

6 March 2018

Loans to individuals – France • January 2018

Housing loans and credit for consumption continue to rise

- In January 2018, the outstanding amounts of lending for house purchase continued to increase (see chart below: monthly flows of housing loans with seasonal adjustment), with a minor decrease in their annual growth rate at +6.1 %.
- Hence, interest rates remained low (1.62 % in average) while inflation has increased over the past year.
- The proportion of renegotiations in new credits rose slightly to 18 %.
- Credits for consumptions remained dynamic. Their growth rate reached their highest since August 2006 (+ 6.7%).

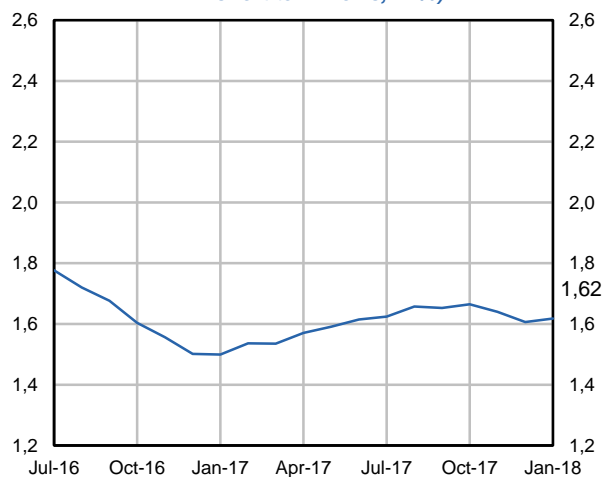
Outstanding amounts and annual growth rates (without seasonal adjustment)

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

	End-of-month level	Annual growth rate		
	Jan-18	Nov-17	Dec-17	Jan-18
Total	1 163	6,4	6,5	6,3
<i>Lending for house purchase</i>	957	6,2	6,3	6,1
<i>Credit for consumption</i>	170	6,4	6,6	6,7
<i>Other lending</i>	36	9,8	10,3	9,7

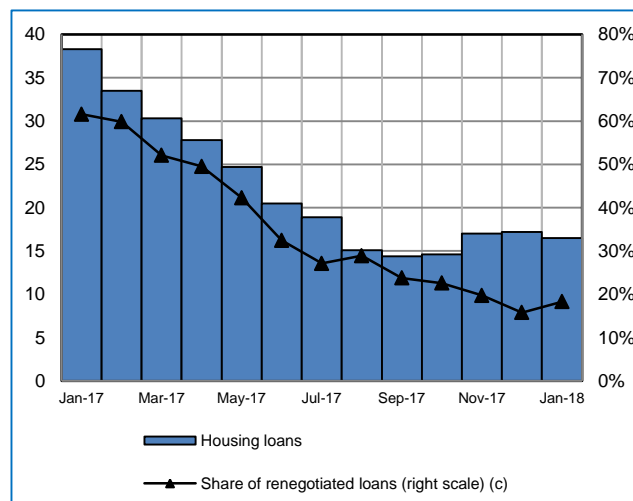
Interest rates on housing loans, all maturities

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



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))

(flows in € Bn, proportion in %)	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18
- loans for consumption purposes (b)	5.0	5.2	5.1	5.5	5.7	5.2
- housing loans	15.1	14.4	14.6	17.0	17.2	16.5
of which housing loans excluding renegotiations	10.7	11.0	11.3	13.7	14.5	13.5
- proportion of renegotiation (not seasonally adjusted) (c)	28.9	23.8	22.6	19.7	15.8	18.3

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

(in %)	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17 (e)	Jan-18 (f)
- housing loans long term and fixed rates	1.66	1.65	1.67	1.64	1.61	1.62
- housing loans short term and floating rates	1.67	1.64	1.62	1.68	1.60	1.63
- loans for consumption purposes (b)	4.05	3.78	3.77	3.82	3.60	3.94
- overdrafts for individuals (d)	6.08	6.37	6.12	6.25	5.97	5.96

(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

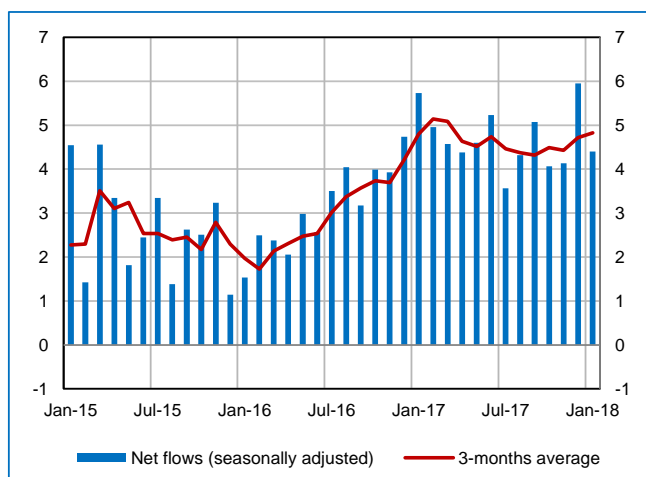
(d) Overdrafts: negative balance of ordinary accounts + commercial credits + factoring + cash credits without fixed repayment schedule (including mobilization of revolving loans).

(e) Revisonal data.

(f) Provisional data.

Monthly flows of housing loans (with seasonal adjustment)

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



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.

