METHOD

Loans to non-financial corporations

26 July 2017

1. Source used

The statistics used for the production of the "Stat Info[1]" document and the time series[2] attached to this publication are derived from the monetary statistics of outstanding amounts (see methodology https://www.banque-france.fr/sites/default/files/media/2016/12/20/methode_sm_hors_taux_dinteret_bancaires_fr.pdf)
produced by the Directorate General for Statistics of the Banque de France. The credit data are collected from credit institutions and finance companies subject to ECB Regulation No. 1071/133, which report accounting statements on a monthly or quarterly basis according to their volume of activity.

2. Definition of non-financial corporations and scope of the loan categories

Definition of non-financial corporations

Non-financial corporations include all enterprises 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), excluding sole proprietors. This publication only covers domestic non-financial corporations.

Scope of the loan categories

Categories	Accounting items
Investment loans	Equipment credit
	Leasing and similar operations
	Subordinated loans
	Real estate loans
Equipment	*Equipment credit*
	Equipment leasing and similar operations
	Subordinated loans
Real estate	*Real estate loans*
	Property leasing and similar operations
Treasury loans	Trade receivables
	Overdrafts
	Factoring
	Treasury loans
	Assets purchased under resale agreements
	Securities received under repurchase agreements
Other lending	Export credit
	Non-performing loans
	Other loans to customers
	Doubtful debts on leasing operations and other similar operations
	Provisions on transactions with doubtful customers
	Non-performing subordinated loans

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[1] https://www.banque-france.fr/en/statistics/loans/loans/loans-non-financial-corporations

[2] Link to Webstat : http://webstat.banque-france.fr/en/browse.do?node=5384959

BANQUE DE FRANCE
EUROSYSTÈME

Taking account of securitisation in loan statistics consists in correcting the "accounting" outstanding amounts of credit institutions and finance companies by adding to them the securitised outstandings reported by remitters for each loan item.

3. Types of disseminated data

Several types of data are produced and disseminated for this publication: outstanding amounts, flows, growth rates.

Outstanding amounts correspond to stocks reported by credit institutions and related entities.

Net **flows** (lending minus credit recovery) are calculated by adjusting the changes in outstanding amounts for the effects that do not stem from economic transactions (see formula below). The effects of exchange rate fluctuations are not corrected in these data, in particular because it is not known to what extent firms' foreign currency debt is hedged in foreign currency.

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

Where: - F_t , *flows in month t*

   - E_t , *outstanding amounts in month t*

   - C_t , *reclassifications*

These include changes in the population of credit institutions and related entities (creation, striking-off), reclassifications of claims and liabilities and correction of reporting errors.

   - A_t , *write-offs*

The effects referred to here are those relating to write-offs that reduce the amount of "accounting" outstanding loans.

The **annual percentage growth rates** at date t, denoted a_t, are obtained as follows:

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

In addition to the outstanding and flow statistics, **notional amounts** are calculated. The idea is to facilitate the work of data users, by allowing them to have stock histories directly related to annual growth rates. These notional amounts are calculated as follows:

$$EN_{t-1} = \left(\frac{EN_t}{1 + F_t / E_{t-1}} \right)$$

Where: $E_{N,t}$ notional stock at date t
E_t outstanding amount at date t
F_t flow at date t

4. Seasonal adjustment method

Several series are seasonally-adjusted at a disaggregated level (loans by object). The seasonal adjustment is performed using the X12-ARIMA, X13-ARIMA and TRAMO SEATS procedures. In addition to being adjusted for seasonal variations, the series are adjusted to take account of possible calendar effects (number of working days over the period, position of Easter in the year) and outliers. The seasonally adjusted monthly flows thus obtained are then brought into line with the non-seasonally adjusted annual flows by means of a calibration procedure so that for each year the sum of the seasonally adjusted monthly flows is equal to the corresponding annual amount.

5. Revisions policy

The first monthly data may be revised the following month to take into account the corrections of the credit institutions following the data controls and analysis performed by the Directorate General for Statistics.

Exceptionally, for example in the event of a methodological change, revisions may be made over a longer period, in which case a notice is posted in the Stat Info publication.

It should also be noted that the statistical correction of seasonal variations may revise the history of the published seasonally-adjusted series each month.