

FINANCING THE FRENCH ECONOMY

SMEs : THE TOP STRATEGIC
PRIORITY FOR FRENCH BANKS



March 2016



FÉDÉRATION
BANCAIRE
FRANÇAISE

€2,089 BILLION IN LOANS TO THE FRENCH ECONOMY

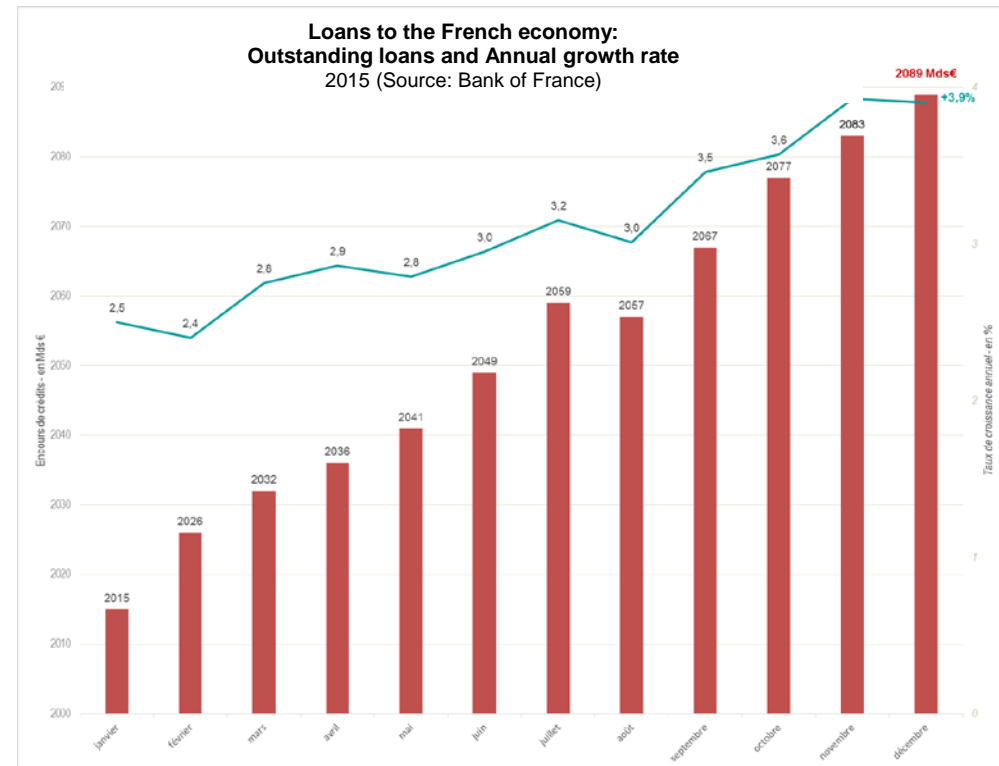
€2,089 billion in loans

for households and companies

(Bank of France, December 2015)

Up: + 3.9% year-on-year

- €1,055 bn loans to households (including €867 bn in mortgages)



« French banks are funding the economy. Loans granted have increased for companies and personal customers. For companies, this means over €35 billion euros in additional loans in the last year. »

Frédéric Oudéa, FBF Chairman – Europe 1, 20 January 2016

BUSINESS LENDING MODEL: BANK CREDIT AND MARKET FUNDING

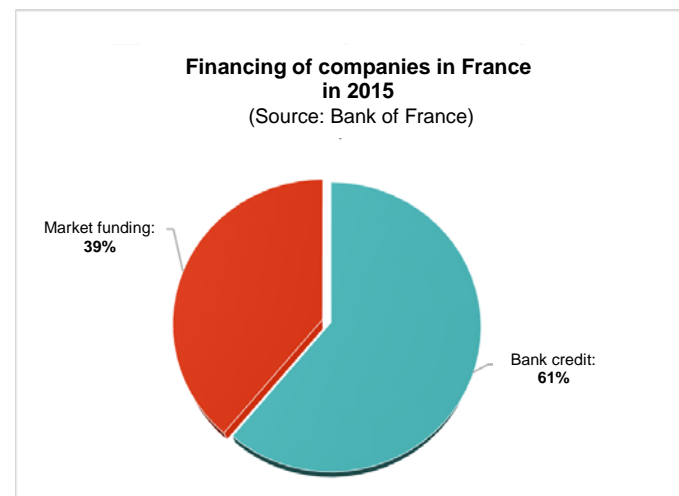
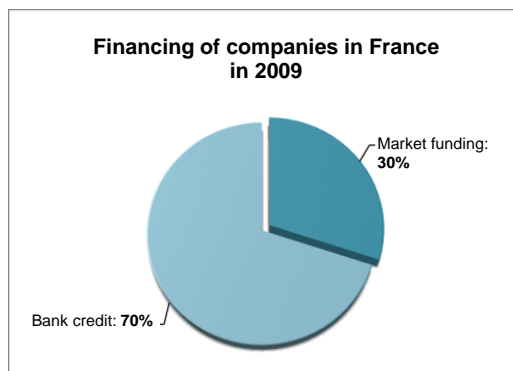
€1,426.9 bn total lending

(Bank of France, December 2015)

Up: **+ 4.5%** compared to 2014

- Bank credit: **€871 bn** (+ 4.1% year-on-year)
- Market funding: **€555 bn** (+ 5.1% year-on-year)

+ 9 points
For market-based
funding since 2009



MORE THAN €870 billion IN CORPORATE LOANS

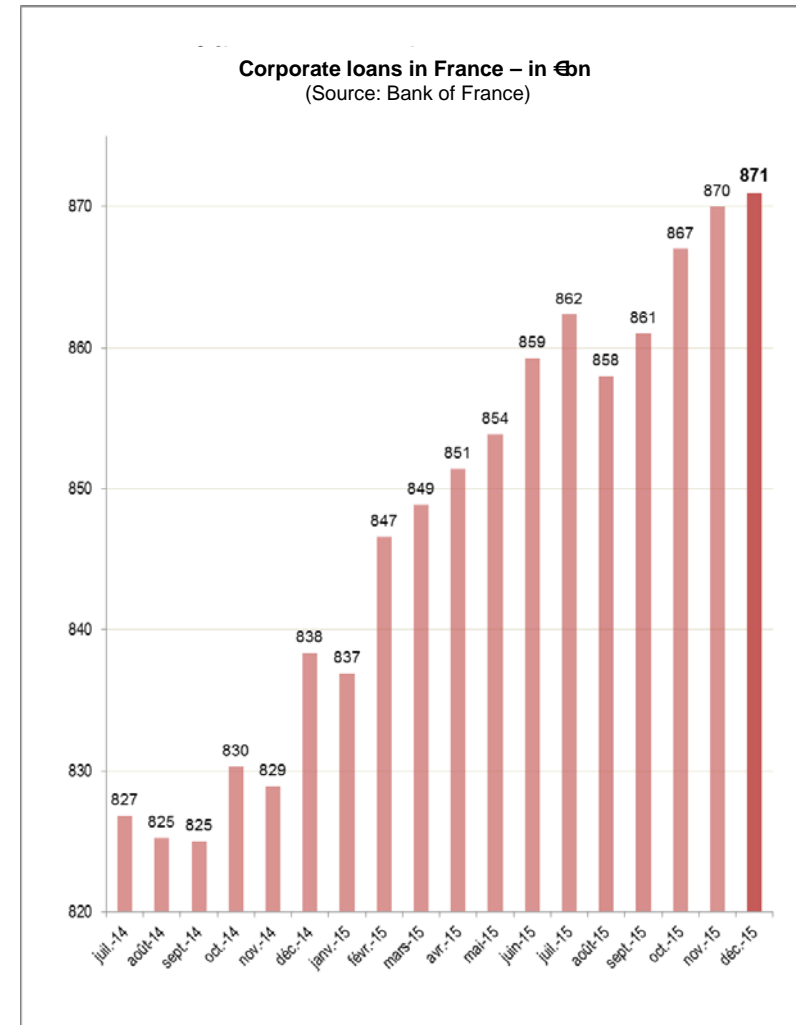
€871 bn in corporate loans

+ 4.1% compared to 2014

- **+ 3.2%** investment loans
- **+ 6.2%** short-term loans

(Bank of France, December 2015)

+ 11.5%
Over the last 5 years

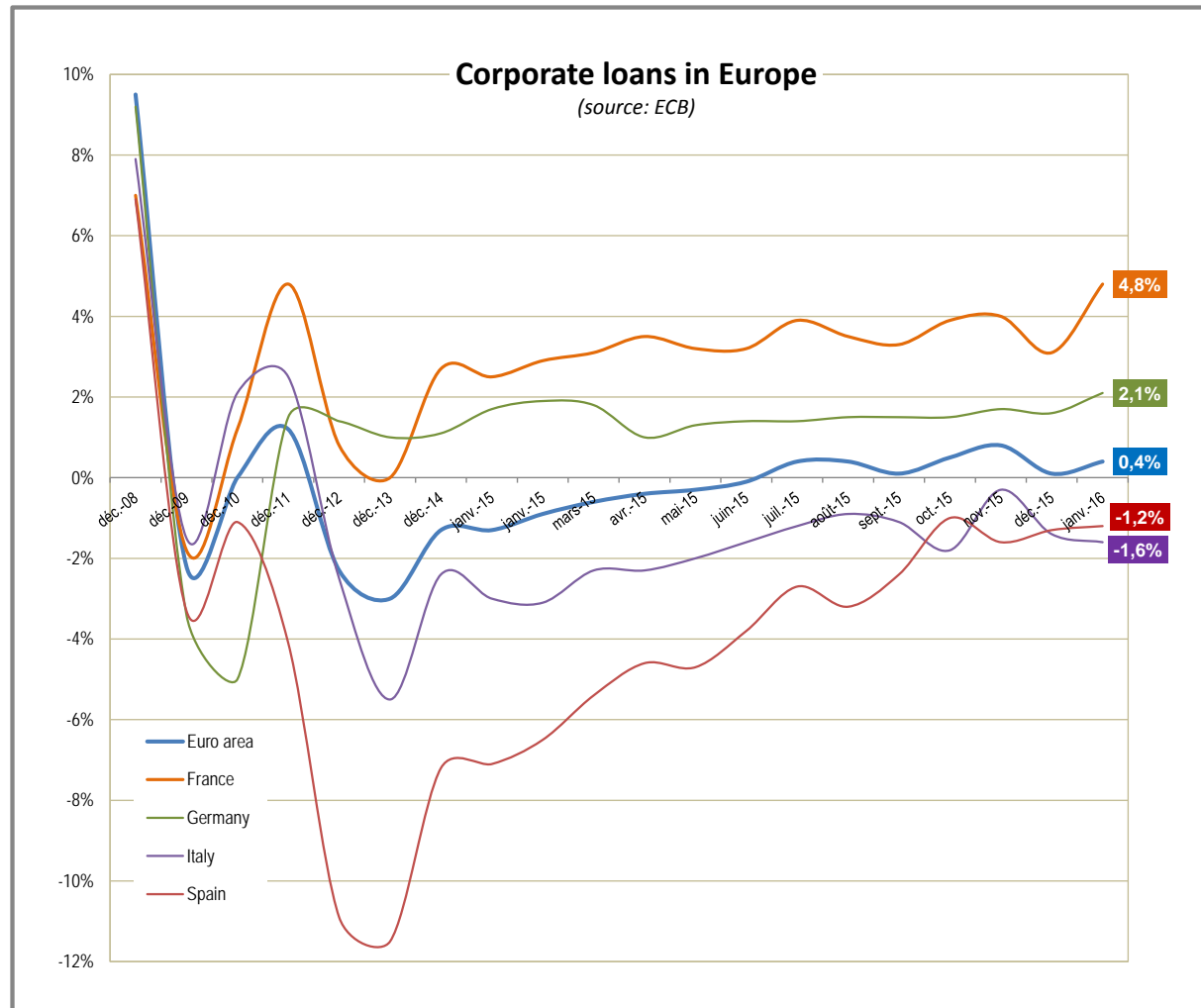


CORPORATE LOANS: FRANCE IS #1 IN THE EURO ZONE

Corporate loans **have grown**
since the end of 2013: + 3.1%

Whereas **they have risen**
marginally in the euro zone
during the last few months: + 0.1%

(ECB, December 2015)

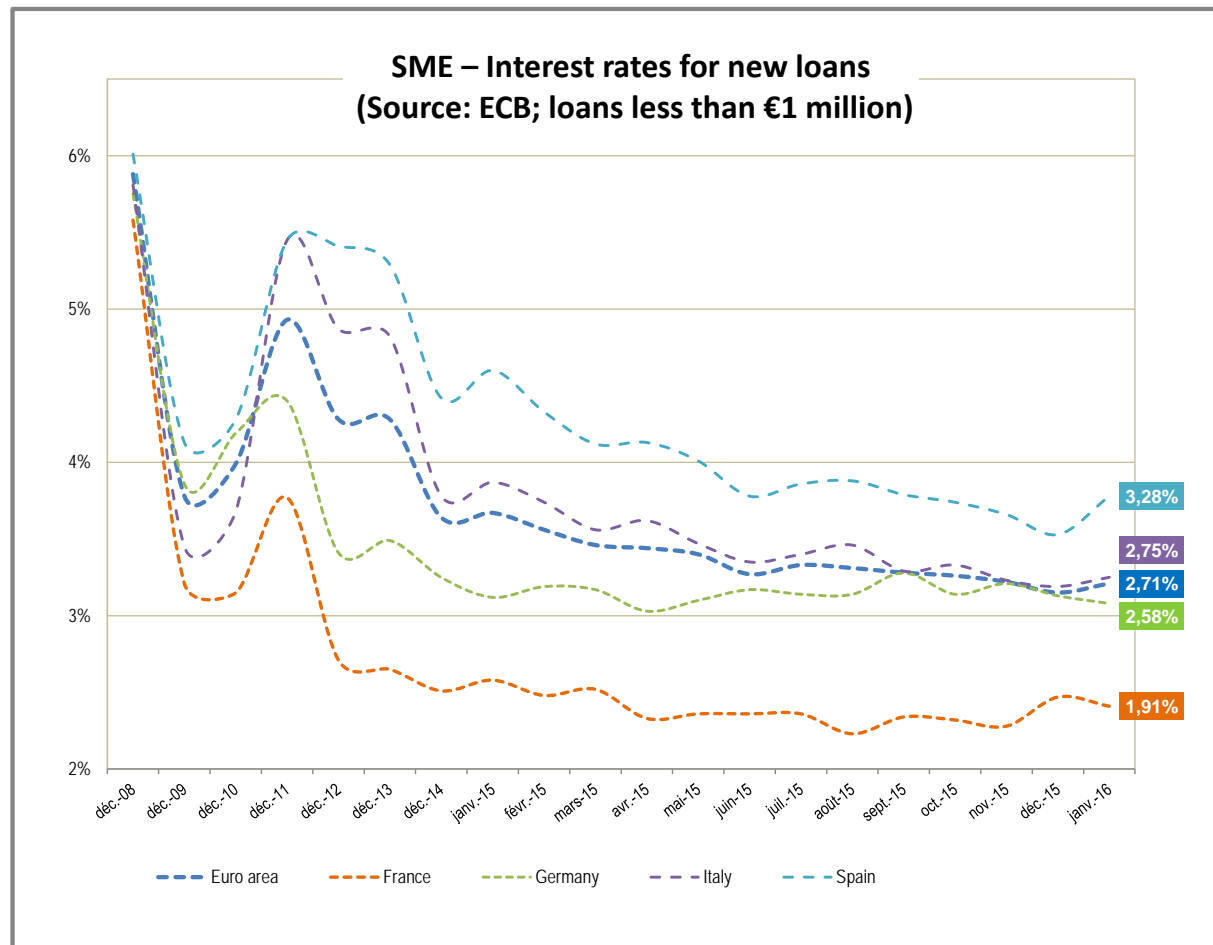


INTEREST RATES ARE FAVOURABLE IN FRANCE

Interest rates for new lending to SMEs **are low** in France: 1.97%.

Rates are **favourable** for SME projects with a 70 basis points difference, compared to the average European rate (2.65%).

(ECB, December 2015)



BANKING NETWORKS FINANCE MORE THAN 1 MILLION VSC*/SME

€374 bn loans mobilized for
1,080 million VSC/SME in France

+2 % year-on-year

(Bank of France, December 2015)

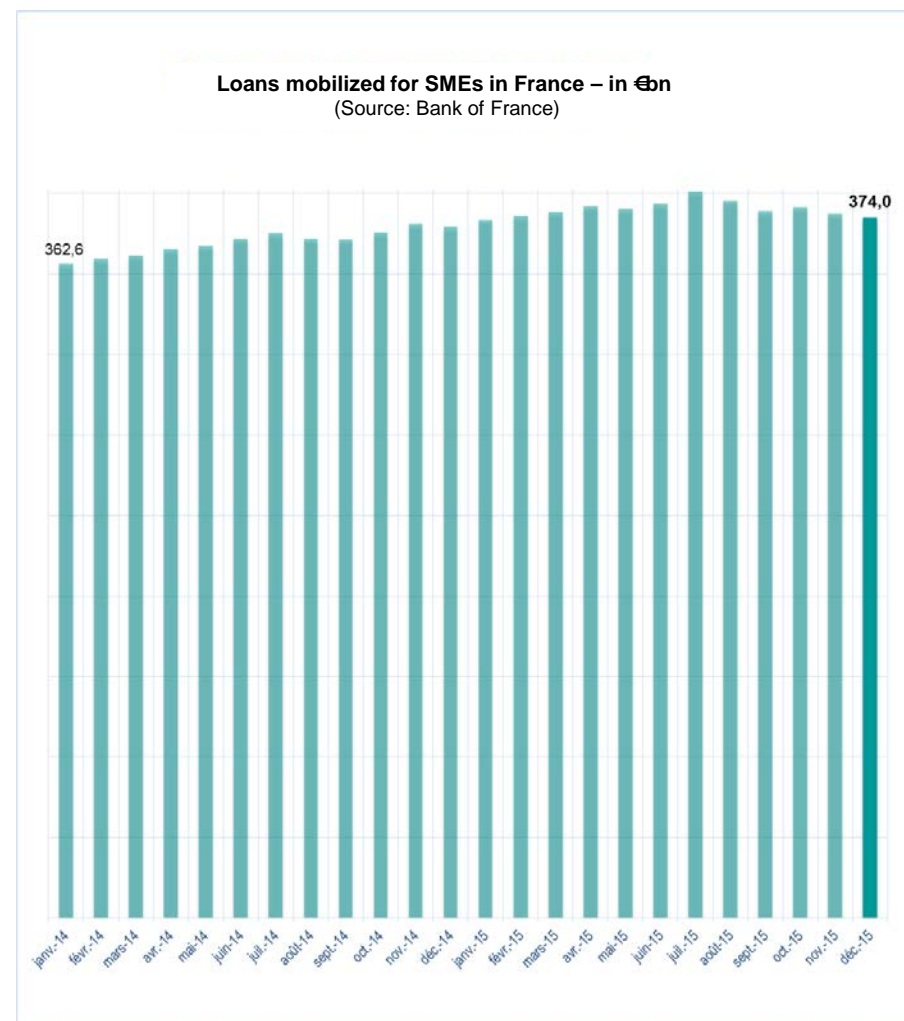
Half of the
loans are
granted to
SMEs

More than 1
million **SMEs**
are financed by bank
loans

- **+1.2%** short term loans to VSC (very small companies)

- **€15.5 Bn** in new lending in 2015

(Bank of France, 4th quarter 2015)



*VSC: very small company