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Loans granted by the financial sector

The statistical information on loans granted by the resident financial sector,¹ published in Table A.11 of the Statistical Bulletin and on BPStat|Statistics online, has been subject to the following changes:

- Replacement of the year-on-year rate of change by the annual rate of change as the metric for the evolution of loans granted by the resident financial sector; and
- Change of the scope of the exporting companies.

The first change, the replacement of the year-on-year rate of change (y.r.) for the annual rate of change (a.r.)² in columns 6 to 10 of Table A.11, is designed to provide users with a more appropriate metric for the analysis of the evolution of loans granted by the resident financial sector, allowing better monitoring of a given subset of companies.

The annual rate of change, a metric which is used by the European Central Bank and by Banco de Portugal in the scope of Monetary and Financial Statistics, is calculated on the basis of the relationship between end-of-month stocks and monthly transactions, adjusted for variations which are not financial transactions, such as reclassification of companies from a given subset to another, either from size class, institutional sector or exporting company status. This

¹ This information is based on the Central Credit Register, which includes the loans granted by all financial institutions resident in Portugal, including not only monetary financial institutions but also non-monetary financial institutions that grant credit like credit financial institutions, credit purchase financing companies, leasing and factoring companies and other financial intermediaries.

² The a.r. is calculated on the basis of the relationship between end-of-month stocks and monthly financial transactions, according to the following formula:

$$ar_t = \left[\prod_{i=0}^{11} \left(1 + \frac{F_{t-i}}{L_{t-i}} \right) - 1 \right] * 100$$

Where:

L_t is the stock at the end of month t
 F_t is the financial transaction in month t .

adjustment allows for a more accurate analysis of the evolution of loans granted by the resident financial sector through time, accounting exclusively for the concession or repayment of loans.

The second change is the revision of the scope of exporting companies. In this month's statistics, a company is considered an exporting company if it satisfies one of the following criteria, on an annual basis.³

- Exports of goods and services represent at least 50% of turnover;
- Exports of goods and services represent more than 10% of turnover and the total amount exceeds €150,000.

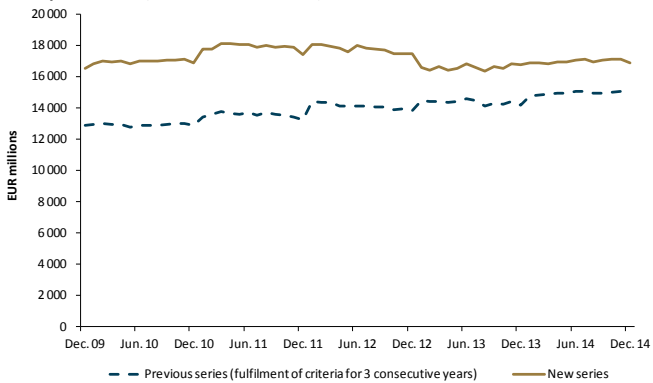
Until now, a company was only considered an exporting company if it fulfilled these criteria for three consecutive years. However, so as to capture the dynamics of the exporting sector more promptly, this last requirement was discarded.

Once this new methodology was applied, there was an increase in the number of companies that belong to the exporting sector, and thus, an increase in the value of loans granted by the resident financial sector to this subset of companies. In November 2014, this increase corresponded to €2.1 billion (see Chart 1).

³ These criteria are based on the information obtained in IES (Simplified Corporate Information), which involves, on an annual basis, when the data becomes available, an update of the set of companies qualifying as exporting companies, with the consequent revisions to the respective indicators.

Chart 1

Loans granted by the financial sector to exporting companies (EUR millions) *

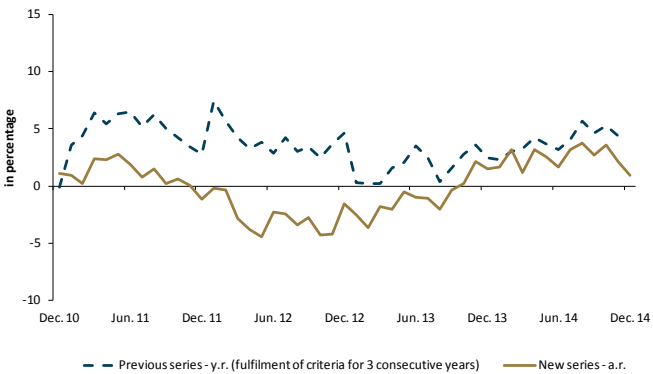


*The previous series ends in November 2014, corresponding to the statistical data published until now.

In Chart 2, one can see the old series and the new series, which includes both methodological reformulations previously mentioned.

Chart 2

Loans granted by the financial sector to exporting companies (rate of change)*



*The previous series ends in November 2014, corresponding to the statistical data published until now.

Chart 3 presents a comparison of the evolution of the loans granted to the exporting companies with the total of the non-financial corporations (NFC), taking into account the new methodology. Loans granted to the exporting companies have evolved more favourably, with a widening of the gap for 2013 and 2014.

Chart 3

Loans granted by the financial sector to exporting companies and to non-financial companies (rate of change)

