

10th April 2024

Financing of firms – France • February 2024

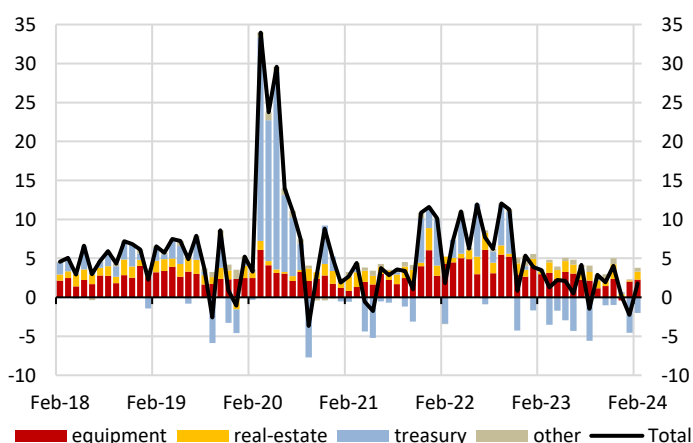
In a context of confirmed stabilization of their cost, the growth of business loans is almost unchanged

- The growth of investment loans granted to non-financial corporations (NFCs) is stable in February compared to the previous month (+4.1% year-on-year), still supported by the equipment component (+4.3%, after +4.4% in January). For their part, treasury loans continue to contract (-8.1% after -7.4% in January), repayments made by companies exceeding the production of new loans. All in all, growth in outstanding bank loans to NFCs reaches +1.2%, year-on-year in February.
- The average interest rate on new loans to NFCs, relatively stable since November 2023, stands at 4.76% in February (after 4.73% in January).
- The growth of financing of NFCs in debt securities moderates again in February (+0.2% over one year, after +0.7% in January) and its cost (all maturities combined) increases (3.69%, after 3.48% in January), while remaining significantly lower than the average cost of bank credit.

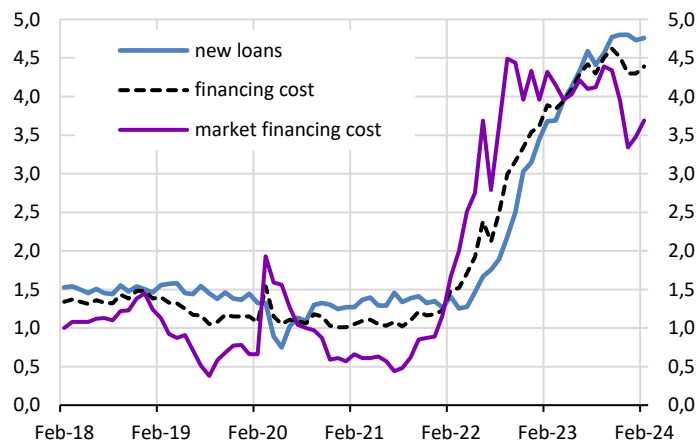
1 - Overview of NFCs : Outstanding amounts and flows in € Bn, annual growth rate and cost in % (non-seasonally adjusted) ^W

	Feb-24			Annual growth rate			Cost (annual interest rate)		
	Outstanding amounts	Transactions (cumulative over 12 month)	New business (cumulative over 12 month)	Dec-23	Jan-24	Feb-24	Dec-23	Jan-24	Feb-24
NFC's global financing	2,042.3	18.0		1.8	1.1	0.9	4.30	4.30	4.39
Loans	1,344.8	16.5	308.5	1.9	1.3	1.2	4.80	4.73	4.76
Investment	960.9			4.4	4.1	4.1			
Equipment	603.4			4.8	4.4	4.3			
Real-estate	357.5			3.8	3.5	3.8			
Treasury	309.5			-6.2	-7.4	-8.1			
Other lending	74.4			8.2	6.4	8.3			
Loans up to € 1 million			113.5				4.65	4.75	4.67
Loans over € 1 million			194.9				4.86	4.73	4.81
Securities other than shares	697.5	1.5		1.5	0.7	0.2	3.34	3.48	3.69

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



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



-1-



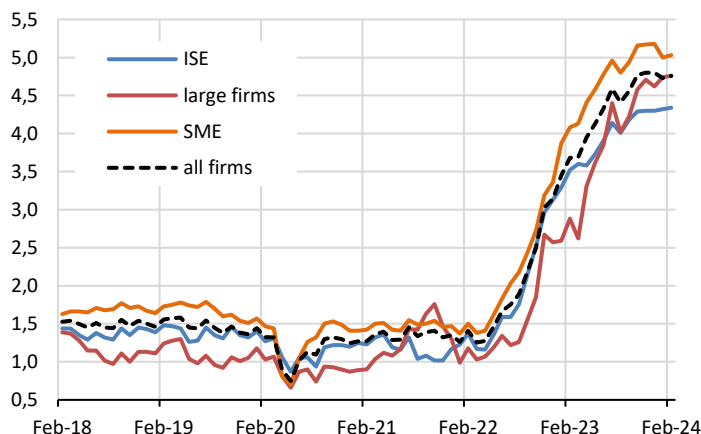
2 – Loans to firms by size ^W

- In February 2024, credit growth is stable for SMEs (1.5% in February as in January) and slows down very slightly for ISEs (1.7% after 2.1% in January). Over one year, outstanding credit to GE contracts again (-4.1% after -3.2% in January), this contraction being driven in particular by the deleveraging of a large group. The cost of credit is stabilizing for all business sizes (+3 basis points between January and February 2024).

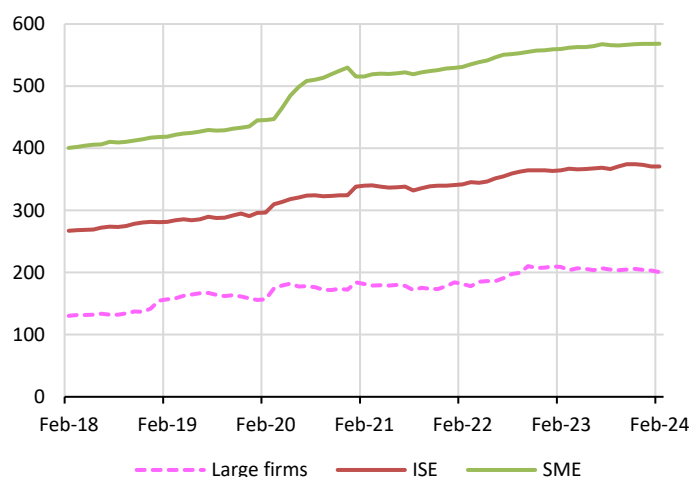
	Outstanding amounts (in Bn€) Feb-24	Annual growth rate in %			Cost in % (annual interest rate)		
		Dec-23	Jan-24	Feb-24	Dec-23	Jan-24	Feb-24
All firms	1,344.8	1.9	1.3	1.2	4.80	4.73	4.76
<i>Of which:</i>							
- SME	568.3	1.8	1.5	1.5	5.18	5.00	5.03
- ISE	370.9	2.5	2.1	1.7	4.30	4.32	4.34
- Large firms	200.7	-1.9	-3.2	-4.1	4.62	4.74	4.76

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

- The growth in the outstanding loans of drawn credits is still very differentiated depending on the economic sectors. It remains strong for advisory & business supports activities (+10.6%), for real estate activities (+4.3%) and agriculture, forestry and fishing (+3.5%). On the other hand, the outstanding loans of drawn credits continue to contract for industry (-5.7%), wholesale and retail trade (-3.3%) as well as accommodation and food service activities (-1.7%).
- Compared to the February 2023 level, the outstanding loans contract for construction (-2.6%), but they grow for the real estate development sub-sector (+6.7%).

	Drawn credits			Drawn and undrawn credits		
	Outstanding amounts	Annual growth rate in %		Outstanding amounts	Annual growth rate in %	
	Feb-24	Jan-24	Feb-24	Feb-24	Jan-24	Feb-24
Agriculture, forestry and fishing (AZ)	65.0	3.7	3.5	73.6	1.9	1.5
Industry (BE)	166.1	-5.1	-5.7	263.0	-2.9	-3.5
- inc. Manufacturing (C)	119.3	-5.1	-4.4	187.1	-3.7	-3.4
Construction (FZ)	73.2	-3.8	-2.6	108.4	-6.0	-5.2
Wholesale and retail trade; repair of motor vehicles and motorcycles (G)	182.5	-2.4	-3.3	251.1	-5.1	-4.4
Transportation and storage (H)	62.7	1.3	1.4	79.4	1.8	1.9
Accommodation and food service activities (I)	50.9	-2.1	-1.7	55.7	-2.0	-2.1
Information and communication (JZ)	32.6	-0.5	-0.2	53.7	-5.2	-4.0
Real estate activities (LZ) (*)	533.0	4.4	4.3	586.0	3.9	3.9
Advisory & Business support activities (MN)	100.7	10.4	10.6	130.5	10.6	11.9
Education, human health and social work services, Art, entertainment and recreation, Other service activities (PS)	61.5	-0.3	-0.5	71.3	2.6	0.9
Holdings	23.8	14.7	10.5	28.3	8.0	7.8

(*) including non-trading real estate companies

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