



14th May 2024

Financing of firms – France • March 2024

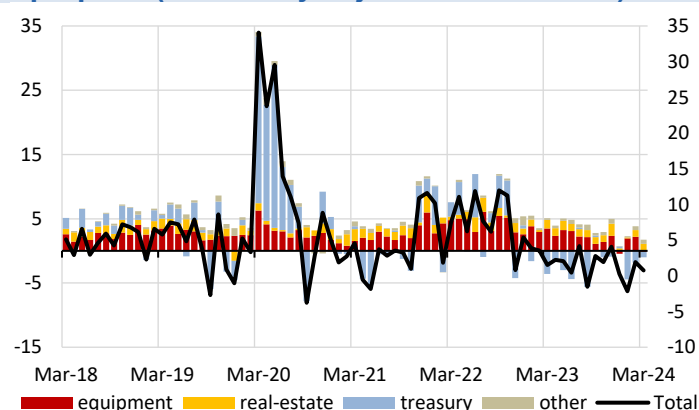
Growth of financing to NFCs is accompanied by a drop in their cost

- In March, the growth of financing granted to non-financial corporations (NFCs) accelerates (+1.5% year-on-year after +0.9% in February) under the combined effect of an increase in the annual growth rate of debt securities (+1.5% after +0.4%) and bank loans (+1.5% after +1.2%). Within the latter, the rebound is explained by a still strong increase in investment loans (+3.7% after +4.1%) and by a less marked contraction in treasury loans (-6.7% in March after -8.1%).
- The overall cost of new financing decreases in March (4.33% after 4.39% in February), with drops observed both for new loans to NFCs, whose interest rate stands at 4.68% (after 4.76%), and for debt securities (3.66% after 3.69%).

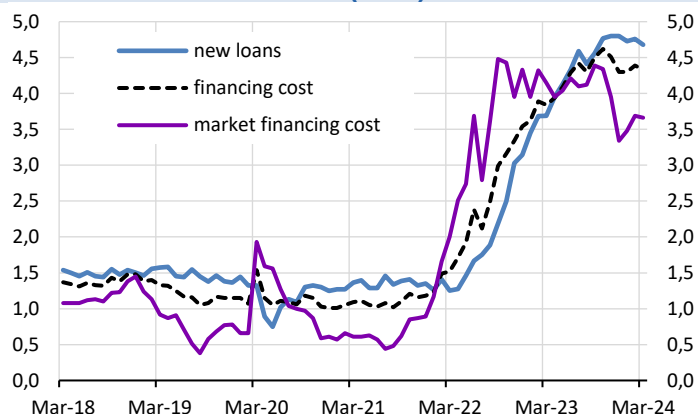
1 - Overview of NFCs : Outstanding amounts and flows in € Bn, annual growth rate and cost in % (non-seasonally adjusted) ^W

	Mar-24			Annual growth rate			Cost (annual interest rate)		
	Outstanding amounts	Transactions (cumulative over 12 month)	New business (cumulative over 12 month)	Jan-24	Feb-24	Mar-24	Jan-24	Feb-24	Mar-24
NFC's global financing	2,049.3	30.1		1.1	0.9	1.5	4.30	4.39	4.33
Loans	1,349.2	19.6	306.6	1.3	1.2	1.5	4.73	4.76	4.68
Investment	961.9			4.1	4.1	3.7			
<i>Equipment</i>	603.2			4.4	4.3	3.6			
<i>Real-estate</i>	358.6			3.5	3.8	3.7			
Treasury	311.0			-7.4	-8.1	-6.7			
Other lending	76.3			6.4	8.3	11.3			
Loans up to € 1 million			112.3				4.75	4.67	4.62
Loans over € 1 million			194.3				4.73	4.81	4.71
Securities other than shares	700.1	10.5		0.8	0.4	1.5	3.48	3.69	3.66

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



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





è

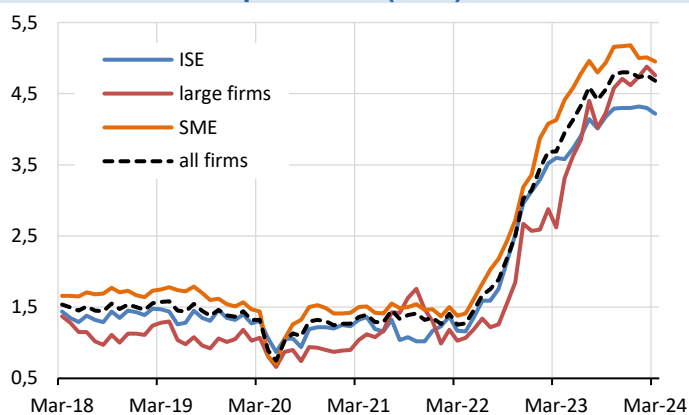
2 – Loans to firms by size ^W

- In March 2024, bank lending to large firms is recovering even if it is still slowing year-on-year (-2.5% compared to -4.1% in February). For its part, the growth of credit to SMEs and ISEs is moderating but, overall, the growth rate of bank lending to NFCs is increasing in March (+1.5% after +1.2% in February) and its cost is decreasing for all business sizes.

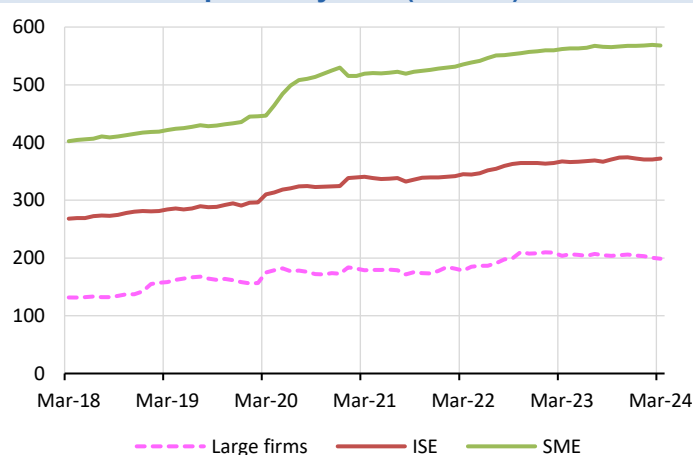
	Outstanding amounts (in Bn€) Mar-24	Annual growth rate in %			Cost in % (annual interest rate)		
		Jan-24	Feb-24	Mar-24	Jan-24	Feb-24	Mar-24
All firms	1,349.2	1.3	1.2	1.5	4.7	4.8	4.7
<i>Of which:</i>							
- SME	567.7	1.5	1.7	1.0	5.00	5.01	4.95
- ISE	372.5	2.1	1.7	1.4	4.32	4.30	4.22
- Large firms	198.7	-3.2	-4.1	-2.5	4.74	4.88	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 amount of drawn credits is always very differentiated depending on the economic sectors. It remains strong for the advisory and business support activities (+9.0%), for transportation and storage (+4.0%), for real estate activities (+3.7%) and agriculture, forestry and fishing (+3.0%). On the other hand, the outstanding amount of drawn credits continues to contract for industry (-6.9%), wholesale and retail trade (-2.0%) and for accommodation and food service activities (-1.4%).
- Compared to its level in March 2023, the outstanding construction loan contracts (-3.9%), but it grows for the real estate development sub-sector (+7.9%).

	Drawn credits			Drawn and undrawn credits		
	Outstanding amounts	Annual growth rate in %		Outstanding amounts	Annual growth rate in %	
		Mar-24	Feb-24		Mar-24	Feb-24
Agriculture, forestry and fishing (AZ)	65.2	3.5	3.0	73.7	1.6	0.9
Industry (BE)	163.3	-5.8	-6.9	261.4	-3.5	-3.0
- inc. Manufacturing (C)	117.4	-4.4	-4.9	187.4	-3.5	-2.2
Construction (FZ)	72.8	-2.5	-3.9	106.5	-5.2	-6.9
Wholesale and retail trade; repair of motor vehicles and motorcycles (G)	183.0	-3.3	-2.0	251.8	-4.3	-2.2
Transportation and storage (H)	62.8	1.4	4.0	79.3	2.0	4.0
Accommodation and food service activities (I)	51.2	-1.7	-1.4	55.8	-2.1	-2.2
Information and communication (JZ)	32.7	0.0	0.6	55.2	-1.7	0.1
Real estate activities (LZ) (*)	532.8	4.3	3.7	584.2	3.9	3.3
Advisory & Business support activities (MN)	100.7	10.8	9.0	131.8	12.0	12.3
Education, human health and social work services, Art, entertainment and recreation, Other service activities (PS)	62.1	0.2	-0.6	71.2	1.6	-0.2
Holdings	23.5	10.5	10.2	28.2	7.8	6.3

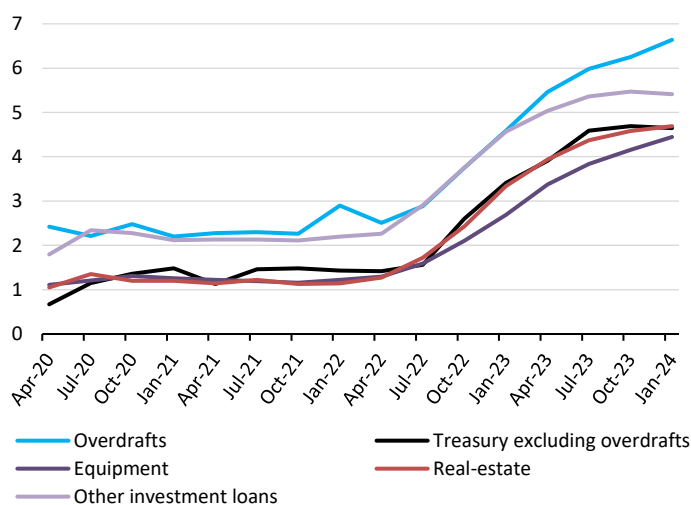
(*) including non-trading real estate companies

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

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

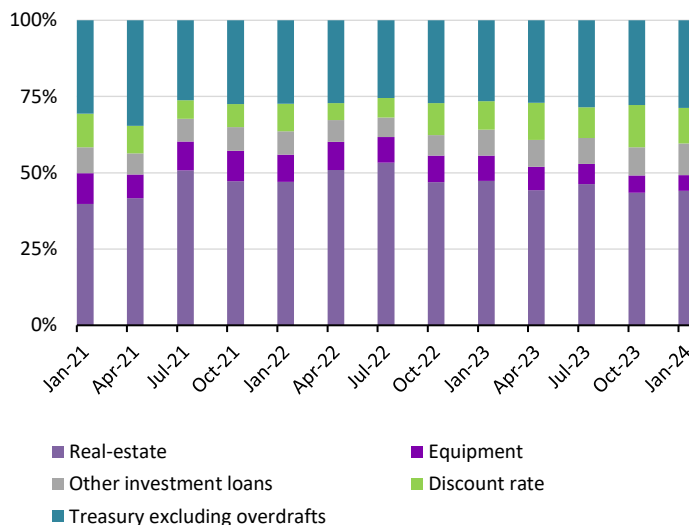
Cost of new loans by purpose ^{LE}

(in %)



Breakdown of new loans by purpose ^{LE}

(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-23	Jan-24	Jan-24	Jan-24
Overdrafts	6.25	6.64		
Treasury excluding overdrafts	4.69	4.64	23	22
Equipment	4.58	4.69	109	75
Real-estate	4.16	4.45	203	96
Other investment loans	5.47	5.41	63	98

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.