

Loans to individuals France June 2017

3 August 2017

Housing loans accelerate, renegotiations weaken

- The annual growth rate of loans to individuals increases in June (+ 6.1%, up from + 5.9% in May), driven by the dynamism of housing loans (+ 6.0%, up from + 5.7%).
- The average interest rate of housing loans rises again very slightly (1.62%, up from 1.59% in May).
- Monthly production of housing loans decreases (€ 20.7 billion in June, down from € 24.9 billion in May) due to the reduction in renegotiations, the share of which in new loans continues its decrease started at the beginning of the year (33% in June, down from 42% in May and 62% in January). Excluding renegotiations, the flow of new loans to housing increases between May and June.
- The growth rate of credits for consumption decreases (+ 5.1% in June, down from + 5.7% in May), while remaining at a high level.

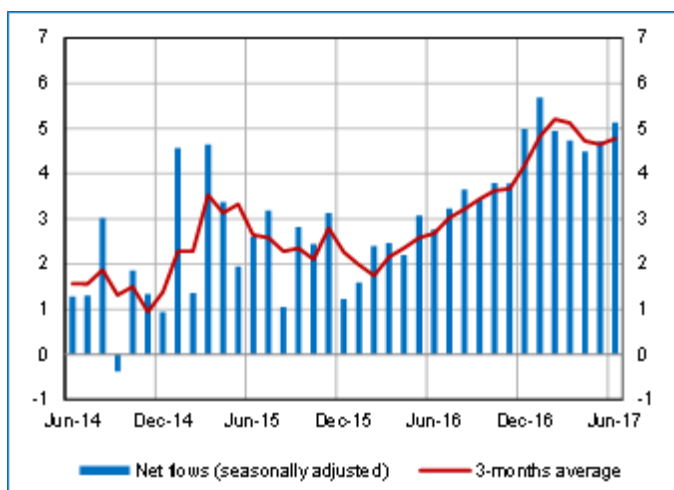
Outstanding amounts and annual growth rates (without seasonal adjustment)

(Outstanding amounts in € Bn, annual growth rate in %)

	End-of-month level	Annual growth rate		
	June-17	Apr.-17	May-17	June-17
Total	1 128	5.8	5.9	6.1
<i>Lending for house purchase</i>	927	5.6	5.7	6.0
<i>Credit for consumption</i>	164	5.5	5.7	5.1
<i>Other lending</i>	37	11.7	12.1	12.7

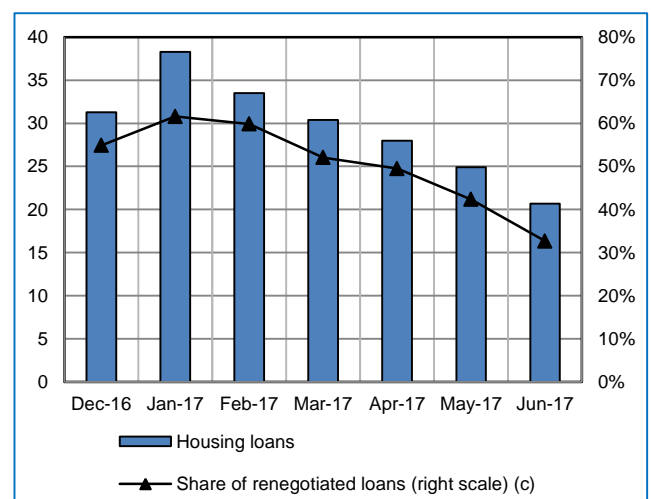
Monthly flows of housing loans (with seasonal adjustment)

(Changes in stocks in € Bn, adjusted for sales and securitization and write-offs/write-downs)



Share of renegotiation of new property loans

(New property loans seasonally adjusted, in € Bn and in %)



Production of new loans

(excluding overdrafts, monthly flows seasonally adjusted (a))

(in € Bn)	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17
- loans for consumption purposes (b)	5.3	5.0	5.1	5.0	5.1	4.9
- housing loans	38.3	33.5	30.4	28.0	24.9	20.7
- proportion of renegotiation (not seasonally adjusted) in % (c)	61.6	59.9	52.1	49.5	42.4	32.7

Interest rates on new loans (narrow defined effective rate, monthly average)

(in %)	Jan-17	Feb-17	Mar-17	Apr-17	May-17 (e)	June-17 (f)
- housing loans long term and fixed rates	1.50	1.54	1.53	1.57	1.59	1.62
- housing loans short term and floating rates	1.59	1.58	1.61	1.58	1.62	1.64
- loans for consumption purposes (b)	4.11	4.03	3.97	3.93	3.94	3.83
- overdrafts for individuals (d)	6.17	6.56	6.46	6.33	6.13	6.32

(a) Parameters for seasonal adjustment are updated each month, taking into account monthly data under review.

(b) Excluding revolving loans.

(c) Ratio of renegotiated loans on housing loans, both not seasonally adjusted

(d) Overdrafts: negative balance of ordinary accounts + commercial credits + factoring + cash credits without fixed repayment schedule (including mobilization of revolving loans).

(e) Revisional data.

(f) Provisional data.

Interest rates on housing loans, all maturities

(Narrowly defined effective rate, average weighted by long and short term flows, in %)



Additional information

Only loans granted to individuals (households excluding sole proprietors and unincorporated partnerships) by resident monetary financial institutions are presented here.

The outstanding growth rates are calculated by correcting accounting modifications that do not reflect economic changes. In particular the accounting derecognition of loans from the MFI's statistical balance sheet due to their sale, securitization or write-offs/write-downs is corrected. Conversely, exchange rate effects are taken into account without any change.

The weighted average rates and new business volumes are calculated according to the harmonized definitions of the Eurosystem. Published rates are the narrowly defined effective rate (NDER). They correspond to the interest component of the Annual Percentage Rate of Charge (APRC). Renegotiated loans also include mortgage repurchases.

The production of the new loans represents the new granted loans, even when they are not actually remitted to the borrower. This method, which is common to all Eurosystem central banks, allows having an advanced indicator of loans production, which is useful particularly for economic analysis.

Details of the annual changes in housing loans in the regions are available under <https://www.banque-france.fr/statistiques/credit/credit/credits-dans-les-regions-francaises>. The perimeter of these regional statistics does not correspond to that of monetary statistics in the sense that finance companies can not be taken into account. At the national level, the annual growth of bank loans to housing is + 6.8%.