

8 January 2018

Loans to individuals – France • November 2017

The maturity of housing loans grows

- On a month-to-month basis, the annual growth rate of loans to individuals remained unchanged at the high level of +6.4%. This dynamic was still driven by strong growth in housing loans (+ 6.2% in October and November) and credit for consumption (+ 6.4%, down from + 6.5% in October).
- The average interest rate on housing loans (long-term and fixed-rates) fell slightly in November (1.64%, down from 1.67% in October).
- The amount of new housing loans increased in November (17.0 billion euros, up from 14.6 billion euros in October), due exclusively to the increase in loans excluding renegotiations (13.7 billion euros, up from 11.3 billion euros in October). The decline in the share of renegotiations in the production of housing loans continued (20% in November, down from 23% in October).
- Excluding repurchases and renegotiations, the average maturity of housing loans continued to increase and reached 20 years and 2 months in October 2017.

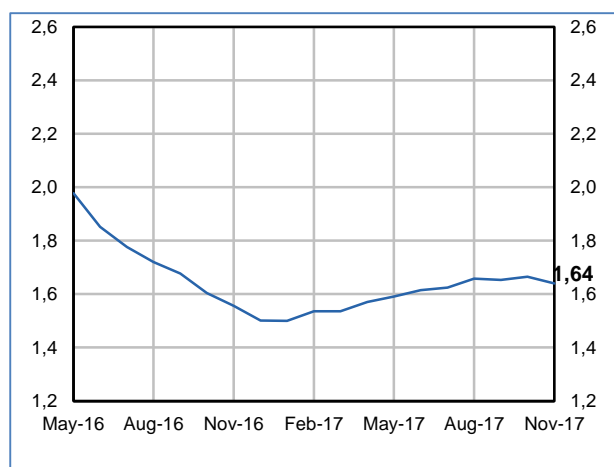
Outstanding amounts and annual growth rates (without seasonal adjustment)

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

	End-of-month level	Annual growth rate		
	Nov-17	Sep-17	Oct-17	Nov-17
Total	1 151	6.3	6.4	6.4
<i>Lending for house purchase</i>	947	6.2	6.2	6.2
<i>Credit for consumption</i>	169	6.2	6.5	6.4
<i>Other lending</i>	35	9.3	9.9	9.8

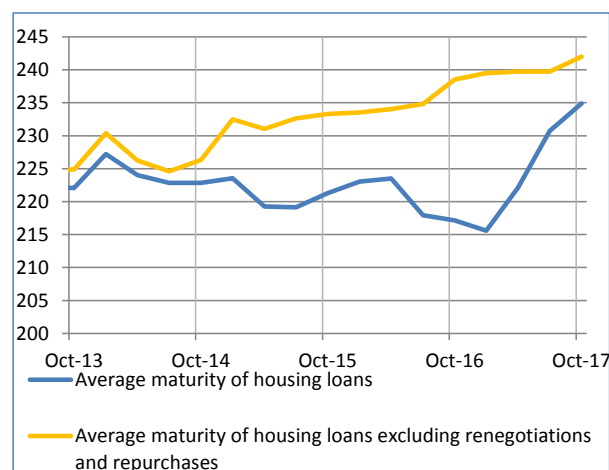
Interest rates on housing loans, all maturities

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



Average maturity of housing loans

(in months)



Production of new loans

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

(in € Bn)	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17
- loans for consumption purposes (b)	4.9	5.0	5.0	5.2	5.1	5.5
- housing loans	20.5	19.0	15.1	14.5	14.6	17.0
of which housing loans excluding renegotiations	13.8	13.8	10.7	11.0	11.3	13.7
- proportion of renegotiation (not seasonally adjusted) in % (c)	32.5	27.2	28.9	23.8	22.6	19.7

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

(in %)	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17 (e)	Nov-17 (f)
- housing loans long term and fixed rates	1.61	1.62	1.66	1.65	1.67	1.64
- housing loans short term and floating rates	1.64	1.63	1.67	1.64	1.62	1.68
- loans for consumption purposes (b)	3.83	3.86	4.05	3.78	3.77	3.82
- overdrafts for individuals (d)	6.30	6.01	6.08	6.37	6.12	6.25

(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

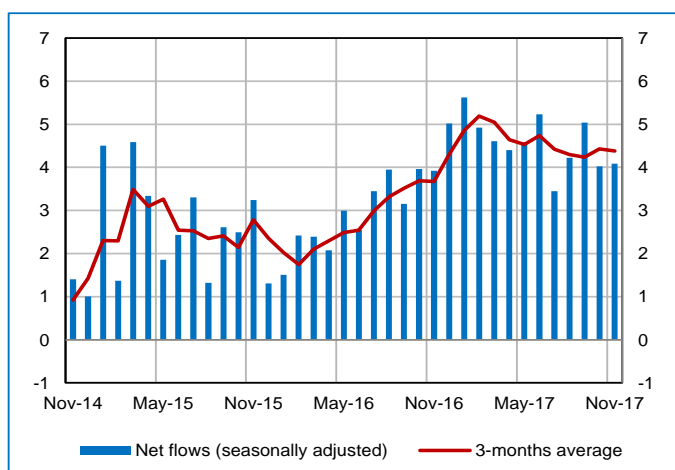
(d) Overdrafts: negative balance of ordinary accounts + commercial credits + factoring + cash credits without fixed repayment schedule (including mobilization of revolving loans).

(e) Revisional data.

(f) Provisional data.

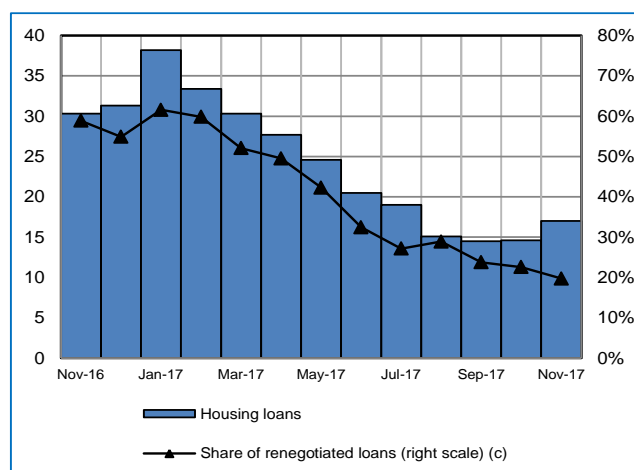
Monthly flows of housing loans (seasonally adjusted)

(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 %)



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.

