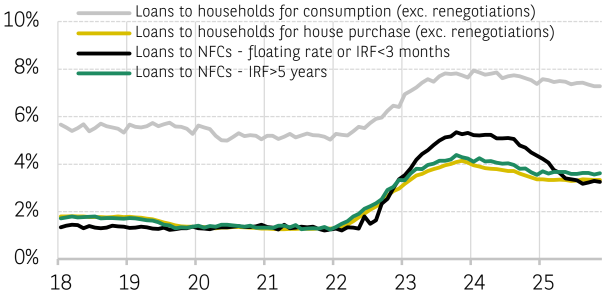
Eurozone/credit: Rates and loan growth are stabilising overall

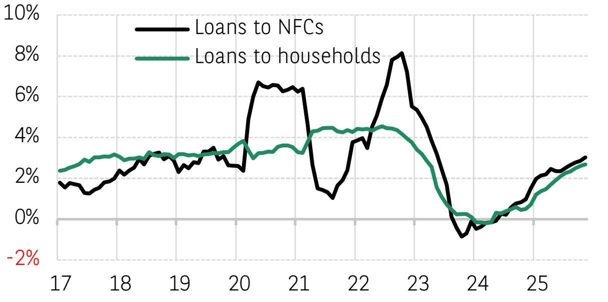
Eurozone bank interest rates on new loans



Source: ECB, BNP Paribas.

Bank lending rates: relative stability since September. Rates on new investment loans (irf>5 years) to non-financial corporations in the Eurozone rose very slightly in November 2025 (+5 bp m/m to 3.62%). However, they remain close to their September level (3.63%). Conversely, interest rates on new treasury loans (floating rate and pfit<3 months) to corporations fell modestly in November (-3 bp m/m to 3.25%). However, they have been fairly stable since September 2025 (3.22%). This stability between September and November 2025 also applies to rates on new loans to households for house purchase (3.33%). Rates on new loans for consumption fell slightly but started from a much higher level (7.28% in November, -6 bp since September).

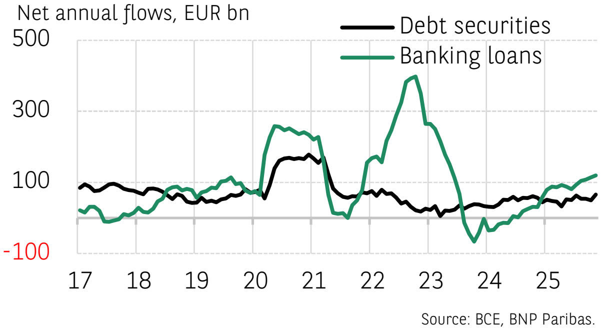
Growth rate of outstanding loans in the Eurozone



Source: ECB, BNP Paribas.

Outstanding loans to corporations and households are accelerating, albeit modestly. Y/y growth in outstanding bank loans to corporations in the Eurozone increased in November 2025 to 3.0% (+18 bp m/m). This increase is mainly due to the dynamism of loans with a maturity of less than 5 years. Outstanding treasury loans (maturity <1 year) accelerated significantly y/y, rising from 2.9% in October to 4.0% in November. Outstanding loans to households for house purchase also accelerated modestly in November (2.7%, +8 bp m/m). Growth in loans for consumption increased slightly from one month to the next. This growth remains well above its long-term average (5.3% and 3.8%, respectively).

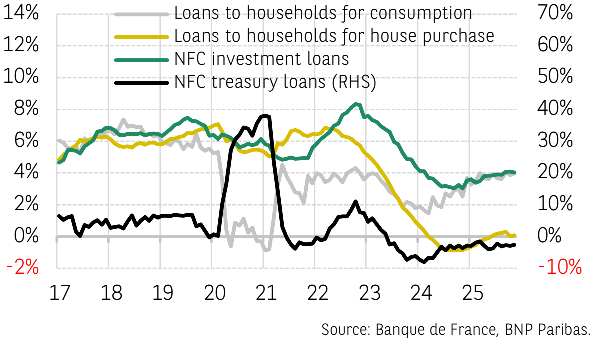
Financing flows to eurozone NFCs



Source: BCE, BNP Paribas.

Bank financing flows to eurozone corporations are expanding faster than market financing flows. The decline in the cost of bank credit has intensified demand for intermediated financing, while the cost of market financing remained fairly stable in 2025. As a result, bank credit flows to eurozone corporations, net of repayments and accumulated over one year, almost quadrupled between November 2024 and November 2025, rising from EUR 30.1 bn to EUR 119.3 bn. At the same time, net debt securities issuance also increased, but to a lesser extent (from EUR 57.2 bn to EUR 65.6 bn). They have returned to the average levels observed since 2017. With market interest rates expected to stabilise over the coming months, the costs of bank financing and market financing (debt) should, on average, remain relatively close.

Growth rate of outstanding loans in France



Source: Banque de France, BNP Paribas.

Outstanding loans continue to recover overall in France. Growth in outstanding investment loans to corporations in France remained fairly stable in November 2025 (+4.0% y/y, -7 bp m/m). However, it remains below its long-term average (~5%). Outstanding treasury loans continued to decline (-2.6% y/y), still affected by the repayment of state-guaranteed loans (PGE). Outstanding loans to households for house purchase have been stagnant since June 2025 (0.1% in November). New home loans are stabilising due to the weak growth in households' real estate purchasing capacity. We do not expect this to recover in the coming months, given the foreseeable evolution of its determining factors. Outstanding loans for house purchase are therefore likely to continue growing at a modest pace. Growth in outstanding loans for consumption remains surprisingly strong y/y (+4.0% in November, virtually unchanged since September 2025). According to our forecasts, household consumption could remain relatively strong thanks to gains in purchasing power and easing fears about unemployment.

Thomas Humblot (Completed on 21 January 2026)