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Financing of firms – France • August 2023

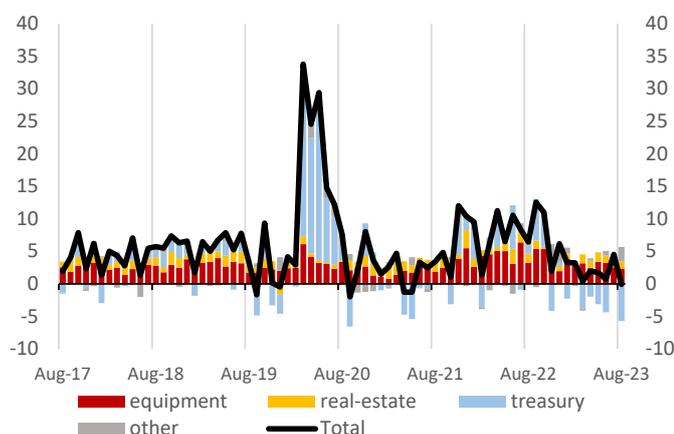
Growth in corporate loans slows gradually but investment credits remain dynamic

- Growth in financing granted to non-financial corporations (NFCs) continues to moderate in August (+2.0%, after +2.4% in July), reflecting the gradual slowdown in bank lending (+3.6% after +4.0%) and the ongoing reduction in outstanding debt securities (-1.0% after -0.5%).
- Within bank indebtedness, growth in investment loans remains high (+5.8% in August after +5.9% in July), while NFCs continue to repay their treasury loans (-4.3% after -2.1%).
- The cost of bank loans to NFCs falls slightly in August (4.40% after 4.59% in July). While the fall in the cost of bank credit concerns all sizes of firms, it is particularly marked for the largest (-39 bps).

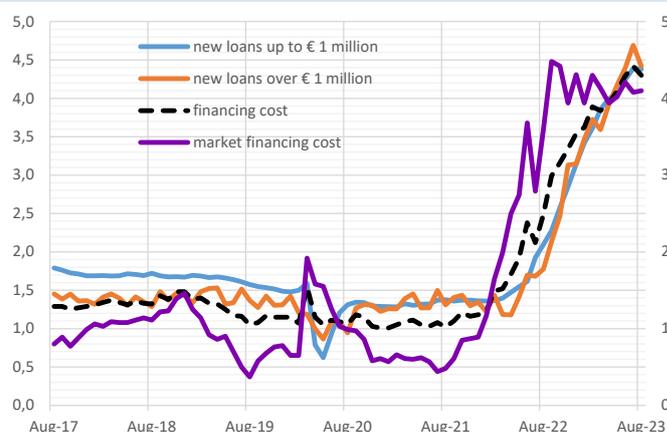
1 - Overview of NFCs : Outstanding amounts and flows in €bn, annual growth rate and cost in % (non-seasonally adjusted) ^W

	Aug-23			Annual growth rate			Cost (annual interest rate)		
	Outstanding amounts	Transactions (cumulative over 12 month)	New business (cumulative over 12 month)	Jun-23	Jul-23	Aug-23	Jun-23	Jul-23	Aug-23
NFC's global financing	2,025.0	39.1		2.7	2.4	2.0	4.29	4.42	4.30
Loans	1,334.8	46.0	328.6	4.4	4.0	3.6	4.33	4.59	4.40
Investment	949.2			6.6	5.9	5.8			
<i>Equipment</i>	603.8			8.0	7.2	7.0			
<i>real-estate</i>	345.3			4.2	3.8	3.8			
Treasury	313.3			-2.5	-2.1	-4.3			
Other lending	72.3			11.3	9.2	12.5			
Loans up to € 1 million			116.3				4.24	4.39	4.38
Loans over € 1 million			212.3				4.39	4.69	4.42
Securities other than shares	690.2	-6.9		-0.6	-0.5	-1.0	4.21	4.08	4.10

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



Cost by financing sources (in %) ^W



-1-



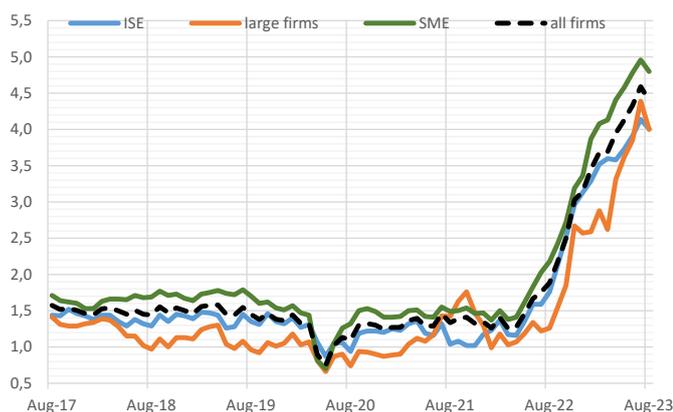
2 – Loans to firms by size ^W

- Credit growth rates remain positive for all firm sizes. They are slowing gradually over the year for SMEs (+2.5% in August 2023 vs. +2.8% in July 2023) and ISEs (+1.8% in August 2023 vs. +3.5% in July 2023), but more markedly for large companies (+3.6% in August 2023 vs. +8.5% in July 2023), mainly due to a base effect (strong credit growth between July 2022 and August 2022).
- The cost of credit is decreasing slightly for all firm sizes in August 2023, reaching an annual interest rate of 4.80% for SMEs, 4.01% for ISEs and 4.00% for large firms.

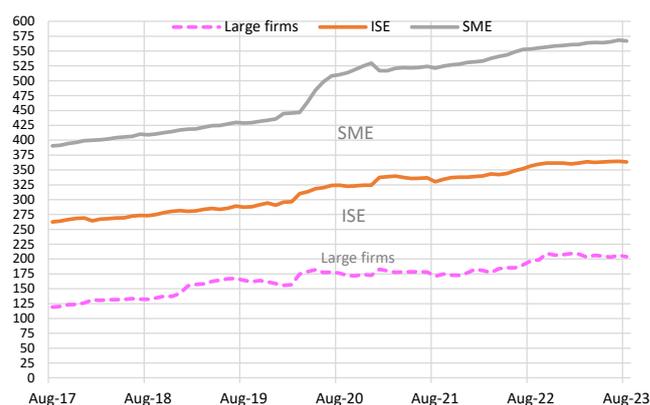
	Outstanding amounts (in Bn€)	Annual growth rate in %			Cost in % (annual interest rate)		
	Aug-23	Jun-23	Jul-23	Aug-23	Jun-23	Jul-23	Aug-23
All firms	1,334.8	4.4	4.0	3.6	4.3	4.6	4.4
<i>Of which:</i>							
- SME	567.2	3.0	2.8	2.5	4.78	4.96	4.80
- ISE	363.2	4.3	3.5	1.8	3.91	4.14	4.01
- Large firms	204.1	9.7	8.5	3.6	3.85	4.39	4.00

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 %) ^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. It is still strong for the advisory & business support activities sector (+10.9%) and particularly dynamic for real estate activities (+4.7%), while bank financing of industrial activities is growing slightly, with +0.4% in August 2023.
- Within the construction sector, whose bank financing grows by +3.1% in August 2023, credit to the property development sector rises by +4.1%.

	Drawn credits			Drawn and undrawn credits		
	Outstanding amounts	Annual growth rate in %		Outstanding amounts	Annual growth rate in %	
	Aug-23	Jul-23	Aug-23	Aug-23	Jul-23	Aug-23
Agriculture, forestry and fishing (AZ)	64.5	4.9	4.6	73.4	3.5	3.4
Industry (BE)	169.5	1.5	0.4	263.3	-0.6	-0.6
- inc. Manufacturing (C)	121.0	0.6	-0.1	187.0	-1.6	-0.6
Construction (FZ)	74.8	3.6	3.1	111.4	0.5	-1.5
Wholesale and retail trade; repair of motor vehicles and motorcycles (G)	184.9	0.3	-0.2	254.2	-3.0	-2.8
Transportation and storage (H)	57.9	-1.6	-4.4	74.9	-0.4	-3.1
Accommodation and food service activities (I)	51.5	-1.7	-2.0	56.4	-0.4	-2.4
Information and communication (JZ)	32.6	5.1	2.4	55.5	-1.8	-2.2
Real estate activities (LZ) (*)	524.8	7.2	4.7	578.6	7.4	4.7
Advisory & Business support activities (MN)	97.0	11.3	10.9	125.4	13.6	12.9
Education, human health and social work services, Art, entertainment and recreation, Other service activities (PS)	61.6	0.2	1.0	70.4	-0.9	-0.2
Holdings	23.1	21.8	21.7	27.8	13.5	14.8

(*) including non-trading real estate companies

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