



No. 137 - 2022 *Analyses and syntheses*

Housing financing in 2021



OVERVIEW

Following 2020, which was marked by a moderate slowdown in activity as a result of the lockdown measures, **the French housing loan market experienced a significant upturn in 2021** in a background of very low interest rates:

- Between the fourth quarter of 2020 (Q4-2020) and Q4-2021, the INSEE price index for existing properties showed a further 7.2% increase in metropolitan France, with marked divergences between the Île-de-France region (+2.7%) and the rest of France (+9%), while prices fell in Paris (-1.6%; Chart 1);
- The number of transactions reached a new peak at 1,178,000, a 15% increase compared with 2020, and a 10.4% increase compared with 2019 (Chart 2);
- The increase in market rates has not yet been reflected in the interest rates on housing loans, which continued to fall in 2021, reaching a historical low in December (1.06% on average), and rose only slightly at the beginning of 2022 (1.16% in April 2022; Chart 3);
- The annual production of housing loans amounted to EUR 273.7 billion in 2021, an 8.5% increase compared with 2020 and an 11% increase compared with 2019 (Chart 5). Excluding loan transfers and renegotiations, **the new loan production even reached an all-time high** at 224.8 billion in 2021, while the share of loan transfers and renegotiations fell by 5.7 percentage points (pts) to 17.9% (Chart 6). At the same time, outstanding housing loans grew by 6.8% over the year (Chart 7), while other loans to individuals increased by only 1.1%.

This sustained momentum in real estate lending has thus continued to contribute to the increase in household debt: in September 2021, household debt stood at 101.8% of their gross disposable income, 1.9 pt higher than in September 2020 and 5.3 pts higher than in September 2019. This makes France above the euro area average of 98.3% (+1.7 pts compared with September 2020 and +4 pts compared with September 2019).

However, the recommendation of the *Haut Conseil de Stabilité Financière* (High Council for Financial Stability, hereinafter referred to as HCSF) of 20 December 2019, as amended on 28 January 2021 and subsequently modified into a mandatory measure on 29 September 2021, has resulted in a number of improvements in risk factors. The data collected by the *Autorité de contrôle prudentiel et de résolution* (ACPR) shows

that in 2021 the share of riskiest loans in the new production continued the downward trend started in 2020:

- The share of new loans with maturities over 25 years declined by 3.9 pts to 6.8% (Chart 24);
- The share of new loans with a Debt-Service-To-Income (DSTI) ratio higher than 35% decreased by 10.3 pts to 19.1% (Chart 30). The average DSTI ratio also declined by 0.5 pt to 30.2% (Chart 26). However, the share of new loans with a DSTI ratio comprised between 33% and 35%, which is the cap set by the HCSF measure, increased from 8.8% to 13.8% (+5 pts);
- The share of new loans for which the Loan-To-Value (LTV) ratio exceeds 100% declined by 4.4 pts to 24.6% (Chart 28). Moreover, the average LTV over the life of the loan declined from 84.4% in 2020 to 83.3% in 2021 (down 1.1 pt; Chart 34).

Thus, the share of loans exceeding the cap set by the HCSF's measure stood at 14.2% in the first quarter of 2022, a number that stayed within the flexibility margin allowed by the decision (Chart 40). All the major French banking networks individually meet these requirements. Moreover, loans for the purpose of acquiring a principal residence, which the HCSF wished to prioritise, remain largely prevalent: they accounted for 77% of new loans in 2021, up 1.3 pt compared with 2020, mainly as a result of the increase in the share of first-time buyer loans (+1.2 pt at 33%; Chart 8).

Conversely, some features of new loans reflect the continued increase in borrowers' debt. Between 2020 and 2021:

- **The average loan amount increased** by 5.4% to reach EUR 192,894 (Chart 17). Between Q4-2020 and Q4-2021, it even increased by 8.9%, faster than real estate prices (+7.2%);
- **The average maturity increased** by 2.4 months to 21.7 years, as the lengthening of maturities within the 25-year cap makes it easier for borrowers to comply with the maximum DSTI ratio set by the HCSF (Chart 20);
- **The average Debt-to-Income (DTI) ratio increased** by 1.4 month to reach 5.2 years of income (Chart 31);

These trends were mostly confirmed at the beginning of 2022. Between Q4-2021 and Q1-2022 (quarterly data):

- The average loan amount increased by 1% to EUR 203,025;
- The average maturity increased by 1.8 month to 22 years;
- The average DSTI ratio declined by 0.2 pt to 29.8%;
- The average DTI ratio increased by 0.3 month at 5.2 years of income;
- The average LTV ratio fell by 0.3 pt to 84.1%.

The French home lending model benefits from fundamentals that remain sound; in particular:

- 1° **These loans are almost exclusively granted at fixed rates** (99.4% of total loan production in 2021 and 97.3% of total outstanding amounts at year-end), thus limiting the risks associated with rising interest rates on borrowers' creditworthiness (Chart 11 and Chart 12);
- 2° **Virtually all of the outstanding loans (96.6%) benefit from a protection**, particularly of a third party guarantee or mortgage type, which limits bank losses in the event of a borrower's default (Chart 15);
- 3° **The granting policy is based primarily on the assessment of the borrower's solvency**, as measured in particular through the DSTI ratio, and not on the market value of the financed property, thus limiting the phenomenon of financial amplification.

Overall, risks remain contained, as evidenced by the low level of delinquency:

- 12-month defaults accounted for 0.36% of outstanding loans in the last quarter of 2021, their lowest level since end-2015 (Chart 44);
- The non-performing loan rate remains low at 1.09% as at 31 December 2021, although up by 3 basis points (bps) compared with 2020 (Chart 46);
- The cost of risk remains very limited, at 1.3 bps in 2021 (Chart 53).

This historically low level of losses is reflected in the risk weights measured by banks' internal models for the calculation of their solvency ratio. From a structurally low level, the average risk weights have

decreased (-0.7 pt over 12 months to stand at 9.6% in June 2021). Taking into account the guarantees provided by Crédit Logement, which is itself subject to prudential banking regulations, the average risk weight for housing loans granted by French banks is within the European average (Chart 56).

Lastly, the HCSF also wished to draw the attention of credit institutions to the importance of pricing home loans in a way that does not undermine the French housing financing model. The analysis of data provided by institutions in this regard shows that **margins on new loans were squeezed in 2021** due to a "scissor effect" triggered by lower interest rates on loans and higher refinancing costs as measured by internal transfer price rates. **This trend intensified during Q1-2022 as market rates rose sharply** while interest rates on new housing loans remained relatively stable, which even led to a **negative net margin** observed on the production for Q1-2022 (Chart 58). However, if we take into account the various ancillary revenues (such as application fees, insurance distribution fees, etc.) when assessing the overall profitability of housing loans, the margin measured on the new production remained positive but has also eroded in the course of 2021. The macroeconomic environment is likely to continue to weigh on margins, both through a probable increase in market rates and as a result of the entry into force of the new borrower insurance reform aiming at increasing competition for products that are widely distributed by banks. The ACPR will therefore remain vigilant as to changes in the profitability of housing loans over the coming months.

Drafting completed on 7 June 2022

Study by Laurent FAIVRE and Pierre SARRUT

Keywords: housing loans to individuals, average loan, average maturity, loan to value, debt-to-income ratio, doubtful loans and provisions, cost of risk

JEL codes: G21, R21, R31

CONTENTS

Key figures	5
Methodology	6
The housing loan market remains very buoyant	7
1. Prices continued to hike and transaction volumes reached an all-time high	7
2. The loan production increased, supported by low interest rates in 2021	8
3. Primary residences remained prevalent and their share increased, in particular the share of first-time buyers	10
4. The production of bridge loans picked up	11
5. Fixed-rate loans remained overwhelmingly predominant.....	12
6. Mutual banking groups remained the main players in the market.....	13
7. Guaranteed loans continued to make up the majority of loans	14
The measures implemented by the HCSF have contributed to a tightening of lending criteria	15
1. The average loan amount continued to increase	15
2. The average maturity increased despite a sharp decline in the share of maturities exceeding 25 years	17
3. The average DSTI ratio decreased while loans with DSTI ratios above 35% recorded a substantial drop	20
4. The average DTI ratio showed a slight increase	22
5. The average LTV ratio was on the rise again in the second half of the year while negative equity loans were down	24
6. The HCSF's measures gradually reduced the share of loans with very high DSTI ratios or initial durations above 25 years	27
The tightening of lending criteria is reflected in credit risk levels, which remain contained	29
1. The share of housing loans in total lending remained relatively stable compared with 2020	29
2. Losses remained contained.....	30
3. A slight decrease in provisioning	33
4. The cost of risk increased slightly	34
5. The average risk weight was above European banks' average when taking into account the impact of guaranteed loans	35
6. Margins were down due to higher internal transfer price rates	36

Key figures¹

Outstanding loan amount and loan production



Outstanding retail housing loan amount	EUR 1,215 bn	+6.8% ↑
% of fixed-rate loans	97.3%	+0.6 pt ↑
% of collateralised loans	96.6%	-0.9 pt ↓
Annual retail housing loan production	EUR 274 bn	+8.5% ↑
% of external loan transfers	17.9%	-5.7 pts ↓

Granting criteria and loss ratio



Granting criteria		
Average loan amount	EUR 193 k	+5.4% ↑
Average loan duration	21.7 years	+2.4 months ↑
% of loans with a duration > 25 years	6.8%	-3.9 pt ↓
Average DSTI ratio	30.2%	-0.5 pt ↓
% of loans with a DSTI ratio > 35%	19.1%	-10.3 pt ↓
Average LTI ratio	5.2 years	+1.4 months ↑
Average LTV ratio	83.3%	-1.1 pt ↓
% of loans with a LTV ratio > 100%	24.6%	-4.4 pts ↓
Loss ratios		
Gross non-performing loan rate	1.09%	+0.03 pt ↑
Cost of risk	1,3 bps	+1 bp ↑

¹ Outstanding amounts, production and losses: figures as of 31 December 2021 (or for the year 2021) and changes compared with 2020. Granting criteria: annual data for 2021 as compared to 2020.

Methodology

This "Analyses et Synthèses" release is based both on the answers collected by the General Secretariat of the ACPR as part of its annual survey on housing financing for 2021 and on the monthly monitoring of data on the production of housing loans to individuals set up by the ACPR in September 2011 with a sample of representative banks, and then amended following the implementation of ACPR instructions No 2020-I-02 and No 2021-I-02 on the "CREDITHAB" reporting template, in order to ensure a close follow-up of the HCSF recommendations.

Moreover, this publication also uses the data collected through the RENT_IMMO reporting template (ACPR instruction No 2020-I-04), which aims at assessing the profitability of housing loans after deduction of the main associated costs (refinancing, cost of risk, loan administration, capital) and taking into account any ancillary revenues.

The analysis is also based on statistical data from Banque de France and external sources (INSEE, the General Council for the Environment and Sustainable Development (CGEDD), etc.), as well as on information published by the EBA in the framework of its annual transparency exercise, which allows for some European-scale comparisons.

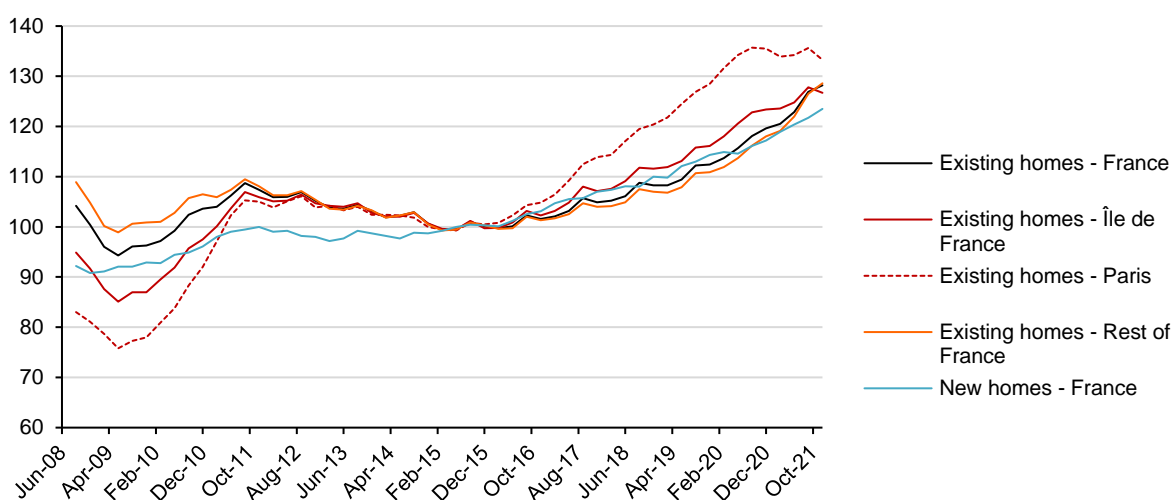
As was done in 2020, the SGACPR contacted the main guarantors of housing loans (Crédit Logement, Caisse d'Assurances Mutuelles du Crédit Agricole (CAMCA; Crédit Agricole group), Compagnie européenne des Garanties et Cautions (CEGC; BPCE group), Parnasse Garanties (BPCE Group) and CM-CIC Caution Habitat (Crédit Mutuel group)), as well as the Société de Gestion des Financements et de la Garantie de l'Accession Sociale à la Propriété (SGFGAS) in order to obtain detailed information on the amount of loans covered by guarantees.

As every year, several institutions were able, when submitting their numbers for 2021, to supplement or modify their data for previous years, thereby improving the representativeness of several indicators and correcting reporting errors. As a result, some figures in this study may differ from those published in respect of previous years.

The housing loan market remains very buoyant

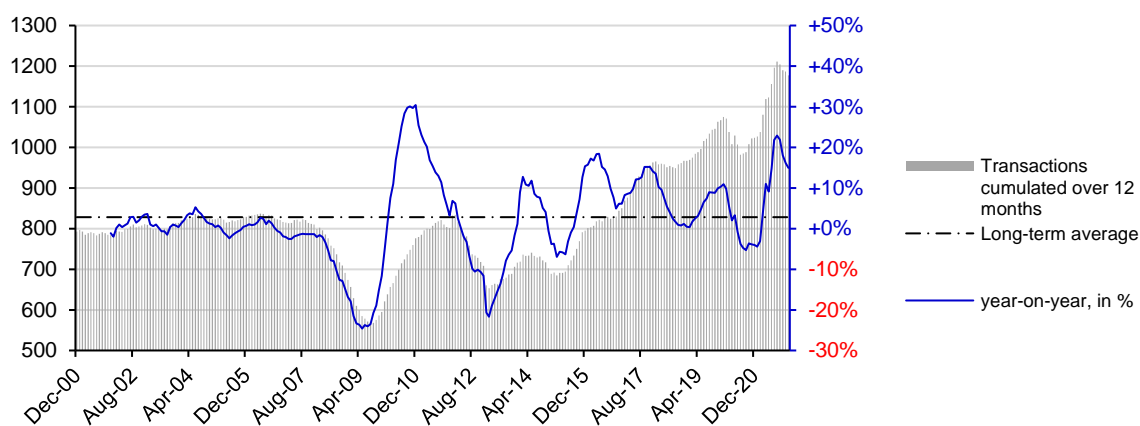
1. Prices continued to hike and transaction volumes reached an all-time high

Chart 1 - Residential property prices



Source: INSEE Index; base 100 as an annual average for 2015; most recent value: last quarter of 2021

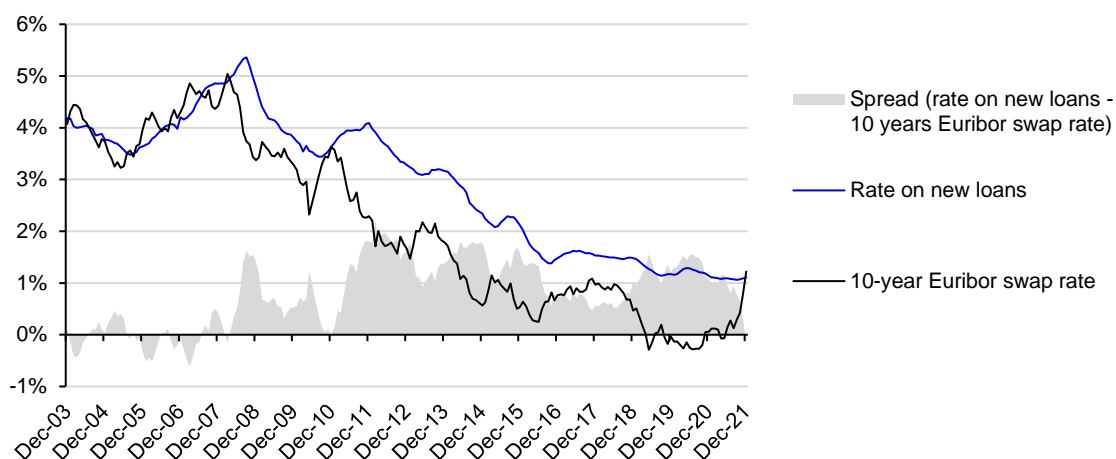
Chart 2 - Transactions in existing housing (cumulative over 1 year, in thousands)



Source: CGEDD according to DGFIP (MEDOC) and notarial databases; most recent value: December 2021; long run average since 2000

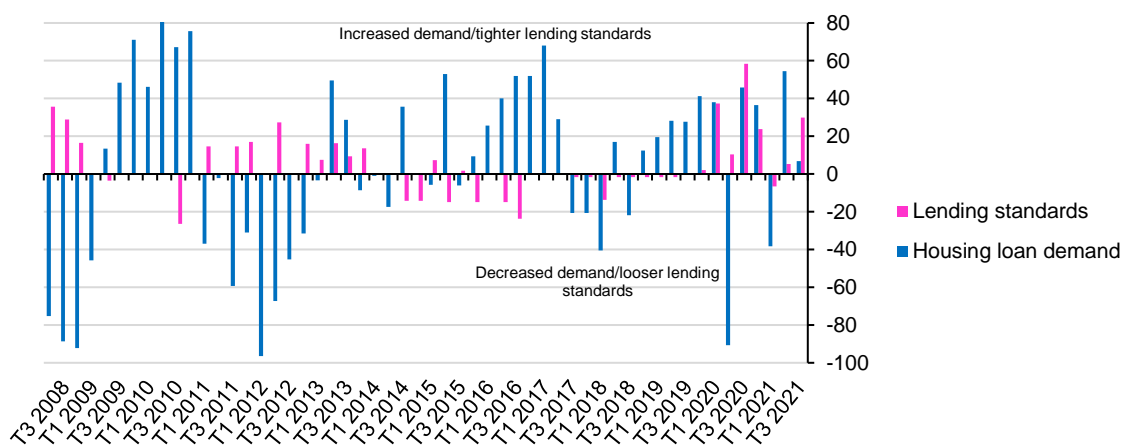
2. The loan production increased, supported by low interest rates in 2021

Chart 3 – Interest rates of new housing loans



Source: Banque de France; most recent value: March 2022

Chart 4 - Changes in the supply and demand of housing loans



Source: Banque de France, monthly survey of banks on credit distribution in France; most recent value: September 2021

Chart 5 – Production of housing loans (EUR billions)

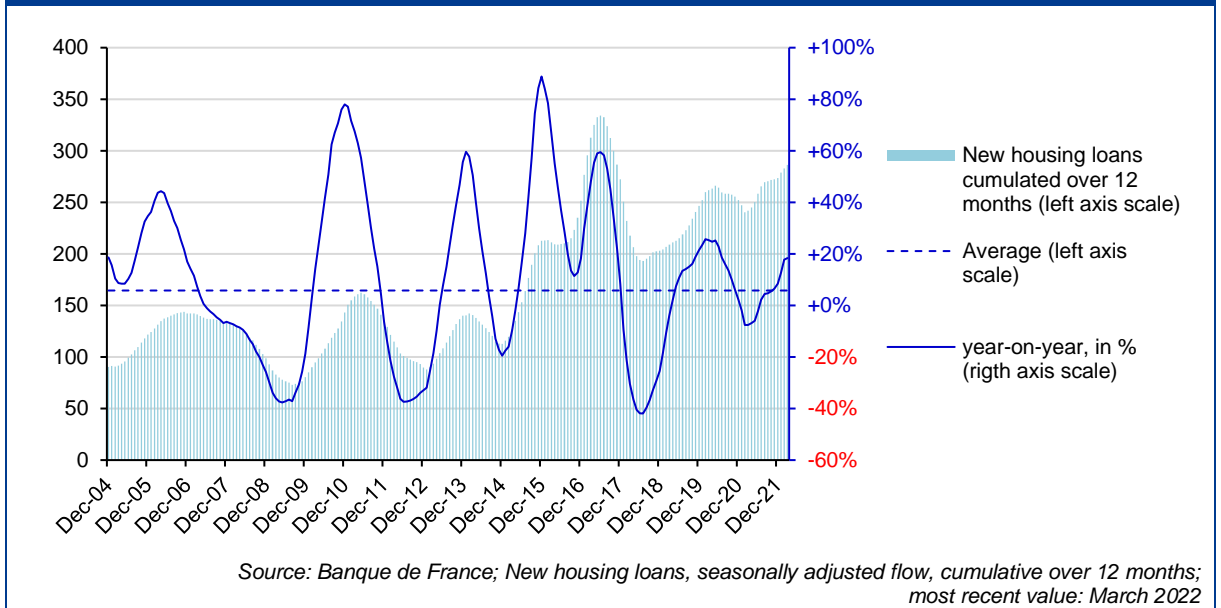


Chart 6 - Monthly production of housing loans, loan transfers and renegotiations (EUR billions)

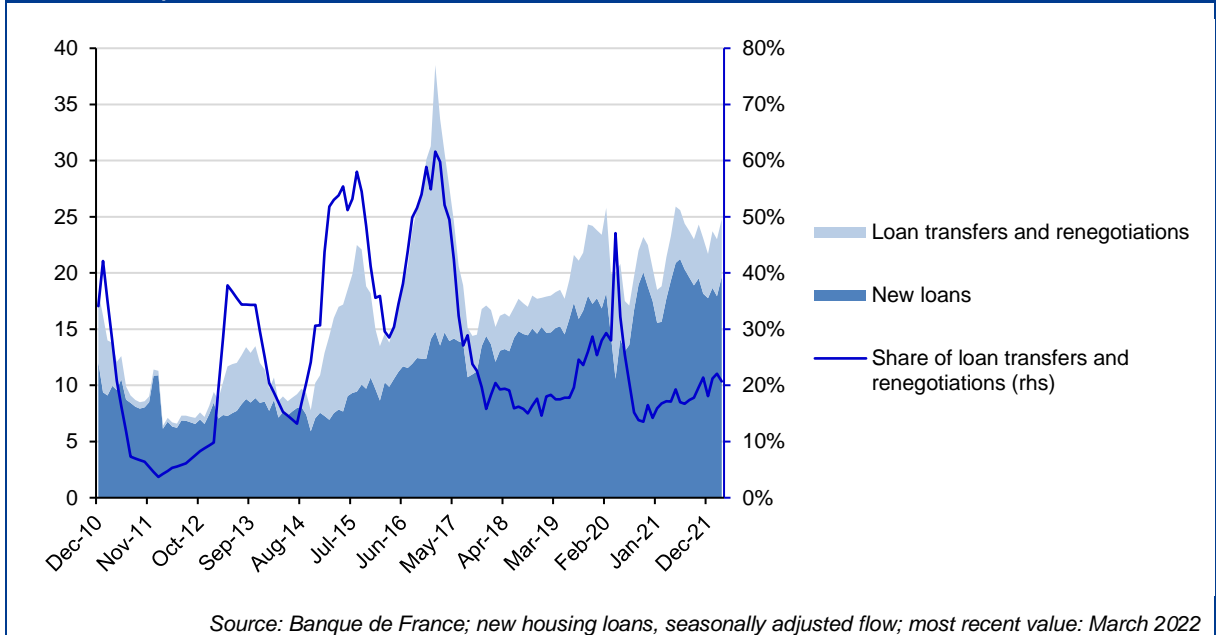
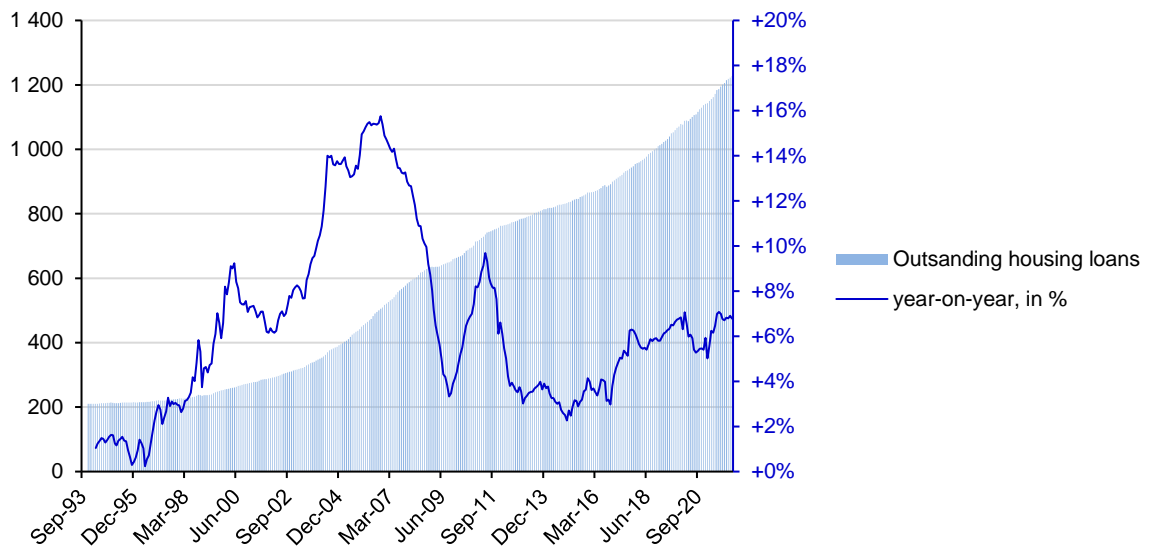


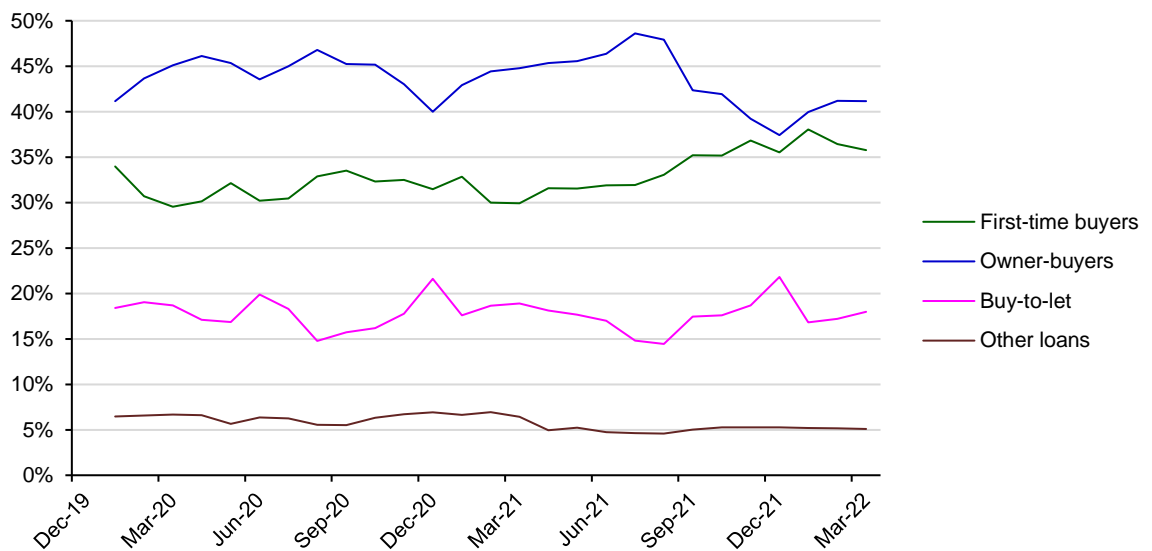
Chart 7 - Outstanding retail housing loans (EUR billions)



Source: Banque de France, housing loans to resident individuals (securitised outstanding amounts reintegrated); most recent value: March 2022

3. Primary residences² remained prevalent and their share increased, in particular the share of first-time buyers

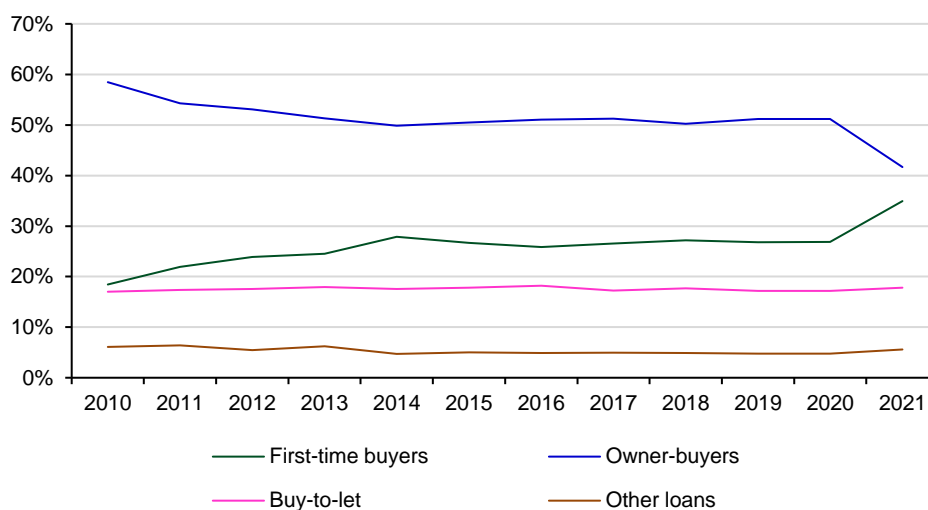
Chart 8 – Changes in the structure of the monthly production of housing loans excluding loan transfers and renegotiations



Source: ACPR, monthly monitoring of housing loan production; most recent value: March 2022

² The primary residence category encompasses first-time buyers and owner-buyers.

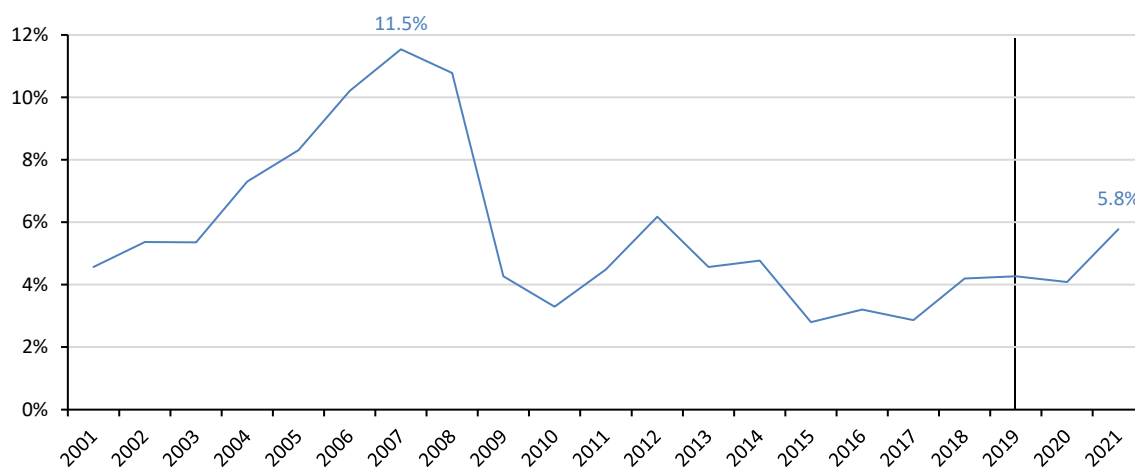
Chart 9 – Changes in the structure of outstanding home loans to individuals excluding loan transfers and renegotiations



Source: ACPR, annual housing financing survey. NB: the significant changes observed in 2021 were mainly attributable to reclassifications carried out by one institution.

4. The production of bridge loans picked up

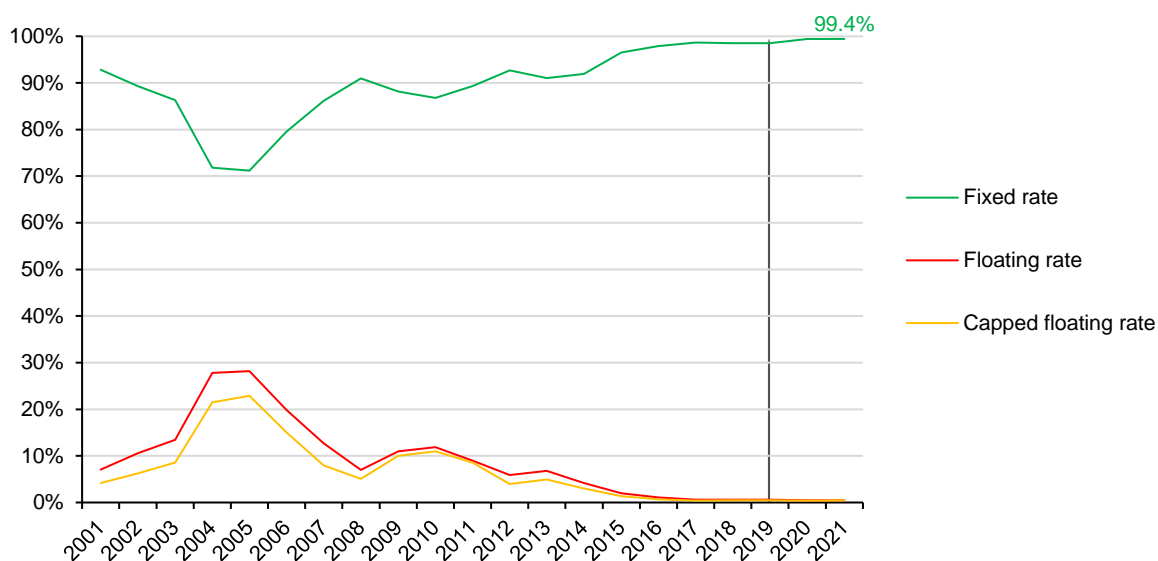
Chart 10 - Share of bridge loans in the annual production of housing loans



Source: ACPR, annual housing financing survey and monthly monitoring of the production of housing loans (data average over 12 rolling months, including loan transfers and excluding renegotiations and debt consolidation); the vertical bar marks a break in the series caused by the transition to the new CREDITHAB reporting template (ACPR Instructions No 2020-I-02 and No 2021-I-02)

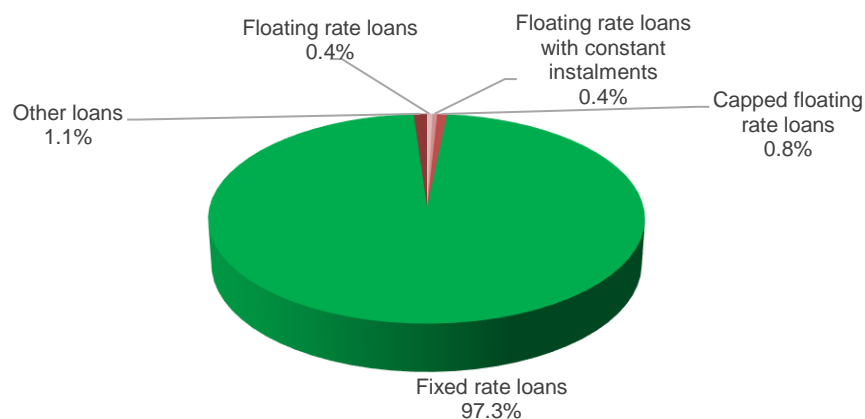
5. Fixed-rate loans remained overwhelmingly predominant

Chart 11 - Production broken down by interest rate type



Source: ACPR, annual housing financing survey and monthly monitoring of the production of housing loans (data average over 12 rolling months, including loan transfers and excluding renegotiations and debt consolidation); the vertical bar marks a break in the series caused by the transition to the new CREDITHAB reporting template

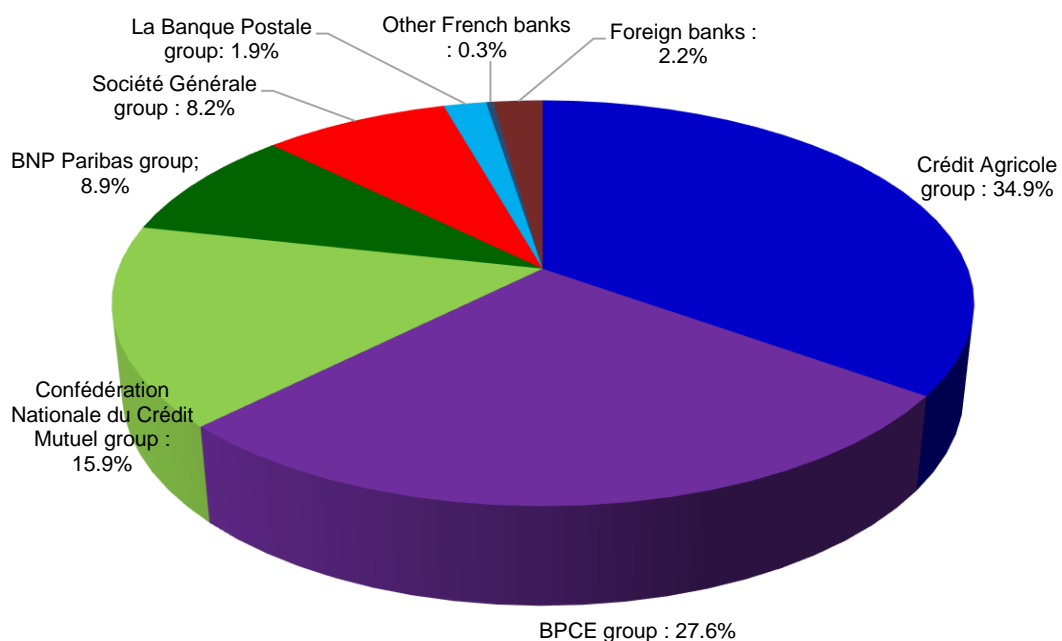
Chart 12 - Structure of outstanding loans by type of interest rate



Source: ACPR, annual housing financing survey

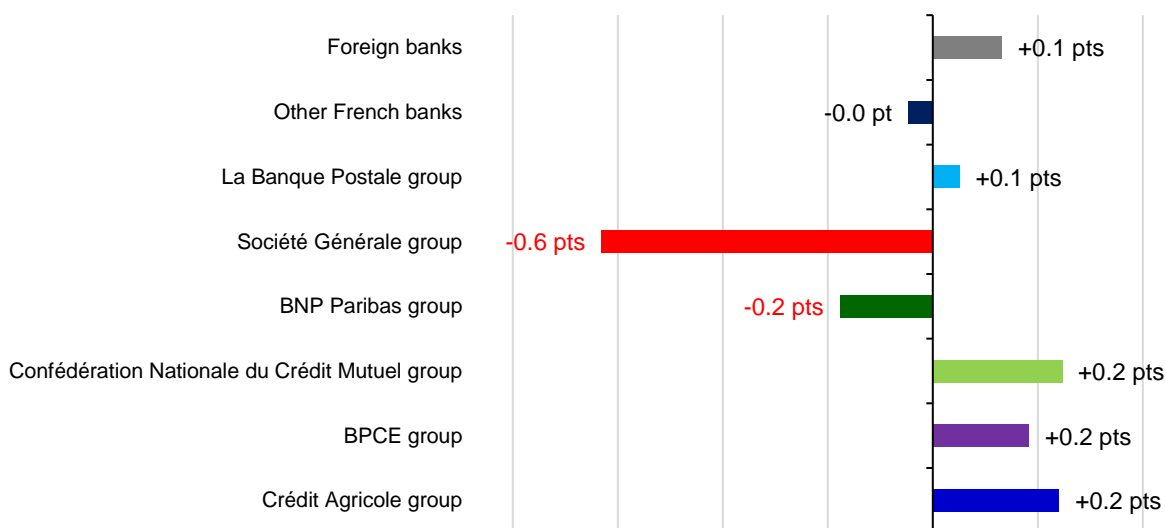
6. Mutual banking groups remained the main players in the market

Chart 13 - Market shares of the various banking groups as at 30 June 2021 (outstanding amounts)



Source: EBA, Transparency exercise; ACPR calculations for all banks that have reported exposures on France

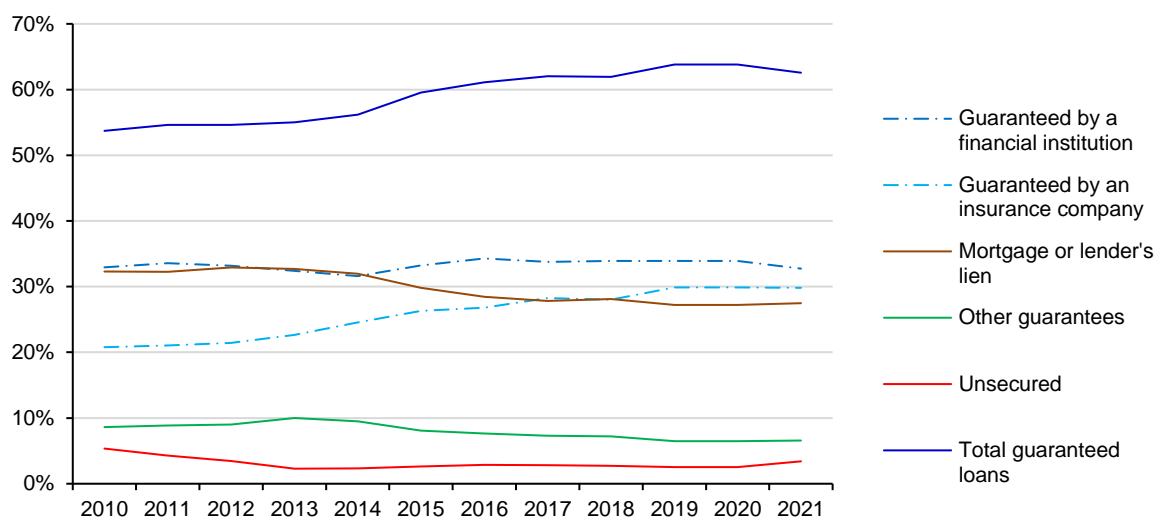
Chart 14 – Evolution of the market shares of the various banking groups between 30 June 2020 and 30 June 2021 (outstanding amounts)



Source: EBA, Transparency exercise; ACPR calculations for all banks that have reported exposures to France

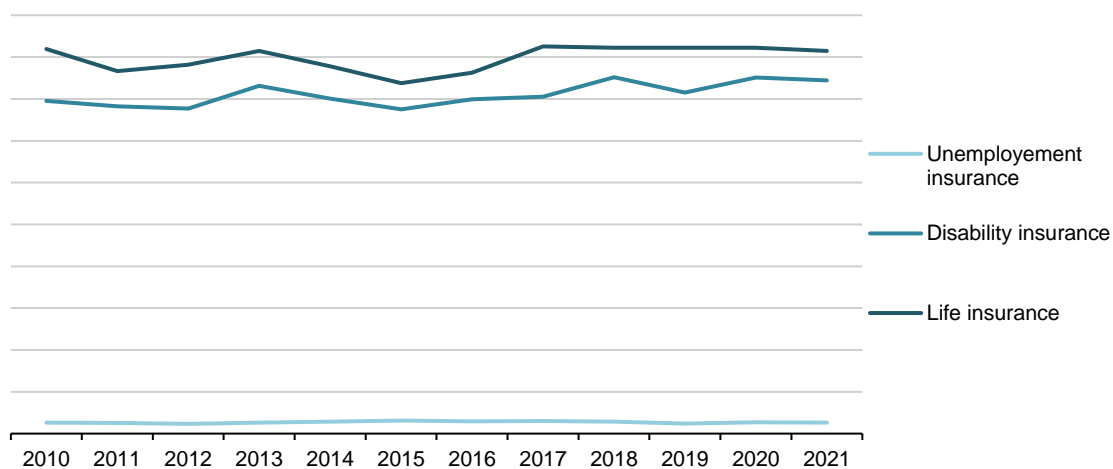
7. Guaranteed loans continued to make up the majority of loans

Chart 15 - Structure of outstanding loans by type of guarantee



Source: ACPR, annual housing financing survey

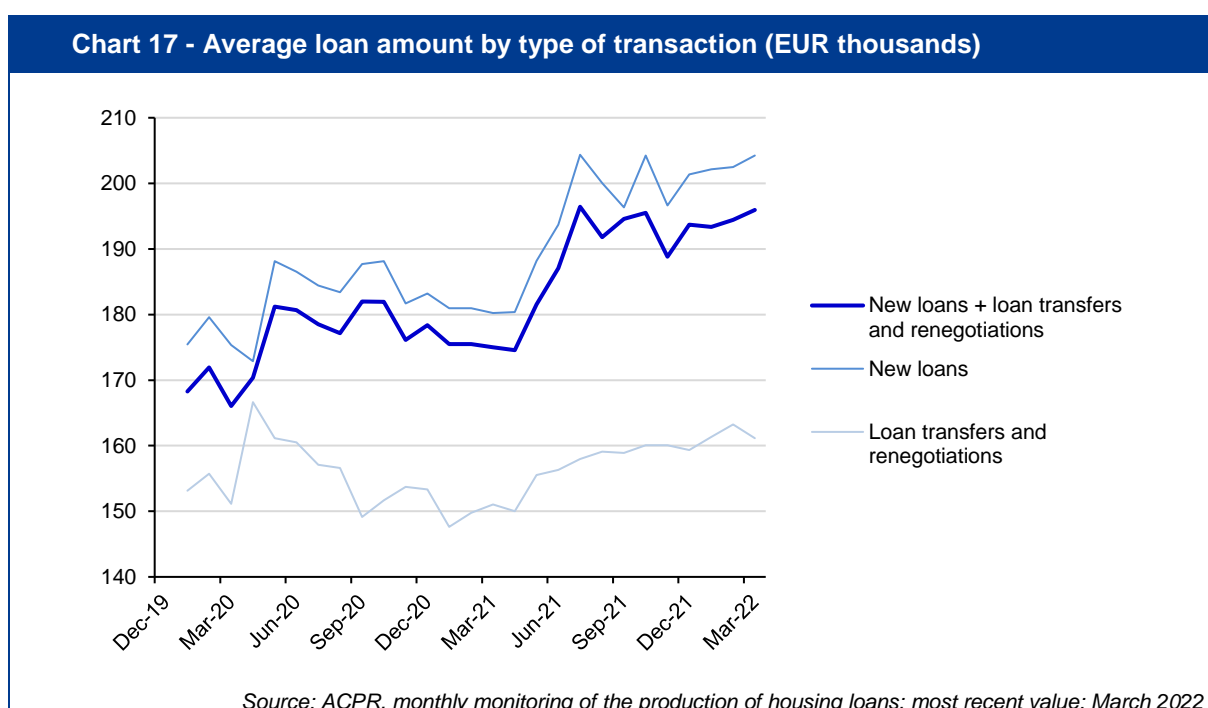
Chart 16 - Share of insured borrowers



Source: ACPR, annual housing financing survey

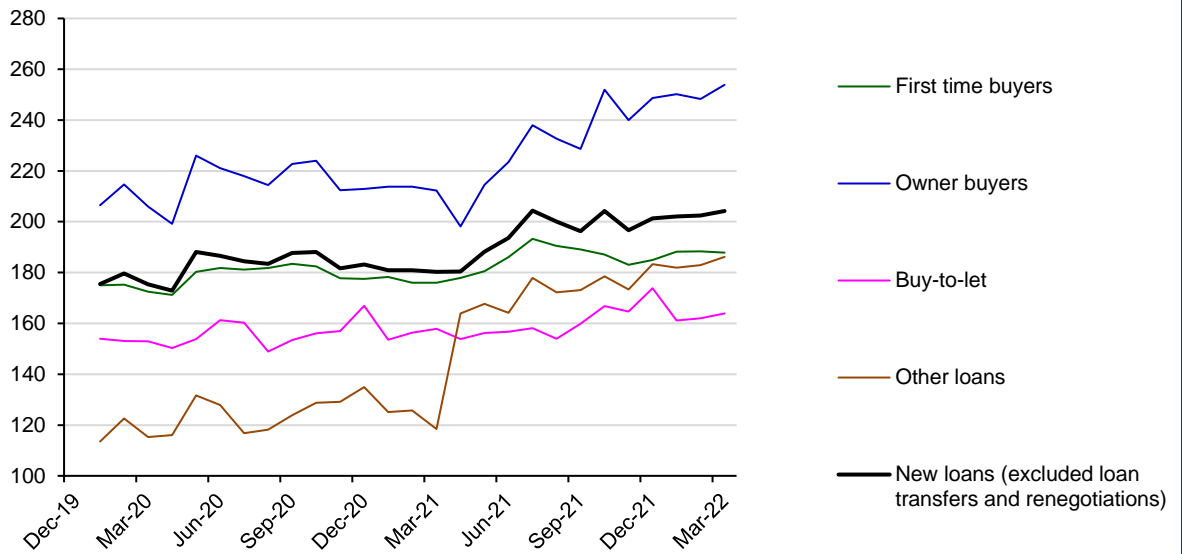
The measures implemented by the HCSF have contributed to a tightening of lending criteria³

1. The average loan amount continued to increase



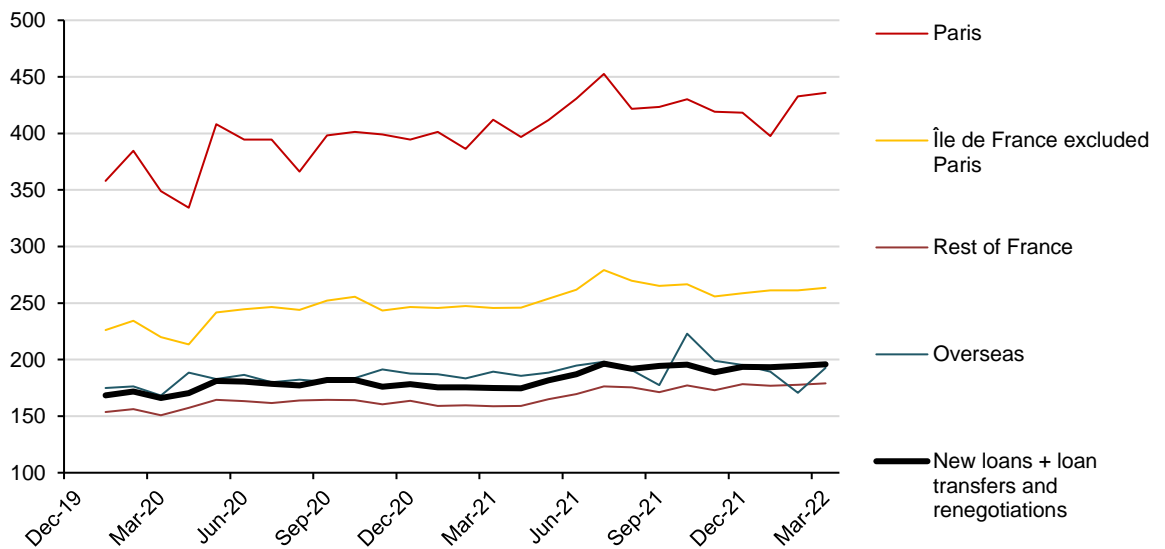
³ The granting criteria (average numbers, distribution) exclude bridge loans from the scope, except for the calculation of the average loan amount.

Chart 18 - Average loan amount by purpose (EUR thousands)



Source: ACPR, monthly monitoring of the production of housing loans; most recent value: March 2022. NB: significant changes in the "other loans" category observed from April 2021 onwards were mainly due to reclassifications carried out by one institution.

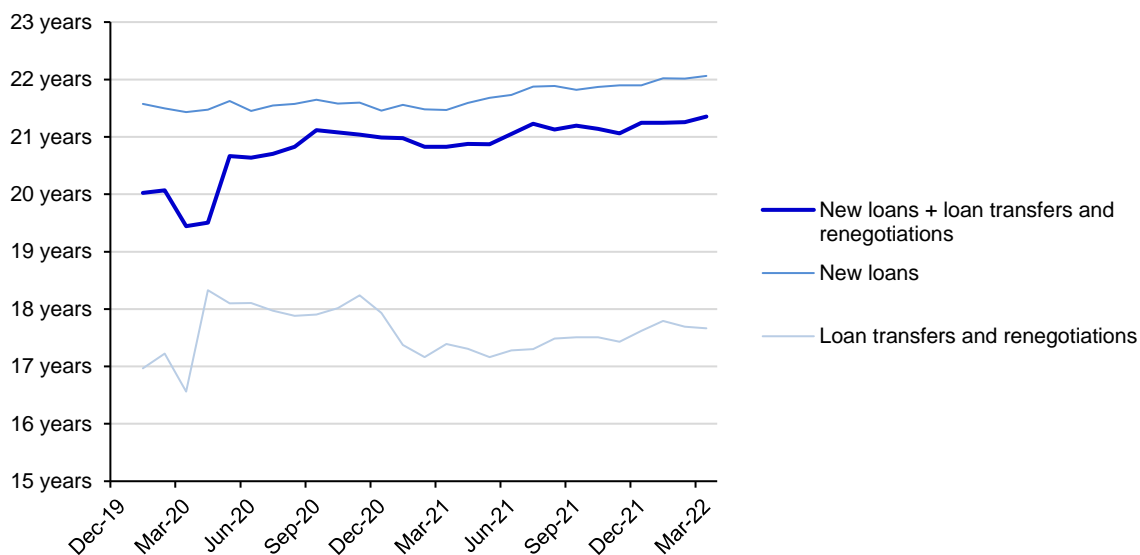
Chart 19 - Average loan amount by location (EUR thousands)



Source: ACPR, monthly monitoring of the production of housing loans; most recent value: March 2022

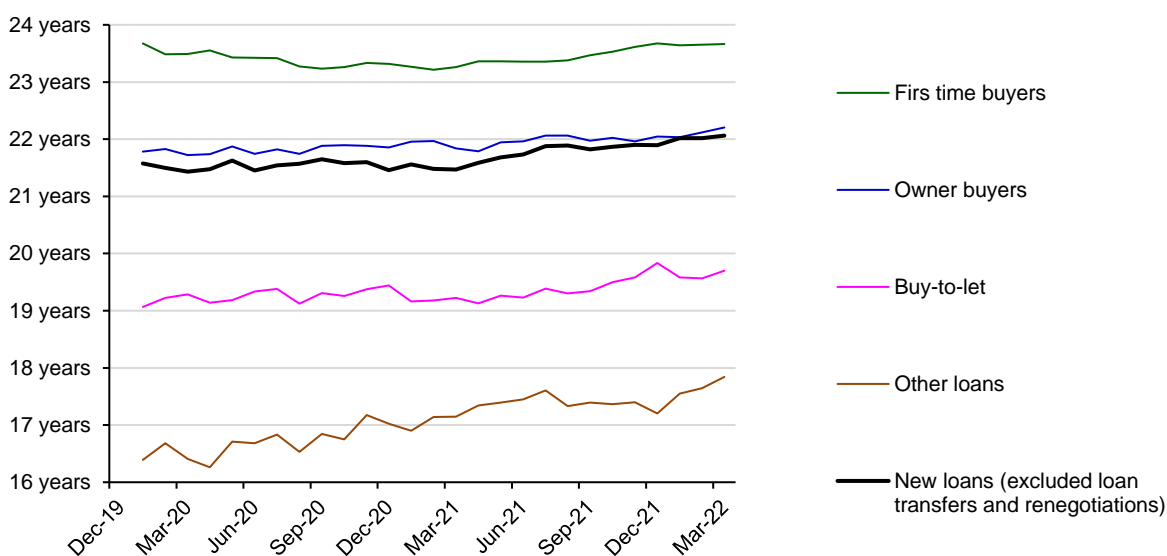
2. The average maturity increased despite a sharp decline in the share of maturities exceeding 25 years

Chart 20 - Initial duration according to the type of transaction



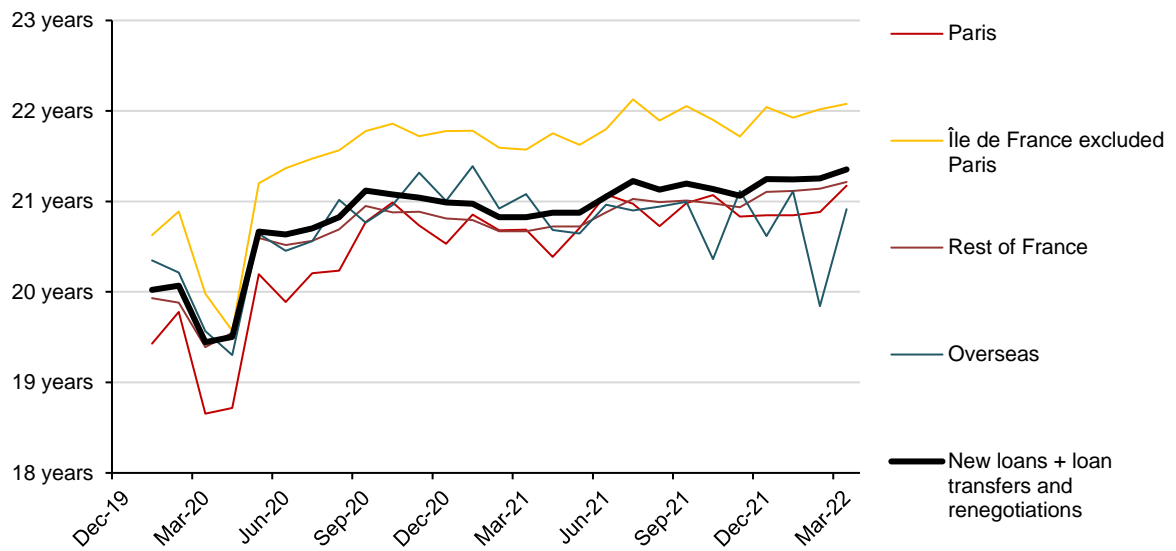
Source: ACPR, monthly monitoring of the production of housing loans; most recent value: March 2022

Chart 21 - Initial duration of transactions according to purpose



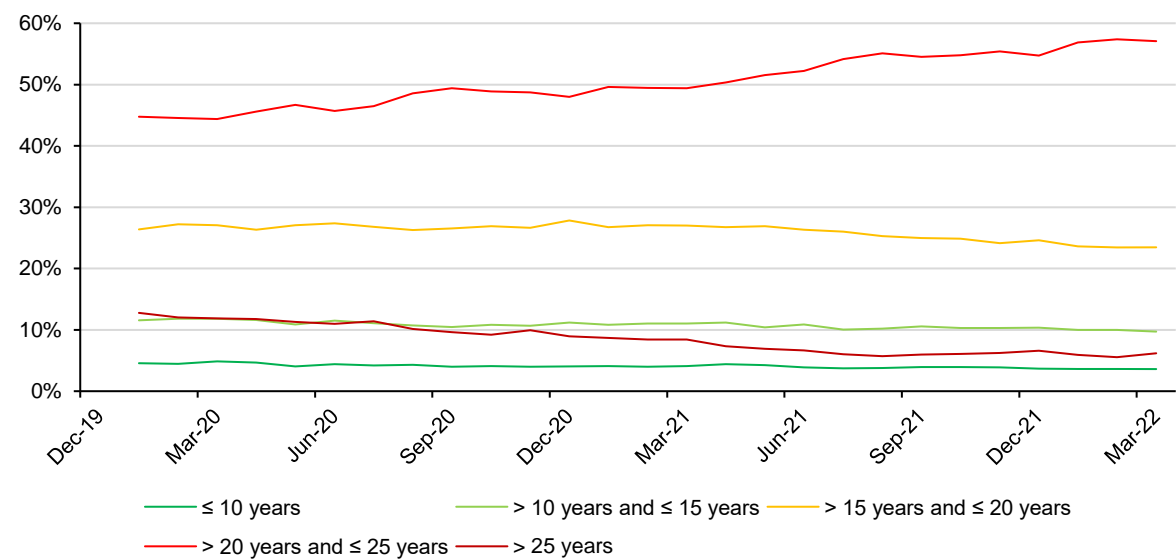
Source: ACPR, monthly monitoring of the production of housing loans; most recent value: March 2022

Chart 22 - Initial duration of transactions according to location



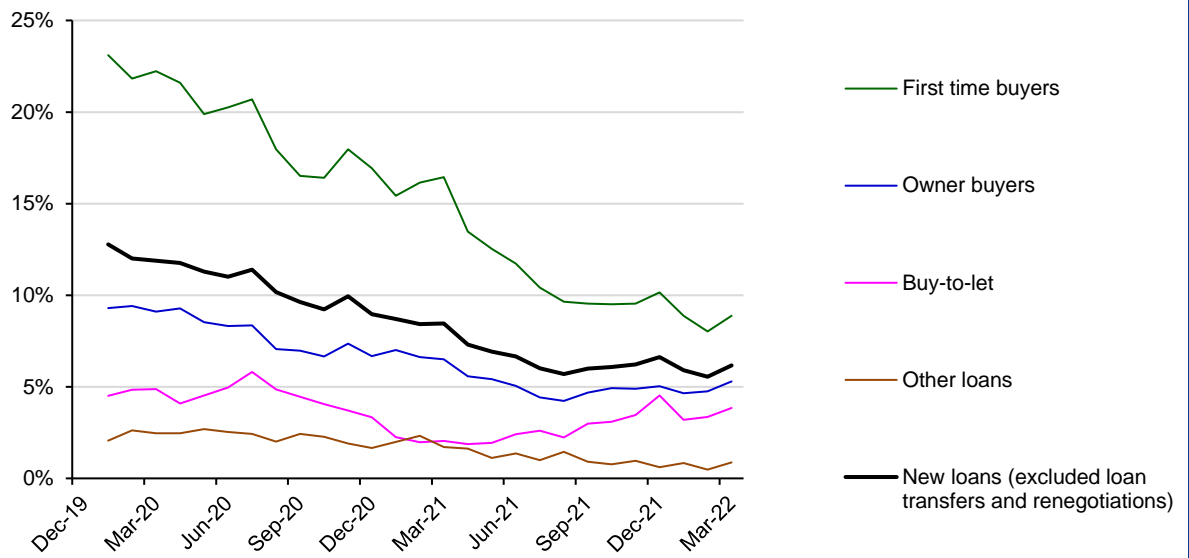
Source: ACPR, monthly monitoring of the production of housing loans; most recent value: March 2022

Chart 23 – Loan production structure (excluding loan transfers and renegotiations) according to initial maturity tranche



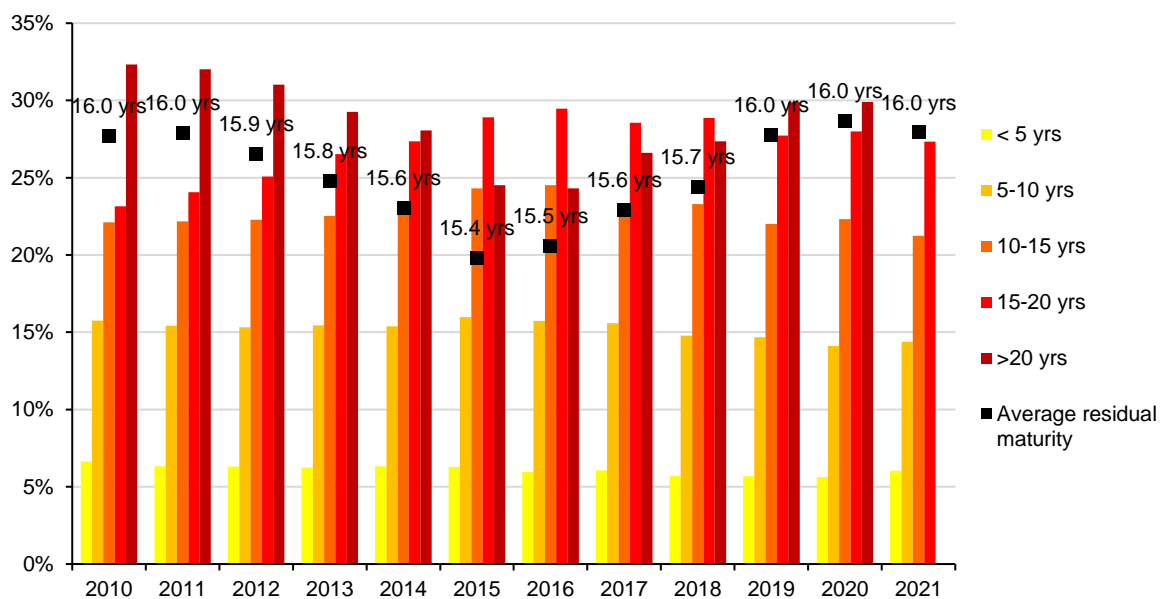
Source: ACPR, monthly monitoring of the production of housing loans; most recent value: March 2022

Chart 24 - Share of loan production with a maturity exceeding 25 years, by purpose



Source: ACPR, monthly monitoring of the production of housing loans; most recent value: March 2022

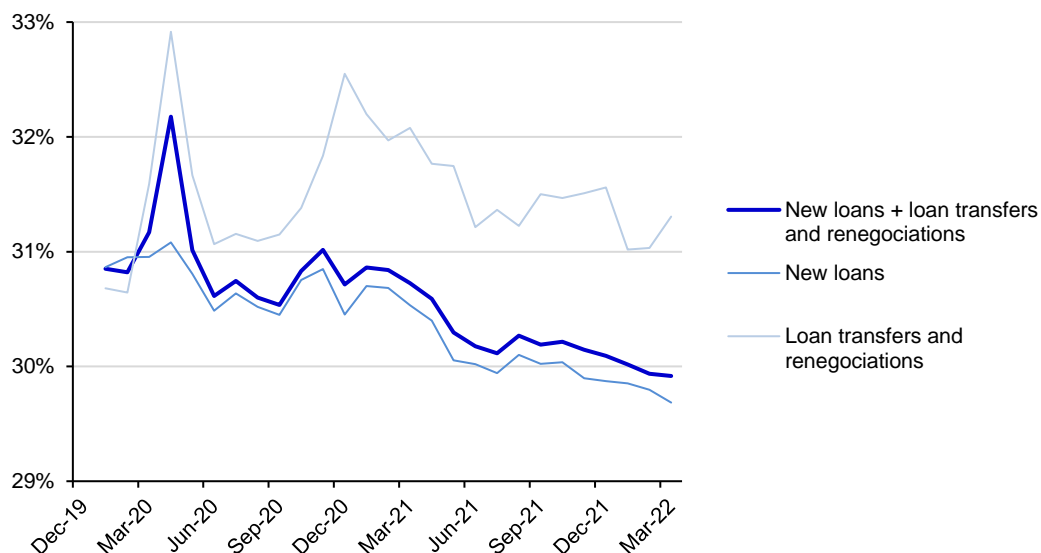
Chart 25 - Structure of outstanding housing loans by residual maturity



Source: ACPR, annual housing financing survey

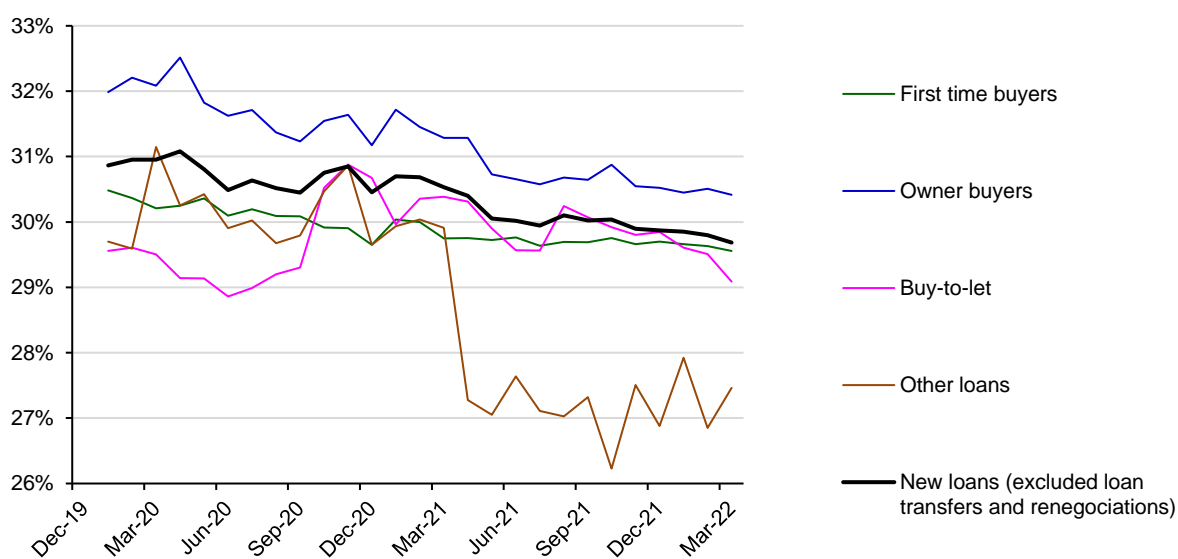
3. The average DSTI ratio decreased while loans with DSTI ratios above 35% recorded a substantial drop

Chart 26 - Average DSTI ratio by type of transaction



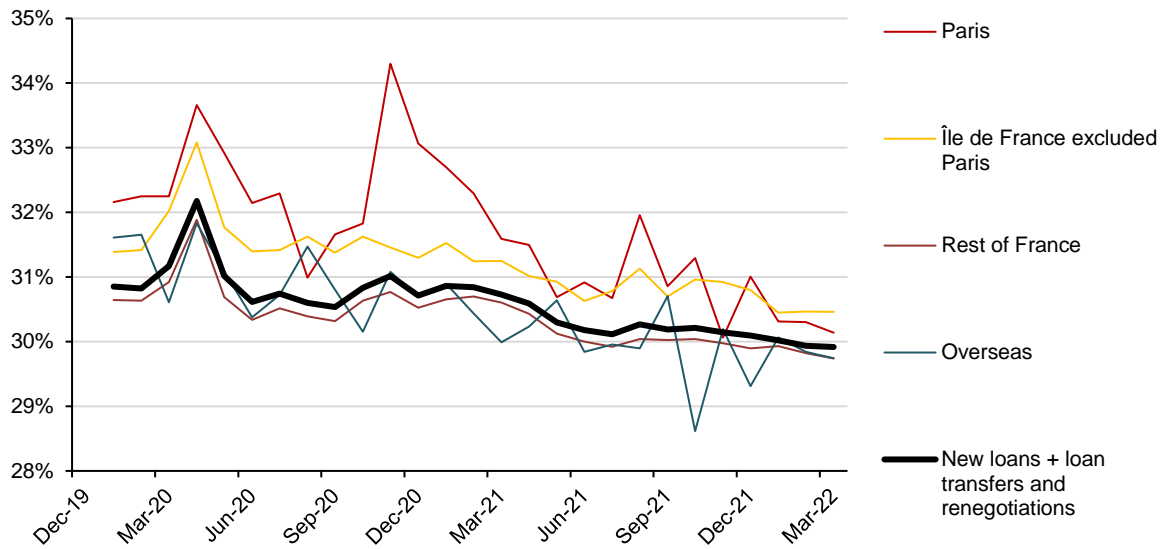
Source: ACPR, monthly monitoring of the production of housing loans; most recent value: March 2022

Chart 27 - Average DSTI ratio by purpose



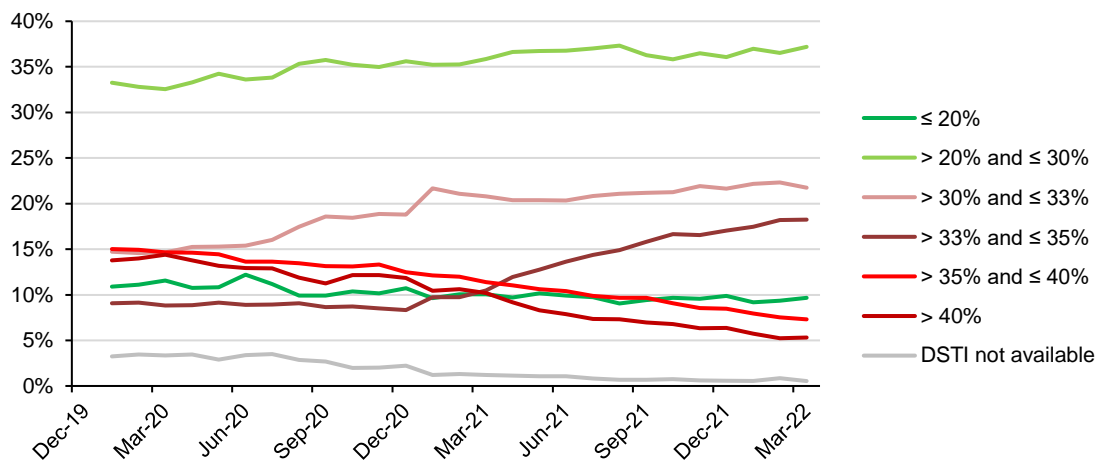
Source: ACPR, monthly monitoring of the production of housing loans; most recent value: March 2022. NB: significant changes in the "other loans" category observed from April 2021 onwards are mainly due to reclassifications carried out by one institution.

Chart 28 - Average DSTI ratio by location



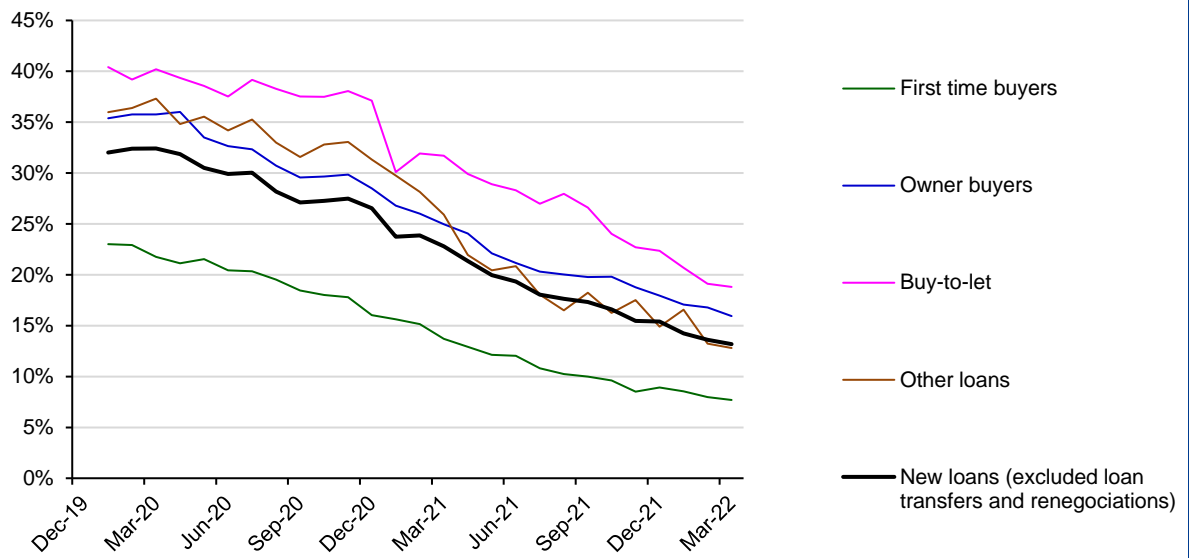
Source: ACPR, monthly monitoring of the production of housing loans; most recent value: March 2022

Chart 29 - Breakdown of the loan production (excluding loan transfers and renegotiations) by ranges of DSTI ratio



Source: ACPR, monthly monitoring of the production of housing loans; most recent value: March 2022.

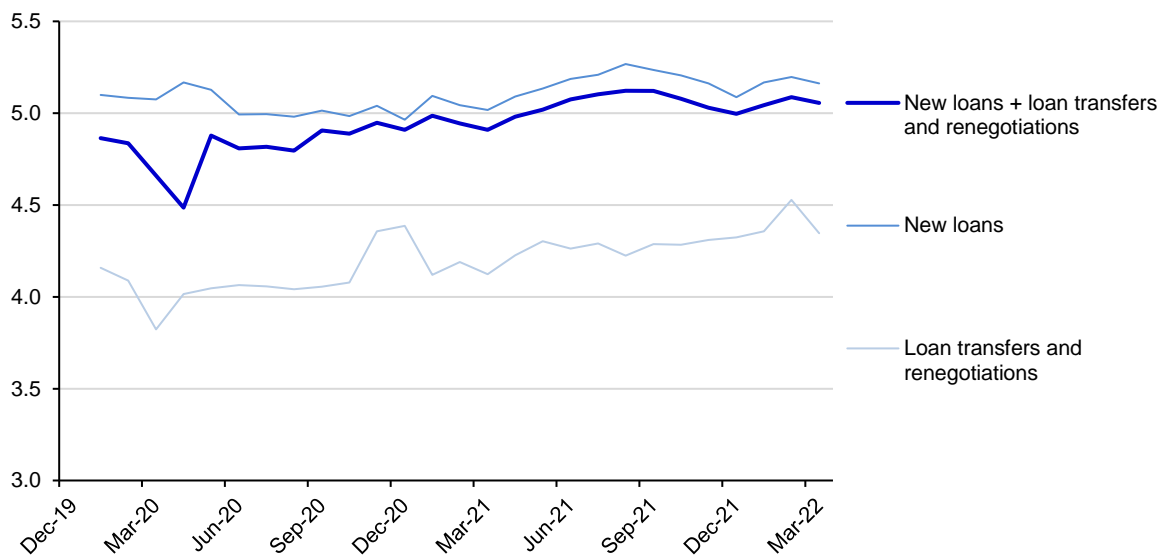
Chart 30 - Share of loans with a DSTI ratio exceeding 35% by purpose



Source: ACPR, monthly monitoring of the production of housing loans; most recent value: March 2022

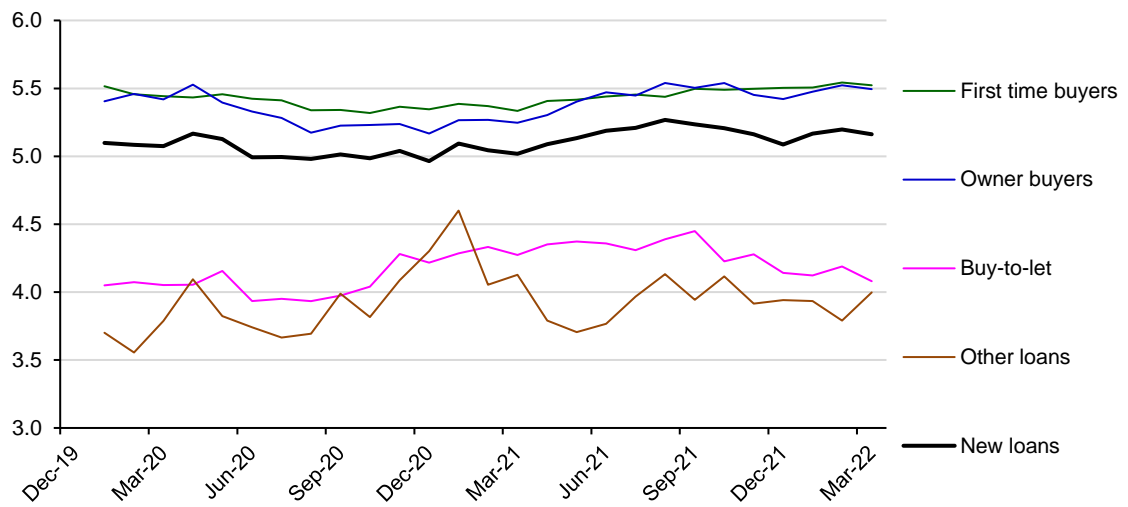
4. The average DTI ratio showed a slight increase

Chart 31 - Average DTI ratio at origination by type of transaction (years of income)



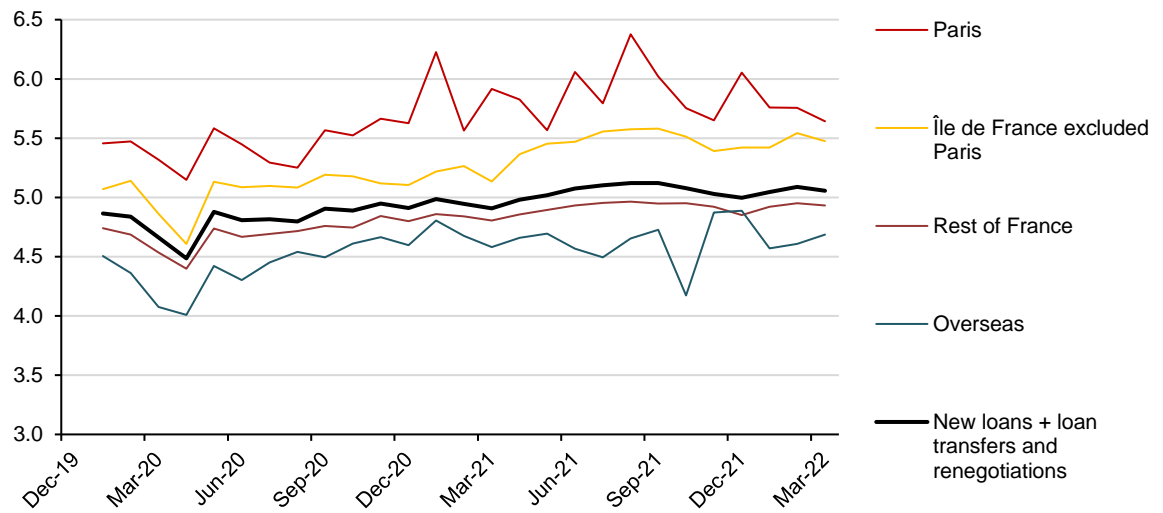
Source: ACPR, monthly monitoring of the production of housing loans; most recent value: March 2022

Chart 32 - Average DTI ratio at origination, by purpose (years of income)



Source: ACPR, monthly monitoring of the production of housing loans; most recent value: March 2022

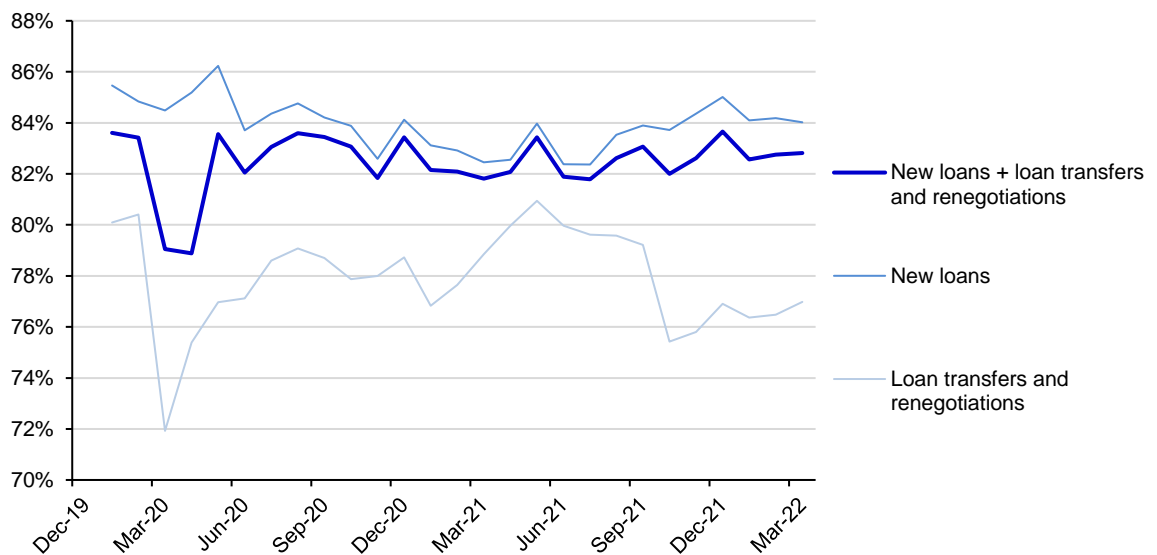
Chart 33 - Average DTI ratio at origination depending on location (years of income)



Source: ACPR, monthly monitoring of the production of housing loans; most recent value: March 2022

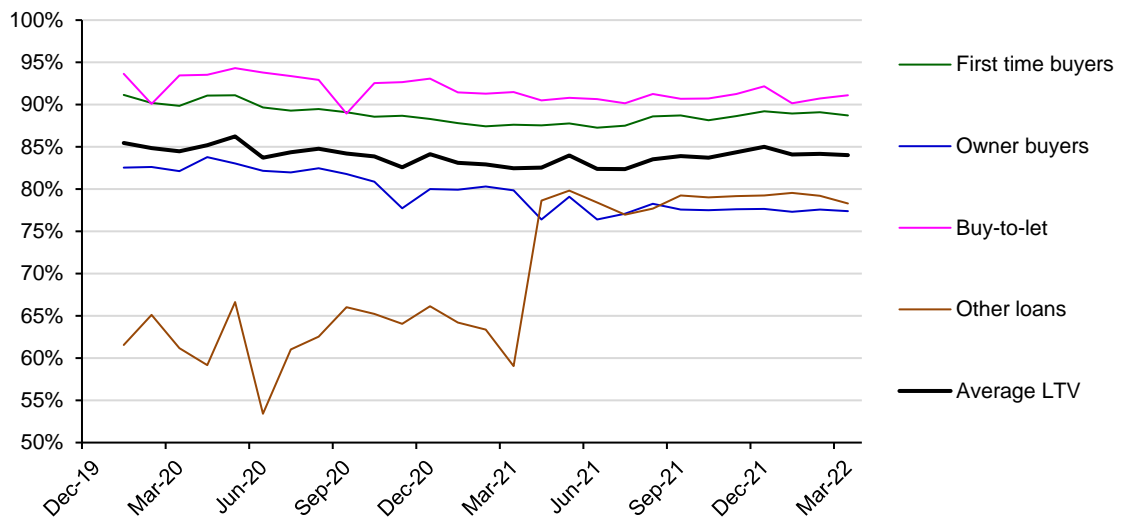
5. The average LTV ratio was on the rise again in the second half of the year while negative equity loans were down

Chart 34 - Average LTV ratio at origination by type of transaction



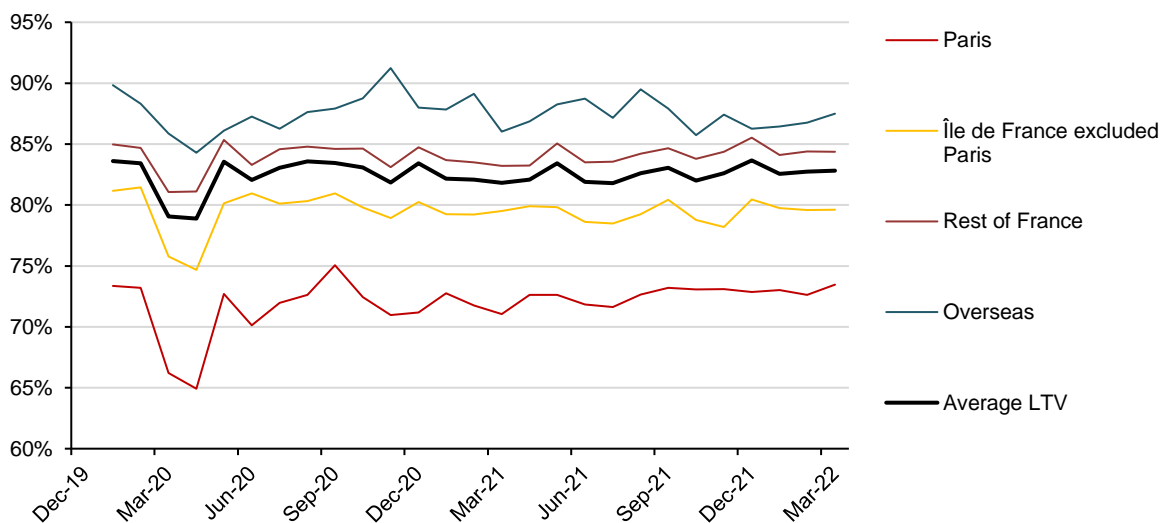
Source: ACPR, monthly monitoring of the production of housing loans; most recent value: March 2022

Chart 35 - Average LTV ratio at origination, by purpose



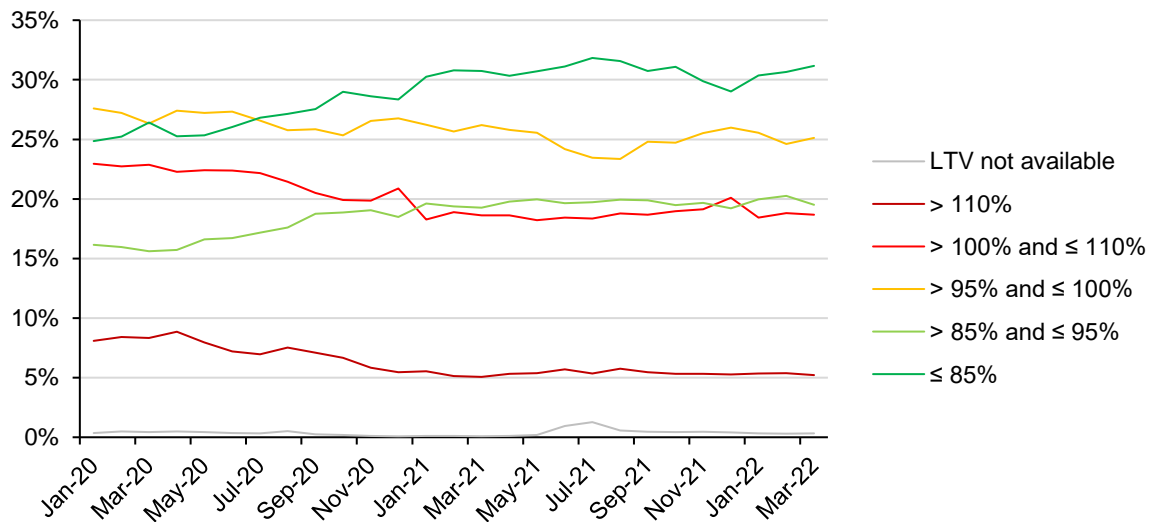
Source: ACPR, monthly monitoring of the production of housing loans; most recent value: March 2022. NB: significant changes in the "other loans" category observed from April 2021 onwards were mainly due to reclassifications carried out by one institution.

Chart 36 - Average LTV ratio at origination by location



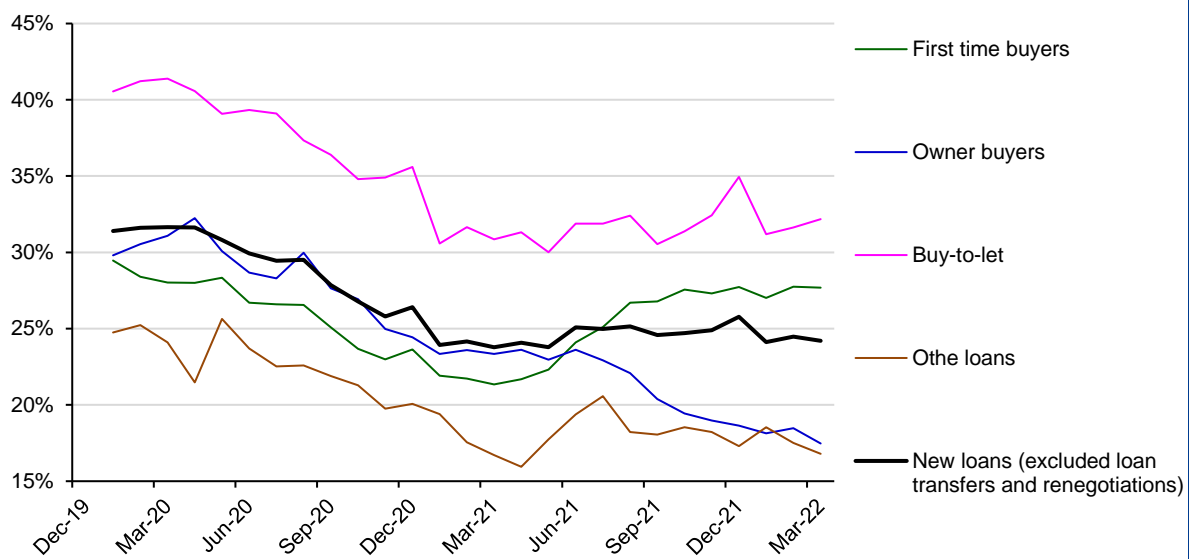
Source: ACPR, monthly monitoring of the production of housing loans; most recent value: March 2022

Chart 37 – Loan production structure (excluding loan transfers and renegotiations) by LTV tranche

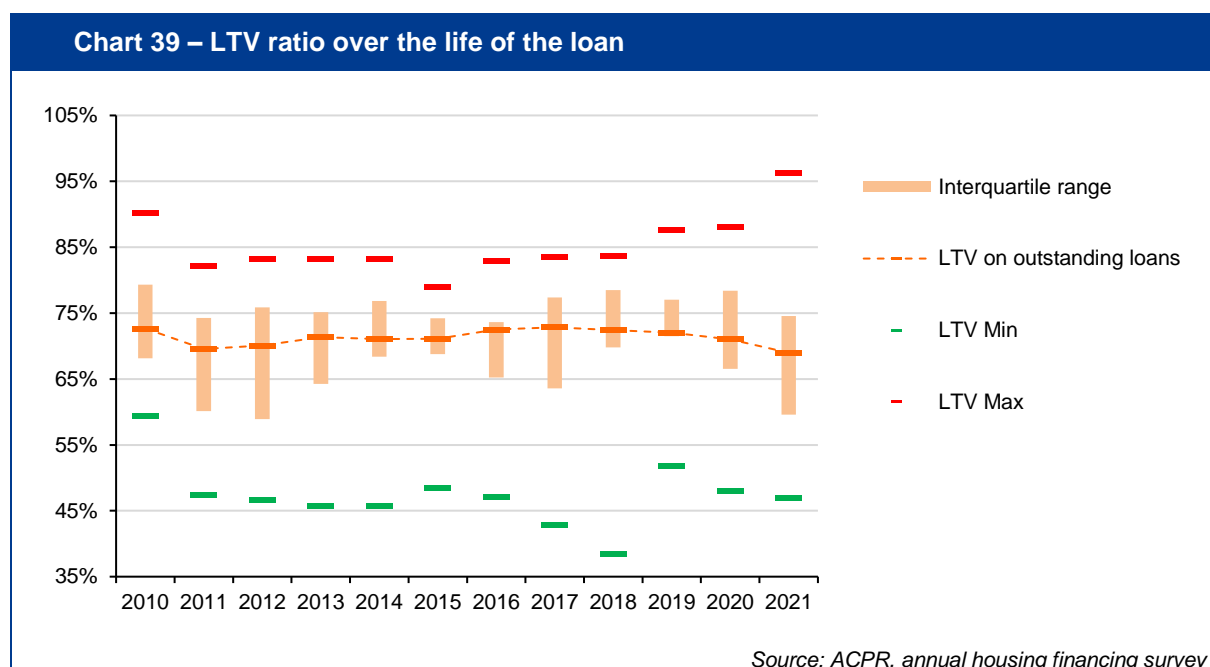


Source: ACPR, monthly monitoring of the production of housing loans; most recent value: March 2022

Chart 38 - Share of LTVs exceeding 100% (negative equity) by purpose



Source: ACPR, monthly monitoring of the production of housing loans; most recent value: March 2022



6. The HCSF's measures gradually reduced the share of loans with very high DSTI ratios or initial durations above 25 years

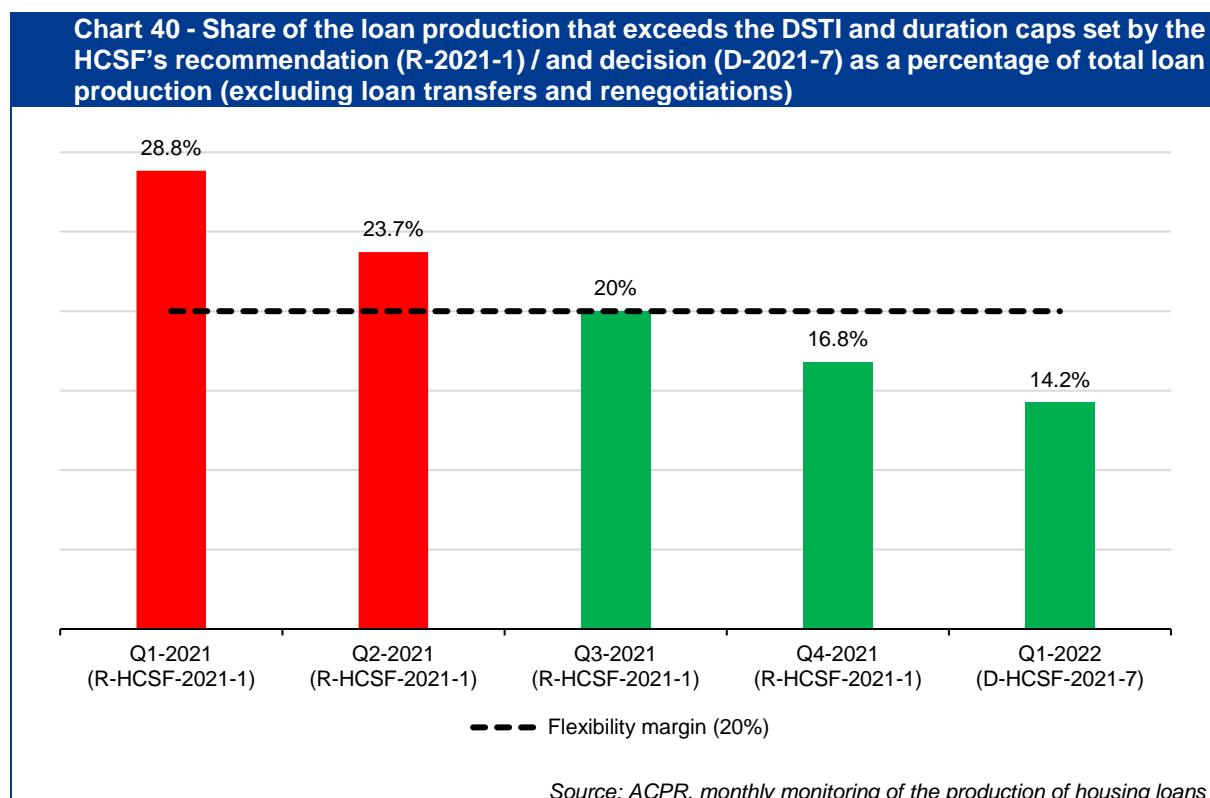
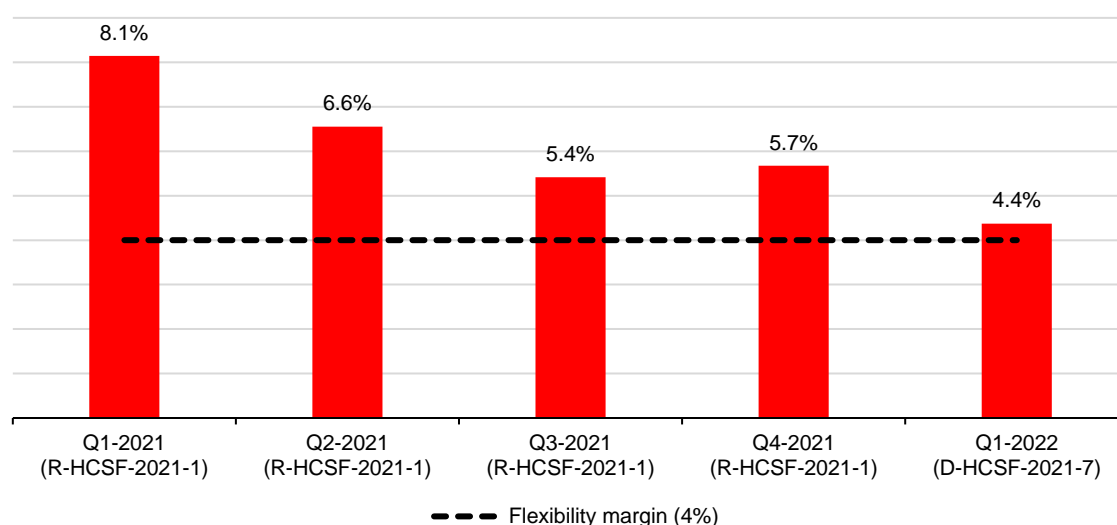


Chart 41 – Use of the flexibility margin: share of the loan production (excluding principal residence) that exceeds the DSTI and duration caps set by the HCSF's recommendation (R-2021-1) / and decision (D-2021-7), as a percentage of total loan production (excluding loan transfers and renegotiations)

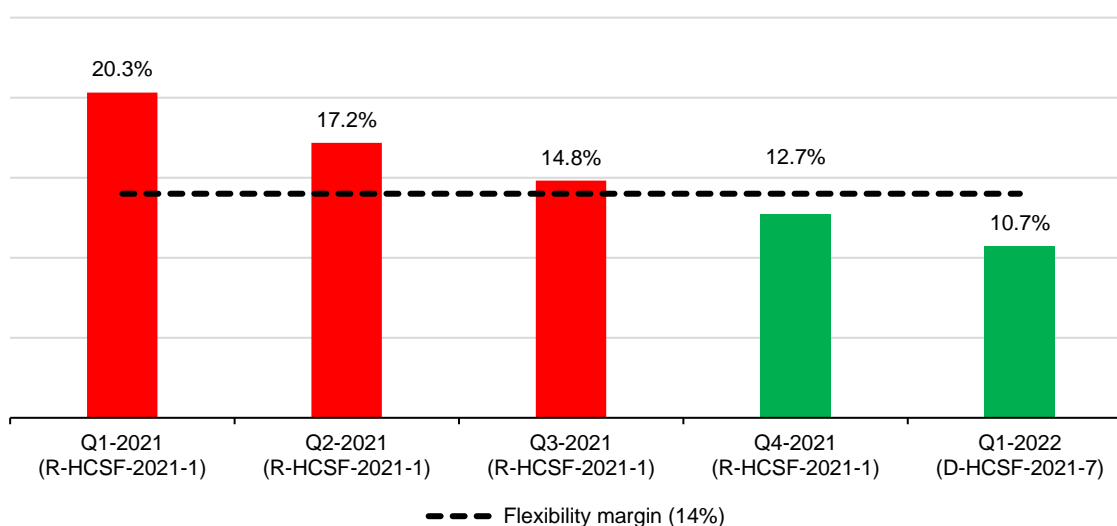


Source: ACPR, monthly monitoring of the production of housing loans

N.B.: At least 80% of the maximum flexibility margin is intended for purchasers of their primary residence. Institutions are therefore also required to comply with the following condition:

Share of non-compliant loans in loan production excluding primary residences $< (1-80\%) \times 20\% = 4\%$ of total loan production

Chart 42 – Use of the flexibility margin: share of the loan production (excluding first-time buyers) that exceeds the DSTI and duration caps set by the HCSF's recommendation (R-2021-1) / and decision (D-2021-7), as a percentage of total loan production (excluding loan transfers and renegotiations)



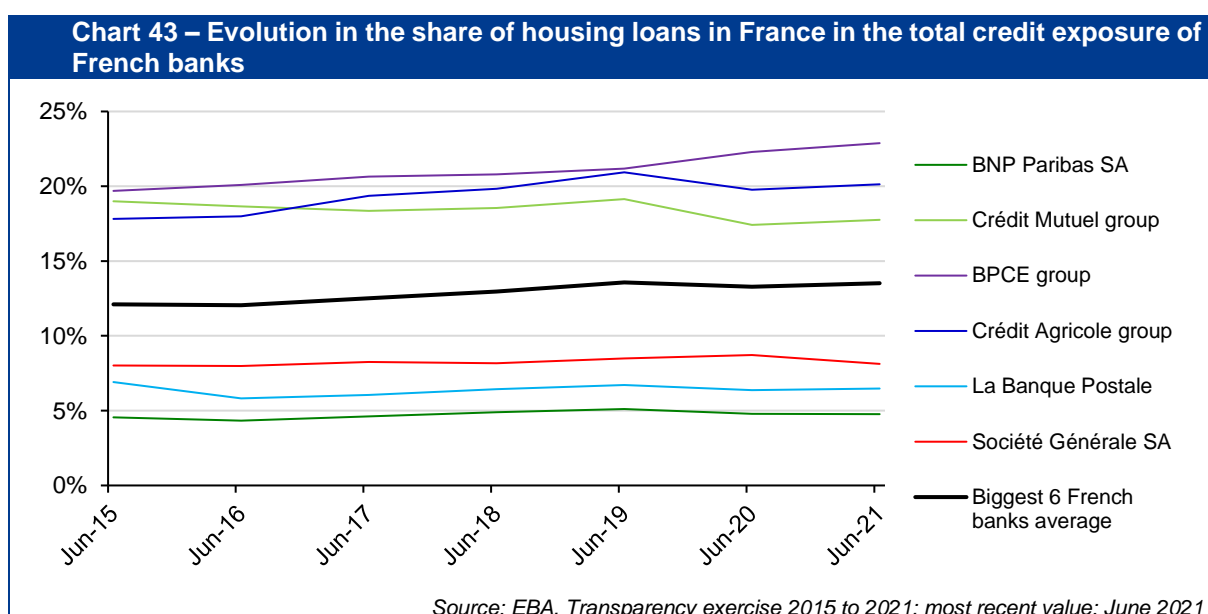
Source: ACPR, monthly monitoring of the production of housing loans

N.B.: At least 30% of the maximum flexibility margin is reserved for first-time buyers. Institutions are therefore also required to comply with the following condition:

Share of non-compliant loan production excluding first-time buyers $< (1-30\%) \times 20\% = 14\%$ of total loan production.

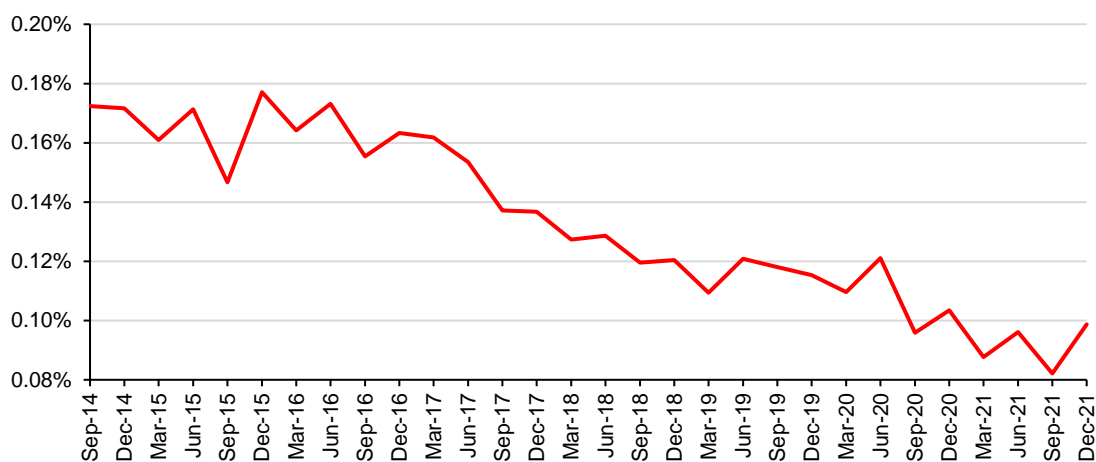
The tightening of lending criteria is reflected in credit risk levels, which remain contained

1. The share of housing loans in total lending remained relatively stable compared with 2020



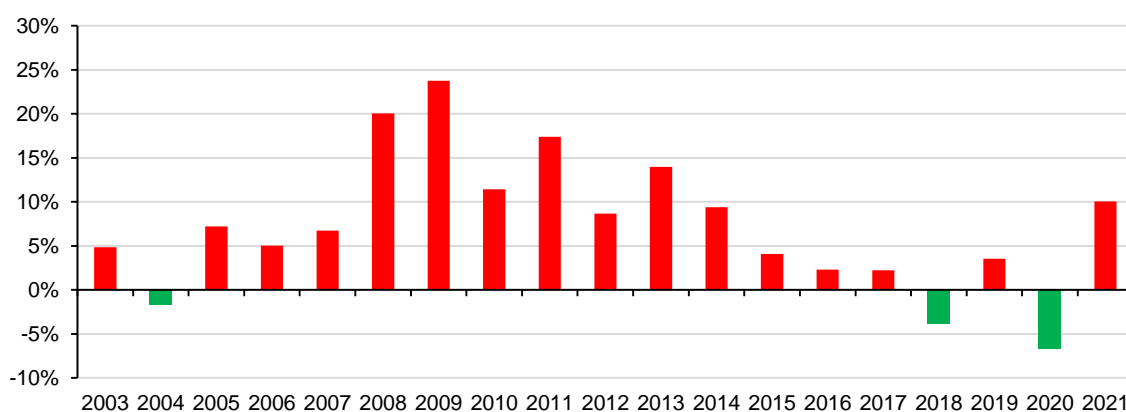
2. Losses remained contained

Chart 44 – Quarterly default rate on housing loans in France



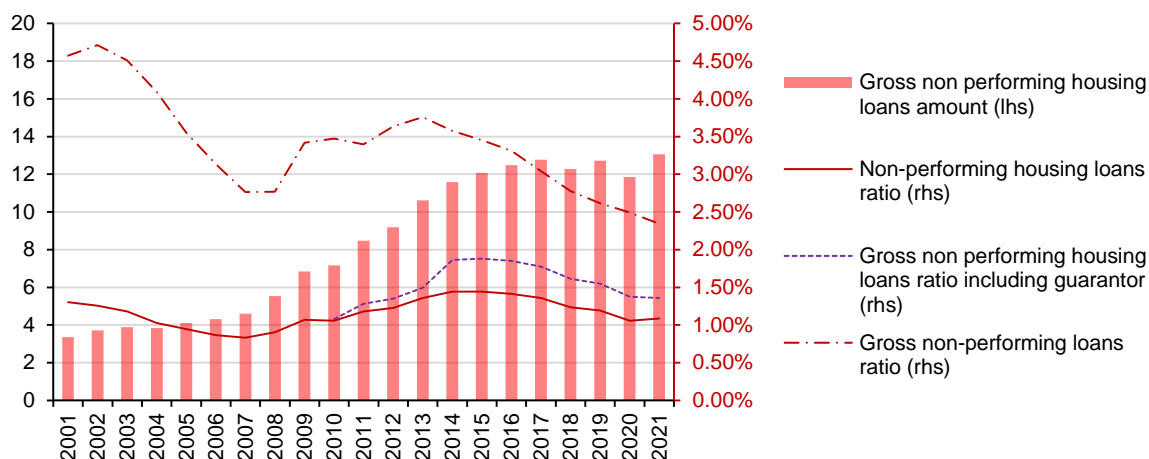
Source: COREP reporting templates C09.01 and C09, most recent value December 2021; loans in default notably include those that are more than 90 days past due

Chart 45 – Annual evolution of gross doubtful loans for housing loans



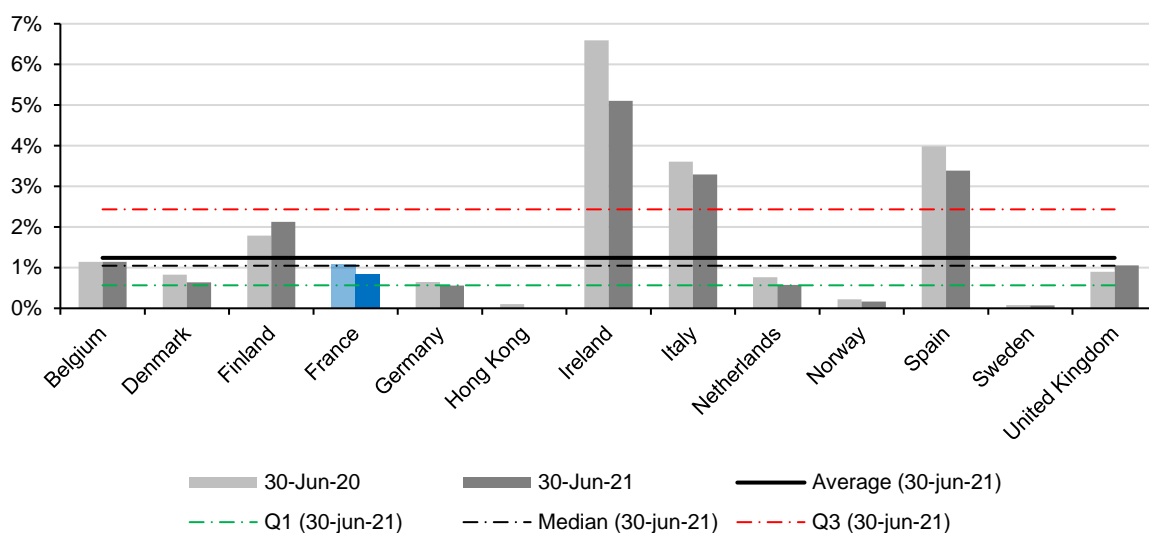
Source: ACPR, annual survey on housing financing; doubtful loans are those presenting a high risk of non-repayment

Chart 46 - Gross doubtful debt on housing loans, EUR billions and % of total outstanding amounts



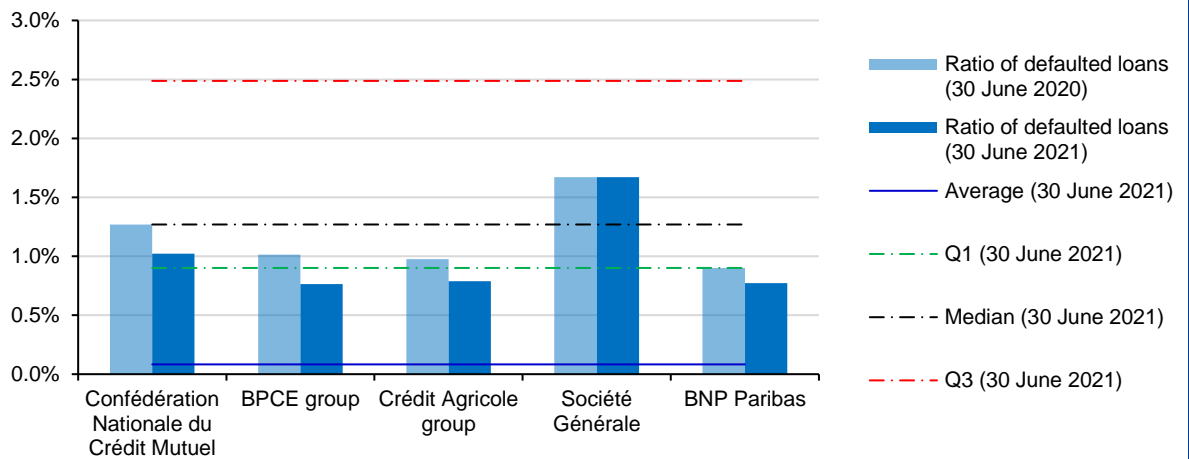
Source: ACPR, annual housing financing survey and BAFI/SURFI data; data on the gross non-performing loans of home loan guarantors have only been collected since 2010

Chart 47 - Evolution of the rate of housing loans in default by country



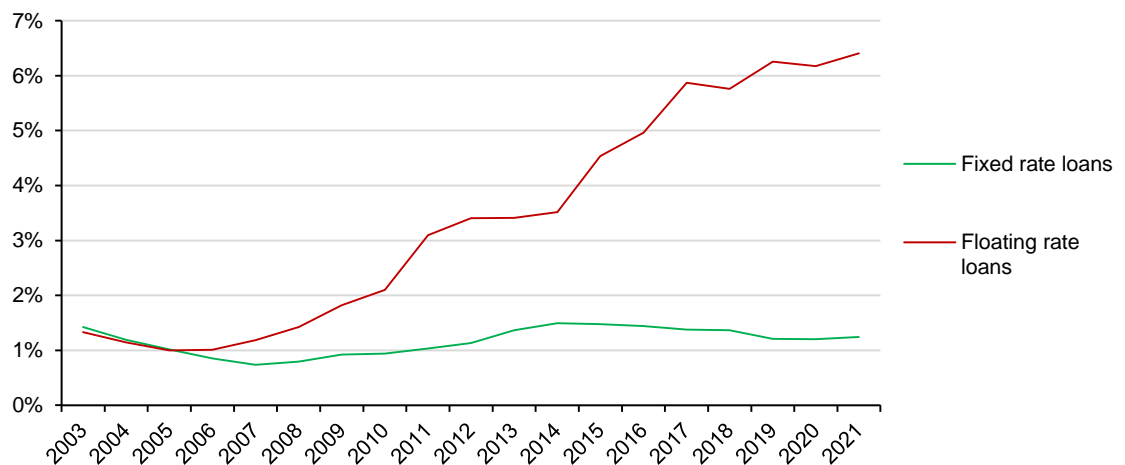
Source: EBA, Transparency exercise (exposures to retail clients, excluding SMEs, secured by an immovable property; outstanding amounts processed using an advanced internal-ratings based approach); ACPR calculations on a sample of 28 banks that reported housing loans in France; Q1, Q3: first and third quartiles

Chart 48 - Ratio of housing loans in default in France as at 30 June 2021



Source: EBA, Transparency exercise; ACPR calculations

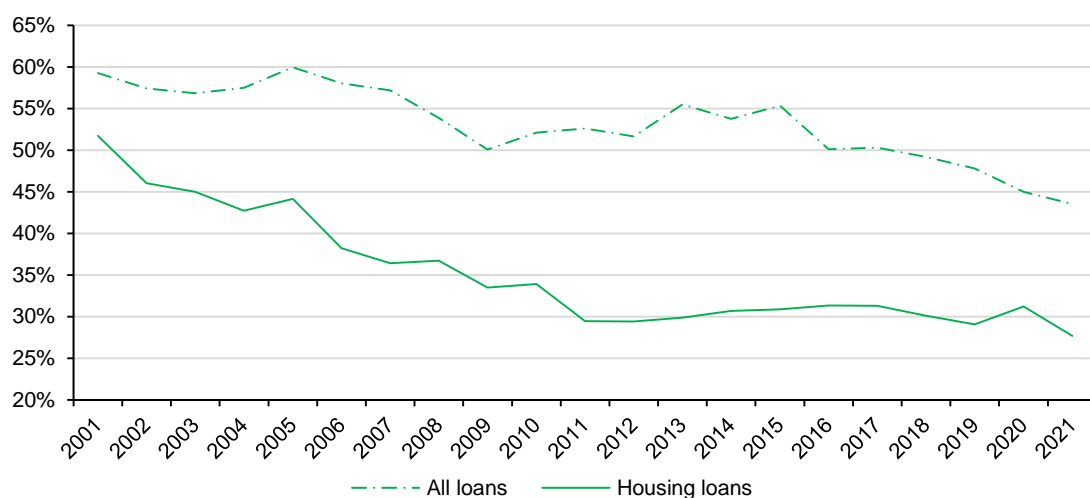
Chart 49 – Gross doubtful loans by type of interest rate



Note: given that the gross NPL ratios broken down by interest rate type were calculated on the basis of a limited scope (as only a portion of the surveyed banks provided information in this respect), these numbers cannot be directly compared with the gross NPL ratio for all housing loans.

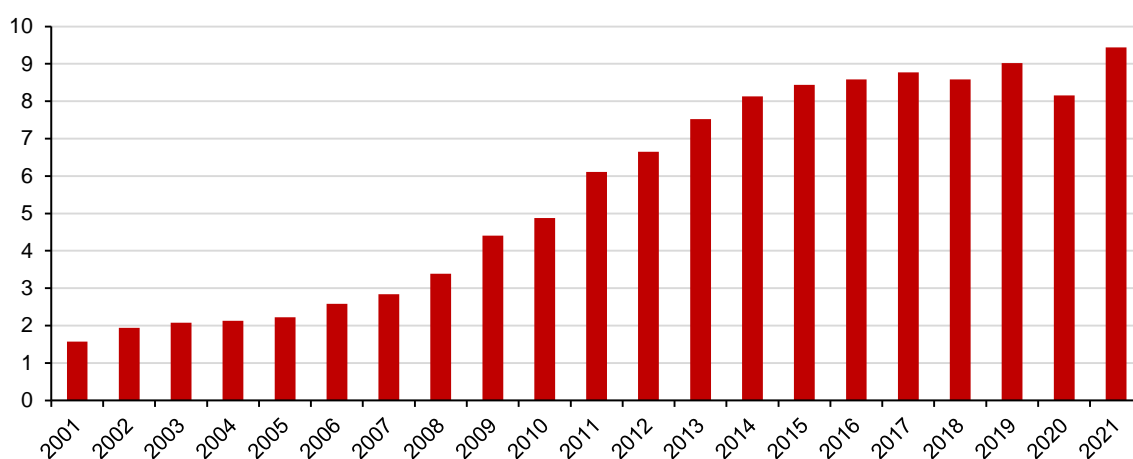
3. A slight decrease in provisioning

Chart 50 – Provisioning rate for doubtful loans



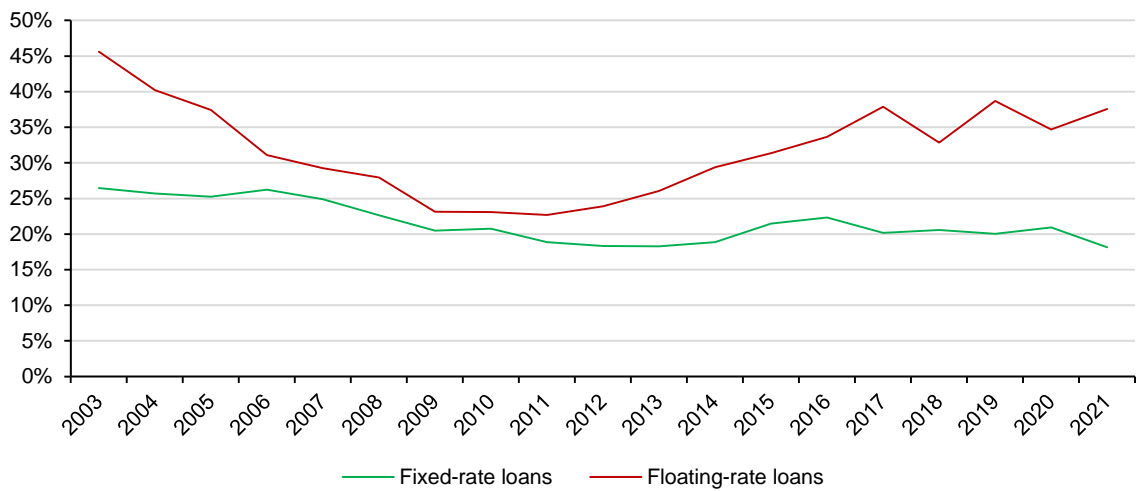
Source: ACPR, annual housing financing survey and BAFI/SURFI data

Chart 51 – Net doubtful loans, EUR billions



Source: ACPR, annual housing financing survey

Chart 52 - Provisioning rate for doubtful housing loans by interest rate type

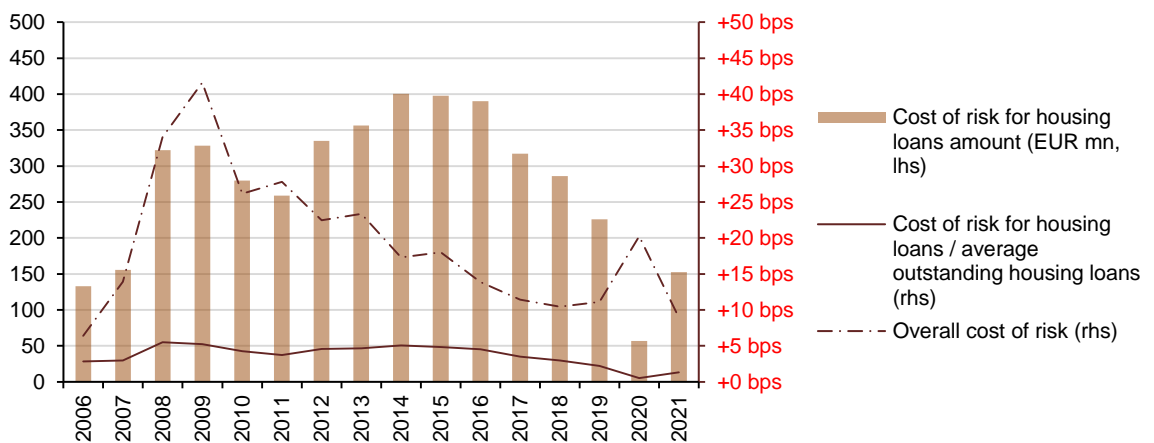


Source: ACPR, annual housing financing survey

Note: given that the provisioning ratios according to interest rate type were calculated on a reduced scope (not all the surveyed banks provided information in this respect), they cannot be directly compared with the provisioning ratio for all housing loans.

4. The cost of risk increased slightly

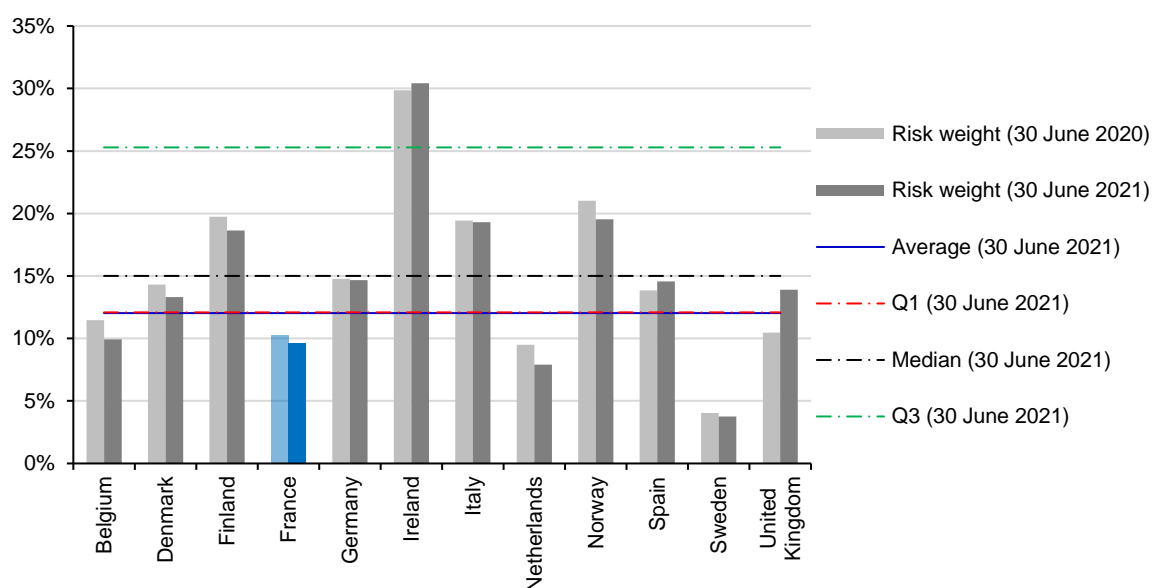
Chart 53 - Cost of risk for housing loans, in EUR millions (right-hand scale) and relative to the average outstanding (left-hand scale)



Source: ACPR, annual housing financing survey; financial disclosure of banks; *costs of risk of France's six most significant banking groups as a proportion of their asset total

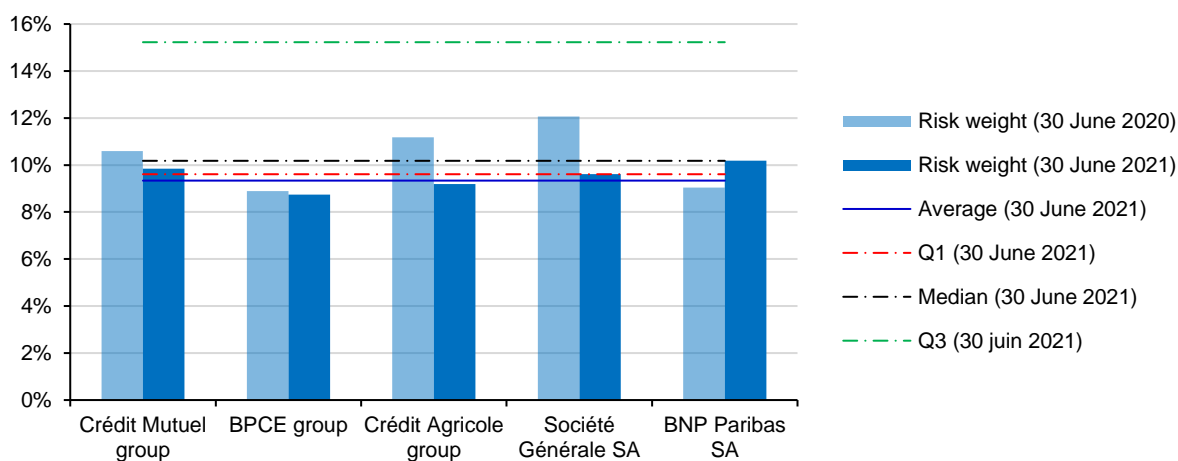
5. The average risk weight was above European banks' average when taking into account the impact of guaranteed loans

Chart 54 – Risk weights applied to housing loans by country of exposure (A-IRB) as at 30 June 2021



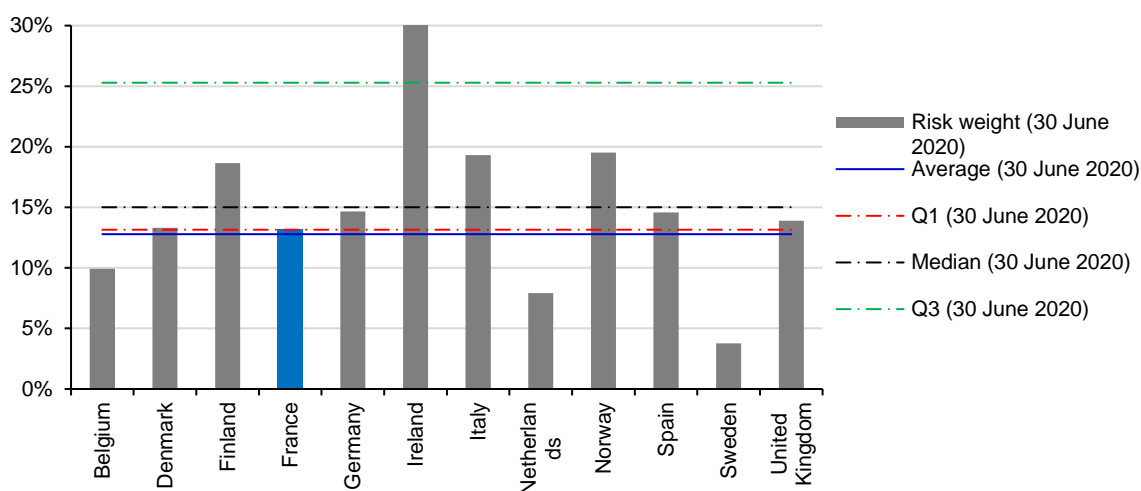
Source: EBA, Transparency exercise (exposures to retail clients excluding SMEs secured by an immovable property – calculations subject to the advanced internal ratings-based approach); ACPR calculations; the countries mentioned are those that individually represent at least 1% of total housing loans reported by all banks covered by the EBA exercise.

Chart 55 – Risks weights (A-IRB) applied to housing loans in France as at 30 June 2021



Source: EBA, Transparency exercise; ACPR calculations

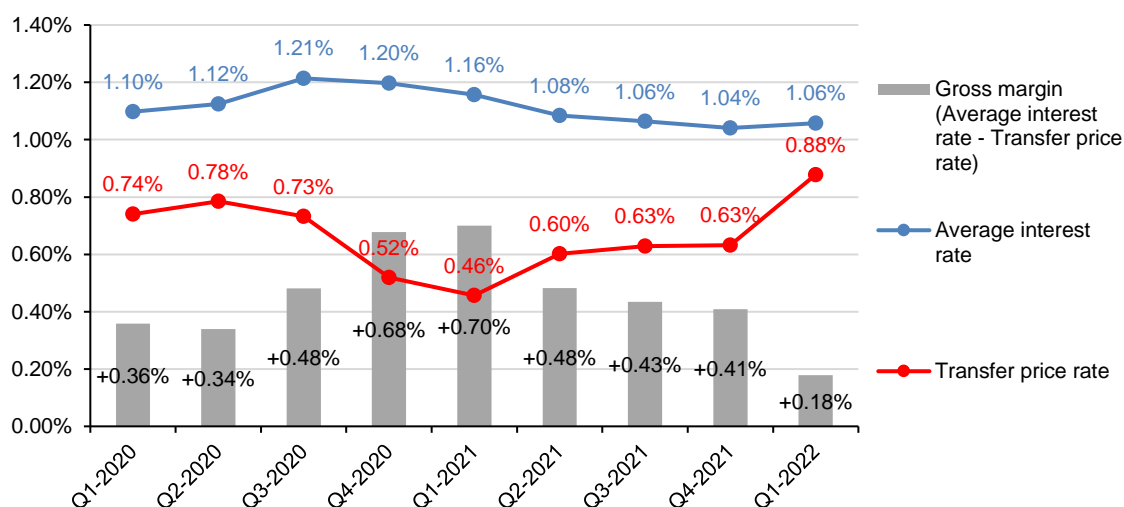
Chart 56 - Risk weights (A-IRB) applied to housing loans by country of exposure as at 30 June 2021, including Crédit Logement's risk weighted assets



Source: EBA, Transparency exercise (exposures to retail clients excluding SMEs secured by an immovable property – calculations subject to the advanced internal ratings-based approach); Crédit Logement's annual report for 2021; ACPR calculations; the countries mentioned are those that individually represent at least 1% of total housing loans reported by all banks covered by the EBA exercise.

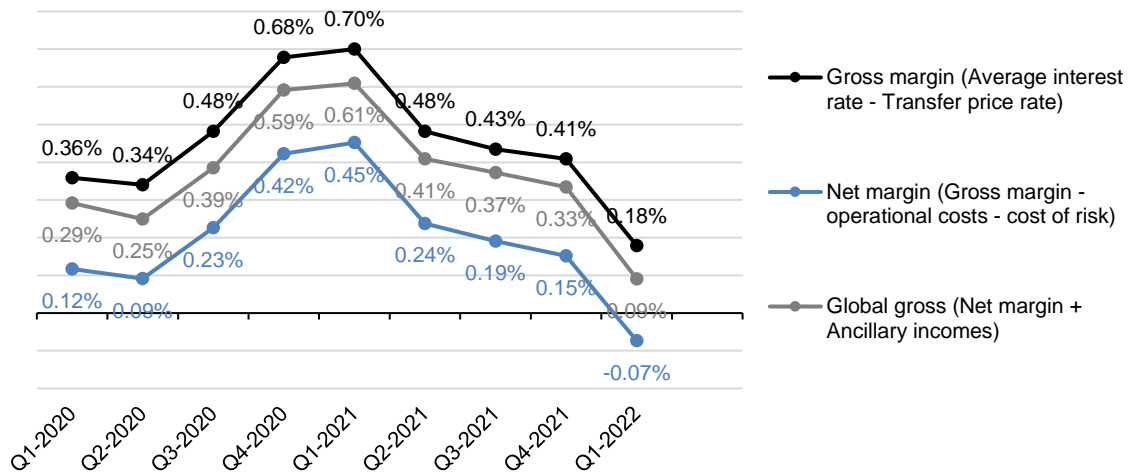
6. Margins were down due to higher internal transfer price rates

Chart 57 - Gross margin on new housing loans



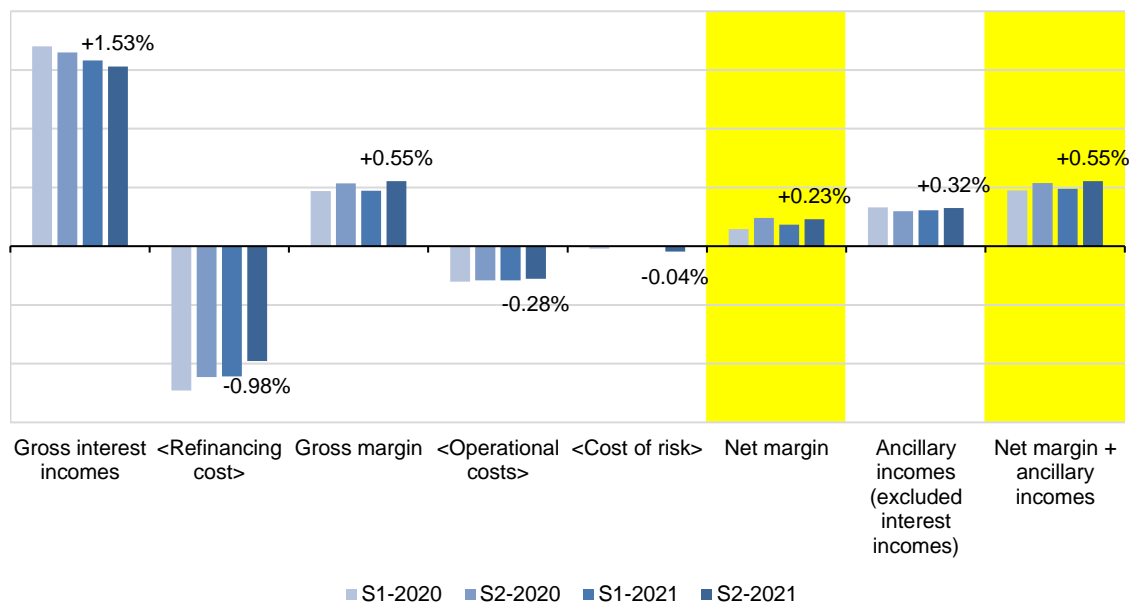
Source: ACPR (RENTIMMO reporting template)

Chart 58 - Margins on new housing loans



Source: ACPR (RENTIMMO reporting template); depending on the bank considered, ancillary income can cover application fees, commissions for the distribution of insurance policies (borrower insurance, multi-risk home insurance policy or guarantee), compensation for early repayment, etc.

Chart 59 - Gross margin and net margin on outstanding housing loans



Source: ACPR (RENTIMMO reporting template)