



STATISTICAL PRESS RELEASE

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New statistics on loans granted by the resident financial sector

22 February 2016

Banco de Portugal publishes today a set of new statistics on loans granted by the resident financial sector, based on data reported to Banco de Portugal's Central Credit Register. These new statistics are available in the Statistical Bulletin (Table A.11 and Section B.9) and in BPstat | Statistics online.

Additional breakdowns of the loans granted by the financial sector are available:

- Information related to the main financial products, loans' original and residual maturities and the guarantees included;
- Loans granted to non-financial corporations (NFC) are broken down by corporation size and a distinction is made between public and private corporations.

Additionally, indicators about the relationship between entities of the financial sector and their credit clients and about the activity of the Central Credit Register (CCR) are made available.

Highlights

Loans granted by the financial sector – A.11

Table A.11 of the 'Main indicators' chapter of the Statistical Bulletin keeps the four indicators on loans granted by the financial sector (end-of-period figures, annual rate of change, overdue loans ratio and percentage of borrowers with overdue loans), and includes new breakdowns for NFC sector:

- The size category "Small and medium-sized corporations" is replaced by three new ones: "Micro corporations", "Small corporations" and "Medium-sized corporations";

- A split between public and private corporations is made available.

Chart 1 presents the evolution of the loans granted to NFC classified in the three corporations' size breakdowns which make up the aggregate "Small and medium-sized corporations". From December 2014 to November 2015, the annual rate of change of the loans granted to small corporations was higher than the rate for medium-sized corporations, unlike the previous four years.

Chart 1 • Annual rate of change of loans granted to non-financial corporations – breakdown by corporation size



Table A.11 also includes statistics on loans granted to "Households" (previously included in this table) and to "Non-profit institutions serving households" (previously included in Section B.9).

Loans granted by the financial sector – B.9

Section B.9 of the Statistical Bulletin has a new section – B.9.0 – which include three new tables:

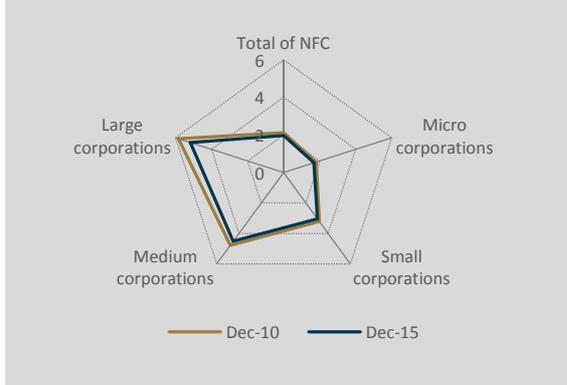
- **B.9.0.1 – Indicators of the CCR's activity** – This table

shows the evolution of the information reported to the CCR and the queries made by the participant institutions and by the credit clients.

- **B.9.0.2 - Relationship indicators with financial sector entities within the loans' context** – This table provides the average number of financial sector entities with which each credit client has credit relations, the average percentage of loans granted by the entity with the largest share and the average indebtedness of the credit clients. These indicators are presented both for the households sector and the NFC sector, breaking down the latter by corporation size.

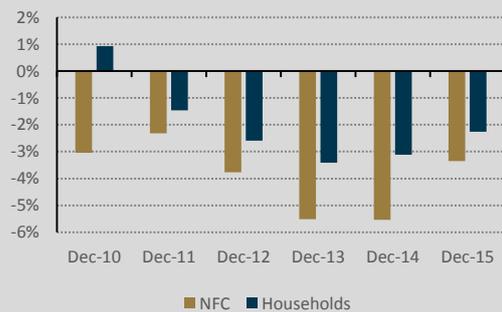
Chart 2, related to NFC, shows that the average number of financial sector entities with which each NFC has credit relations increases with the class size of the corporation. In December 2015, micro corporations established, on average, credit relations with less than two financial entities, whereas large corporations had, on average, credit relations with more than five entities.

Chart 2 • Average number of financial sector entities with which each NFC has credit relations



The average indebtedness has decreased since 2010 in case of the NFC and since 2011 in case of the households sector (Chart 3). The average indebtedness of the NFC has gone from 466 thousand euros in 2010 to 378 thousand euros in 2015; for the households sector it has gone from 54 thousand euros to 47 thousand euros;

Chart 3 • Evolution of the average indebtedness of NFC and households



- **B.9.0.3 - Number of resident individuals acting as a guarantor** – This table provides the total number of resident natural persons acting as guarantors. Furthermore, it includes the number of guarantors which are in default¹, as well as a breakdown by the financial product for which the guarantee was provided for.

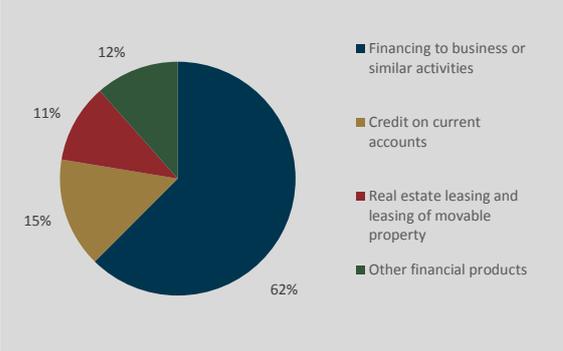
The next two sections – **B.9.1** and **B.9.2** – show in detail the evolution and characterization of the loans granted to NFC and households, respectively. There are the following changes to the information previously published:

- **Five indicators are presented** in most tables: loans granted, overdue loans, overdue loans ratio, number of borrowers and percentage of borrowers with overdue loans;
- **Main financial products** of the loans granted to NFC and households are identified.

Chart 4 shows the distribution of the loans granted to NFC according to its financial product. It is seen that, in December 2015, 62% of the loans granted were traditional financing to business loans. Credit on current accounts represented 15% of the total.

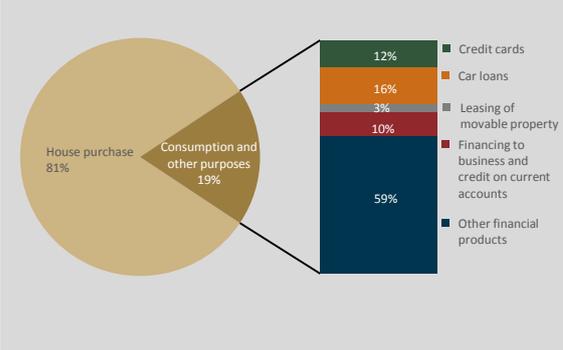
¹ It is only considered default on the loans for which the credit client is guarantor.

Chart 4 • Breakdown by financial product of the loans granted to NFC – December 2015



In the households sector (Chart 5), loans to house purchase accounted for 81% of the total; car loans represented 16% of loans to consumption and other purposes;

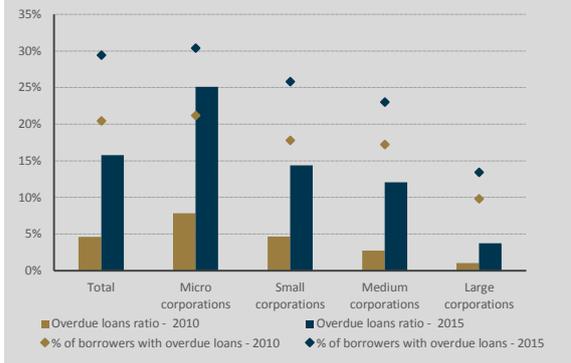
Chart 5 • Breakdown by financial product of the loans granted to households – December 2015



- **Loans granted to NFC are broken down according to corporation size.** Quarterly information is published complementing the one published monthly on Table A.11.

Chart 6 shows an increased in the default indicators related to loans granted to NFC between 2010 and 2015, which applies to all corporation's sizes. The highest values, both for the overdue loans ratio and for the percentage of borrowers with overdue loans, occurs in micro corporations.

Chart 6 • Evolution of the default indicators of the loans granted to NFC, by corporation size

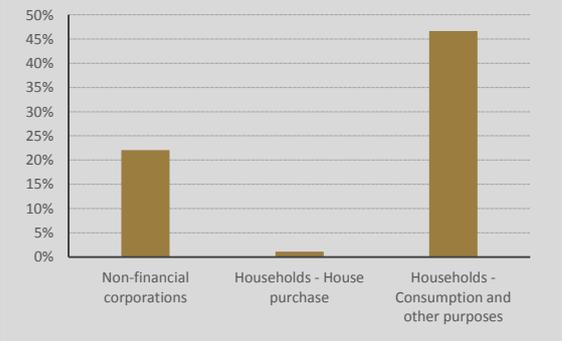


- **Brackets of credit amount** for the NFC and for the households are updated;
- Loans granted to NFC and households sectors are distributed according to the **original maturity** agreed for their total repayment. In each interval of original maturity, it is presented the amount of loans still due which will be repaid within 1 year – classification according to their **residual maturity**.
- The amount of the loans granted to NFC and households are broken down according to the **type of guarantee**. This information allows the analysis of the percentage of the amount of the loans for which no guarantees were provided, for which only one type of guarantee was provided and for which two or more types of guarantee were provided. The guarantees are characterized according to their report to the CCR, and they are classified as personal guarantees, financial collateral and real collateral².

Chart 7 presents the percentage of the amount of loans granted to NFC and households (broken down by purpose) for which no guarantees were provided. In December 2015, no guarantees were provided for 22% of loans granted to NFC. For the households the percentage was 1% for house purchase and 47% for consumption and other purposes.

² The information reported to the CCR contains a "Other guarantees" category.

Chart 7 • Amount of loans granted to NFC and households with no guarantees provided (in percentage) – December 2015



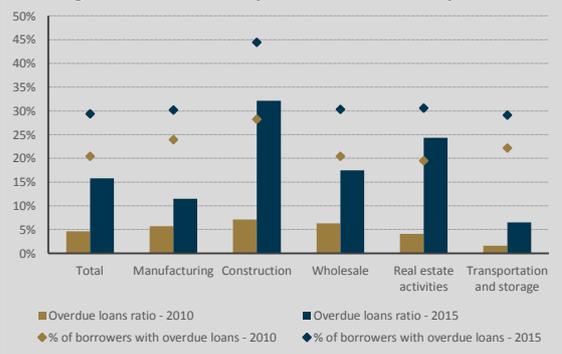
The information now made available identifies the nature of the guarantee provided. For the loans granted to NFC for which two or more guarantees were provided (about 30 billion euros), about 76% of the amount had real collateral and about 71% of the amount had personal guarantees.

The previously available information about loans granted by the financial sector is still part of section B.9. As an example, some analysis are provided, with the following breakdowns:

• **Sector of economic activity:**

Chart 8 shows the evolution of the default indicators of NFC for the main sectors of economic activity (which make up about 70% of the total amount of loans granted to NFC) between 2010 and 2015. The construction sector had the largest increases in these indicators: the overdue loans ratio increased by 25 percentage points in the last five years, reaching 32.1% in 2015; the percentage of borrowers with overdue loans increased by 16 percentage points, reaching 44.4% in December 2015.

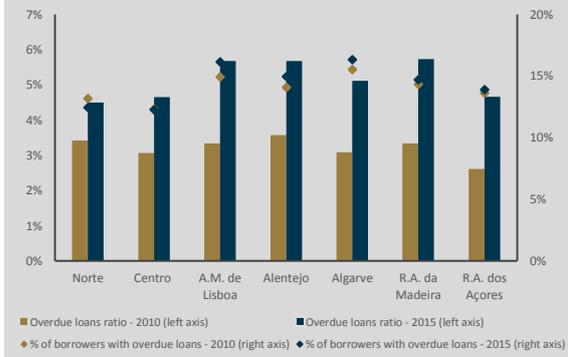
Chart 8 • Evolution of the default indicators of the loans granted to NFC by economic activity (NACE)



• **Geographical distribution of households:**

The default indicators on the loans granted to the households sector show an increase of the overdue loans ratio in all regions between 2010 and 2015 (Chart 9). In 2015, Norte had the lowest overdue loans ratio (4.5%); in 2010 the lowest value for this indicator was in Região Autónoma dos Açores (2.6%). Regarding the percentage of borrowers with overdue loans, Algarve had the highest value (16.3%) whereas Centro had the lowest (12.3%). Norte is the only region where this indicator decreased between 2010 and 2015.

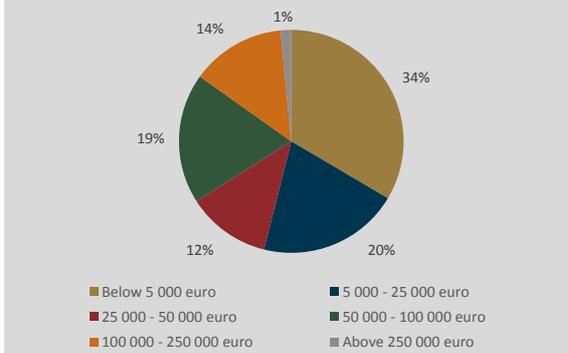
Chart 9 • Evolution of the default indicators of the loans granted to households by geographic region (NUTS II)



• **Households' bracket of credit amount:**

In December 2015, more than 50% of the borrowers were indebted with less than 25 thousand euros (Chart 10). On the other hand, only 1% of the borrowers of this sector were indebted with more than 250 thousand euros, representing, however 13% of the total amount of loans.

Chart 10 • Breakdown by bracket of credit amount of the borrowers from the households sector – December 2015



Regarding the default indicators (Charts 11 and

12), the two lowest indebtedness brackets registered the highest overdue loans ratio (15.8% and 10.6%, respectively) followed, however, by the highest indebtedness bracket (9.7%), in which 1 in every 5 borrowers had overdue loans.

Chart 11 • Overdue loans ratio of the households sector by bracket of credit amount – December 2015

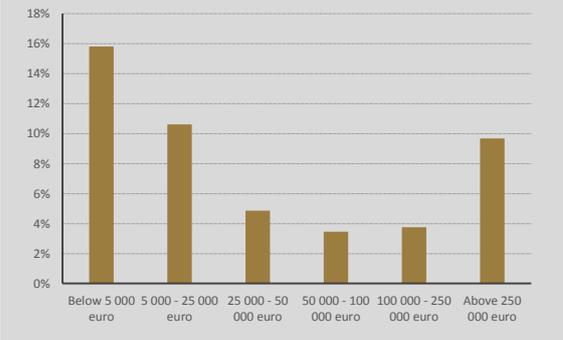
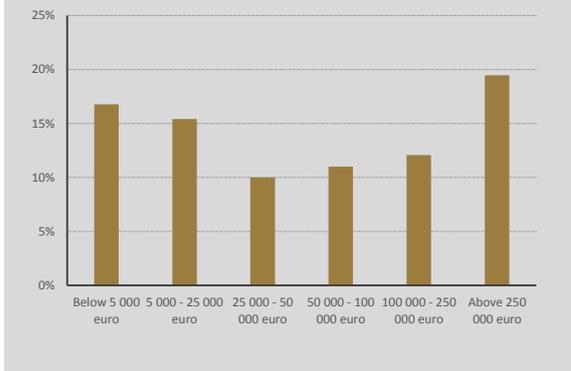


Chart 12 • Percentage of borrowers from the households sector with overdue loans by bracket of credit amount – December 2015



Additional information available at:

[Table A.11](#) and [Section B.9](#) of the Statistical Bulletin

[Main indicators statistical domain](#) of BPstat | Estatísticas online

[Monetary and Financial Statistics statistical domain](#) of BPstat | Estatísticas online

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Banco de Portugal | info@bportugal.pt