

13th February 2025

Financing of firms – France • December 2024

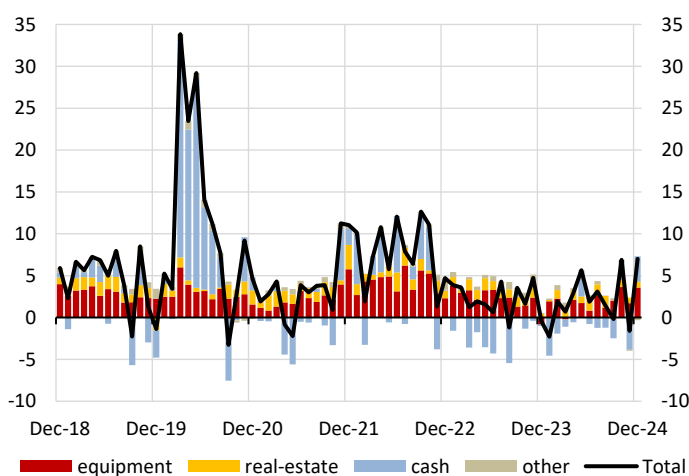
Bank loans to NFCs: same progression in 2024 as in 2023

- In 2024, bank loans to non-financial corporations (NFCs) increased by +2.0%, a rise identical to that of 2023. This growth was driven, as in the previous year, by the dynamism of investment loans (+3.5% over the whole year, after +4.5% in 2023) which offset a decline in outstanding cash loans, yet slower in 2023 (-2.9%, after -6.3% in 2023).
- For their part, financing in the form of debt securities increased slightly by +0.3% over the whole year, less significantly than in 2023 (+1.3%).
- In December, the average interest rate on new bank loans stood at 4.18%, a drop of 62 basis points compared to the end of 2023 when it stood at 4.80%, while that of debt securities increased slightly over one year (+14 basis points to 3.48%).

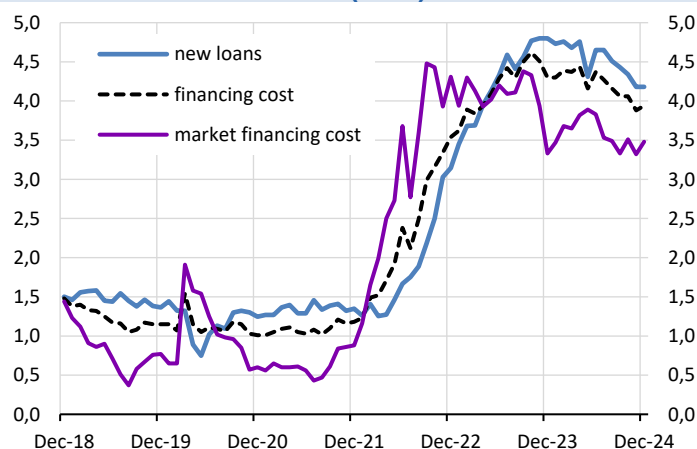
1 - Overview of NFCs : Outstanding amounts and flows in € Bn, annual growth rate and cost in % (non-seasonally adjusted) ^W

	Dec-24			Annual growth rate			Cost (annual interest rate)		
	Outstanding amounts	Transactions (cumulative over 12 month)	New business (cumulative over 12 month)	Oct-24	Nov-24	Dec-24	Oct-24	Nov-24	Dec-24
NFC's global financing	2,080.8	29.3	679.1	1.8	1.4	1.4	4.06	3.88	3.94
Loans	1,375.6	27.4	323.9	2.1	1.7	2.0	4.34	4.18	4.18
Investment	989.9			3.2	3.0	3.5			
Equipment	623.4			3.3	3.2	3.9			
Real-estate	366.5			3.2	2.8	2.9			
Cash	311.1			-2.9	-3.6	-2.9			
Other lending	74.5			9.2	6.7	4.0			
Loans up to € 1 million			114.4				4.38	4.28	4.18
Loans over € 1 million			209.5				4.33	4.11	4.18
Securities other than shares	705.2	1.9	355.2	1.2	1.0	0.3	3.51	3.32	3.48

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

- At the end of 2024, the growth rate of outstanding loans was stable for SMEs and unspecified sizes at +1.0%, it slowed from +0.9% to +0.6% for ISEs, and increased from -0.1% to +1.9% for large firms. Compared to the growth rate between 2022 and 2023, the growth rate between 2023 and 2024 was lower for SMEs and especially ISEs (from +1.8 to +1% and from +2.4% to +0.6%, respectively), while it rebounded for large firms (from -1.7% to +1.9%).
- The average cost of new bank loans continued to fall for SMEs and ISEs, but increased from 3.99% to 4.12% for the largest firms.

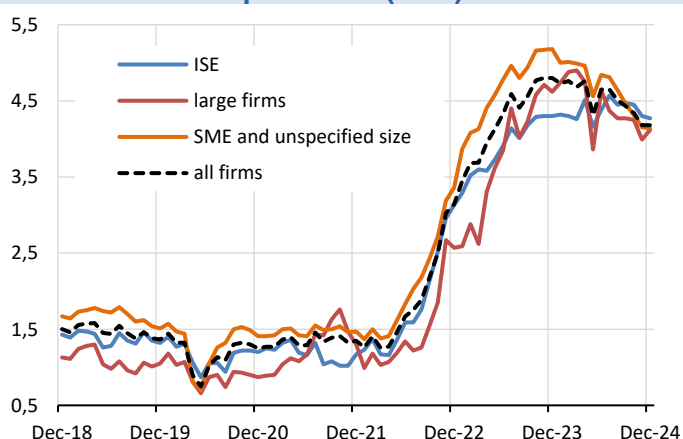
	Outstanding amounts (in Bn€) Dec-24	Annual growth rate in %			Cost in % (annual interest rate)		
		Oct-24	Nov-24	Dec-24	Oct-24	Nov-24	Dec-24
All firms	1,375.6	2.1	1.7	2.0	4.34	4.18	4.18
<i>Of which:</i>							
- SME and unspecified size	566.6	1.2	1.0	1.0	4.31	4.15	4.14
- ISE	388.6	1.3	0.9	0.6	4.45	4.30	4.27
- Large firms	205.7	1.1	-0.1	1.9	4.25	3.99	4.12

Note on methodology:

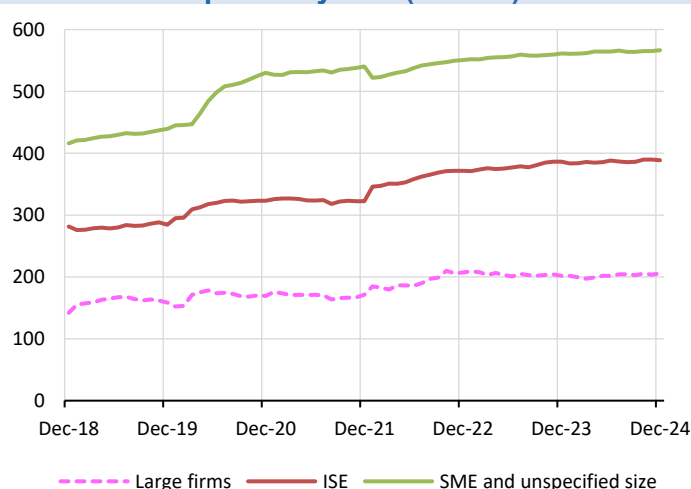
The scope of SME credit outstandings includes companies of indeterminate size (e.g., companies created during the year, etc.), which may be reclassified in another category as and when available information on sales, workforce, balance sheet size or financial links is updated.

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

- The growth in outstanding loans mobilised was still very differentiated according to the economic sectors. It remained strong for the advisory and business support activities (+10.4%), for real estate activities (+3.8%), agriculture, forestry and fishing (+3.3%) and for transportation and storage (+2.8%). It became positive for information and communication (+0.5%). On the other hand, outstanding loans mobilised showed a new decline in wholesale and retail trade (-4.0%), industry (-3.8%) and the accommodation and food service activities (-2.5%).
- Compared to its end-2023 level, outstanding construction loans contracted (-4.0%), but increased for the real estate development sub-sector (+3.1%).

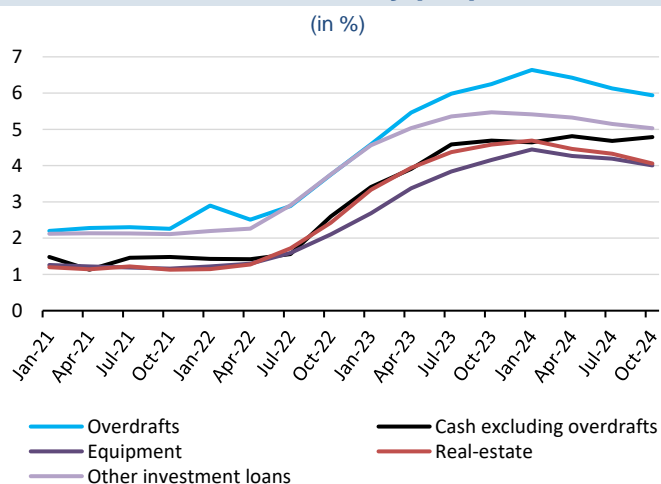
	Drawn credits			Drawn and undrawn credits		
	Outstanding amounts	Annual growth rate in %		Outstanding amounts	Annual growth rate in %	
		Dec-24	Nov-24		Dec-24	Nov-24
Agriculture, forestry and fishing (AZ)	67.1	3.1	3.3	75.5	1.4	2.1
Industry (BE)	164.6	-4.4	-3.8	263.0	-1.6	-1.8
- inc. Manufacturing (C)	115.5	-4.0	-2.8	184.4	-1.0	-0.8
Construction (FZ)	69.3	-2.5	-4.0	105.4	-2.2	-2.5
Wholesale and retail trade; repair of motor vehicles and motorcycles (G)	181.9	-3.3	-4.0	254.2	-3.1	-2.0
Transportation and storage (H)	65.1	1.3	2.8	82.8	1.3	4.1
Accommodation and food service activities (I)	52.1	-2.8	-2.5	57.6	-3.1	-3.3
Information and communication (JZ)	34.3	-2.6	0.5	54.5	-0.9	-3.1
Real estate activities (LZ) (*)	554.6	3.4	3.8	608.6	3.2	3.7
Advisory & Business support activities (MN)	105.4	11.5	10.4	132.3	11.3	9.8
Education, human health and social work services, Art, entertainment and recreation, Other service activities (PS)	61.6	-3.3	-2.8	69.0	-3.8	-3.4
Holdings	19.6	15.6	20.6	23.9	20.2	24.0

(*) including non-trading real estate companies

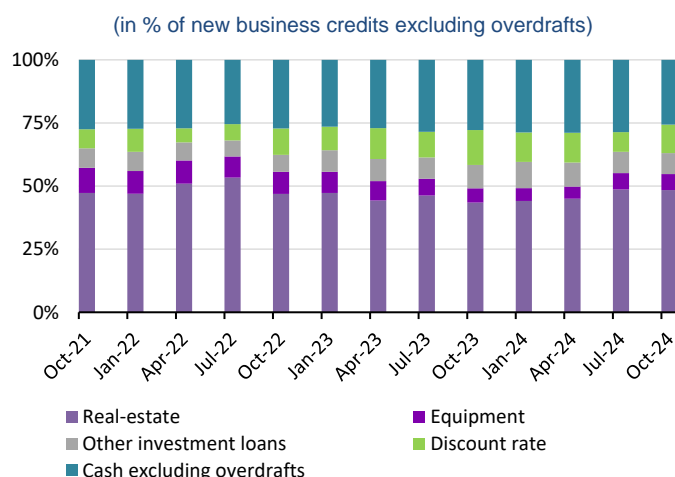
(**) For the difference between total firms and total, see the method note

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

Cost of new loans by purpose ^W



Breakdown of new loans by purpose ^W





Characteristics of new loans to NFC 

	Average rate (en %)		Average maturity (in month)	Share of loans fixed rate (in %)
	Jul-24	Oct-24	Oct-24	Oct-24
Overdrats	6.13	5.94		
Cash excluding overdrafts	4.68	4.79	24	16
Equipment	4.33	4.06	115	78
Real-estate	4.19	4.01	190	87
Other investment loans	5.15	5.03	61	100

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/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.