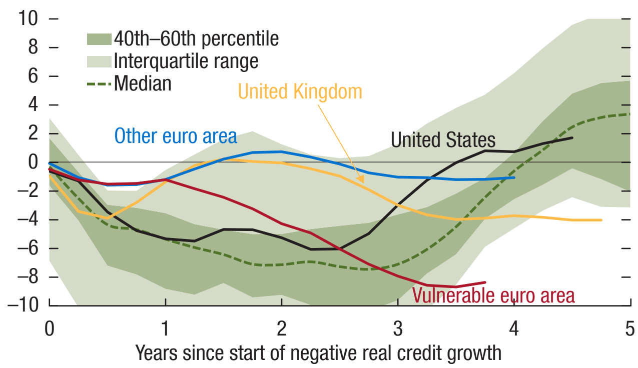
Figure 1.19. Bank Lending and Nonbank Sources of Credit

Bank lending remains lackluster in Europe.

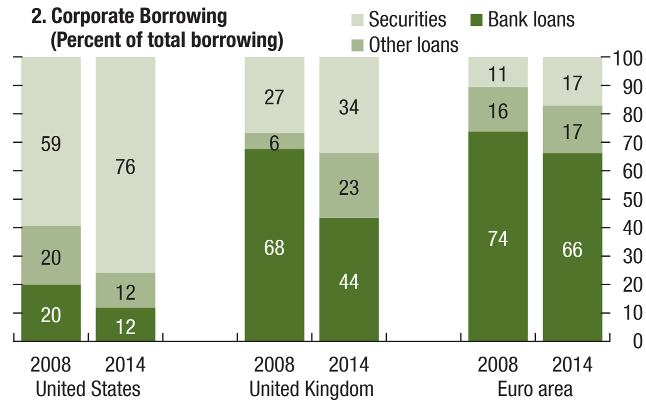
1. Bank Lending Relative to Past Crises



Sources: Haver Analytics; IMF, World Economic Outlook database; and IMF staff calculations.
Note: Green shaded area is for past crisis periods in advanced and emerging economies from the late 1980s to the period before the global financial crisis. Vulnerable euro area countries are those that have faced a sharp fall in bank lending. In this chart, the group includes Greece, Ireland, Italy, Portugal, and Spain. Other euro area comprises Austria, Belgium, Finland, France, Germany, Luxembourg, and Netherlands.

Large firms turn to nonbank credit...

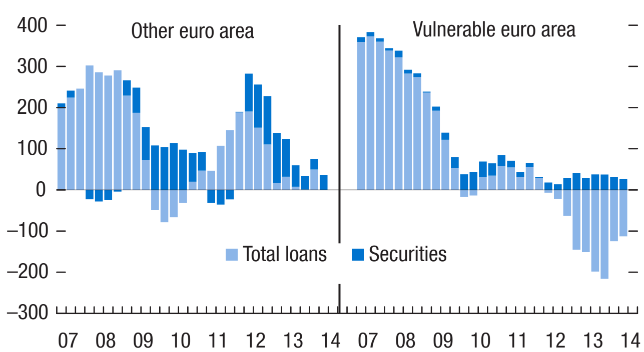
2. Corporate Borrowing
(Percent of total borrowing)



Sources: National central banks; and IMF staff estimates.
Note: Excludes estimated value of intercompany loans. Rest of World bank loans are included in bank loans in the United States and United Kingdom but are included in other loans in the euro area.

...but this is not enough to offset the fall in bank lending.

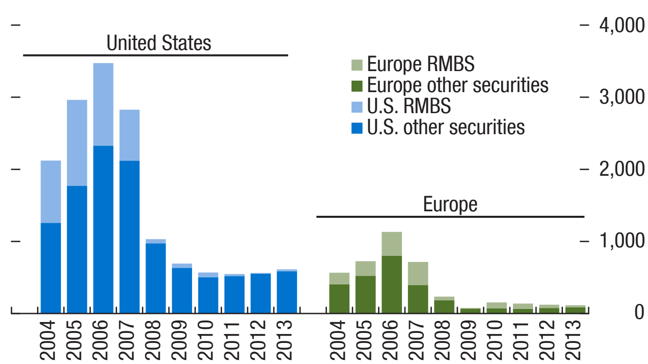
3. Euro Area Corporate Credit
(Billions of euro)



Sources: National central banks; and IMF staff estimates.
Note: Shows a four-quarter sum of changes in levels. Vulnerable euro area countries are those that have faced a sharp fall in bank lending. In this chart, the group includes Ireland, Italy, Portugal and Spain. Other euro area comprises Austria, Belgium, France, Germany and Netherlands.

Nonbanks can help diversify the provision of credit, including through securitization.

4. Securitization Issuance
(Billions of U.S. dollars)



Sources: Association for Financial Markets in Europe; Commercial Research Finance Council; Inside Mortgage Finance; JPMorgan Chase & Co.; Federal Reserve; and IMF staff calculations.
Note: All data are issuance volumes, except for asset-backed commercial paper, which are end-period outstanding. RMBS = residential mortgage-backed securities.