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The Stat Info “Financing of enterprises” provides a monthly overview of the financing obtained by non-financial corporations in the form of bank loans and the issuance of debt securities. It shows both the volume of financing obtained and its cost. The publication also combines information from different sources, collected via different data reporting exercises but covering sufficiently similar scopes to usefully complement each other.

### 1. Data sources

The statistics published in the “Financing of enterprises” Stat Info<sup>1</sup> and the time series published on [Webstat](#) are obtained from the granular and aggregated data reporting exercises conducted by the Banque de France:

- **Monetary statistics** on outstanding loans<sup>2</sup> and interest rates,<sup>3</sup> compiled by the Monetary and Financial Statistics Directorate, which provide “macro-level” information on loans to non-financial corporations, with certain breakdowns by loan purpose and amount. The statistics are exhaustive, covering all enterprises from the first euro borrowed, and are collected from credit institutions and financing companies subject to ECB regulations 2021/2 and 2013/34. Statistics on outstanding loans are taken from reporting agents’ balance sheets, and statistics on interest rates are taken from their management data.
- **Loan statistics by beneficiary**, monitored by the Companies Directorate, which make it possible to analyse in detail the distribution of loans by size of enterprise and by sector of activity. The advantage of this information is that it makes it possible to use the enterprise definitions and categories set out in Decree No. 2008-1354 on the criteria for determining the category to which an enterprise belongs (decree implementing Article 51 of the Law on the Modernisation of the Economy). The main source for this broad but non-exhaustive “micro-level” data is the AnaCredit<sup>4</sup> regulatory collection exercise (see Regulation ECB/2016/13) which requires large credit institutions to report all loans of over EUR 25,000.
- **Statistics on the issuance of securities** produced by the Balance of Payments Directorate, which cover all debt securities issued by non-financial corporations. This granular information is compiled based on issuer declarations, supplemented with publicly available information (Euronext, etc.).

### 2. Definition of the different concepts of enterprise

Enterprises can be defined in different ways – on a legal, economic or statistical basis – which affects the way data are collected and processed. In the Stat Info, we use two concepts of the term enterprise: non-financial corporations and enterprises as defined in the Law on the Modernisation of the Economy (LME).

Non-financial corporations (NFCs) are institutional units with the legal form “société” and whose main activity is the production of market goods or non-financial services (sales of goods and services make up at least 50% of their resources). The Stat Info only covers resident NFCs, i.e. those whose activity (main economic interest) is located in France. This definition is the one used in the national accounts and for the compilation of monetary statistics.

For the implementation of Article 51 of the LME, the concept of enterprise is that used in the Council Regulation (EEC) of 15 March 1993, in other words the smallest combination of legal units that is an organisational unit producing goods or services, which benefits from a certain degree of autonomy in decision-making, especially for the allocation of its current resources.

<sup>1</sup> <https://www.banque-france.fr/en/statistics/loans/loans/loans-non-financial-corporations>

<sup>2</sup> See methodology [https://www.banque-france.fr/sites/default/files/media/2017/03/13/methode\\_sm\\_hors\\_taux\\_dinteret\\_bancaires\\_13032017\\_en.pdf](https://www.banque-france.fr/sites/default/files/media/2017/03/13/methode_sm_hors_taux_dinteret_bancaires_13032017_en.pdf)

<sup>3</sup> See methodology [https://www.banque-france.fr/sites/default/files/media/2017/09/15/methode-stattaux-calcul\\_en.pdf](https://www.banque-france.fr/sites/default/files/media/2017/09/15/methode-stattaux-calcul_en.pdf)

<sup>4</sup> For the largest credit institutions, the AnaCredit collection exercise has gradually replaced the Banque de France’s Central Credit Register (SCR). Smaller banks not covered by AnaCredit are still required to report data to the SCR.

One notable difference is that monetary statistics on outstanding loans and the interest rates applied to NFCs do not take into account sole proprietorships (which are grouped together with households), while statistics based on the LME definition of enterprises do. In the Stat Info, this difference can be seen when comparing the aggregated loan statistics with the breakdown by beneficiary size and sector.

## Enterprise size

Decree No. 2008-1354 implementing the LME and which provides a statistical definition of the term enterprise, specifies, in line with the European Commission definitions, the size categories for companies and the criteria used to establish them. There are four criteria: headcount, turnover, balance sheet total and, implicitly, the financial links between legal units. Note that a legal unit is a legal entity identified by a SIREN number.

As the first three criteria have to be assessed at the level of each enterprise, understood in the sense defined in the LME (the smallest combination of legal units that is an organisational unit producing goods or services, which benefits from a certain degree of autonomy in decision-making), an operational definition of the term enterprise first has to be adopted. This definition is based on the financial links between legal units. A financial link is included within the scope of an enterprise if it corresponds to a holding of at least 50% of the capital of a legal unit. Enterprises can thus consist of a single legal unit, or be a combination of several legal units.

The sizes are then defined as follows:

- **Small and medium-sized enterprises (SMEs)** are those that have up to 250 employees and annual turnover not exceeding EUR 50 million or a balance sheet total not exceeding EUR 43 million. For the purposes of the “Financing of enterprises” Stat Info, and with the exception of those enterprises described below, the SME category also includes legal units that, due to a lack of data, cannot be assigned to a size category in accordance with the LME criteria.
- **Intermediate-sized enterprises (ISEs)** are enterprises that are not SMEs, and have up to 5,000 employees and annual turnover not exceeding EUR 1.5 billion or a balance sheet total of under EUR 2 billion.
- **Large enterprises (LEs)** are those that cannot be classified under one of the above categories.

In addition to these three categories, there is a fourth, more ad hoc category called “SCI and miscellaneous” (where SCI is a *société civile immobilière* or non-trading real estate company). This groups together legal units for which insufficient information is available to classify them as SMEs, ISEs or LEs but which operate in the real estate sector and have significant outstanding loans. Generally, these are SCIs whose capital ties are not sufficiently known. They can also be wealth management companies.

The size attributed to an enterprise is fixed for at least one year: the size attributed in year N is based on the last available balance sheet for the previous three years; it is then revised in July of N+1 if a more recent balance sheet is available.

## Sector of activity

The sector of activity is also determined at the level of the enterprise as defined under the LME (i.e. combination of legal units). The sectors are defined according to INSEE's aggregate sector classification (NA 2008) which is itself based on the NAF (French classification of activities) that has been in application since 2008. The sector attributed to an enterprise is that of the legal unit or legal units that generate the largest share of turnover. If no sector accounts for the majority of turnover, the different "groupings" of legal units are assigned a sector based on the headcount criterion.

The sector of activity is revised according to the same rules as for the enterprise size. The sectors used are as follows:

Sectors of activity
Agriculture, forestry and fishing (AZ)
All industry
- o/w manufacturing (C)
Construction (FZ)
Wholesale and retail trade; repair of motor vehicles and motorcycles (G)
Transportation and storage (H)
Accommodation and food service activities (I)
Information and communication (JZ)
Real estate activities (LZ)
Consultancy and business service activities (MN)
Education, human health, social work and other service activities (PS)
Holdings (K)

## Definition of instruments

**Bank loans** are loans granted by credit institutions and financing companies to NFCs. They are broken down into different categories according to the purpose for which they are intended.

Category	Accounting item
<b>Investment loans</b>	Equipment loans
	Leasing and similar operations
	Subordinated loans
	Real estate loans
<b>Equipment</b>	<i>Equipment loans</i>
	<i>Equipment leasing and similar operations</i>
	<i>Subordinated loans</i>
<b>Real estate</b>	<i>Real estate loans</i>
	<i>Property leasing and similar operations</i>
<b>Cash loans</b>	Trade receivables
	Overdrafts
	Factoring
	Cash loans
	Assets purchased under resale agreements
	Securities purchased under resale agreements
<b>Other loans</b>	Export loans
	Non-performing loans
	Other loans to customers
	Non-performing leasing and similar operations
	Provisions on transactions with doubtful customers
	Non-performing subordinated loans

“Macro-level” loan statistics include outstanding loans that have been securitised and transferred off the balance sheet by credit institutions and similar entities.

**Drawn loans** are those that have actually been disbursed, and undrawn loans are the unused but available portion of confirmed credit lines.

**Loans by amount** is the breakdown of loans into those of EUR 1 million or less and those exceeding EUR 1 million.

**Securities other than shares** consists of all debt securities (NEU CP, NEU MTN, bonds, subordinated debt securities) recorded in NFC liabilities.

### 3. Types of data published

Several types of data are produced and published in the Stat Info.

**Outstanding amounts** of loans is the stock of loans reported by credit institutions and similar entities that corresponds to the data recorded in their balance sheet. Outstanding amounts of debt securities are the amounts recorded in enterprises’ liabilities and are expressed in nominal value.

**Net loan transactions** (new loans minus repayments) are calculated by adjusting changes in outstanding amounts for effects not resulting from economic transactions (see formula below). The data are not adjusted for currency variations, however, notably because we do not know to what extent enterprises have hedged the currency exposure on their debt.

$$F_t = (E_t - E_{t-1}) - C_t - A_t$$

Where: -  $F_t$ , loan transactions in month  $t$

-  $E_t$ , outstanding amounts in month  $t$

-  $C_t$ , reclassifications

The latter are changes affecting the population of credit institutions and similar entities (creations, strikings-off), reclassifications of loans and commitments and corrections of reporting errors.

-  $A_t$ , write-downs

These effects are when loans are written down or written off, reducing the carrying amount of the outstanding stock.

**Net transactions in securities other than shares** is the gross amount of debt security issuance minus redemptions.

The **annual growth rate** in per cent at date  $t$ , denoted as  $a_t$ , is obtained as follows:

$$a_t = \left[ \prod_{i=0}^{11} \left( 1 + \frac{F_{t-i}}{E_{t-i-1}} \right) - 1 \right] * 100$$

**Gross flows** or **new business** shows all new financing, i.e. new loans or gross securities issuance.

The **annual interest rate** is the cost of the financing obtained by NFCs:

- For bank loans, this is the interest rate component of the average total percentage rate of charge (TPC) on new loans.
- For debt securities, it is the yield-to-maturity on issues, taking into account changes in market conditions and borrower risk.

#### 4. Differences between monetary statistics and statistics by size and sector

As previously indicated, the “Financing of enterprises” Stat Info is derived from different data reporting exercises. It is important to bear in mind the specificities of each exercise when comparing the statistics in the publication. More specifically, when reconciling monetary statistics on outstanding loans and interest rates, and statistics on loans by enterprise size or sector, it is important to take into account the discrepancies caused by the following features of the reporting exercises:

- The collection of loan statistics by beneficiary does not include loans of less than EUR 25,000.
- Monetary statistics do not include data on sole proprietorships, unlike statistics by enterprise size or sector.
- In the table showing bank loans by enterprise size (section 2 of the Stat Info), there is a difference between the outstanding amount for “Total NFCs”, which is established using monetary statistics, and the sum of the outstanding amounts to SMEs, ISEs and LEs which are established based on loan statistics by beneficiary. This difference is largely due to the fact that outstanding loans to the category “SCI and miscellaneous” do not appear in the breakdown by enterprise size, to make the table easier to read.

#### 5. Revisions

Monetary statistics may be revised in the subsequent month’s publication, to take into account any corrections made by credit institutions after checking and analysing their reported data. In exceptional cases, for example in the event of a change in methodology, data may be revised over a longer period. In this case, the Stat Info will contain a notification to this effect.

Statistics on securities may be revised due to corrections and to take into account additional data from the quarterly and annual reporting exercises.

As balance sheet data are compiled with a lag of several months, the monthly reported breakdowns of outstanding loans by enterprise size and sector are revised annually in July.