



12 décembre 2022

## Financing of firms – France • October 2022

### Bank credit growth accelerates for all business segments

- The annual growth rate of outstanding loans to non-financial corporations continues to grow at a very sustained pace in October (+8.6%, up from +7.9% in September and +7.2% in August, see table 1) for all categories of enterprises, SMEs (+5.7%), ISEs (+6.6%) or large firms (+19.9%). The annual growth of investment credit steps up further (+8.3%, up from +8.1% in September), still driven by its equipment component, whose growth reaches +10.5%, up from +10% in September. Treasury loans also increase significantly to +11.1%, after +8.4% in September.
- The dynamic gap between bank loans and securities financing is widening, underlining a rebalancing of their financing in favor of bank loans, due to a more contained cost.
- The cost of bank loans increases by 32 basis points in October (2.50%, up from 2.18% in September) while that of debt securities issues falls slightly (4.39%, after 4.47% in September). All in all, the overall cost of financing for non-financial companies reaches 3.15% in October, up 17 basis points (after 2.98% in September).

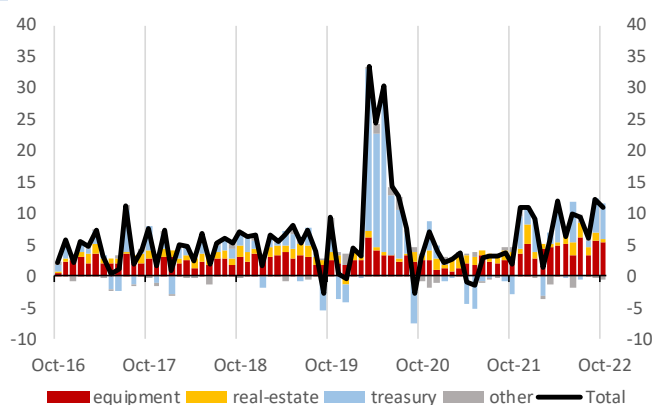
#### 1 - Overview of NFCs : Outstanding amounts and flows in € Bn, annual growth rate and cost in %

(non-seasonally adjusted) <sup>W</sup>

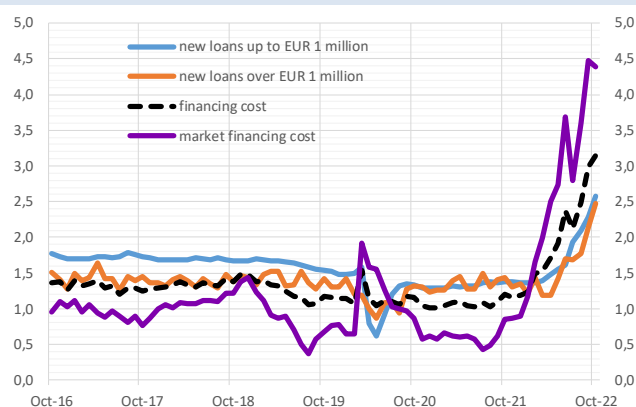
	Oct-22			Annual growth rate			Cost (annual interest rate)		
	Outstanding amounts	Transactions (cumulative over 12 month)	New business (cumulative over 12 month)	Aug-22	Sep-22	Oct-22	Aug-22	Sep-22	Oct-22
<b>NFC's global financing</b>	<b>2 020.3</b>	<b>94.5</b>		<b>4.6</b>	<b>4.9</b>	<b>4.9</b>	<b>2.49</b>	<b>2.98</b>	<b>3.15</b>
<b>Loans</b>	<b>1 322.2</b>	<b>104.6</b>	<b>377.0</b>	<b>7.2</b>	<b>7.9</b>	<b>8.6</b>	<b>1.89</b>	<b>2.18</b>	<b>2.50</b>
Investment	907.7			7.8	8.1	8.3			
<i>Equipment</i>	571.3			9.4	10.0	10.5			
<i>real-estate</i>	336.4			5.2	5.1	4.8			
Treasury	347.8			6.3	8.4	11.1			
Other lending	66.7			3.4	2.5	0.2			
Loans up to €1 million			124.9				2.10	2.28	2.58
Loans over €1 million			252.1				1.78	2.13	2.47
<b>Securities other than shares</b>	<b>698.1</b>	<b>-10.1</b>		<b>0.0</b>	<b>-0.4</b>	<b>-1.4</b>	<b>3.60</b>	<b>4.47</b>	<b>4.39</b>

#### Monthly changes in outstanding loans by purpose

(seasonally adjusted data in € Bn) <sup>W</sup>



#### Cost by financing sources (in %) <sup>W</sup>



-1-



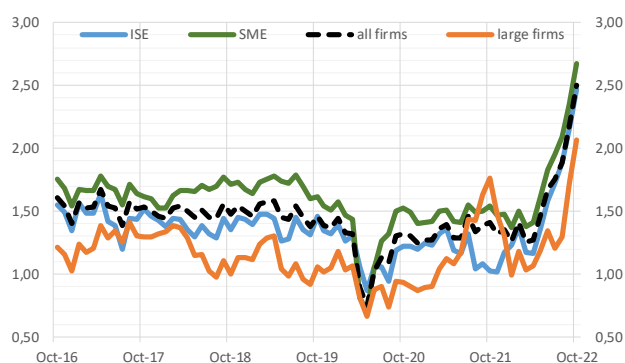
## 2 – Loans to firms by size <sup>W</sup>

- Outstanding amounts of loans are up year on year regardless of the enterprise size, with for large firms, an increase of +19.9% in October after +15.2% in September and for ISEs an increase of + 6.6% in October after + 5.7% in September, whereas for SMEs it is more measured (+ 5.7% in October after + 5.6% in September).
- The cost of bank loans rises sharply regardless of company size in October: +34 points for large firms (2.07%), +31 points for ISEs (2.47%) and SMEs (2.67%).

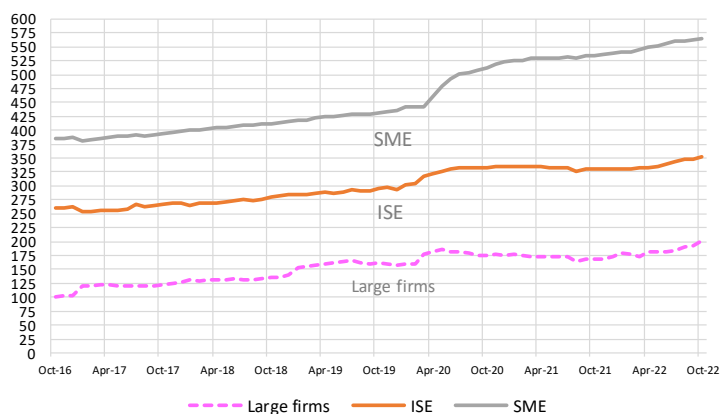
	Outstanding amounts (in Bn €)	Annual growth rate in %			Cost in % (annual interest rate)		
		Oct-22	Aug-22	Sep-22	Oct-22	Aug-22	Sep-22
<b>All firms</b>	1 322.2	7.2	7.9	8.6	1.89	2.18	2.50
<i>Of which:</i>							
- SME	564.9	6.1	5.6	5.7	2.09	2.36	2.67
- ISE	352.5	6.5	5.7	6.6	1.88	2.16	2.47
- Large firms	202.0	15.5	15.2	19.9	1.29	1.72	2.07

*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 %) <sup>W</sup>



### Outstanding amounts of loans to resident enterprises by size (in € Bn) <sup>W</sup>





### 3 – Outstanding amounts by sector (stocks in € Bn, annual growth rate in %) <sup>W</sup>

Outstanding amounts growth of drawn credits for "all industries" is strong (+12.7%), although almost zero for manufacturing industry (+1%).

For the other sectors, real estate activities, advisory and business support activities have the strongest growth in their drawn credits (respectively + 11.1% and + 11.8%), while those of the accommodation and catering are down (-0.6%).

	Drawn credits			Drawn and undrawn credits		
	Outstanding amounts	Annual growth rate in %		Outstanding amounts	Annual growth rate in %	
	Oct-22	Sep-22	Oct-22	Oct-22	Sep-22	Oct-22
Agriculture, forestry and fishing (AZ)	61.6	3.0	3.2	71.0	4.6	4.6
Industry (BE)	167.3	11.7	12.7	261.6	5.0	7.6
- inc. Manufacturing (C)	117.6	0.7	1.0	184.7	-2.2	0.8
Construction (FZ)	78.6	4.1	11.0	116.7	8.6	7.0
Wholesale and retail trade; repair of motor vehicles and motorcycles (G)	185.8	5.2	5.0	259.0	5.8	5.8
Transportation and storage (H)	58.3	4.7	2.2	72.2	4.4	3.3
Accommodation and food service activities (I)	48.8	-0.5	-0.6	53.5	-0.3	-0.4
Information and communication (JZ)	32.1	4.6	10.8	55.4	0.5	4.3
Real estate activities (LZ) (*)	518.0	10.7	11.1	571.4	11.3	11.4
Advisory & Business support activities (MN)	98.6	9.9	11.8	126.1	8.3	9.4
Education, human health and social work services, Art, entertainment and recreation, Other service activities (PS)	59.1	0.1	0.8	68.0	-1.0	-1.0
Holdings	16.5	17.2	31.8	19.7	10.2	24.4
<b>Total (**)</b>	<b>1 324.8</b>	<b>7.9</b>	<b>8.9</b>	<b>1 674.7</b>	<b>7.1</b>	<b>7.7</b>

(\*) including non-trading real estate companies

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