

Expresso

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ECONOMY

**Banking: Family bad loans increase 21.4% in a year**

22/02/2010 at 12:35

**The amount of bad loans ascertained by the Bank of Portugal was €2.877 billion, a 21.4% increase compared with 2008.**

The credit lent to families that is considered to be doubtful, i.e. the bad loans, reduced by €166 million from November to December, but the final amount is still 21.4% higher than at the end of 2008. The Bank of Portugal Statistics Bulletin released today said the amount of credit that is considered to be doubtful was €3.661 billion in December compared with €3.827 billion in November. At the end of 2008, the amount of doubtful debt ascertained by the Bank of Portugal was €2.877 billion, which is a 21.4% increase. Last December the amount of money lent to families was €137.967 billion, which is an increase of €1.413 billion compared with November. The amount of lending increased by €5.393 billion in December compared with the same month in 2008, which is a 3.9% increase.

**MORTGAGES AND CONSUMPTION IN FIRST PLACE**

Mortgages and consumption are responsible for 79.2% of the bad loans, despite both falling from November to December (as was seen in the 'other purposes' item too). In the case of mortgages, the amount of loans increased by €1.333 billion between November and December, when it stood at €109.835 billion. In comparison with December 2008, the amount of the loans was €5.37 billion higher (up 4.88%). The mortgage bad loans dropped by €57 million (2.95%) month to month, to €1.87 billion but increased by €300 million (16%) compared with December 2008. The trajectory was similar for consumption. The amount that was lent increased by €102 million from November to December (0.62%) to €15.731 billion, whereas compared with the same period in 2008, it increased by €279 million (1.77%).

*[The rest of the text speaks about the new spelling rules in the Portuguese]*