



7th April 2023

Financing of firms – France • February 2023

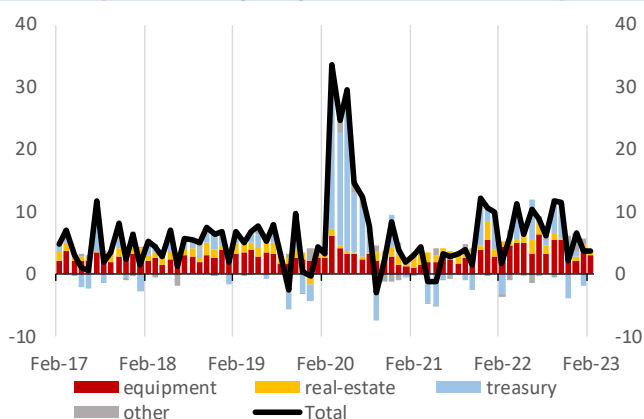
Growth in loans to NFCs is still very dynamic

- At the end of February 2023, growth in outstanding bank loans to non-financial companies (NFCs) stands at an annual rate of +6.9%, in slight increase compared to January (+6.8%). This dynamic is still driven by investment loans, whose annual growth remains high (+7.3% in February), but also by treasury loans, whose growth rate in February is higher than in January (+5.7%, up from +4.6%).
- Regardless of company size, the growth in outstanding loans by sector shows a different trend depending on the sector of activity, with accommodation/restaurants and manufacturing industries reducing their debts on the one hand, and the rest of the sectors whose outstanding loans are increasing on the other.
- The average rate for bank loans continues to rise in February (3.68%, up from 3.45% in January), while the average rate for debt securities issued rises sharply, erasing the drop in January (4.31%, up from 3.96% in January and 4.33% in December). The gap between the cost of financing by bank credit and the cost of financing by debt issuance, which had narrowed in January 2023, is therefore widening again.

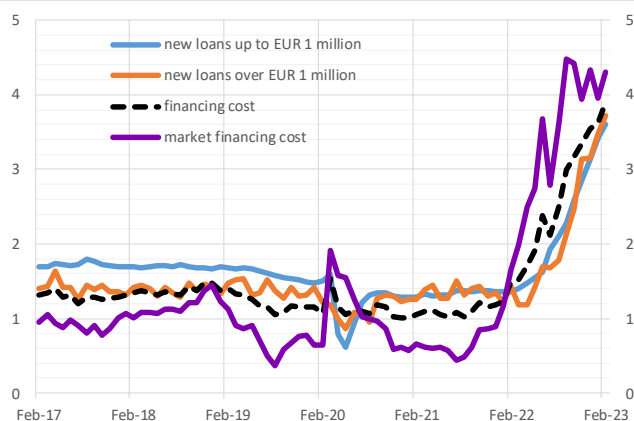
1 - Overview of NFCs : Outstanding amounts and flows in € Bn, annual growth rate and cost in % (non-seasonally adjusted) ^W

	Feb-23			Annual growth rate			Cost (annual interest rate)		
	Outstanding amounts	Transactions (cumulative over 12 month)	New business (cumulative over 12 month)	Dec-22	Jan-23	Feb-23	Dec-22	Jan-23	Feb-23
NFC's global financing	2 029.4	85.4		4.4	4.1	4.4	3.55	3.62	3.90
Loans	1 333.2	86.4	370.1	7.4	6.8	6.9	3.14	3.45	3.68
Investment	923.5			7.5	7.6	7.3			
<i>Equipment</i>	583.4			9.5	9.7	9.3			
<i>real-estate</i>	340.2			4.4	4.3	4.1			
Treasury	339.2			7.4	4.6	5.7			
Other lending	70.4			5.9	7.0	7.8			
Loans up to €1 million			124.8				3.14	3.42	3.60
Loans over €1 million			245.3				3.14	3.47	3.72
Securities other than shares	696.2	-1.0		-0.9	-0.8	-0.2	4.33	3.96	4.31

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



Cost by financing sources (in %) ^W





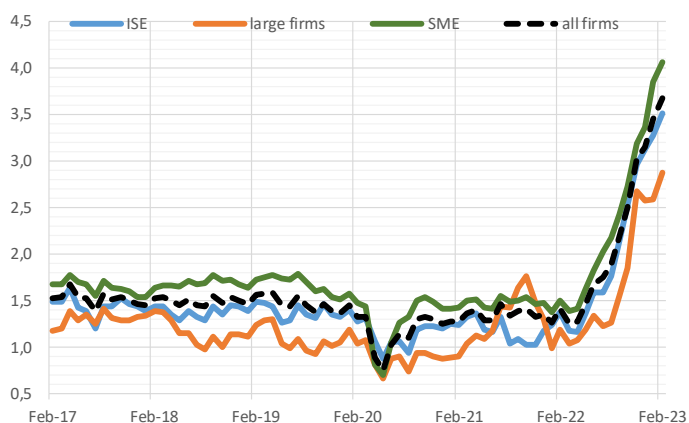
2 – Loans to firms by size ^W

- Over one year credit growth rates remain high for all sizes of businesses, though with a slight slowdown for SMEs to +5.2% at the end of February 2023 compared to +5.5% at the end of December 2022 and the end of January 2023.
- The annual growth rate of credit for large companies is on the rise again (+13.0%), after a decrease between December 2022 (+15.8%) and January 2023 (+12.2%). This overall movement for this category of companies still masks two opposite trends: a decrease in outstanding credit between January 2023 and February 2023 driven by a few large companies, and an increase in outstanding credit for all others.

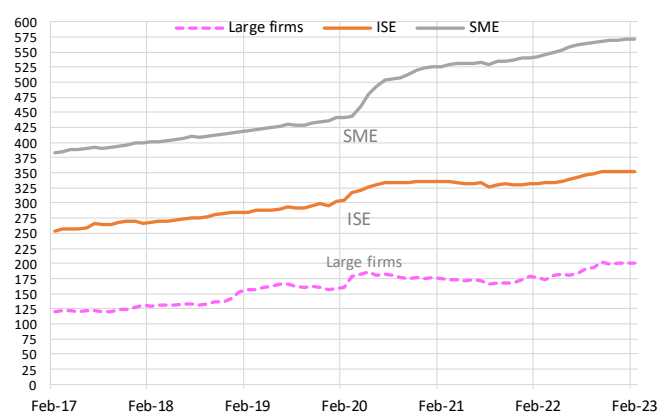
	Outstanding amounts (in Bn €) Feb-23	Annual growth rate in %			Cost in % (annual interest rate)		
		Dec-22	Jan-23	Feb-23	Dec-22	Jan-23	Feb-23
All firms	1 333.2	7.4	6.8	6.9	3.14	3.45	3.68
<i>Of which:</i>							
- SME	571.4	5.5	5.5	5.2	3.36	3.85	4.06
- ISE	352.6	6.7	6.3	6.3	3.12	3.28	3.51
- Large firms	199.6	15.8	12.2	13.0	2.57	2.59	2.88

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 is still strong in the business consulting and services sector (+15.2%), the information and communication sector (+12.0%) and the real estate sector (+9.8%). The accommodation and catering sector continues to reduce its debt (-3.2% after -1.9%). The increase in bank financing for industrial activities accelerated in February (+6.7%, up from +5.3% in January 2023), excluding manufacturing. Conversely, the growth rate of outstanding loans in the construction sector slows from +8.7% in January to +5.6% in February 2023.

	Drawn credits			Drawn and undrawn credits		
	Outstanding amounts	Annual growth rate in %		Outstanding amounts	Annual growth rate in %	
	Feb-23	Jan-23	Feb-23	Feb-23	Jan-23	Feb-23
Agriculture, forestry and fishing (AZ)	63.0	4.7	4.2	72.7	5.9	5.4
Industry (BE)	167.1	5.3	6.7	258.9	2.9	5.0
- inc. Manufacturing (C)	117.1	-0.5	-1.7	182.6	-0.5	-0.4
Construction (FZ)	75.6	8.7	5.6	115.3	6.2	4.0
Wholesale and retail trade; repair of motor vehicles and motorcycles (G)	184.3	3.3	4.3	254.9	4.5	4.0
Transportation and storage (H)	57.9	0.3	0.7	71.3	1.4	1.3
Accommodation and food service activities (I)	48.5	-1.9	-3.2	53.3	-1.7	-2.6
Information and communication (JZ)	34.2	13.5	12.0	56.9	7.1	5.1
Real estate activities (LZ) (*)	520.4	10.1	9.8	575.8	10.8	10.1
Advisory & Business support activities (MN)	100.4	15.1	15.2	128.8	13.3	12.7
Education, human health and social work services, Art, entertainment and recreation, Other service activities (PS)	59.3	1.5	0.9	68.1	-0.2	-0.5
Holdings	22.5	28.2	27.3	26.9	26.1	24.3

(*) including non-trading real estate companies

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