Figure 1.19. Bank Lending and Nonbank Sources of Credit

Bank lending remains lackluster in Europe.

1. Bank Lending Relative to Past Crises

Bank lending remains lackluster in Europe. Large firms turn to nonbank credit...

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

2. Corporate Borrowing (Percent of total borrowing)

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...

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

3. Euro Area Corporate Credit (Billions of euro)

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.

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

Sources: International Monetary Fund (IMF); Haver Analytics; and IMF staff calculations.

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.

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.