



## Impact on the statistics disseminated by the Banco de Portugal of the first operations in the context of the Financial Assistance Programme to Portugal

Under the Financial Assistance Programme to Portugal involving the European Union (EU) and the International Monetary Fund (IMF), the first funds were received in May, issued by the EU, through the European Financial Stabilization Mechanism (EFSM), and by the IMF, through the Extended Fund Facility. As of June 2011, Portugal has also received funds from the EU provided within the European Financial Stability Facility (EFSF).

Additional information about the conditions of the Financial Assistance Programme to Portugal may be obtained in the brochure published by the Banco de Portugal: "Portugal – EU/IMF Financial Assistance Programme 2011-2014"<sup>1</sup>.

The current note summarizes the impact of the operations that took place in May, regarding the statistics disseminated by the Banco de Portugal, namely in monetary and financial statistics<sup>2</sup>, balance of payments and international investment position statistics, public finance statistics, national financial accounts and public debt.

The funds are delivered to the Portuguese Treasury and Government Debt Agency (IGCP, acronym for *Instituto de Gestão da Tesouraria e do Crédito Público*) through accounts set at the Banco de Portugal.

### European Financial Stabilization Mechanism (EU)

In May, Portugal received the first disbursement of the EU loan worth € 1 750 million, with a 10 year maturity and a fixed annual interest rate of 5.65%. The principal is due in a single payment at the maturity date. This first disbursement has a € 8 million payment related to administrative costs.

### Extended Fund Facility (IMF)

Portugal received the first disbursement of the IMF loan worth € 6 308 million (5 611 million of SDR3), provided to the IGCP in euro and US dollars. The redemptions of the IMF loan are distributed in 12 equal disbursements, to be due every six months from the 54<sup>th</sup> month after the beginning of the loan. It's a 10 year maturity loan with a floating interest rate indexed to the IMF weekly fixed SDR rate, with a spread that depends on the total amount of financing

<sup>1</sup> [http://www.bportugal.pt/en-US/OBancoeoEurosistema/ProgramaApoioEconomicoFinanceiro/Documents/Brochura\\_en.pdf](http://www.bportugal.pt/en-US/OBancoeoEurosistema/ProgramaApoioEconomicoFinanceiro/Documents/Brochura_en.pdf).

Further details about the loans received in May can be consulted in the Monthly Bulletin of June 2011, of the Portuguese Treasury and Government Debt Agency, available in the Internet: [http://www.igcp.pt/fotos/editor2/2011/Boletim\\_Mensal/06BolMensal.pdf](http://www.igcp.pt/fotos/editor2/2011/Boletim_Mensal/06BolMensal.pdf).

<sup>2</sup> The impact of the funds received in the balance sheet of the Banco de Portugal and in the Monetary Survey was explained in the notes "Impact on the Balance Sheet of the Banco de Portugal of the funds received in the context of the financial assistance to Portugal" and "Impact on the «Monetary Survey» of the funds received in the context of the financial assistance to Portugal", published by the Banco de Portugal on the 6<sup>th</sup> of June and the 11<sup>th</sup> of July 2011, respectively.

<sup>3</sup> Special drawing rights.

provided by the IMF and on the time elapsed since the beginning of the programme. Interest is paid quarterly and in the first period the interest rate is of 2.51% (0.58% base rate plus a spread of 193 basis points).

Moreover, in May a set of operations related with the loan occurred, namely: payment of a € 69 million commitment fee; payment of a € 32 million service charge, with a partial refund (€ 16 million) of the commitment fee previously paid; exchange of funds from US dollars to euro, with intermediation of the resident and nonresident monetary sectors.

### **Impact on the statistical domains**

As from May onwards, the loans received from the EU and the IMF impact directly on the following statistical domains:

In the balance sheet of the Banco de Portugal:

- Increase in the overnight liabilities vis-à-vis the resident General Government;
- Decrease in liabilities vis-à-vis the non-resident sector.

In the monetary survey:

- Decrease in the net credit to the Central Government;
- Increase in the deposits and deposit-like instruments (overnight deposits) vis-à-vis the resident sector;
- Increase in net external assets of the Banco de Portugal.

In balance of payments:

- Increase in other investment long-term liabilities of the General Government;
- Decrease in other investment short-term liabilities of the Monetary Authorities;
- Payments and receipts of financial services.

In public finance:

- Increase in net credit (loans and deposits) from non-residents to the State;
- Increase in direct state debt in the form of other loans.

These transactions will also have an effect on quarterly statistics, i.e. on the international investment position, national financial accounts and public debt statistics, which will be published from August 2011 onwards with reference to the second quarter of 2011.

In international investment position:

- Increase in other investment long-term liabilities of the General Government;
- Decrease in other investment short-term liabilities of the Monetary Authorities.

In national financial accounts:

- Increase in liabilities of the General Government concerning long-term loans (financial assets and liabilities and transactions);
- Increase in assets of the Rest of the World regarding long-term loans (financial assets and liabilities and transactions).

In public debt:

- Increase in long-term loans received by the Central Government.

In summary, these transactions will impact on the following tables:

Statistical Domain	Statistical Bulletin	BPstat (Multidimensional analysis)*
	Table / Columns	Predefined analysis
<b>MONETARY AND FINANCIAL STATISTICS</b>		
BALANCE SHEET OF THE BANCO DE PORTUGAL		
Liabilities of the Banco de Portugal	B.2.1 / 5 e 6 B.2.2.2 / 12 B.2.3.2. / 2 B.2.4 / 8	Deposits and deposit-like instruments – Overnight deposits – General Government  Deposits and deposit-like instruments – Overnight deposits – Non-resident Sector
MONETARY SURVEY		
Monetary Survey – assets	B.1.1 / 1 e 15	Monetary Survey – Assets – Net external assets – Banco de Portugal
Monetary Survey – liabilities	B.1.1 / 17	Monetary Survey – Liabilities - Deposits and deposit-like instruments of the resident sector – Overnight deposits
<b>BALANCE OF PAYMENTS</b>		
CURRENT ACCOUNT		
Financial Services	C.1.2.4 / 4, 5 e 6	Services account – main items
FINANCIAL ACCOUNT		
Other investment – General Government – Long-term liabilities	C.2.6.2 / 7	Other investment – liabilities, by institutional sector
Other investment – Monetary Authorities – Short-term liabilities	C.2.6.2 / 4	Other investment – liabilities, by institutional sector
<b>INTERNATIONAL INVESTMENT POSITION<sup>i</sup></b>		
OTHER INVESTMENT		
General Government – Long-term liabilities	C.3.5.2 / 7	Other investment – liabilities, by institutional sector and financial instrument
Monetary Authorities – Short-term liabilities	C.3.5.2 / 4	Other investment – liabilities, by institutional sector and financial instrument

<b>PUBLIC FINANCE</b>		
STATE FINANCING		
Non-residents net credit – Loans and deposits - Total	E. 1.2.1 / 14	
DIRECT STATE DEBT		
Debt in non-euro area currencies – Other loans	E.1.5 / 18	
<b>NATIONAL FINANCIAL ACCOUNTS<sup>1</sup></b>		
NATIONAL FINANCIAL ACCOUNTS: FINANCIAL ASSETS AND LIABILITIES		
Total Economy	F.2.4.1 / 11	Financial Assets and Liabilities and Transactions
General Government	F.2.4.4 / 11	Financial Assets and Liabilities and Transactions
Rest of the World	F.2.4.6 / 4	Financial Assets and Liabilities and Transactions
NATIONAL FINANCIAL ACCOUNTS: TRANSACTIONS		
Total Economy	F.1.4.1 / 11	Financial Assets and Liabilities and Transactions
General Government	F.1.4.4 / 11	Financial Assets and Liabilities and Transactions
Rest of the World	F.1.4.6 / 4	Financial Assets and Liabilities and Transactions
<b>PUBLIC DEBT<sup>1</sup></b>		
General Government		Time Series Analysis – Public finance statistics – Gross debt of the GG
Central Government		Time Series Analysis - Public finance statistics – Gross debt of the CG

\* For public debt the data is available in the Time Series Analysis.

<sup>1</sup> These transactions will have an effect on the quarterly statistics, which will be published from August 2011 onwards (according to the [release calendar](#)), with reference to the second quarter of 2011.