

5th March 2020

Loans to individuals – France • January 2020

Growth in housing credit remains sustained in January

- Growth in housing loans to individuals stands at 7.0% in January (up from 6.8% in December).
- Monthly new housing loan production (seasonally adjusted) stands at EUR 23.5 billion in January 2020, of which EUR 17 billion excluding renegotiations. The share of renegotiations in new loans rises to 28.0%, up from 25.4% in December.
- The average interest rate on new housing loans is stable at an all-time low of 1.17% after nine consecutive months of decrease.
- Growth in consumer credit moderates somewhat but remains high (+5.2%, down from +5.5% in December). Overall, the growth rate of loans to individuals increases very slightly in January (+6.7%, up from +6.6%).

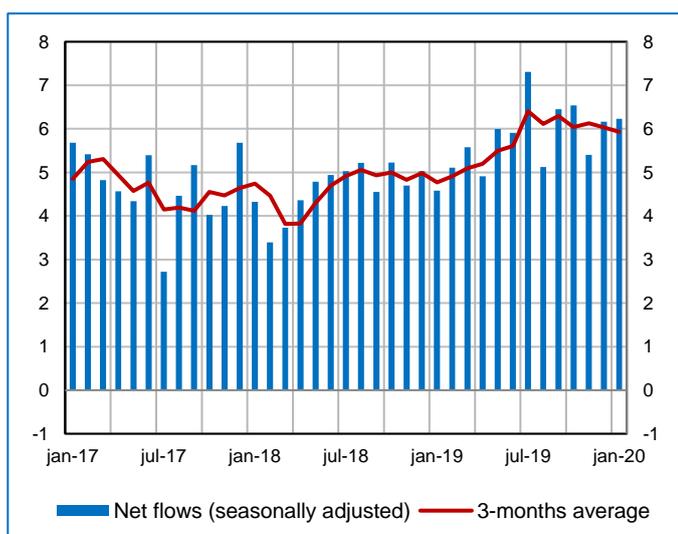
Outstanding amounts and annual growth rates (without seasonal adjustment)

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

	End-of-month level	Annual growth rate		
	Jan-20	Nov-19	Dec-19	Jan-20
Total	1 300	6.5	6.6	6.7
<i>Lending for house purchase</i>	<i>1 077</i>	<i>6.8</i>	<i>6.8</i>	<i>7.0</i>
<i>Credit for consumption</i>	<i>188</i>	<i>5.4</i>	<i>5.5</i>	<i>5.2</i>
<i>Other lending</i>	<i>35</i>	<i>3.5</i>	<i>4.4</i>	<i>4.5</i>

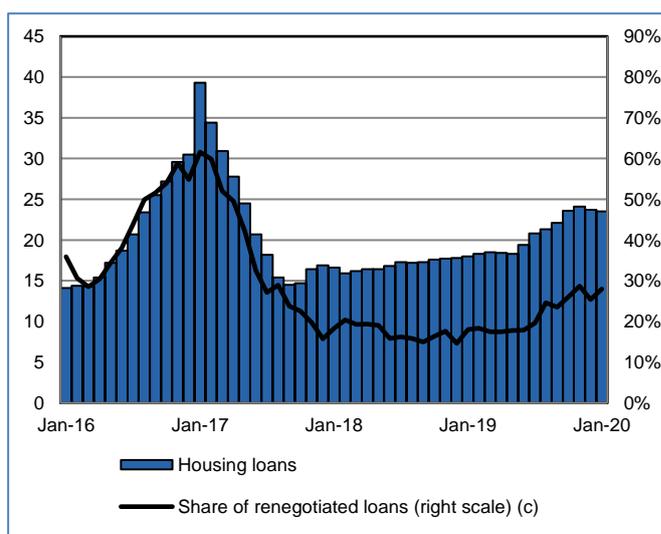
Monthly flows of housing loans (with seasonal adjustment)

(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)	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20
- loans for consumption purposes (b)	5.8	5.8	5.7	5.8	6.2	6.2
- housing loans	21.3	22.1	23.6	24.1	23.7	23.5
<i>of which housing loans excluding renegotiations</i>	16.1	16.9	17.5	17.2	17.7	17.0
- proportion of renegotiation (not seasonally adjusted) in % (c)	24.6	23.6	26.0	28.7	25.4	28.0

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

(in %)	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19 (e)	Jan-20 (f)
- housing loans long term and fixed rates	1.31	1.27	1.23	1.20	1.17	1.17
- housing loans short term and floating rates	1.37	1.36	1.38	1.29	1.29	1.30
- loans for consumption purposes (b)	3.83	3.55	3.68	3.75	3.52	3.75
- overdrafts for individuals (d)	5.70	5.69	5.54	5.70	5.29	5.48

(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) Revised 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.

Monthly growth rates are those of new loans agreed, i.e. disbursed. It should not be considered as an indication for identifying any inflection point in loans' granting policy, since a delay is observed between the acceptance of the loans and its effective disbursement.

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.

