

March 6th 2023

Loans to individuals – France • January 2023

Housing loan production stabilizes

- In January, the seasonally adjusted flow of new housing loans stands at €15.8 billion (up from €15.0 billion in December), while interest rates continued their gradual and orderly rise, with an effective rate in the narrow sense -TESE-, i.e. excluding fees and insurance, at 2.20% on average (up from 2.05% in December). Production excluding renegotiations amounts to €13.4 billion in the first month of the year.
- The annual growth rate of outstanding home loans is +5.1% in January 2023.
- The growth rate of consumer loans rises slightly in January, to +3.9% up from +3.6% in December. This corresponds to production of €5.8 billion in January, after €5.6 billion in both November and December 2022 (see the quarterly supplement on page 3).
- The estimate for February indicates a continued rise in the average interest rate on new home loans, to 2.33%, and a rise in monthly production of these loans to €17.0 billion, of which €14.4 billion excluding renegotiations.

Outstanding amounts and annual growth rates (without seasonal adjustment)

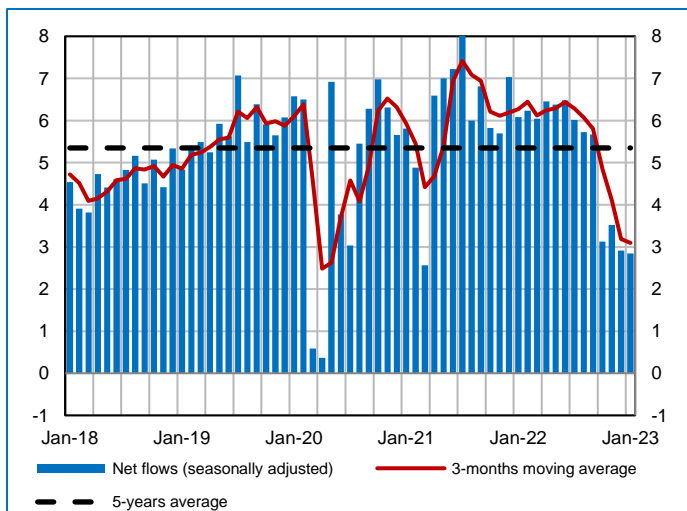
(Outstanding amounts in € Bn, annual growth rate in %)

	End-of-month level	Annual growth rate			
	Jan-23	Nov-22	Dec-22	Jan-23	feb-23
Total	1 512	5.5	5.1	4.9	-
<i>Lending for house purchase</i>	<i>1 282</i>	<i>5.7</i>	<i>5.3</i>	<i>5.1</i>	<i>5.0</i>
<i>Credit for consumption</i>	<i>202</i>	<i>4.0</i>	<i>3.6</i>	<i>3.9</i>	<i>-</i>
<i>Other lending</i>	<i>29</i>	<i>5.0</i>	<i>3.3</i>	<i>3.1</i>	<i>-</i>

(*) Nowcasting

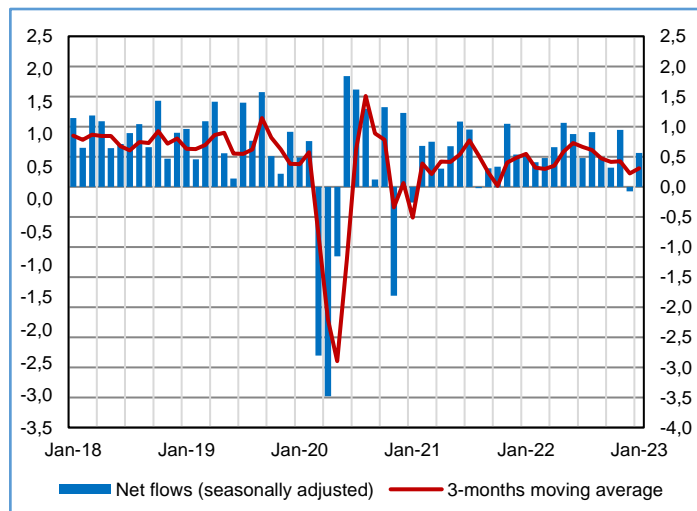
Housing loans to individuals (seasonally adjusted)

(In billion euros)



Credit for consumption (seasonally adjusted)

(In billion euros)





Production of new loans

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

(volumes in billion euros, proportion in percentage)	Sep-22	Oct-22	Nov-22	Dec-22 (e)	Jan-23 (f)	Feb-22 (g)
- loans for consumption purposes (b)	6.0	5.8	5.6	5.6	5.8	
- housing loans	18.6	18.5	18.2	15.0	15.8	17.0
of which housing loans excluding renegotiations	16.3	16.0	15.9	14.0	13.4	14.4
- proportion of renegotiation (not seasonally adjusted) in % (c)	12.3	13.4	12.8	12.5	15.1	

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

(in percentage)	Sep-22	Oct-22	Nov-22	Dec-22 (e)	Jan-23 (f)	Feb-22 (g)
- housing loans	1.68	1.77	1.91	2.05	2.20	2.33
of which housing loans long term and fixed rates	1.69	1.78	1.92	2.05	2.20	
of which housing loans short term and floating rates	1.62	1.67	1.81	2.05	2.18	
of which housing loans excluding renegotiations	1.70	1.81	1.96	2.12	2.31	
- loans for consumption purposes (b)	3.87	4.31	4.64	4.80	4.98	
- overdrafts for individuals (d)	5.15	5.23	5.49	5.34	5.49	

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

(b) Excluding revolving loans. Loans for splitted-cost payments (mainly "loans granted on market place" and "extended credit-card credits" are included into consumption 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).

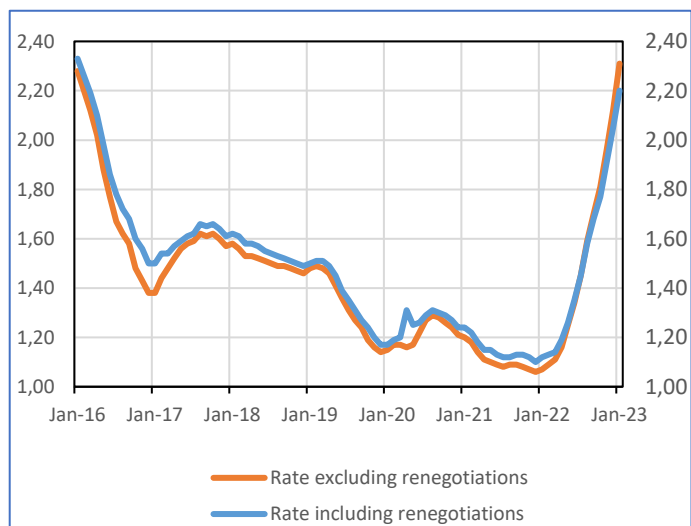
(e) Revised data

(f) Provisional data

(g) Nowcasting

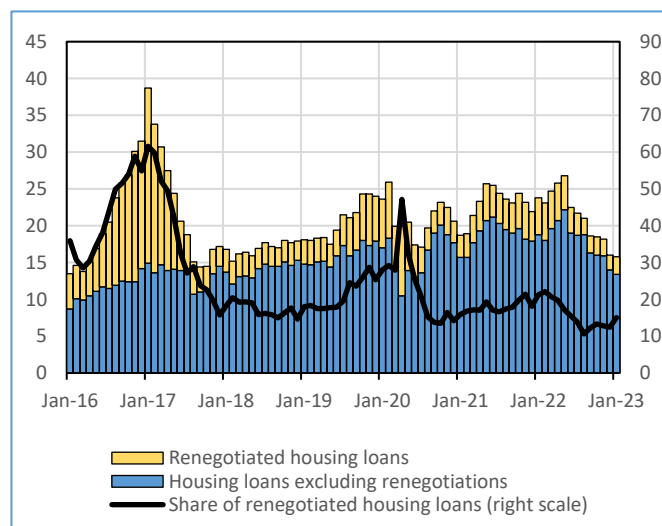
Interest rates on housing loans, all maturities

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



Share of renegotiated loans in new housing loans

(Monthly seasonally adjusted new loans in € Bn, share in %)





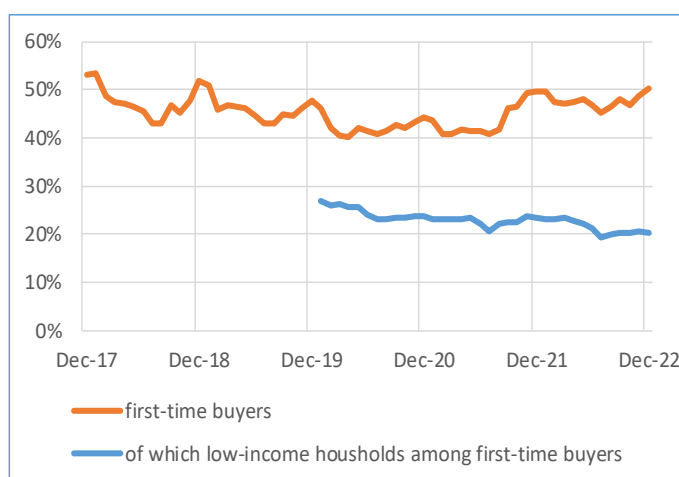
Additional information on access to real estate credit for first-time buyers

The Banque de France collects additional information from resident banks on housing loans, which makes it possible to break down loans according to their characteristics as well as those of the borrowers (loan amount, number of loans, average term, first-time buyer or not, etc.). This more granular information is based on a sample of 12 banks representing 90% of total outstanding loans, and is available with a small time lag. Analysis of the data shows that:

- The share of first-time borrowers of home loans for the acquisition of a principal residence is 50 % in December 2022, a proportion slightly higher than the average observed since 2015.
- The average term of housing loans for the purchase of a principal residence reaches 23 years and 1 month for all borrowers and 23 years and 9 months for first-time buyers.

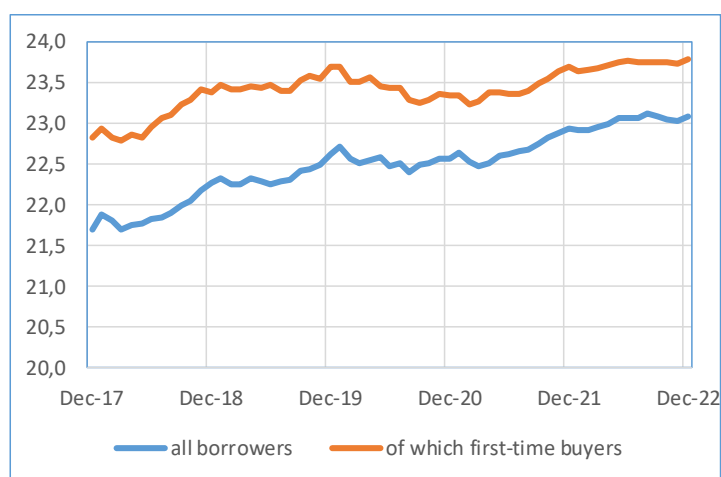
Share of first-time buyers in the production of housing loans for the acquisition of a principal residence

(in %)



Average maturity of housing loans for the purchase of a principal residence

(in years)





Quarterly additional information on credit for consumption¹

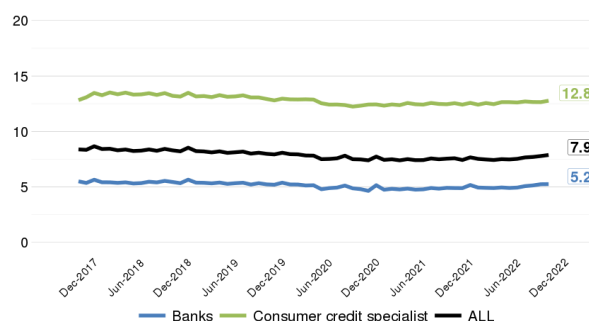
Changes in outstanding consumer credit to individuals

	Outstanding amounts in EUR Billions					Annual growth	
	2021	2022			(in %)		
	dec.	mar	jun	sept	dec.	sept-22	déc-22
Credit for consumption to individuals	194,6	194,9	198,0	200,0	202,8	4,2	3,6
Overdrafts	9,6	9,7	10,3	10,2	10,0	9,3	3,2
Revolving loans	18,7	18,6	18,7	19,2	19,5	5,2	3,9
Leases	17,1	17,2	17,4	17,9	18,6	-2,8	8,6
Personal loans	89,2	88,9	93,3	93,9	94,7	7,1	5,4
Credits at the point of sale (of which buy now pay later loans)	19,8	20,3	18,8	19,2	19,6	0,0	-1,7
Other treasury loans	14,5	14,1	13,9	14,1	14,6	6,7	0,1
Securitised loans	25,7	26,1	25,0	25,6	25,8	-1,5	0,0

Note: **Revolving credit** (formerly called revolving credit) is a form of credit that consists of making available to a borrower a sum of money that can be reused as it is repaid to finance non-predefined purchases.

Between September and December 2022, the annual growth rate of consumer credit to individuals decreased (+3.6% in December 2022, down from +4.2% in September 2022), mainly due to the slowdown in the growth of personal loans (+5.4% in December 2022 down from +7.1% in September 2022), overdrafts (+3.2% in December 2022 after +9.3% in September 2022) and revolving credit (+3.9% in December 2022 after +5.2% in September 2022). On the other hand, growth in lease financing rose sharply (+8.6% year-on-year in December 2022).

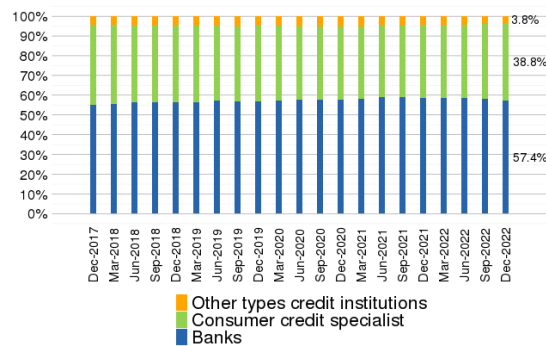
Interest rate (narrowly defined) on new revolving loans by type of credit institution France, %



Distribution channels of revolving loans

France, share in the total outstanding amount of revolving credits

¹ Following a change in the editorial line of some Stat Info (see the press release available here <https://www.banque-france.fr/communique-de-presse/la-banque-de-france-presente-la-refonte-de-ses-stat-info>), this publication is stopped. From now on, it will be integrated on a quarterly basis in the Stat Info Crédits aux particuliers. The corresponding time series will remain available on Webstat (the Banque de France's statistics website).



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 from monthly changes in stocks (including sales and securitization) by correcting from modifications that do not reflect economic changes, especially, the accounting derecognition of loans from the MFI's statistical balance sheet due to write-offs/write-downs. Conversely, exchange rate effects are taken into account without any change for technical reasons. Monthly growth rates are those of new loans agreed, i.e. disbursed. Nevertheless, new loan production represents new loans granted, even when they are not actually disbursed to the borrower, in accordance with the Eurosystem harmonised methodology, which aims to provide the public with an indicator that rapidly reflects changes in loan production. For this reason, the production of new loans differs from monthly changes in outstanding loans. Indeed, on the one hand, outstanding loans are recorded after the effective disbursement of funds and, on the other hand, they are reduced by the amortization of old loans. 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 external mortgage repurchases. As of October 1st, 2021, the Banque de France start offering a nowcasting on new business loans and interest rates based on a model which takes into account market conditions (reference interest rate, property transfer duties...) and the past values of the estimated variables. The absolute nowcasting deviation is on average 0.3 billion euros over the long term, i.e. 1.5% of the average gross flow. For interest rates, the absolute deviation is 1 basis point on average.

