June 6th 2023

Loans to individuals – France • April 2023

Housing loan production stabilizes

- In April, the seasonally adjusted flow of new housing loans stands at €15.0 bn (€12.6 bn excluding renegotiations), an amount comparable to those observed since December 2022 (€15.0 bn in December, €15.7 bn in January, €14.6 bn in February, €14.4 bn in March). These figures illustrate the gradual stabilization of loan production at a much higher level than before the period of exceptionally low interest rates and exceptionally high production volumes. The "credit cycle" is therefore normalizing, as is monetary policy.
- The annual growth rate of outstanding home loans is +4.1% in April 2023 (after +4.5% in March) and remains higher than that of other European countries.
- The effective rate in the narrow sense -TESE-, i.e. excluding fees and insurance, stands at 2.73% in April, a level comparable to that at the end of 2014 before the implementation of very accommodating monetary policy measures; the rise in rates for new loans is also much more measured in France than in the rest of the euro zone.
- Outstanding consumer credit grows at a slower pace in April, at +3.5% year-on-year, after +3.9% in March (see quarterly supplement page 4).

Outstanding amounts and annual growth rates (without seasonal adjustment)

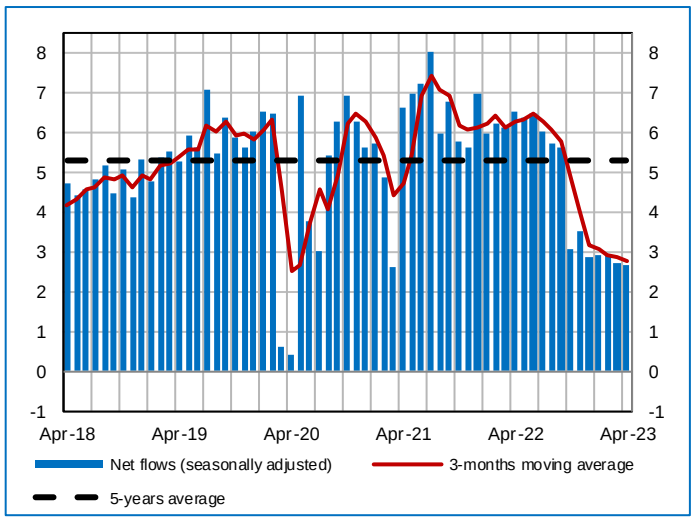
(Outstanding amounts in € Bn, annual growth rate in %)

	End-of-month level	Annual growth rate			
	Apr-23	Feb-23	Mar-23	Apr-23	May-23*
Total	**1 517**	**4.6**	**4.4**	**4.0**	**-**
Lending for house purchase	*1 286*	*4.8*	*4.5*	*4.1*	*3.8*
Credit for consumption	*202*	*4.0*	*3.9*	*3.5*	*-*
Other lending	*29*	*0.6*	*1.5*	*2.9*	*-*

(*) Nowcasting

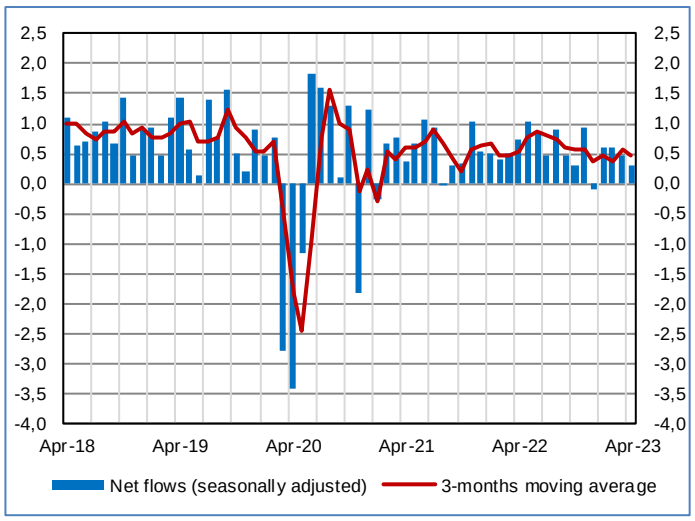
Housing loans to individuals (seasonally adjusted)

(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)	Dec-22	Jan-23	Feb-23	Mar-23 (e)	Apr-23 (f)	May-23 (g)
- loans for consumption purposes (b)	5.5	5.8	5.5	5.6	5.4	
- housing loans	15.0	15.7	14.6	14.4	15.0	14.5
of which housing loans excluding renegotiations	*13.1*	*13.4*	*12.2*	*12.2*	*12.6*	*12.2*
- proportion of renegotiation (not seasonally adjusted) in % (c)	12.5	15.1	16.4	15.4	15.7	

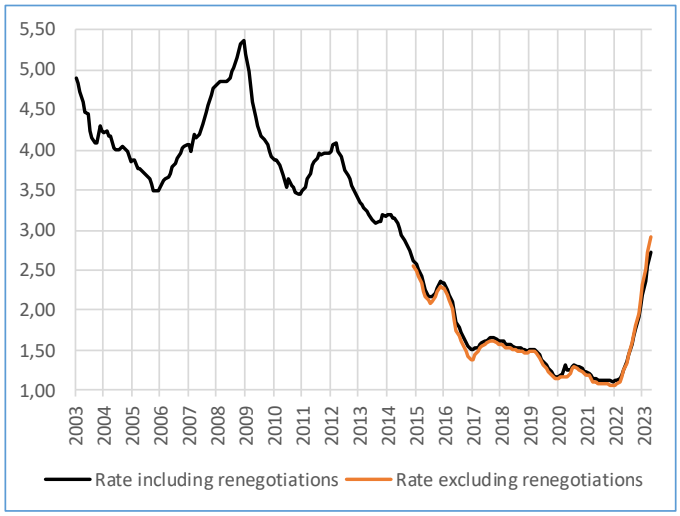
Interest rates on new loans (narrow defined effective rate, monthly average)

(in percentage)	Dec-22	Jan-23	Feb-23	Mar-23 (e)	Apr-23 (f)	May-23 (g)
- housing loans	2.05	2.20	2.36	2.56	2.73	2.87
of which housing loans long term and fixed rates	*2.05*	*2.20*	*2.36*	*2.55*	*2.72*	
of which housing loans short term and floating rates	*2.05*	*2.18*	*2.32*	*2.56*	*3.06*	
of which housing loans excluding renegotiations	*2.12*	*2.31*	*2.51*	*2.72*	*2.92*	
- loans for consumption purposes (b)	4.80	4.98	5.29	5.45	5.64	
- overdrafts for individuals (d)	5.34	5.49	5.80	5.82	6.10	

(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
Renegotiated loans are loans where at least one of the terms of the initial contract is modified with the active participation of the borrower, giving rise to the declaration of a new contract. They include in particular loans for which the insurance contract has been modified (since February 2022 the Lemoine law authorizes the termination at any time of the borrower's insurance contracts, without any notice period or fees or penalties) even if the other characteristics of the loan remain unchanged.

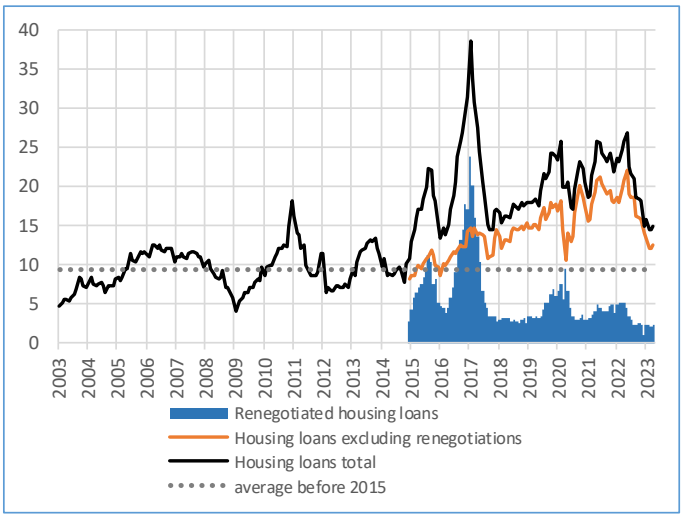
Interest rates on housing loans, all maturities

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

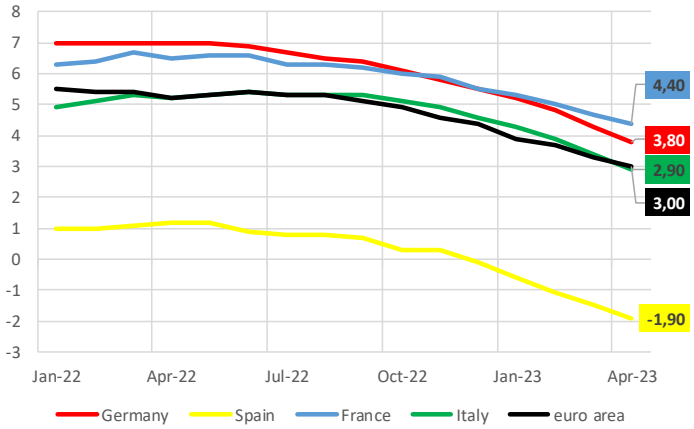


Production of new housing loans

(Monthly seasonally adjusted new loans in € Bn)

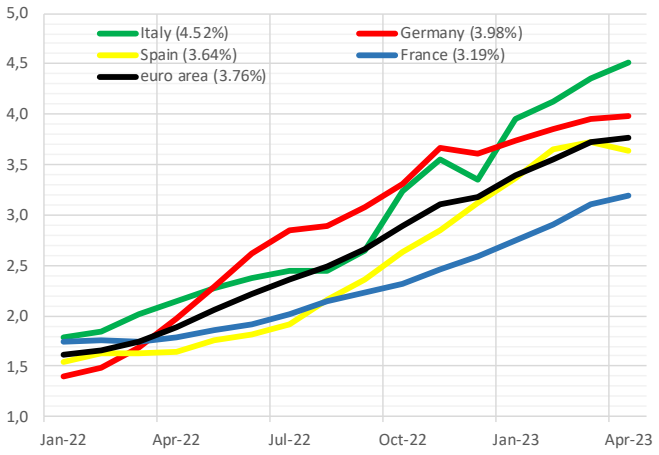


Euro area : Change in the annual growth of outstanding housing loans to households(1) (in %)

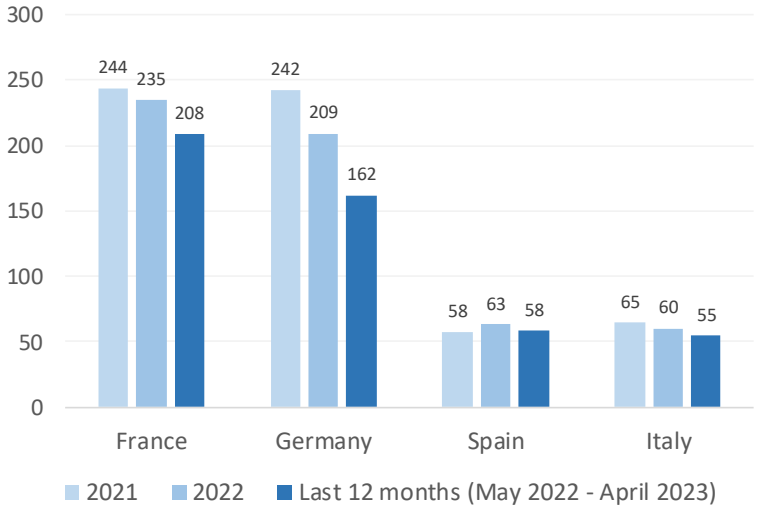


(1) Households = Individuals + sole entrepreneurs + non-profit institutions serving households. The annual growth rate of outstanding housing loans to households in France is +4.7% in March 2023 and +4.5% for individuals alone

Euro area : Interest rates for new housing loans (overall effective rate including fees and insurance, in %)



Euro area: New housing loans (excluding renegotiations) to households, cumulative in €Bn



Quarterly additional information on credit for consumption[1]

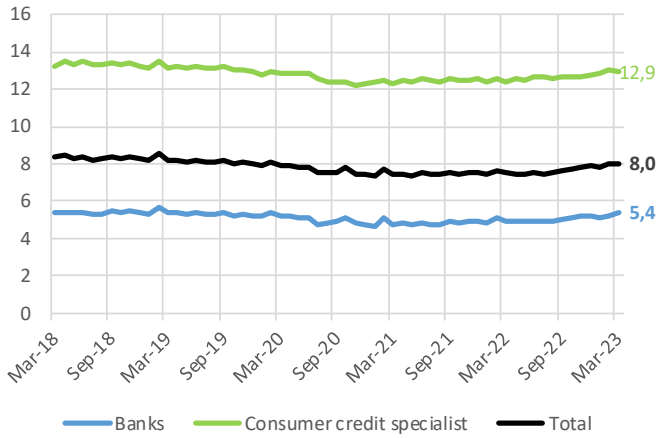
Changes in outstanding consumer credit to individuals

	Outstanding amounts in EUR Billions					Annual growth in %	
	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Dec-22	Mar-23
Credit for consumption to individuals	**194.9**	**198,0**	**200,0**	**202.8**	**202.2**	**3.6**	**3.9**
Overdrafts	9.7	10.3	10.2	10.0	9.5	3.2	-2.1
Revolving loans	18.6	18.8	19.2	19.5	19.7	3.9	5.9
Leases	17.2	17.5	17.9	18.6	19,0	8.6	10.4
Personal loans	88.9	93.5	93.9	94.7	95.7	5.4	7.5
Credits at the point of sale (of which buy now pay later loans)	20.3	19.0	19.2	19.6	19.8	-1.8	-2.5
Other treasury loans	14.1	13.9	14.1	14.6	13.0	0.1	-7.8
Securitised loans	26.1	25.0	25.6	25.8	25.4	0.0	-2.7

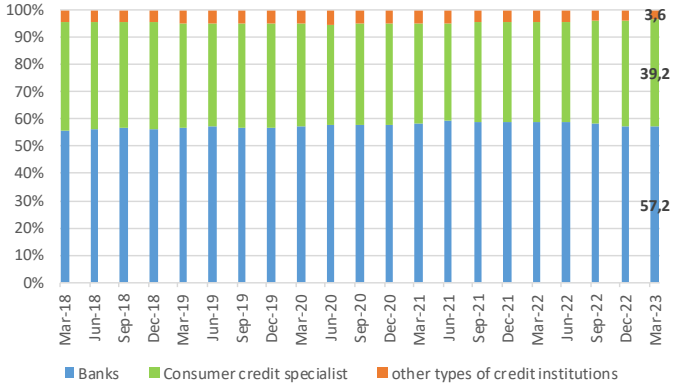
*Note: **Revolving credit** (formerly called revolving credit) is a form of credit that consists of making available to a borrower a sum of money that can be reused as it is repaid to finance non-predefined purchases.*

Within consumer credit, revolving loans (+5.9% in March 2023, year-on-year), leases (+10.4%) and personal loans (+7.5%) are the most dynamic components. Conversely, annual growth of overdrafts (-2.1% in March 2023) and credits at the point of sale (-2.5%) are negative.

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



Distribution channels of revolving loans, in % of 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.
For the European comparison, the scope of borrowers is extended to households, which includes, in addition to individuals, sole entrepreneurs and non-profit institutions serving households.