



9th October 2024

Financing of firms – France • August 2024

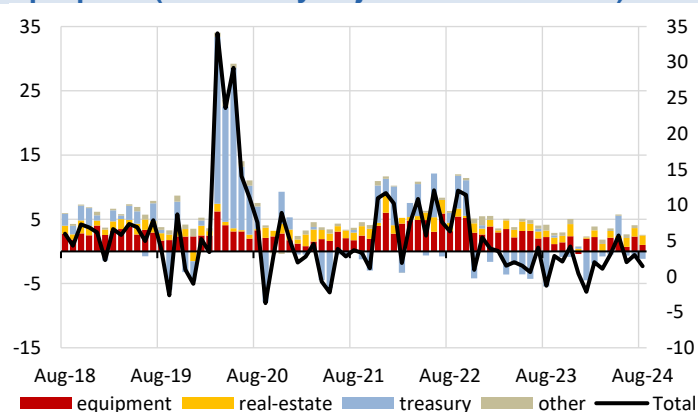
The cost of financing for NFCs is falling

- In August 2024, financing granted to non-financial companies (NFCs) rose by +2.3% year-on-year (after +2.2% in July and +2.6% in June), driven by the combined effect of an increase in outstanding bank loans (+2.0% after +1.8% in July) and debt securities (+3.0%, unchanged from July).
- The cost of new financing fell for the 2nd consecutive month in August (4.16%, down from 4.27% in July and 4.37% in June), driven by lower interest rates on bank loans (4.51%, down from 4.65% in July) and debt securities (3.49%, down from 3.53% in July).

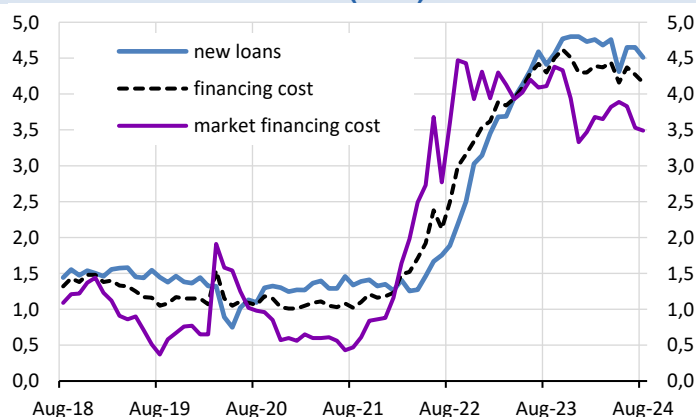
1 - Overview of NFCs : Outstanding amounts and flows in € Bn, annual growth rate and cost in % (non-seasonally adjusted) ^W

	Aug-24			Annual growth rate			Cost (annual interest rate)		
	Outstanding amounts	Transactions (cumulative over 12 month)	New business (cumulative over 12 month)	Jun-24	Jul-24	Aug-24	Jun-24	Jul-24	Aug-24
NFC's global financing	2,068.7	47.3	683.5	2.6	2.2	2.3	4.37	4.27	4.16
Loans	1,359.7	26.7	317.9	2.0	1.8	2.0	4.65	4.65	4.51
Investment	976.9			3.1	3.2	3.1			
Equipment	612.6			2.9	3.0	2.8			
Real-estate	364.3			3.5	3.5	3.6			
Cash	306.8			-3.3	-4.4	-2.8			
Other lending	76.0			10.8	11.6	8.6			
Loans up to € 1 million			113.4				4.44	4.39	4.28
Loans over € 1 million			204.4				4.75	4.77	4.67
Securities other than shares	709.0	20.6	365.6	3.7	3.0	3.0	3.83	3.53	3.49

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 August 2024, credit growth slowed for SMEs and companies of unspecified size (+0.9% year-on-year after +1.1% in July). The growth rate of outstandings is stable for ISEs (+2.1% after +2.0%) and increasing for large firms (+0.6% after -0.5%). Average cost of credit falls relative to July 2024, for all business categories.

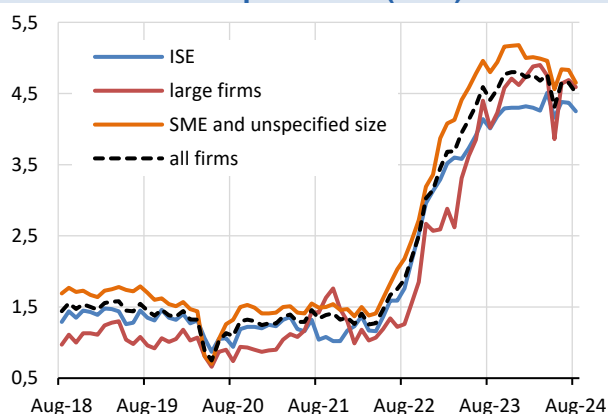
	Outstanding amounts (in Bn€) Aug-24	Annual growth rate in %			Cost in % (annual interest rate)		
		Jun-24	Jul-24	Aug-24	Jun-24	Jul-24	Aug-24
All firms	1,359.7	2.0	1.8	2.0	4.7	4.7	4.5
<i>Of which:</i>							
- SME and unspecified size	565.0	1.3	1.1	0.9	4.84	4.83	4.65
- ISE	384.5	3.0	2.0	2.1	4.38	4.37	4.25
- Large firms	202.3	0.4	-0.5	0.6	4.64	4.69	4.59

Note on methodology:

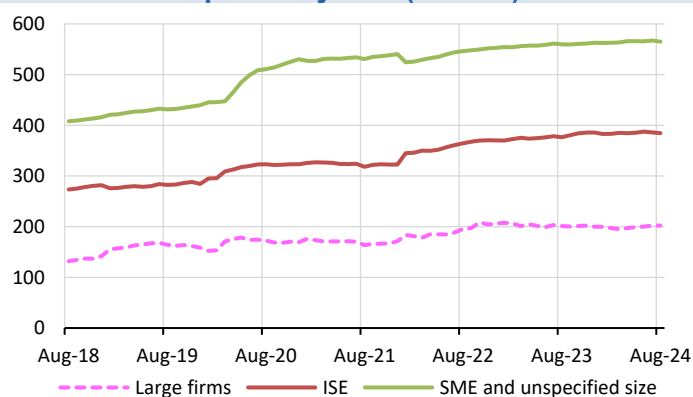
The scope of SME credit outstandings includes companies of indeterminate size (e.g., companies created during the year, etc.), which may be reclassified in another category as and when available information on sales, workforce, balance sheet size or financial links is updated.

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 advisory and business support activities (+9.9%), transport and storage (+7.0%), information and communication (+6.0%), real estate (+3.3%) and agriculture, forestry and fishing (+3.1%). On the other hand, outstanding loans continued to contract in the industrial (-2.4%), retail (-3.9%) and accommodation/restaurant (-2.5%) sectors.
- Compared with its August 2023 level, outstanding construction loans are contracting (-2.2%), but they are growing in the property development sub-sector (+4.9%).

	Drawn credits			Drawn and undrawn credits		
	Outstanding amounts	Annual growth rate in %		Outstanding amounts	Annual growth rate in %	
	Aug-24	Jul-24	Aug-24	Aug-24	Jul-24	Aug-24
Agriculture, forestry and fishing (AZ)	67.2	3.2	3.1	75.4	1.8	1.4
Industry (BE)	167.2	-4.3	-2.8	267.9	-0.1	0.6
- inc. Manufacturing (C)	116.2	-4.0	-2.4	186.5	0.9	1.2
Construction (FZ)	70.9	-2.2	-2.2	104.7	-3.5	-2.9
Wholesale and retail trade; repair of motor vehicles and motorcycles (G)	181.5	-3.2	-3.9	252.3	-3.0	-2.8
Transportation and storage (H)	63.8	7.2	7.0	81.8	4.6	4.3
Accommodation and food service activities (I)	51.5	-1.6	-2.5	56.5	-2.5	-2.6
Information and communication (JZ)	34.4	6.4	6.0	55.3	0.3	0.0
Real estate activities (LZ) (*)	541.4	3.4	3.3	595.4	3.0	3.1
Advisory & Business support activities (MN)	105.5	9.4	9.9	133.9	8.7	7.7
Education, human health and social work services, Art, entertainment and recreation, Other service activities (PS)	62.5	-2.0	-1.7	71.9	-1.2	-0.6
Holdings	18.4	8.2	11.1	22.1	10.9	13.8

(*) including non-trading real estate companies

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