

**LOANS FROM EURO AREA
MONETARY FINANCIAL INSTITUTIONS
TO
NON-FINANCIAL CORPORATIONS
BY ECONOMIC ACTIVITY**

EXPLANATORY NOTES

These statistics provide estimated data on loans granted to euro area non-financial corporations (NFCs) by the euro area monetary financial institution (MFI) sector, broken down by economic activity in accordance with the NACE Rev. 2 classification¹.

Coverage of institutions and legal basis for data collection and compilation

These data complement statistical data collected from the euro area MFI sub-sector as defined in the European System of Accounts 2010 (ESA 2010). Data on loans to NFCs resident in the euro area are reported by MFIs to the national central banks (NCBs) in accordance with Regulation ECB/2013/33 concerning the balance sheet of the monetary financial institutions sector². As a breakdown of loans by economic activity is not required, the present dataset combines data on loans to NFCs collected under Regulation ECB/2013/33 with other national sources and ECB estimates.

Available data

Data are available for outstanding amounts of loans at the end of each quarter, with the time series beginning with the first quarter of 2003. Data are published on a biannual basis in April and October of each year and relate to the end of the last two quarters with a one quarter lag (i.e. data for Q3 and Q4 are published in April, and data for Q1 and Q2 are published in October). While data are disseminated biannually, the underlying statistics are available on a quarterly basis. The ECB publishes euro area aggregates for ten different categories based on NACE sections or groups of NACE sections.

Table 1 summarises the economic activity breakdown disseminated by the ECB on the basis of the NACE Rev. 2 classification. Some of the categories are only available as a combination of two or more NACE sections. This is mainly due to the fact that Revision 2 of the NACE classification was implemented only recently in the European Union, resulting in a lack of data for previous years.

¹ NACE is the European standard classification for productive economic activities. For more information, see http://epp.eurostat.ec.europa.eu/portal/page/portal/nace_rev2/introduction

² See http://www.ecb.int/ecb/legal/date/2009/html/act_10297_amend.en.html

Table 1: ECB data dissemination based on the NACE Rev. 2 classification

Sections	Description
A	agriculture, forestry and fishing
B	mining and quarrying
C	manufacturing
D + E	D. electricity, gas, steam and air conditioning supply + E. water supply, sewerage, waste management and remediation activities
F	construction
G	wholesale and retail trade; repair of motor vehicles and motorcycles
H + J	H. transportation and storage + J. information and communication
I	accommodation and food service activities
L + M + N	L. real estate activities + M. professional, scientific and technical activities + N. administrative and support service activities
Z	All remaining activities (P. education; Q. human health and social work activities; R. arts, entertainment and recreation; S. other service activities; T. activities of households as employers; undifferentiated goods and service-producing activities of households for own use; U. activities of extraterritorial organisations and bodies)

Note: These statistics do not cover Section K (financial and insurance activities) or Section O (public administration and defence; compulsory social security) of the NACE Rev. 2 classification. For both sections, it is assumed that the corresponding institutions are predominantly part of the financial corporation sector and the general government sector, rather than the non-financial corporation sector.

Outstanding amounts and growth rates

Data refer to outstanding amounts only. Changes over time and growth rates must therefore be compiled by comparing outstanding amounts. However, transactions (and related growth rates) cannot be derived, as more information is needed – as required under Regulation ECB/2013/33 for the calculation of transactions in respect of monetary aggregates – to enable adjustment for reclassifications, other revaluations (i.e. write-offs and write-downs) and other changes that do not arise from transactions. Such adjustment is crucial in order to be able to accurately derive net transactions from these stocks. However, a breakdown of the underlying data by economic activity is not available. In particular, the transition from NACE Rev. 1.1 to NACE Rev. 2, as adopted in December 2006, may result in breaks in time series³. Furthermore, outstanding amounts are not adjusted for the effects of securitisation or the impact of transfers of loans from MFIs to non-MFI “bad banks”.

Caveats relating to the results

The breakdown of loans by economic activity is based on data available at the national level (e.g. credit registers or surveys) that are not fully harmonised and are partly estimated. Both the coverage and the level of detail differ across countries.

Some additional conceptual caveats must be considered when applying a breakdown by economic activity based on the NACE classification to data relating to NFCs. Under Regulation ECB/2013/33, NFCs exclude, by definition, sole proprietors and partnerships without independent legal status; however, the activities of these two groups may fall within the NACE sections covered by loan statistics (e.g. in the case of doctors or small retailers). Likewise, loans to NFCs exclude loans granted to the general government sector, though

³ Changes due to the transition to NACE Rev. 2 are particularly relevant for the time series of Sections B, C, L, M, N and Z.

parts of this sector's (market and non-market) activities may be classified in the same NACE sections as the activities of NFCs (e.g. in the case of transport). Loans may be taken out by institutional units classified within an NFC that encompass several production units covering various NACE sections. Hence, the derived breakdown of loans to NFCs by economic activity is not fully comparable with other statistics that are genuinely based on the NACE classification, such as value added or employment broken down by economic activity.

Estimates

Estimates of euro area aggregates are compiled where necessary to replace missing data in individual sections or at the country level. Where the sum of the loan data provided on the basis of the NACE classification in national contributions differs from data on total loans to NFCs as collected via Regulation ECB/2013/33, the ECB takes the shares of the individual sections according to the NACE breakdown and applies these to total MFI loans to NFCs as recorded on the MFI balance sheet. As a result, the sum of the outstanding amounts for the individual categories based on the NACE classification is, for each data vintage, the same as total loans to NFCs as compiled under Regulation ECB/2013/33.