

STATISTICAL PRESS RELEASE



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Banco de Portugal publishes statistics on banks' balance sheet and interest rates for 2013

Balance sheet statistics¹

Assets

Credit to the domestic economy

In 2013, for the third consecutive year, the domestic credit granted by the banking sector decreased.

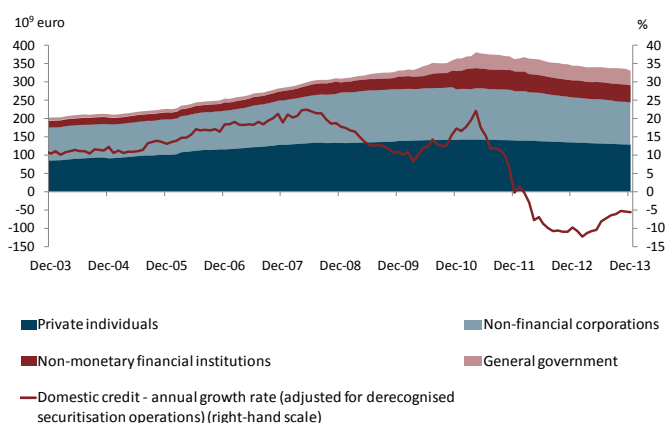
At the end of 2013, the outstanding amount of domestic credit was 330.8 billion euro, corresponding to a year-on-year decrease of 13.6 billion euro (chart 1). Such behaviour led to annual growth rates systematically negative during 2013.

Nevertheless, there was a slowdown in credit contraction, with the annual growth rate reaching -5.6 per cent in December, representing an increase of 4.1 percentage points (p.p.) compared to -9.7 per cent in December 2012.

The credit contraction occurred in all sectors. The credit to non-financial corporations and private individuals decreased by 7.6 and 5.9 billion euro, respectively.

Chart 1

Domestic credit



As in previous years, the reduction in credit to non-financial corporations was mainly driven by loans, which reduced 6.1 billion euro compared to 2012. In December 2013, the annual growth rate of credit to non-financial corporations was -4.7 per cent, with an increase of 1.9 p.p. with respect to 2012, reversing the downward trend exhibited by this indicator since 2008. Adjusted for the impact of loans portfolios' sales, this rate would be set at -3.0 per cent at the end of 2013 (-4.3 per cent at the end of 2012).

Credit to private individuals maintained the downward trend in all purposes (with decreases of 3.9 billion euro in housing, 1.3 billion euro in consumption and 0.7 billion euro in other purposes). This evolution implied the maintenance of negative annual growth rates (rates of -3.8, -7.2 and -4.7 per cent, respectively).

¹ Includes Banco de Portugal, other banks and money market funds. Data available in tables A.8, A.9 and B.1.1 to B.1.3 of the Statistical Bulletin, and in BPstat | Statistics online in the time series and multidimensional analysis.

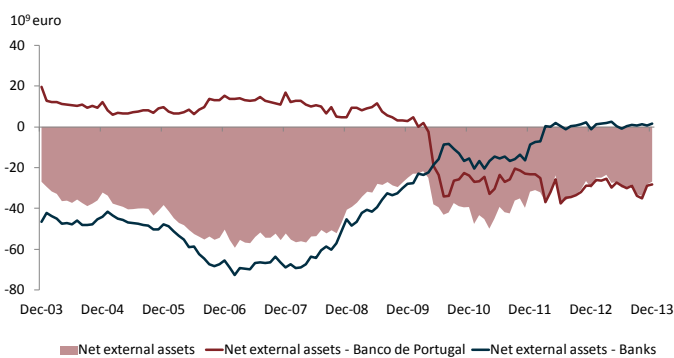
In 2013, the credit to non-monetary financial sector remained broadly unchanged. At the end of the year, the credit to general government amounted to 39.9 billion euro, 0.2 billion euro less compared to 2012, essentially in the loans' component.

Net external assets of the monetary sector

In 2013, the net external assets (i.e. deducted of liabilities) of the monetary sector increased by 3.2 billion euro, with the contributions of the banks and Banco de Portugal, with increases of 2.5 and 0.7 billion euro, respectively. Despite this development, the net external position of the monetary sector remained negative, amounting to -26.9 billion euro in December 2013 (chart 2), reflecting essentially the negative net external assets of Banco de Portugal.

Chart 2

Net external assets of the monetary sector



Banks maintained the upward trend of their net external assets, presenting throughout 2013 a positive net external position, reaching 1.4 billion euro at the end of the year.

In contrast, and despite the increase in its net external assets, Banco de Portugal continued (as it happens since mid-2010) to present a negative net external position. At the end of 2013, it amounted to -28.3 billion euro, essentially reflecting the Eurosystem financing to resident banks, which is recorded as a liability of Banco de Portugal against the Eurosystem and an asset against the resident banks.

Estimating debt securities issued by banks and held by non residents, the increase in net external assets

exceeded 5 billion euro, with a disinvestment of approximately 2 billion euro in the securities issued by resident banks and held by non residents. This disinvestment was considerably below the ones observed in 2011 and 2012 of about 9 and 11 billion euro, respectively.

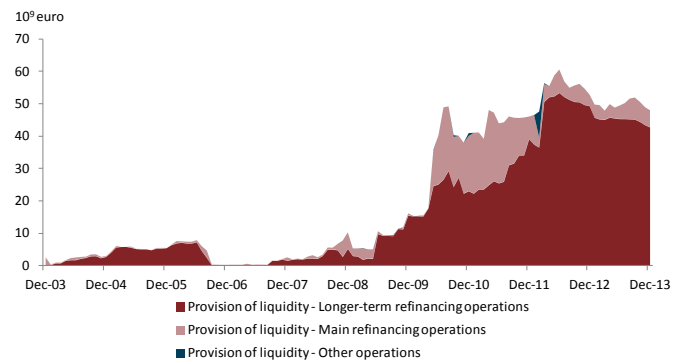
Liabilities

Eurosystem financing

During 2013 there was a decrease in Eurosystem financing obtained by Portuguese banks, after the increase observed between 2007 and 2012 (chart 3). At the end of 2013, the total amount was 47.9 billion euro, with a decrease of 4.9 billion euro compared to 2012.

Chart 3

Eurosystem financing to banks in Portugal

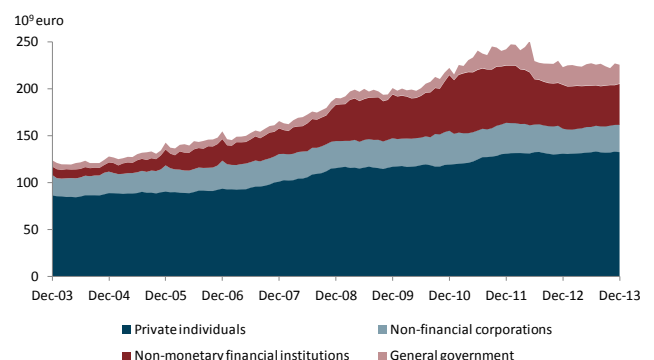


Deposits

In 2013, the deposits of the non-monetary sector amounted to 225.6 billion euro, which represents an increase of 2.6 billion euro with respect to 2012 (chart 4).

Chart 4

Domestic deposits



The developments in this aggregate were due to all sectors other than non-monetary financial institutions. The deposits of non-financial corporations increased 2.5 billion euro. The deposits of private individuals and general government increased by 1.6 billion euro in both cases. Conversely, non-monetary financial institutions deposits decreased 3.1 billion euro.

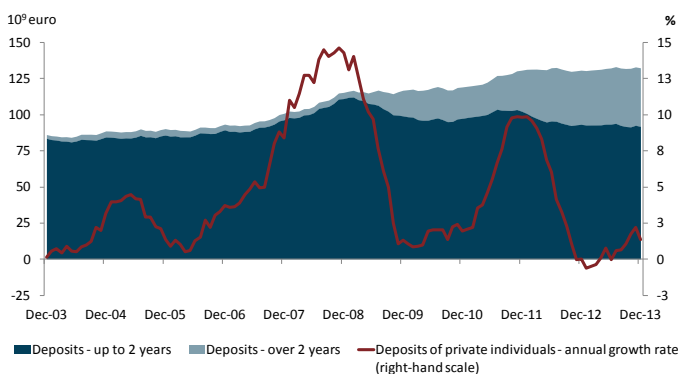
The increase in the general government deposits reflected essentially the increase of 2.4 billion euro of the deposits placed with Banco de Portugal, corresponding to the funds received and not yet withdrawn (at 31st December 2013), in the framework of the Financial Assistance Programme to Portugal.

Regarding the deposits of private individuals, the annual growth rate was 1.4 per cent at the end of 2013.

As in past years, in 2013 there was an increasing preference of private individuals for deposits with maturities greater than two years. These deposits recorded an increase of 3.1 billion euro and represented 30.8 per cent of the deposits of the sector at the end of the year. On the other hand, deposits with shorter maturities decreased by 1.5 billion euro (chart 5).

Chart 5

Deposits of private individuals, by maturity

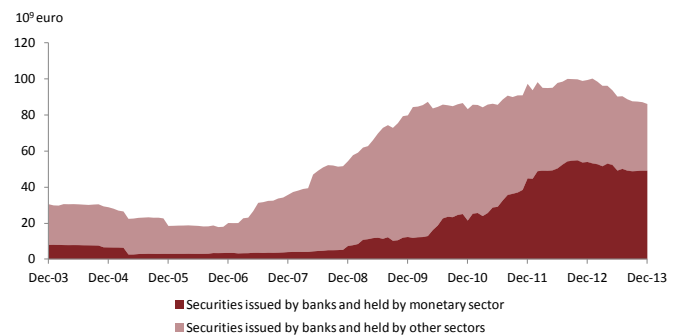


Securities issued

In 2013, the debt securities issued by the resident banks reversed the upward trend recorded since 2006 and presented a reduction of 13.3 billion euro, amounting to 86.0 billion euro at the end of the year (chart 6). About 56 per cent of these securities were held by the monetary sector itself.

Chart 6

Securities issued by banks



Investment and funding of the monetary sector

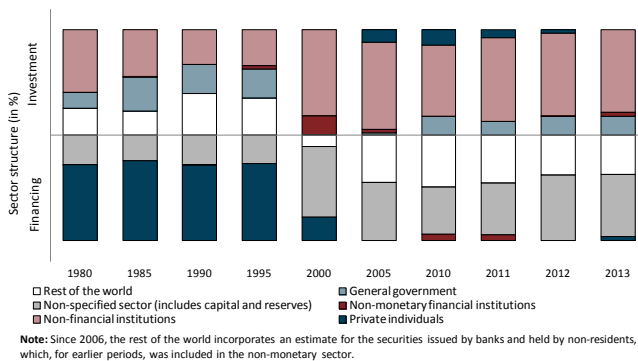
In 2013, there was once again a reduction of the relative weight of the external sector in the financing of the resident banks. Thus, at the end of 2013, the external sector represented 37.2 per cent of the financing obtained by the resident monetary sector, which reflects a decrease of 0.6 p.p. comparing with the previous year (chart 7).

However, the monetary sector used more own funds and, as it had occurred in 2012, the relative weight of capital and reserves in the financing of the sector increased about 2 p.p. reaching almost 50 per cent.

At the end of 2013, the private individuals were again a financing sector of the monetary sector, which had not happened since 2003, representing 3 per cent of the funds obtained by the banks.

Chart 7

Investment and funding of the monetary sector

Interest rates²

Interest rates on new loans

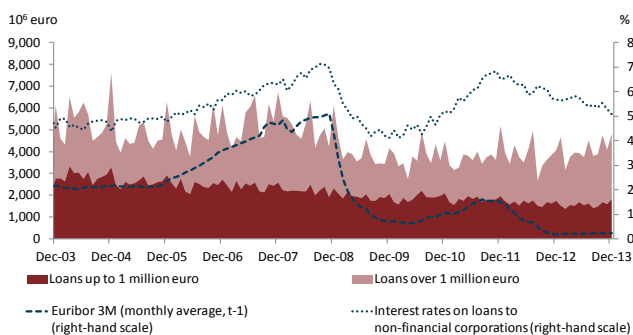
In 2013, the interest rates on new loans decreased as it had happened in 2012.

The reduction in the interest rates decrease was more significant in new loans granted to non-financial corporations, where the average interest rate for December 2013 was 5.08 per cent, representing a decrease of 61 basis points (b.p.), compared to December 2012 (chart 8).

In 2013, the monthly average volume of new loans granted to non-financial corporations was 4,092 million euro, which corresponds to a 295 million euro increase compared to 2012. This increment was justified by the increase in new loans over 1 million euro.

Chart 8

New loans to non-financial corporations



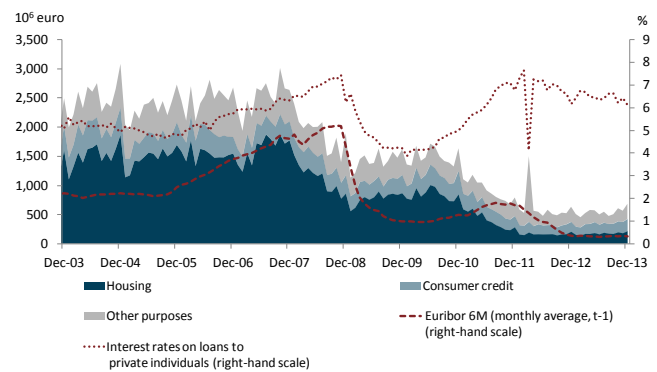
² Includes banks (except Banco de Portugal. Data available in tables A.10, B.7.0 and B.7.1.1 to B.7.1.4 of the Statistical Bulletin, and in BPstat | Statistics online in the time series and multidimensional analysis.

The interest rate on new loans granted to private individuals was 6.10 per cent in December 2013, which represents a decrease of 7 b.p. compared to December 2012 (chart 9).

In February 2013, the volume of new loans granted to private individuals reached a minimum historical level since the series' beginning (January 2003), with an amount of 457 million euro, to which contributed the minimum volume of 132 million euro in housing loans (chart 9). In 2013 and in the two previous years, the monthly average volume of new loans granted to private individuals diminished.

Chart 9

New loans to private individuals

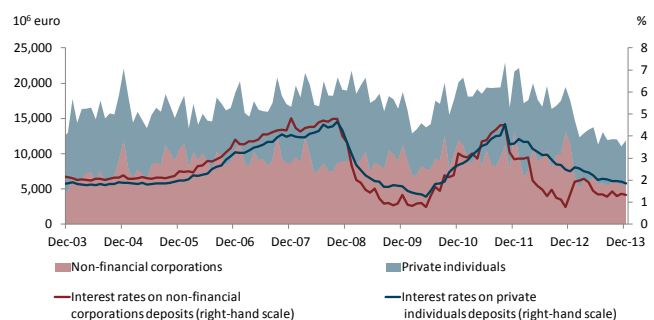


Interest rates on new deposits

In 2013 and in the two previous years, the interest rates on new deposits decreased. In December 2013, the interest rates on new deposits of non-financial corporations and private individuals were 1.32 per cent and 1.86 per cent, respectively (chart 10).

Chart 10

New deposits



The monthly average volume of new deposits amounted to 12,529 million euro in 2013, which represents a decrease of 5,655 million euro. Both non-financial corporations and private individuals recorded reductions, with the monthly average volumes reaching 5,982 and 6,547 million euro, respectively.

In 2013, the Euribor interest rates remained almost unchanged, while the interest rate on the main refinancing operations of the Eurosystem was reduced by 25 b.p., both in May and November, decreasing from 0.75 per cent in the beginning of 2013 to 0.25 per cent in December.