

**Box I****MFI loans to the non-financial private sector broken down by sector, type and original maturity**

Quarterly data on outstanding stocks of loans to the non-financial private sector with a breakdown by sector, type and original maturity have recently been released for the period from June 1998 to June 1999 (see the table below). This makes it possible for the first time to calculate year-on-year growth rates, in order to assess the composition of the high growth rate of MFI loans to the private sector. However, some caveats need to be expressed. In particular, the definitions of consumer credit and lending for house purchase are not fully consistent across the euro area, and the data are partially estimated for periods before December 1998. Furthermore, the annual growth rates shown in the table below are not based on flow data and thus have not been fully adjusted to take account of the effects of changes in value not related to transactions. In particular, these growth rates may be distorted downwards by write-offs/write-downs of loans. Given that only some of the reclassifications made at the start of Stage Three could be taken into account, the reported growth rates should be interpreted with a great deal of caution and cannot be directly compared with the growth rates on loans to the private sector reported in the main text of the ECB Monthly Bulletin.

With these caveats in mind, the table shows that the growth of credit has been broadly based across all sectors of the economy. The annual growth rate of loans to households was 9.5% in June 1999, slightly higher than the growth rate of loans to non-financial corporations (8.3%).

With regard to the maturity breakdown, trends differed across sectors. Loans to non-financial corporations have been growing at a relatively fast pace in the maturity category of up to one year (9.0%) and in that of over five years (9.0%). With regard to consumer credit, the rate of increase in the volume of loans was strongest for those with a maturity of up to one year (an annual increase of 13.8% in June 1999). As for loans for house purchase, the overall strong growth reflected mainly the robust annual increase in loans with a maturity of more than five years (10.6%). Overall, this evidence seems to be consistent with the view that euro area residents are currently taking credit, over both the short term and the longer term, at retail interest rates which are relatively low by historical standards.

**Outstanding MFI loans to households and non-financial corporations by type and maturity at issue <sup>1)</sup>**

(EUR billions (not seasonally adjusted))

	Non-financial corporations <sup>2)</sup>				Households <sup>2)</sup>						
	1	Up to 1 year 2	Over 1 and up to 5 years 3	Over 5 years 4	5	Consumer credit <sup>3)</sup>			Lending for house purchase <sup>3)</sup>		
						Up to 1 year 6	Over 1 and up to 5 years 7	Over 5 years 8	Up to 1 year 9	Over 1 and up to 5 years 10	Over 5 years 11
1999 June <sup>(p)</sup>	2,336.0	843.0	351.5	1,141.5	2,590.8	88.8	150.3	190.2	15.3	70.0	1,508.2
% change June 1999/June 1998 <sup>4)</sup>	8.3	9.0	6.5	9.0	9.5	13.8	11.5	7.0	1.1	-1.9	10.6

Source: ECB.

1) Loans to the private sector also include loans to non-profit institutions serving households and loans to other financial intermediaries, insurance funds and pension funds.

2) Corresponding ESA 95 sector codes: non-financial corporations, S11; households, S14.

3) The definitions of consumer credit and lending for house purchase are not fully consistent across the euro area. Column 5 includes other lending to households.

4) These growth rates cannot be derived from the stock data displayed in Table 2.5 of the "Euro area statistics" section of this Monthly Bulletin, since they take into account the effects of some reclassifications made at the start of Stage Three.