.5			14.2	15.5	8.6			
Loans up to € 1 million			113.8				4.65	4.62	4.65
Loans over € 1 million			200.8				4.84	4.93	4.86
<b>Securities other than shares</b>	<b>699.7</b>	<b>8.7</b>		<b>1.7</b>	<b>1.3</b>	<b>1.3</b>	<b>4.32</b>	<b>3.93</b>	<b>3.32</b>

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



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



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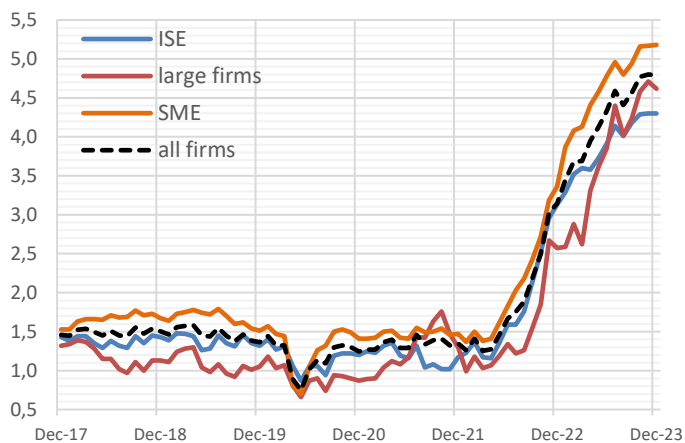
## 2 – Loans to firms by size <sup>W</sup>

- In December 2023, growth in credit to NFCs returns to its October level (+2.0%). However, it continues to gradually slow down for SMEs (+1.8%, after +1.9% in November and +2.1% in October) while it is almost unchanged for ISEs.
- The cost of credit remains generally stable but falls slightly for large firms.

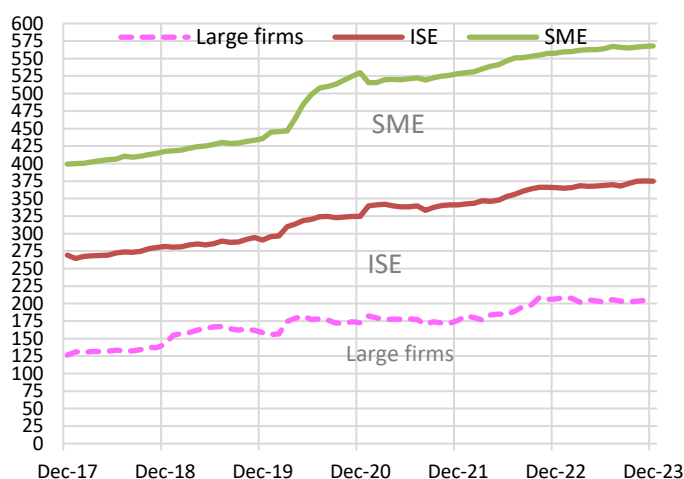
	Outstanding amounts (in Bn€) Dec-23	Annual growth rate in %			Cost in % (annual interest rate)		
		Oct-23	Nov-23	Dec-23	Oct-23	Nov-23	Dec-23
<b>All firms</b>	1,349.7	2.1	2.5	2.0	4.77	4.80	4.79
<i>Of which:</i>							
- SME	567.9	2.1	1.9	1.8	5.16	5.17	5.18
- ISE	374.6	2.5	2.5	2.4	4.29	4.30	4.30
- Large firms	202.8	-2.5	-0.7	-1.7	4.58	4.71	4.62

*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>

- The growth in the outstanding amount of mobilized credits is still very differentiated depending on the economic sectors. It remains strong for the advisory & business support activities (+9.8%), for real estate activities (+4.6%) and agriculture, forestry and fishing (+4.5%). On the other hand, the outstanding amount of mobilized credits continues to contract for industry (-4.3%) and for the accommodation and food service activities (-2.1%).
- Compared to its level in December 2022, outstanding construction credit is contracting (-3.8%), but it is growing for the real estate development sub-sector (+1.7%).

	Drawn credits			Drawn and undrawn credits		
	Outstanding amounts	Annual growth rate in %		Outstanding amounts	Annual growth rate in %	
		Dec-23	Nov-23		Dec-23	Nov-23
Agriculture, forestry and fishing (AZ)	64.5	4.7	4.5	73.3	3.4	3.1
Industry (BE)	169.1	-2.5	-4.3	264.1	-3.0	-4.0
- inc. Manufacturing (C)	120.7	-1.6	-3.3	187.6	-2.9	-4.2
Construction (FZ)	73.4	-3.5	-3.8	109.1	-5.1	-5.5
Wholesale and retail trade; repair of motor vehicles and motorcycles (G)	185.3	-1.4	-0.9	253.5	-3.5	-4.6
Transportation and storage (H)	62.8	2.5	1.4	79.1	3.2	1.2
Accommodation and food service activities (I)	50.8	-1.9	-2.1	55.8	-2.1	-1.8
Information and communication (JZ)	33.1	1.6	2.4	54.7	-4.9	-3.9
Real estate activities (LZ) (*)	532.4	4.3	4.6	584.2	4.0	3.8
Advisory & Business support activities (MN)	100.0	10.1	9.8	127.7	10.6	10.2
Education, human health and social work services, Art, entertainment and recreation, Other service activities (PS)	61.7	1.6	0.1	69.6	0.2	-2.1
Holdings	23.5	17.7	14.7	28.1	11.6	11.6

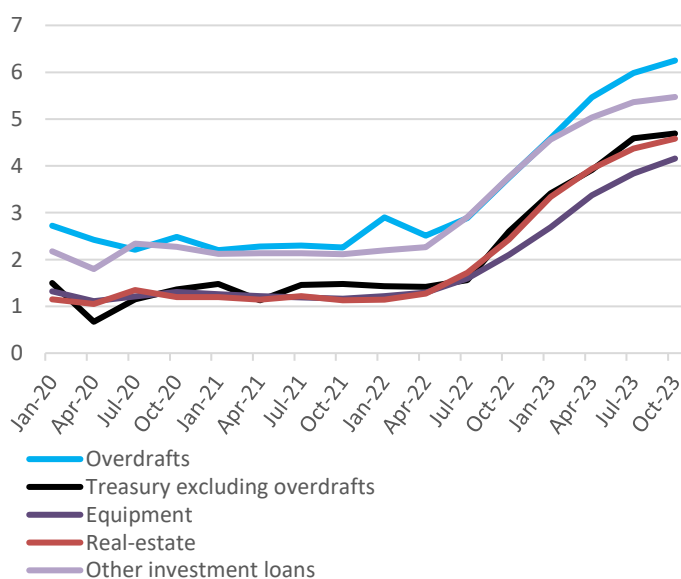
(\*) including non-trading real estate companies

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

### 4 – Quarterly additional information about loans to NFCs rates (1) <sup>W</sup>

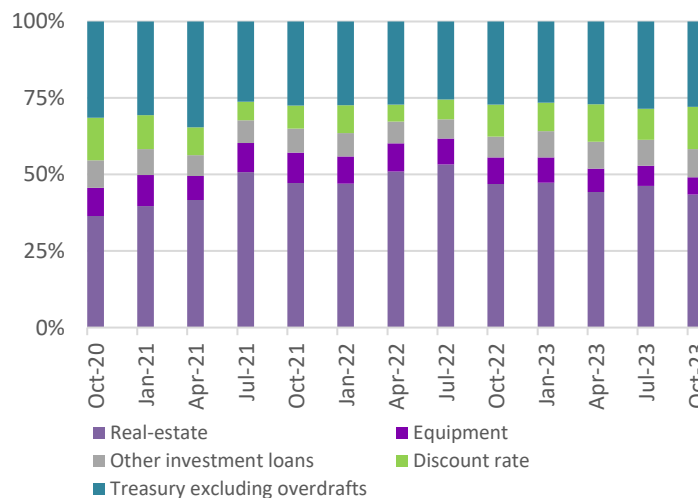
#### Cost of new loans by purpose <sup>W</sup>

(in %)



#### Breakdown of new loans by purpose <sup>W</sup>

(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 %)
	Jul-23	Oct-23	Oct-23	Oct-23
Overdrats	5.99	6.25		
Treasury excluding overdrafts	4.59	4.69	27	19
Equipment	4.37	4.58	115	78
Real-estate	3.84	4.16	196	92
Other investment loans	5.36	5.47	63	97

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/communiqué-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.