

5th February 2020

Loans to individuals – France • December 2019

In 2019, the decrease in housing loans rates exceeds 30 basis points

- In 2019, credit growth remains high (+6.6%) supported by housing loans (+6.8%).
- New housing loans production stands at 258 billion euros, up from 214 billion euros in 2018. This increase is partly explained by an upturn in credit repurchase and renegotiations (53 billion euros in 2019, up from 35 billion euros in 2018).
- The second part of the year records an increase in renegotiations, which accounts for 25.4% of total housing loan production in December 2019 (after 28.7% in November).
- The average interest rate on new loans for house purchase continues to fall to 1.17%, down 32 basis points over a year.

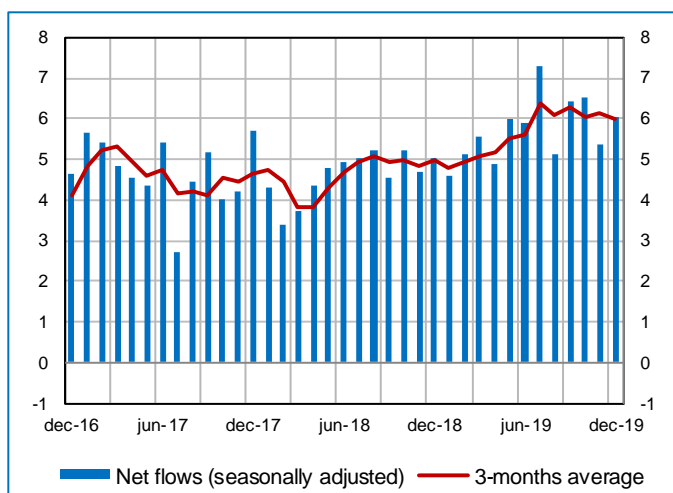
Outstanding amounts and annual growth rates (without seasonal adjustment)

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

	End-of-month level	Annual growth rate		
	Dec-19	Oct-19	Nov-19	Dec-19
Total	1 302	6.5	6.5	6.6
<i>Lending for house purchase</i>	1 078	6.7	6.8	6.8
<i>Credit for consumption</i>	191	5.6	5.4	5.8
<i>Other lending</i>	33	4.3	3.5	4.5

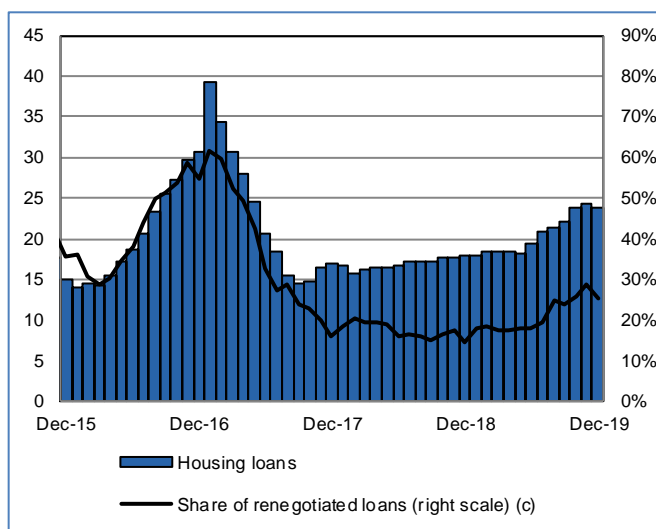
Monthly flows of housing loans (with seasonal adjustment)

(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)	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
- loans for consumption purposes (b)	5.8	5.7	5.8	5.7	5.8	6.1
- housing loans	20.8	21.3	22.0	23.7	24.2	23.7
<i>of which housing loans excluding renegotiations</i>	16.7	16.1	16.9	17.5	17.2	17.7
- proportion of renegotiation (not seasonally adjusted) in % (c)	19.6	24.6	23.6	26.0	28.7	25.4

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

(in %)	Jul-19	Aug-19	Sept-19	Oct-19	Nov-19 (e)	Dec-19 (f)
- housing loans long term and fixed rates	1.34	1.31	1.27	1.23	1.20	1.17
- housing loans short term and floating rates	1.44	1.37	1.36	1.38	1.29	1.29
- loans for consumption purposes (b)	3.71	3.83	3.55	3.68	3.75	3.51
- overdrafts for individuals (d)	5.50	5.70	5.69	5.54	5.70	5.30

(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

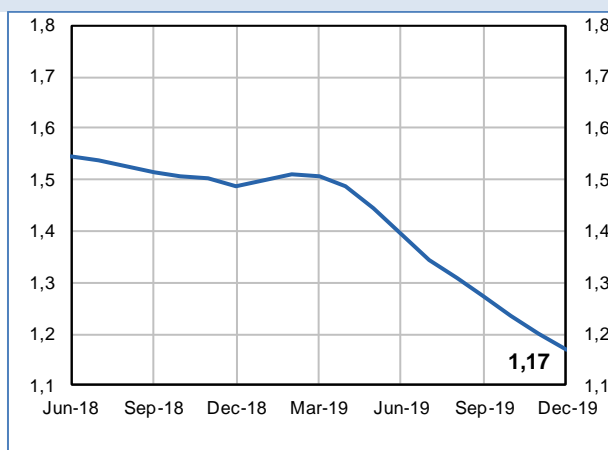
(d) Overdrafts: negative balance of ordinary accounts + commercial credits + factoring + cash credits without fixed repayment schedule (including mobilization of revolving loans).

(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.

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.

