

Press release

The French High Council for Financial Stability (HCSF) met on Tuesday March 4 at the Ministry of the Economy, Finance and Industrial and Digital Sovereignty, for its first meeting of 2025.

The High Council reviewed the risks and vulnerabilities affecting the French financial sector. It is closely monitoring the consequences of international developments likely to impact on the macroeconomic and financial outlook (geopolitical and trade tensions, as well as an increase in the term premium on bond markets). It notes the resilience of the various French players to these shocks. The HCSF notes that the French banking system and insurance and reinsurance organizations have solid capital and liquidity positions, combined with improved financing conditions.

The High Council notes that outstanding loans to individuals continue their stabilization (+0.2% year-on-year in December 2024). Bank credit to non-financial companies confirms its slight rebound (+2.0% year-on-year in December). Debt-to-GDP ratios for households and businesses have decreased since 2023, but remain higher than those observed in other major eurozone countries. Households and non-financial companies are also benefiting from the easing of monetary policy, through the lower cost of new credits. Household savings and the cash positions of non-financial companies remain high, contributing to their resilience.

Housing loan production continues to recover from the low point of February 2024, reaching 11.6 billion euros excluding renegotiations in December. Utilization of the flexibility margin granted to banks under the measure on the conditions for granting new housing loans rose slightly to 16.0% in the fourth quarter of 2024, after 15.3% in the same quarter of 2023. Nevertheless, it remains below the 20% ceiling.

The High Council considers that the economic and financial environment justifies maintaining the rate of the credit protection reserve (countercyclical capital buffer) at 1%.

Lastly, the High Council adopted the reciprocity measure for the Norwegian systemic risk buffer.