Readme: replication package and data description for "Loan evergreening through banks' lenses: Evidence from credit product-level data"

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Description of the data

Credit register

Our primary dataset is the Credit Register of the Central Bank of Uruguay (*Central de Riesgos Crediticios*), which provides comprehensive loan-level data on all credit transactions in the financial system. It includes details on borrowers, their country of residence, industry classification (based on ISIC Rev. 3), outstanding loans, lenders, currency, maturity, and delinquency status. Since we focus on firm loans, our dataset effectively captures all corporate lending activity. This data is managed by the Central Bank of Uruguay and is not publicly available.

Bank-level

Additionally, we use bank-level balance sheet and income statement data from the Central Bank of Uruguay, covering total assets, capital, loan portfolio, liquidity, and profitability indicator for all financial institutions operating in the country. Uruguay's banking system consists of 14 banks, including a dominant state-owned bank. This data is collected and managed by the Central Bank of Uruguay in its role as regulator and supervisor of the Uruguayan financial system. The monthly information is publicly available at the website of the Central Bank of Uruguay.

Annual Survey of Economic Activity

We also incorporate firm-level financial data from the Annual Survey of Economic Activity (*Encuesta Anual de Actividad Económica*), which contains balance sheet and income statement information for firms with 10 or more employees for the period 2011 to 2019. The survey is compiled by the National Institute of Statistics (INE) in collaboration with the BCU and is not publicly available. As per INE's classification, the set of firms with more than 10 employees includes a portion of small firms (those with 5-19 employees) and the universe of medium (those with 20-99 employees) and big firms (more than 100 employees). All big firms are surveyed every year, and it is a rotating panel for small and medium firms. Small and medium firms are randomly sampled and remain in the sample for at least three years, and when replaced, firms with similar characteristics (size and sector) take their place. Construction, agriculture, and the public sector, which together represent less than 20% of GDP, are excluded from the survey.

Program files

The programs to replicate all the results in the paper are available from the journal website.

Definition of the variables

The following tables provide definitions of the variables used in the empirical analysis.

Table 1: ***Loan-level variables***

Variable	Description
ST	Dummy variable identifying amortizing loans with initial maturity up to one year.
% USD	Percentage of total amortizing credit denominated in USD.
Main lender	Dummy variable identifying the bank that provides the highest amount of amortizing credit to a firm.
Log(months)	Logarithm of the number of uninterrupted months that a bank is providing amortizing lending to a firm.
Delinquent	Dummy variable identifying borrowers with repayment delays over 60 days.

Source: Authors' computation based on data from the Credit Register of the Central Bank of Uruguay ("Central de Riesgos Crediticios").

Table 2: ***Bank-level variables***

Variable	Description
Solvency	Capital over risk-weighted assets
Size	Logarithm of total assets
Credit	Total credit (net of provisions) over total assets
Liquidity	Liquid assets (less than 30 days) over liquid liabilities (less than 30 days)
Provisions	Provisions over total loans
RoA	Annualized return on assets

Source: Supervisory data from the Central Bank of Uruguay.