

September 6th 2024

Loans to individuals – France • July 2024*

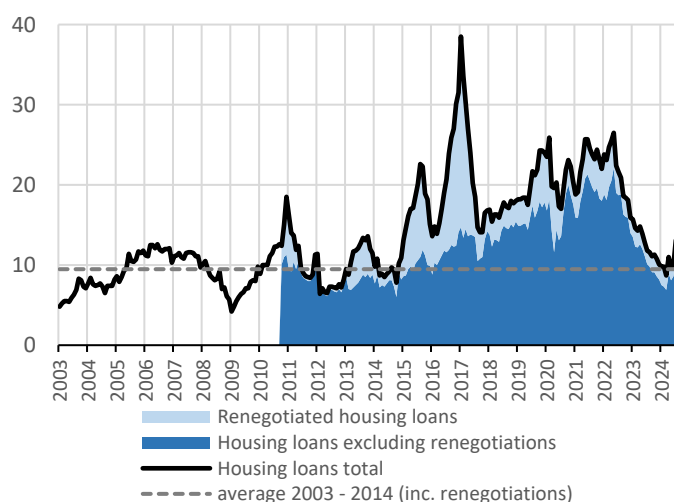
Housing loan production rebounds sharply

- **Seasonally adjusted production of housing loans (excluding renegotiations) reaches €11.3 bn in July, up sharply on previous months (€8.6 bn in June, after €8.1 bn in May).**
- This increase is accompanied by a **further fall in the average interest rate**, excluding fees and insurance, **on new home loans (excluding renegotiations) in July: 3.64%**, after 3.70% in June, a drop of 53 basis points since a high reached in January 2024.
- **The use of banks' flexibility margin vis-à-vis the HCSF standard rises in July (16.0%, after 15.6% in June)**, while remaining below the overall envelope of 20%.

*Data for July relate to loans for which the offer was signed in July, i.e. negotiated between April and June.

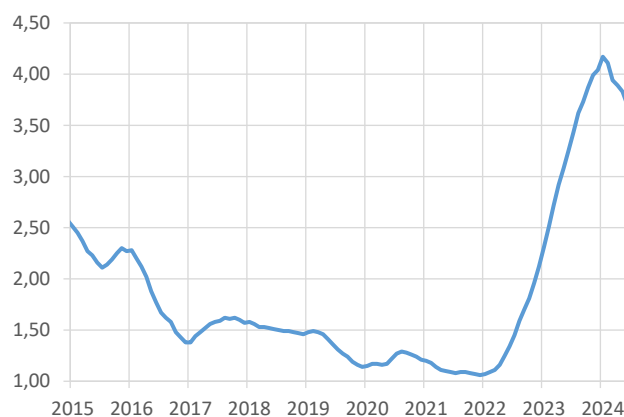
Production of new housing loans

(Monthly seasonally adjusted new loans in €bn)



Interest rates on housing loans, all maturities (excluding renegotiations)

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



Production of new loans (excluding overdrafts, monthly flows seasonally adjusted (a))

(volumes in €bn, proportion in percentage)	Mar-24	Apr-24	May-24	June-24 (r)	July-24 (p)
- loans for consumption purposes (b)	5.0	6.0	5.2	5.3	6.0
- housing loans	8.7	11.0	9.8	10.0	13.1
<i>of which housing loans excluding renegotiations</i>	6.9	8.9	8.1	8.6	11.3
- proportion of renegotiation (not seasonally adjusted) in % (c)	20.8	19.7	17.3	14.6	13.3

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

(in percentage)	Mar-24	Apr-24	May-24	June-24 (r)	July-24 (p)
- housing loans	3.52	3.51	3.51	3.45	3.42
<i>of which housing loans long term and fixed rates</i>	3.50	3.49	3.48	3.43	3.39
<i>of which housing loans short term and floating rates</i>	4.09	3.97	4.03	3.91	4.11
<i>of which housing loans excluding renegotiations</i>	3.94	3.89	3.83	3.70	3.64
- loans for consumption purposes (b)	6.50	6.49	6.60	6.47	6.44
- overdrafts for individuals (d)	7.26	6.98	7.20	7.23	7.03

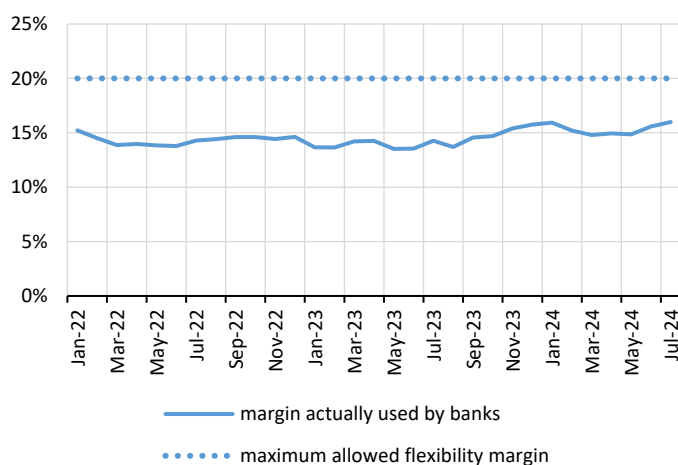
(a) Parameters for seasonal adjustment are updated each month, taking into account monthly data under review; (b) Excluding revolving loans. Loans for splitted-cost payments (mainly "loans granted on market place" and "extended credit-card credits" are included into consumption loans; (c) Ratio of renegotiated 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). (r) Revised data; (p) Provisional data

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.



Share of new housing loans not meeting HCSF lending criteria thresholds in total production*

(in percentage)



* Total new housing loan production excluding renegotiations and excluding bridging loans

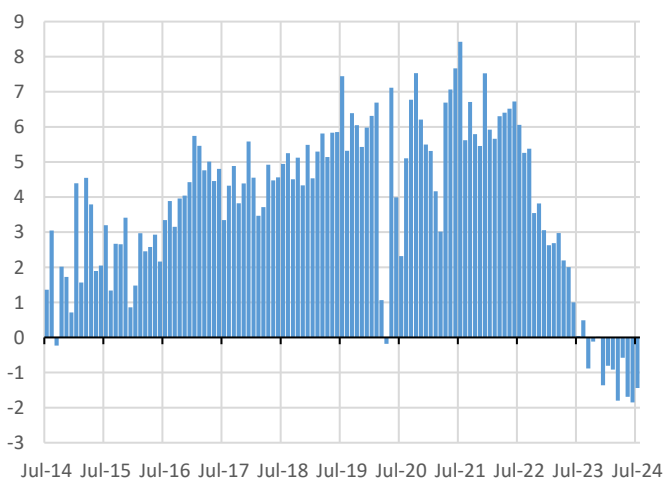
Outstanding amounts and annual growth rates (without seasonal adjustment)

(Outstanding amounts in €bn, annual growth rates in %)

	End-of-month level	Annual growth rate		
	Jul-24	May-24	Jun-24	Jul-24
Total	1,526	0.1	-0.1	0.0
<i>Lending for house purchase</i>	1,285	-0.5	-0.7	-0.8
<i>Credit for consumption</i>	210	2.0	1.9	2.7
<i>Other lending</i>	31	14.3	14.6	15.5

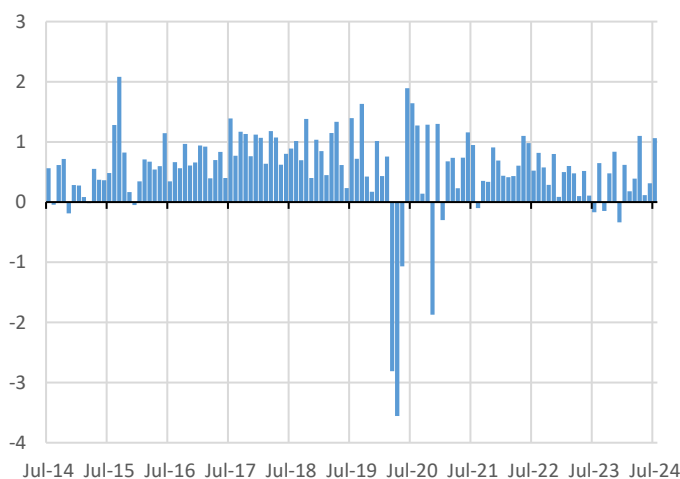
Net flows of housing loans to individuals (seasonally adjusted)

(In €bn)



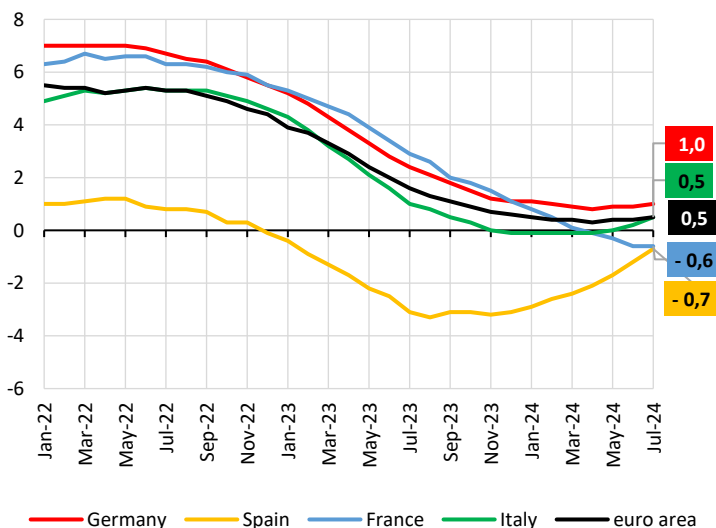
Net flows of credit for consumption (seasonally adjusted)

(In €bn)

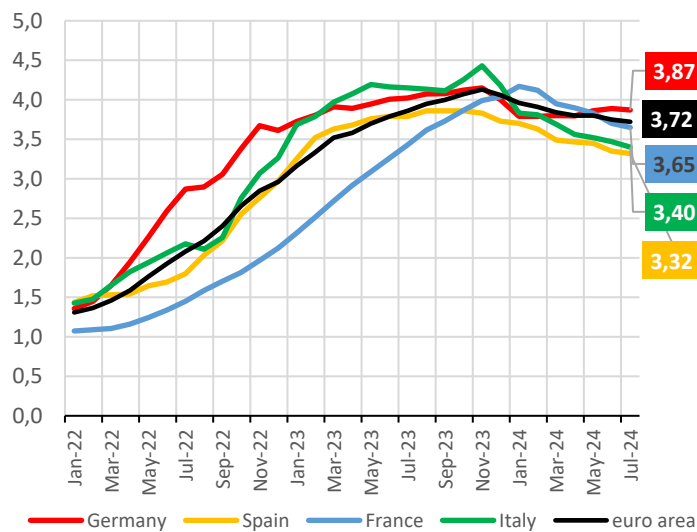




Euro area : Annual growth rate of outstanding housing loans to households(1) (in %)

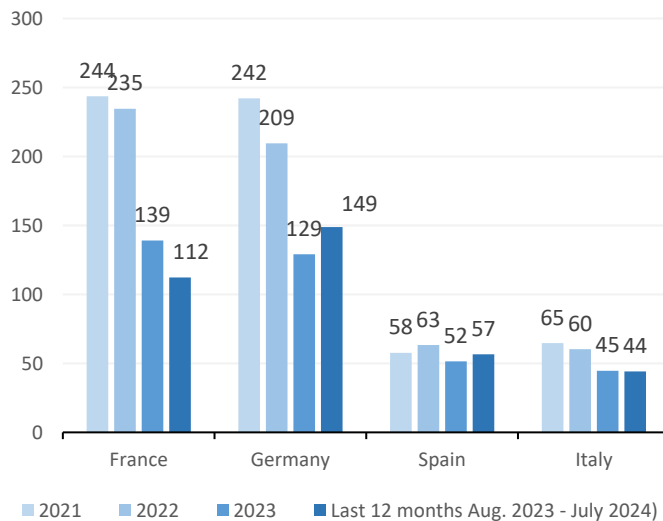


Euro area : Interest rates for new housing loans (excluding renegotiations, in %)



(1) Households = Individuals + sole entrepreneurs + non-profit institutions serving households. The annual growth rate of outstanding housing loans to households in France is -0.6% in July 2024 and -0.8% for individuals alone.

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





Quarterly additional information on credit for consumption

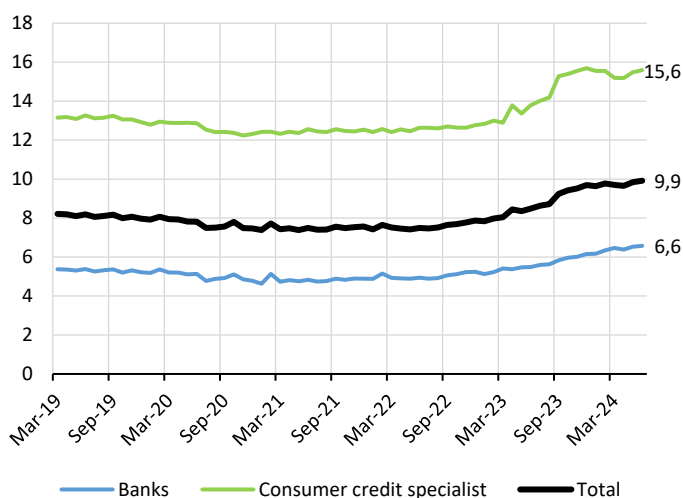
Changes in outstanding consumer credit to individuals

	Outstanding amounts in €bn					Annual growth (in %)	
	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Mar-24	Jun-24
Credit for consumption to individuals	203.7	203.3	205.9	205.3	207.6	1.5	1.9
Overdrafts	9.0	8.7	8.4	8.1	8.3	-14.1	-8.2
Revolving loans	20.6	20.9	21.4	21.3	21.4	8.3	4.3
Leases	19.9	20.6	20.4	21.4	22.7	12.7	13.9
Personal loans	96.3	96.8	96.7	97.3	95.9	1.6	-0.4
Credits at the point of sale (of which buy now pay later loans)	20.5	20.0	21.2	22.9	21.1	15.7	2.9
Other treasury loans	13.0	12.8	12.5	11.5	11.3	-11.4	-12.8
Securitised loans	24.4	23.4	25.1	22.7	26.8	-10.8	10.2

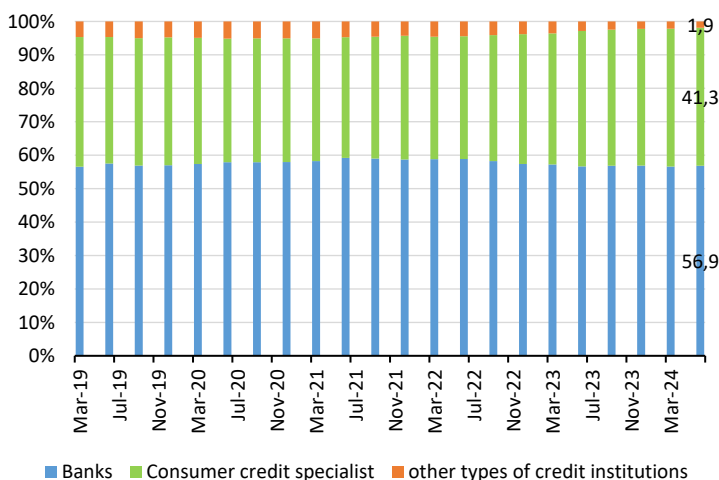
Note: **Revolving credit** (formerly called revolving credit) is a form of credit that consists of making available to a borrower a sum of money that can be reused as it is repaid to finance non-predefined purchases.

Within consumer credit, the most dynamic components are leasing (+13.9% year-on-year in June 2024) and, to a lesser extent, revolving credit (+4.3%). Conversely, outstanding overdrafts continue to shrink (8.2% year-on-year in June), as do other treasury loans (-12.8%). Outstanding personal loans, which remain the main component of consumer credit, fell in the 2nd quarter, mainly as a result of a securitization operation involving the removal of securitized loans from credit institutions' balance sheets.

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





Additional information

- 'Individuals' are a subset of the 'households' economic sector, which also includes sole proprietors and unincorporated partnerships.
- 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. 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).

