

Methodological Note – Review of the credit database structure – February 2015

Key changes

Information on credit operations available in the Monetary Policy and Credit Operations Press Release has been reviewed so as to incorporate adjustments and reclassifications, as well as new data series that will be disclosed in the Press Release and in the Time Series Management System (SGS).

Statistical review

The constant evolution of operations in the credit market requires the corresponding adjustment of statistics that describe their trajectory. The identification of new credit instruments according to pre-established classification criteria requires special efforts by financial institutions and the Central Bank. In this context, the periodical review of the credit database is essential for preserving the quality of statistics.

The most significant changes being introduced refer to the reclassification of operations involving the advance of funds to accountholders (when contractual amounts are exceeded), which were previously classified as “Other Non earmarked Credits” of individuals and corporations and from now on will be included in “Overdraft Account” (individuals and corporations) and “Guaranteed Account”.

Similarly, Floor Plan¹ operations, previously classified under “Vehicles Financing – Corporations”, “Working Capital with a Revolving Ceiling”, “Vendor” and “Other Non earmarked Corporate Credits”, will be included in the “Compror” modality.

In addition to statistical series related to credit modalities, the series of consolidated data (total, household, corporate and general) have been also modified, due to weighting changes consequent upon the new participations of each modality.

¹ Revolving line of credit generally utilized for financing the inventories of vehicle dealerships, in which the vehicles themselves are the collaterals. Amortization occurs when each piece of collateral (vehicle) is sold by the dealer, thus allowing the borrowing of additional resources to add new inventory.

The current review refers to statistics related to the period from March 2011 to December 2014. With regard to information on total balances, balances of earmarked and non earmarked credit operations, the review refers to the period from March 2007 to December 2014.

New information

The enhancement of financial information systems available at the Central Bank has allowed the generation of new statistics, especially with regard to interest rates on credit card operations. Similarly to other credit modalities, these rates represent the average of operations carried out in the month.

The classification of credit operations according to borrowers' economic activity sector will be further detailed on the basis of the National Economic Activity Classification (CNAE), adopted by the National Statistical System coordinated by the Brazilian Institute of Geography and Statistics (IBGE). The new classification will no longer include house and rural loans, which are still available in the breakdown by credit modality. The new structure comprises credit operations targeted to corporations of the "Construction" and "Crop and livestock" sectors.

In the new classification structure, financial system credit operations granted to the public sector will be included in their respective activity sectors, together with credit operations channeled to private enterprises. It should be emphasized that the table displaying the breakdown between the public sector (federal, state and municipal governments) and the private sector (household and corporate operations) will continue to be shown in the Press Release. So, for instance, in the case of financing targeted to an state-owned enterprise of the railway transportation segment, which was previously classified as "Credit to the Public Sector", from now on will be shown in the table of credit operations by economic activity sector as "Transportation" and in the table displaying the breakdown between credit operations targeted to the private and public sectors.

Further information on the activities of each economic sector is available in the Press Release glossary.

Furthermore, the Press Release will also show regional credit statistics, already published in the Regional Bulletin and the SGS. These statistics are elaborated on the basis of the Credit Information System (SCR), which records every single financial system credit operation worth R\$1 thousand or above.