



11th March 2024

Financing of firms – France • January 2024

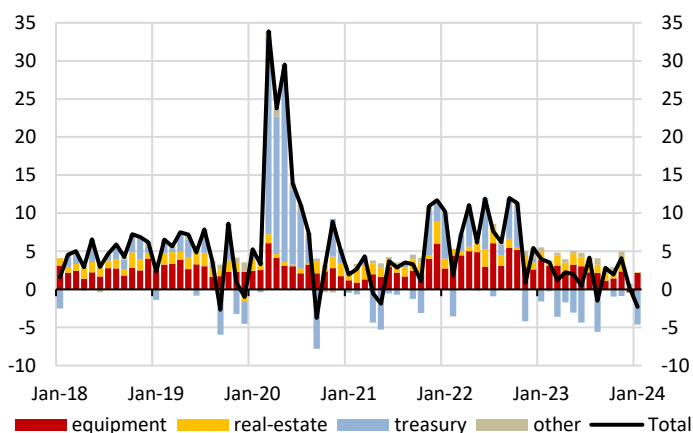
Bank lending growth to NFCs is different across the type of firm or the purpose of the loan, but is up overall year-on-year

- Investment loans to non-financial corporations (NFCs) continue to grow at a sustained pace (+4.1% year-on-year in outstandings, after +4.4% in December 2023), driven in particular by the equipment component (+4.5% in January after +4.8% in December). Conversely, outstanding treasury loans continue to contract (-7.4% after -6.2% in December), as repayments still exceed new loan production. All in all, growth in outstanding bank loans to NFCs is over 17 billion euros, or +1.3%, year-on-year in January 2024.
- In January 2024, the interest rate on new loans to NFCs falls slightly to 4.73% (after 4.80% in December 2023).
- NFC securities debt financing moderates in January (+0.7% year-on-year, after +1.5% in December) and its cost (all maturities) increases slightly (3.47%, after 3.34% in December), but remains below the average cost of bank debt.

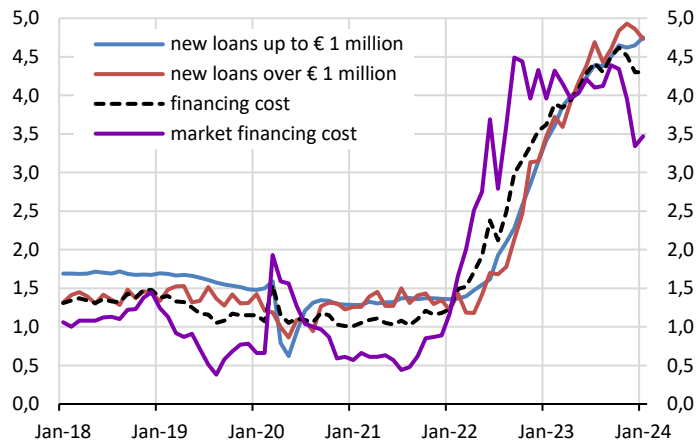
1 - Overview of NFCs : Outstanding amounts and flows in € Bn, annual growth rate and cost in % (non-seasonally adjusted) ^W

	Jan-24			Annual growth rate			Cost (annual interest rate)		
	Outstanding amounts	Transactions (cumulative over 12 month)	New business (cumulative over 12 month)	Nov-23	Dec-23	Jan-24	Nov-23	Dec-23	Jan-24
NFC's global financing	2,044.8	21.8		2.1	1.8	1.1	4.51	4.30	4.30
Loans	1,344.7	17.2	309.5	2.5	1.9	1.3	4.80	4.80	4.73
Investment	958.4			4.8	4.4	4.1			
<i>Equipment</i>	601.7			5.4	4.8	4.5			
<i>Real-estate</i>	356.6			4.0	3.8	3.5			
Treasury	313.2			-6.4	-6.2	-7.4			
Other lending	73.1			15.5	8.2	6.4			
Loans up to € 1 million			113.1				4.62	4.65	4.75
Loans over € 1 million			196.4				4.93	4.86	4.73
Securities other than shares	700.1	4.6		1.5	1.5	0.7	3.95	3.34	3.47

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



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





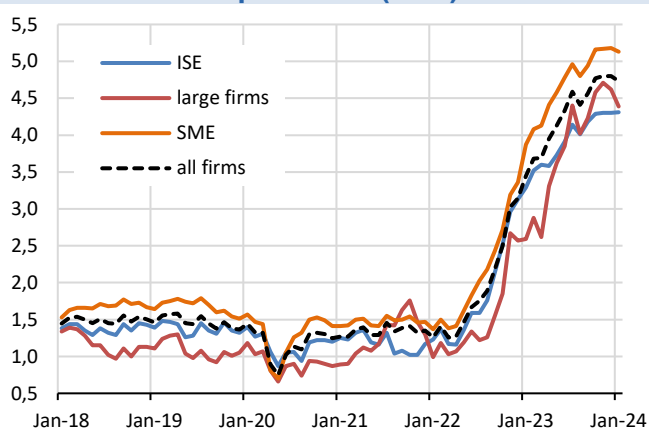
2 – Loans to firms by size ^W

- In January 2024, credit growth slows for all company sizes: +1.4% for SMEs (after +1.8% in December), +1.7% for ISEs (after +2.3%) and -3.8% for large firms (after -1.7%). The dynamic growth in large firm outstandings was driven in particular by the deleveraging of a major group.
- Among SMEs, however, loans to micro-businesses alone rise year-on-year (+7.1%).

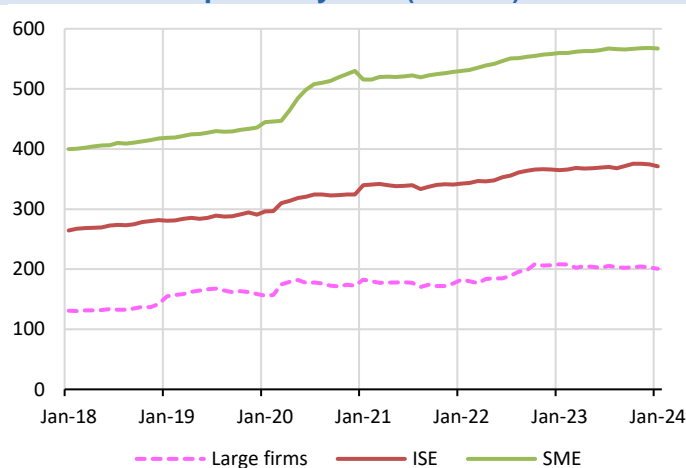
	Outstanding amounts (in Bn€)	Annual growth rate in %			Cost in % (annual interest rate)		
	Jan-24	Nov-23	Dec-23	Jan-24	Nov-23	Dec-23	Jan-24
All firms	1,344.7	2.5	1.9	1.3	4.8	4.8	4.7
<i>Of which:</i>							
- SME	567.4	1.9	1.8	1.4	5.17	5.18	5.13
- ISE	371.1	2.5	2.3	1.7	4.30	4.30	4.31
- Large firms	200.5	-0.7	-1.7	-3.8	4.71	4.62	4.39

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

- Growth in outstanding loans continues to vary widely from one economic sector to another. Growth remains strong in the business consultancy and services sector (+9.5%), real estate (+4.3%) and agriculture, forestry and fishing (+3.6%). On the other hand, outstanding loans continue to contract in the industrial sector (-5.6%) and in the accommodation and catering sector (-2.4%).
- Compared with its January 2023 level, outstanding construction loans are contracting (-4.0%), but they are growing in the real estate development sub-sector (+5.0%).

	Drawn credits			Drawn and undrawn credits		
	Outstanding amounts	Annual growth rate in %		Outstanding amounts	Annual growth rate in %	
		Jan-24	Dec-23		Jan-24	Dec-23
Agriculture, forestry and fishing (AZ)	64.7	4.5	3.6	73.4	3.1	1.8
Industry (BE)	166.1	-4.3	-5.6	262.3	-4.0	-3.4
- inc. Manufacturing (C)	118.9	-3.3	-5.3	186.0	-4.2	-4.0
Construction (FZ)	73.1	-3.7	-4.0	107.9	-5.4	-6.2
Wholesale and retail trade; repair of motor vehicles and motorcycles (G)	182.8	-1.2	-2.7	250.2	-4.7	-5.4
Transportation and storage (H)	62.6	1.4	1.2	79.2	1.2	1.7
Accommodation and food service activities (I)	50.8	-2.0	-2.4	55.7	-1.6	-2.3
Information and communication (JZ)	32.5	2.7	-0.8	53.3	-3.7	-5.4
Real estate activities (LZ) (*)	532.8	4.7	4.3	585.3	3.8	3.8
Advisory & Business support activities (MN)	99.9	9.7	9.5	127.5	10.0	9.6
Education, human health and social work services, Art, entertainment and recreation, Other service activities (PS)	61.5	0.1	-0.5	70.3	-2.1	-0.5
Holdings	23.6	15.9	13.5	28.2	12.9	7.1

(*) 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) ^W

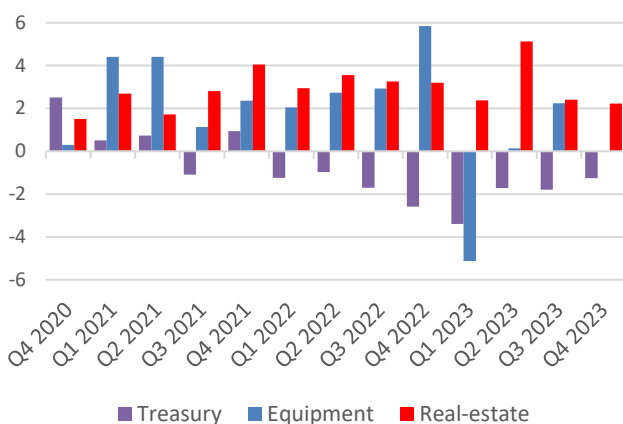
Loans to VSEs: breakdown by type of loans (1) ^W

	Outstanding amounts (Billions euros)	Annual growth rate in %	
		Q4 2023	Q3 2023
	Loans	357.5	1.9
Treasury	30.6	-22.6	-21.2
Equipment	162.4	1.9	-1.7
Real-estate	164.6	8.8	8.0



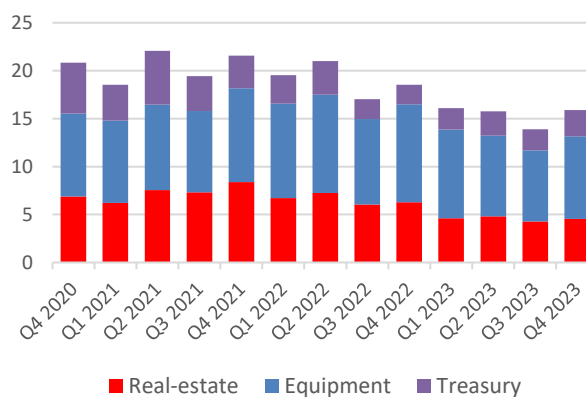
Change in outstanding loans to VSEs

(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 a turnover 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/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.