Report on Banks

March 2022

BANCO CENTRAL
DE LA REPÚBLICA ARGENTINA

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Published on May 26, 2022.
The data reported are provisional and subject to changes. Information corresponds to end-of-month data.

Data of charts and Latest Regulations of this issue. Statistics Annexes for the financial system and the ensemble of financial institutions. Glossary of abbreviations and acronyms.

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Executive Summary

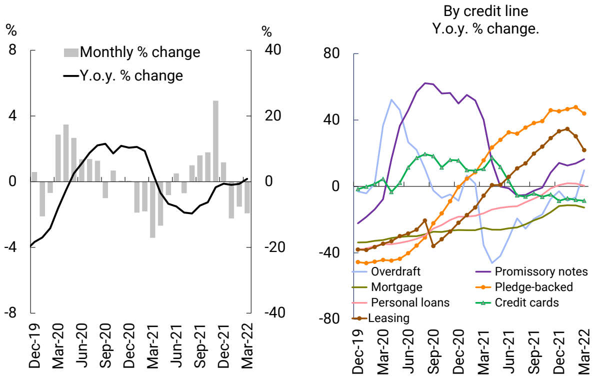
- In a context of moderate intermediation with the private sector, the ensemble of financial institutions continued to keep high solvency and liquidity margins by the end of the first quarter of the year.
- In March, the stock of loans in pesos to the private sector shrank 1.9% in real terms (+4.6% in nominal terms), posted no significant changes in year-on-year (y.o.y.) terms (+0.9% y.o.y. in real terms or +56.3% y.o.y. in nominal terms), and exhibited a positive relative momentum of lending granted by state-owned banks, which accounted for the highest share in the total stock of loans. In order to continue encouraging loans for production purposes, the BCRA extended the "Credit Line for Productive Investment" (LFIP), which has accumulated disbursements for over $2 trillion since its implementation until late March, granted to around 251,900 companies.
- The non-performing ratio of loans to the private sector shrank 0.3 p.p. in March, down to 3.9%. This monthly reduction was widespread across all groups of institutions and lending segments (households and companies). The relative provisioning level continued to be high over the period and stood at around 4.6% of the total stock of loans and around 115.6% of the non-performing portfolio of loans.
- In April (latest information available), there was an increase in the number of transactions via instant transfers —boosted by Mobile Banking— and of payments by transfer (PCT) started via interoperable QR code. In a year-on-year comparison, payment transactions through electronic channels recorded a positive performance, especially those involving Payment Service Providers (PSPs), while the performance of Electronic Checks (ECHEQs) clearing was also remarkable. In turn, regarding transactions related to the 3.0 Transfer initiative, the number of transactions made under this modality has amounted to 8.6 million for a total amount of $16.59 billion (for an average sum of $ 1,929 per transaction) as from the beginning of the full interoperability scheme of payments with QR code (late November 2021).
- The total stock of private sector deposits in pesos went down 2% in real terms in March (+4.5% in nominal terms), mainly due to the performance of sight accounts. In turn, private sector time deposits in pesos went up 0.9% in real terms in March (+7.7% in nominal terms), with a remarkable growth of UVA time deposits (+11.4% in real terms for deposits with early cancellation option and +8.1% in real terms for traditional deposits). The positive performance of private sector time deposits in pesos observed since early 2022 resulted from the successive increases of the minimum interest rates implemented by the BCRA. In year-on-year terms, the stock of private sector deposits in domestic currency increased 2.2% in real terms over the period (+58.5% in nominal terms), and the highest relative rise was observed in time deposits.
- Starting from historically high levels, the liquidity ratios of the ensemble of financial institutions went down in March. The financial system's broad liquidity ratio shrank 1.1 percentage point (p.p.) against February to 66.7% of total deposits (-1 p.p. to 62.5% for the items in pesos and -1.5 p.p. to 89.1% for the segment in foreign currency). Against the same period of 2021, broad liquidity went up slightly as a percentage of deposits (+0.6 p.p. y.o.y.).
- Solvency indicators rose over the month. The Regulatory Capital (RC) stood at 27% of risk-weighted assets (RWAs) for the aggregate financial system (+0.3 p.p. against February and +1.7 p.p. y.o.y.), while the capital position (RC minus the regulatory requirement) accounted for 237% of the minimum requirement over the period (+3.8 p.p. month-on-month (m.o.m.) and +31.5 p.p. y.o.y.). In addition, in March, the leverage ratio —according to the guidelines established by the Basel Committee— continued to exceed the regulatory minimum value for all financial institutions.
- Profitability indicators of the aggregate financial system continued to stand at positive levels during the first quarter of the year. From January to March, the total comprehensive income in homogeneous currency of the ensemble of financial institutions reached 1% annualized (a.) of assets (ROA) and 6.2%a. of equity (ROE). In the aggregate of the last 12 months up to March, the financial system recorded a ROA of 1.3% and a ROE of 8%, down 0.7 p.p. and down 5 p.p. against the same period of 2021.

I. Financial Intermediation Activity

The financial intermediation of the aggregate financial system with the private sector shrank in March. Taking into account the main differences in the balance sheet of the aggregate financial system for the items in domestic currency —in real terms—,[1] broad liquidity and, to a lesser extent, lending to the private sector went down over the month. This performance took place in a context of a reduction in the stock of deposits. Over the month, the segment in foreign currency exhibited a performance similar to that of the segment in pesos: a drop in liquidity and financing, and a reduction in public sector deposits.[2]

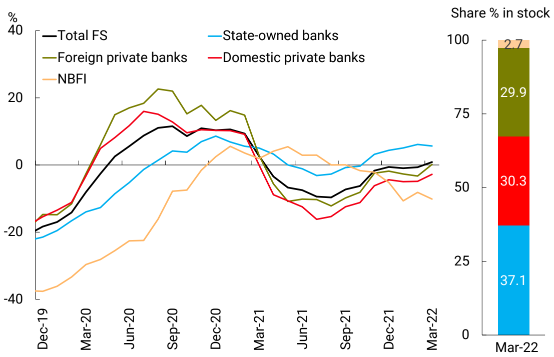
The stock of loans in pesos to the private sector went down 1.9% in real terms in March against February (+4.6% in nominal terms), with drops in all credit lines and in all groups of financial institutions.[3] This evolution occurred in a context where the stock of loans in pesos to the private sector expressed in homogeneous currency did not post significant changes in year-on-year terms (+0.9% y.o.y. in real terms or +56.3% y.o.y. in nominal terms). In year-on-year terms, pledge-backed loans and commercial credit lines (promissory notes, overdrafts and leasing) were on the rise in real terms (see Chart 1); in turn, personal loans did not post significant changes, while card financing and mortgage loans dropped. In terms of institutions, state-owned banks recorded a higher relative momentum (see Chart 2).

Chart 1 | Stock of loans to the private sector in pesos
In real terms* - Financial System



*Not seasonally adjusted. Total includes adjustments of principal and interest accrued. Source BCRA.

Chart 2 | Stock of loans to the private sector in pesos
Y.o.y. change in real terms* - By group of financial institutions



*Not seasonally adjusted. Source:BCRA

In order to continue promoting lending to the productive sector, with a special emphasis on the role of micro, small and medium-sized enterprises (MSMEs), the BCRA decided to extend the "Credit Line for Productive Investment" (LFIP) by the end of the first quarter of 2022, keeping favorable conditions for debtors and for the participating financial institutions.[4] Loans granted

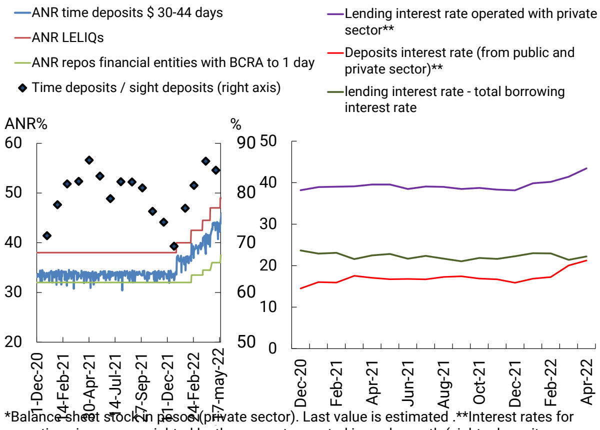
1 Differences of the balance sheet stock expressed in homogeneous currency. Information taken from the Monthly Accounting Reporting System (March 2022, latest information available at the time of publication of this Report).
2 Expressed in currency of origin.
3 Including capital adjustments and accrued interest.
4 For further detail, see the Consolidated Text on "Credit Line for Productive Investment of MSMEs". Recently, within the framework of a readjustment of both lending and borrowing interest rates, the interest rates (nominal annual percentage rate) of lending arranged via this credit line were changed and set at 37% for lending aimed at investment projects and at 47.5% for credit lines intended for working capital (Communication "A" 7512).

under this credit line have entailed nominal disbursements for over $2 trillion from its launch —in October 2020— to late March 2022, provided to around 251,900 companies.

In March, the stock of loans in foreign currency to the private sector dropped 3.2% —in currency of origin— against February, and promissory notes & cards posted a higher relative drop. In this context, the total stock of lending (in domestic and foreign currency) went down 2.3% in real terms over the month (+4.2% in nominal terms) and 5.3% in real terms in a year-on-year comparison (+46.8% y.o.y. in nominal terms).

For the fifth consecutive time so far in 2022, the BCRA has recently changed the monetary policy interest rates.[5] In particular, by mid-May, the interest rate of the 28-day LELIQ went from a nominal annual percentage rate (APR) of 47% to a nominal APR of 49% (effective annual percentage rate of 61.8%) (see Chart 3). In order to accompany this rise in the monetary policy rates, the BCRA increased the minimum interest rates for time deposits in May: (i) for 30-day deposits of up to 10 million pesos from natural persons, the new floor was set at a nominal annual percentage rate of 48% (effective annual percentage rate of 60.1%), and (ii) for the remaining private sector time deposits, the minimum guaranteed rate was set at a nominal annual percentage rate of 46% (effective annual percentage rate of 57.1%).

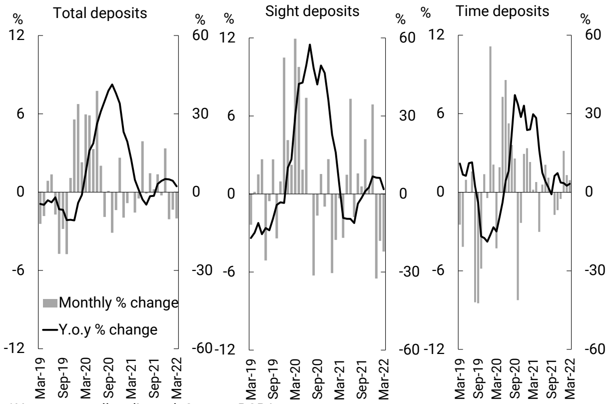
Chart 3 | Interest rates traded: levels and spreads – Transactions in pesos - Financial System



*Balance-sheet stock in pesos (private sector). Last value is estimated .**Interest rates for operations in pesos, weighted by the amount operated in each month (sights deposits are weighted by the average balance of daily balances). Source: BCRA

It is estimated that the average nominal lending interest rate for loans provided to the private sector went up more moderately in 2022 if compared to the interest rate on time deposits. The rise in the lending interest rate was more in line with the performance of the total borrowing interest rate for deposits in pesos (including total time and sight transactions). Thus, the spread between the nominal interest rates applicable to loans and deposits in pesos would not have posted significant changes so far in 2022 (see Chart 3).

Chart 4 | Stock of private sector deposits in pesos
In real terms* - Financial System



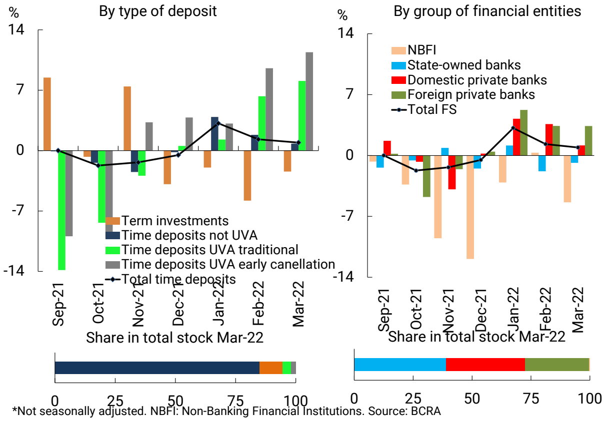
*Non-seasonally adjusted. Source: BCRA

In terms of the aggregate financial system's funding, the stock of private sector deposits in pesos shrank 2% in real terms in March against February (+4.5% in nominal terms), mainly due to the drop in sight accounts (-4.4% in real terms or +2% in nominal terms). Time deposits went up 0.9% in real

5 See Communication "A" 7512 and Press Release of May 12, 2022.

terms in March (+7.7% in nominal terms, see Chart 4). The positive performance observed since early 2022 in private sector time deposits in pesos was largely boosted by the successive increases in the minimum interest rates implemented by the BCRA. Upon a breakdown by type of time deposit, it is observed that UVA deposits continued to grow at relatively higher rates: 11.4% in real terms for deposits with early cancellation option and 8.1% in real terms for traditional deposits (see Chart 5). UVA time deposits accounted for 5.6% of the total stock of private sector time deposits in pesos (+1.2 p.p. y.o.y.). In turn, traditional time deposits went up 0.8% in real terms over the month and accounted for 85% of private sector time deposits in pesos.

Chart 5 | Stock of private sector time deposits in pesos in real terms – Month-on-month % change *



*Not seasonally adjusted. NBFI: Non-Banking Financial Institutions. Source: BCRA

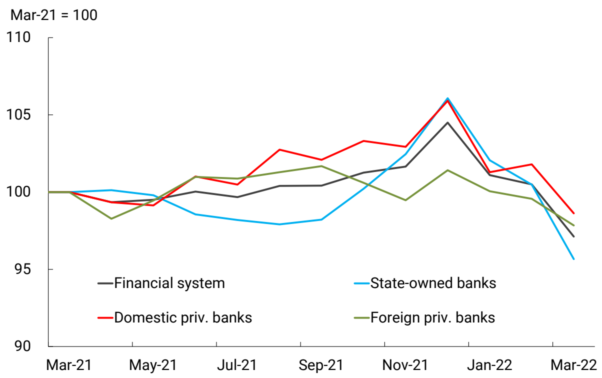
In March, the stock of private sector deposits in foreign currency posted no significant changes against February (+0.3% in currency of origin), with drops in sight accounts which were offset by rises in time deposits. The total stock of private sector deposits (in domestic and foreign currency) shrank 2.2% in real terms over the period (+4.4% in nominal terms).

In year-on-year terms, the stock of private sector deposits in domestic currency went up 2.2% in real terms over the period (+58.5% in nominal terms), with a higher relative rise in the case of time deposits. The stock of public sector deposits in pesos went down 6.6% y.o.y. in real terms (+44.8% y.o.y. in nominal terms). Thus, the total stock of deposits in domestic currency from both the public and private sectors posted no significant changes against the level recorded one year ago (+0.6% y.o.y. in real terms or +56% y.o.y. in nominal terms). When considering all currencies and both sectors, the total stock of deposits has accumulated a drop of 3.9% y.o.y. in real terms (+49% y.o.y. in nominal terms).

II. Aggregate Balance Sheet Evolution and Composition

The financial system's total assets went down 3.4% in real terms in March (+3.1% in nominal terms), with drops in all groups of financial institutions (see Chart 6). In a year-on-year comparison, total assets have accumulated a 2.9% contraction in real terms (+50.5% y.o.y. in nominal terms) at systemic level.

Chart 6 | Financial system's total assets
In real terms

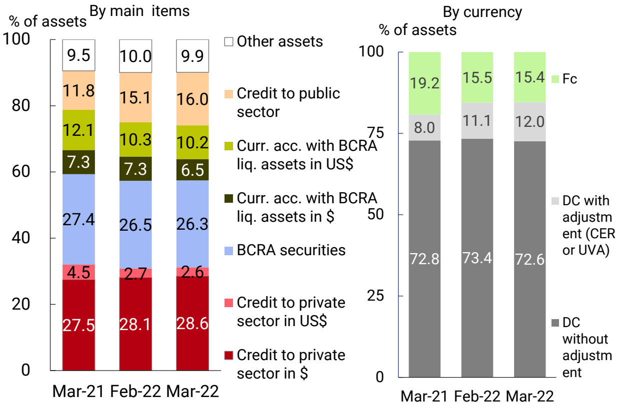


Source: BCRA

With reference to the main components of the financial system's total assets, there was an increase in the relative share of the stock of loans to the public sector and of lending in pesos to the private sector (see Chart 7), while there was a decrease in the share of the stock of liquid assets in domestic currency and of BCRA's instrument holdings. A breakdown by currency shows a rise in the relative share of the assets in pesos adjusted by CER in total assets (mainly mirrored in sovereign bonds with adjustment by CER), while there was a reduction in the share of non-adjusted assets in pesos and in assets denominated in foreign currency during the period under analysis.

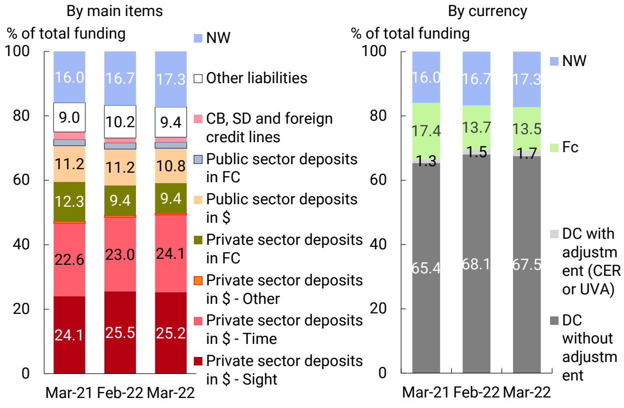
Regarding the components of the financial system's total funding, there was an increase in the share of private sector time deposits in pesos in total funding, accompanied by a decrease in the relative share of the public sector deposits in pesos and of sight accounts in pesos over the

Chart 7 | Composition of total assets
Financial System – Share %



DC: Domestic currency. FC: Foreign currency. Source: BCRA

Chart 8 | Composition of total funding
Financial System – Share %

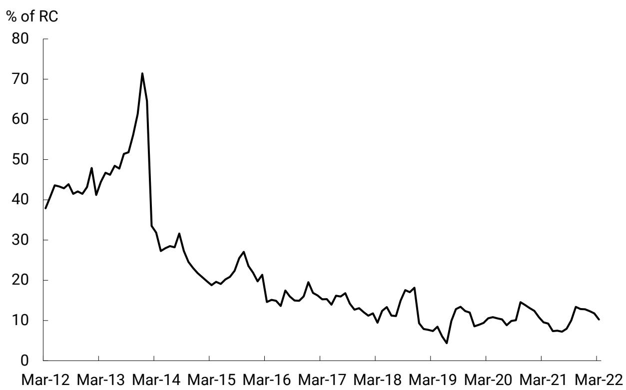


DC: Domestic currency. FC: Foreign currency. Source: BCRA

month (see Chart 8). In turn, a breakdown by currency shows that the share of items in pesos without adjustment clause and of items denominated in foreign currency contracted slightly over the month.

From limited levels due to the macroprudential regulatory framework in force, the exposure of the financial system to items in foreign currency contracted by the end of the first quarter of 2022. The differential between assets and liabilities of the ensemble of financial institutions in this denomination [6] stood at 10.3% of the regulatory capital in March, down 1.5 p.p. against February and down 2.5 p.p. if compared to the figures recorded by the end of 2021 (see Chart 9). In year-on-year terms, this ratio expanded slightly (+0.7 p.p.). Regarding the mismatch of items adjusted by CER of the aggregate financial system, it is

Chart 9 | Foreign currency assets – Foreign currency liabilities + Foreign currency forward position — Financial System



Source: BCRA

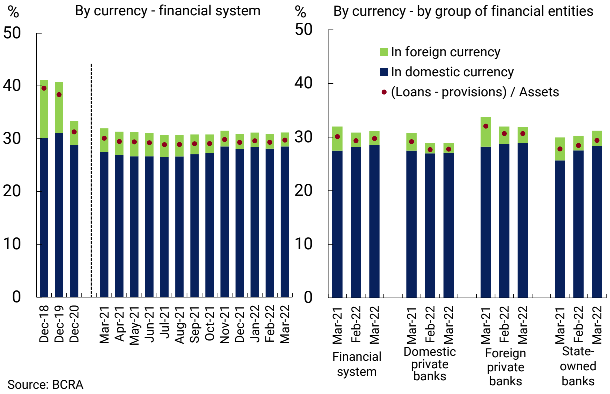
6 Including purchase and sale forward transactions in foreign currency, classified as off-balance.

estimated that the positive differential between assets and liabilities adjusted by CER and/or denominated in UVA increased slightly in March against February 2022 and against 2021 year-end closing, to 68.8% of the regulatory capital in February (+ 21.3 p.p. y.o.y.).

III. Portfolio Quality

The gross exposure of the financial system to the private sector (including both domestic and foreign currency) stood at 31.2% of assets over the month, up 0.3 p.p. against February —mainly driven by state-owned financial institutions—, and down 0.8 p.p. against March 2021 (see Chart 10). Upon considering lending in pesos only, this ratio expanded 0.4 p.p. m.o.m. and 1.1 p.p. y.o.y., to 28.6%. Loans to the private sector denominated in foreign currency continued to lose ground in the institutions' total assets, standing at historically low values.

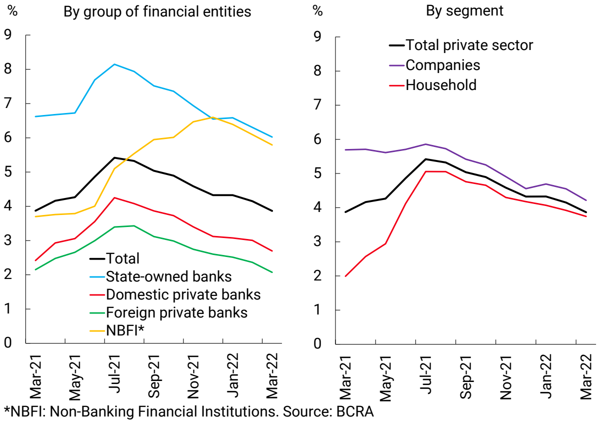
Chart 10| | Stock of loans to the private sector / Assets



Source: BCRA

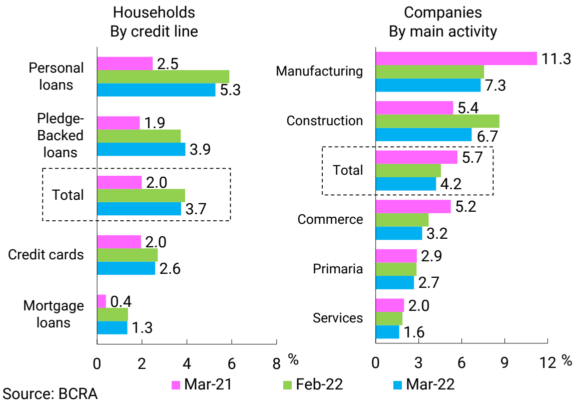
In March, the non-performing ratio of loans to the private sector contracted 0.3 p.p. to 3.9% for the aggregate financial system.[7] The evolution of this ratio has occurred in the context of the targeted focus of the financial relief measures adopted during the pandemic.[8] The monthly improvement in the credit portfolio quality was widespread across all groups of institutions and financing segments (see Chart 11). In March, the non-performing ratio of loans to households stood at 3.7% at systemic

Chart 11 | Non-performing loans to the private sector
Non-performing financing / Total financing (%)



*NBFI: Non-Banking Financial Institutions. Source: BCRA

Chart 12 | Non-performing loans to the private sector
Non-performing financing / Total financing (%)

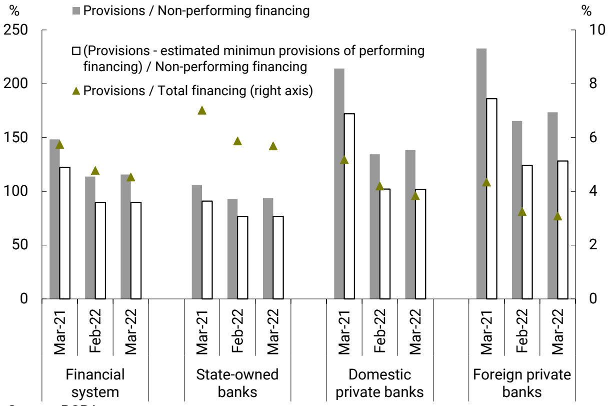


Source: BCRA

7 Part of the monthly contraction of this ratio was due to the migration of the non-performing stock of loans (in foreign currency) to off-balance items that was performed by the ensemble of financial institutions.
8 In particular, as from April 2022, the BCRA established that the benefit of refinancing installments (by deferring them to the end of the lifetime of the loan) which was in force for clients that are employers under the Productive Recovery Program II (REPRO II) will only include pending payments of installments of loans disbursed until April 24, 2022 to such clients. In addition, the possibility of refinancing the installments already subject to such treatment was excluded. See Communication "A" 6938, Communication "A" 7107, Communication "A" 7181, Communication "A" 7245, Communication "A" 7497 and Item 2.1.1. of the Consolidated Text on "Financial Services in the framework of the Health Emergency provided for by Executive Order No. 260/2020 CORONAVIRUS (COVID-19)".

level, down 0.2 p.p. against February, and this evolution was mainly driven by personal loans (see Chart 12). In turn, the non-performing ratio of banking loans to companies reached 4.2% of total lending to this sector in March, down 0.4 p.p. against February, and this evolution was widespread across all economic sectors (see Chart 12).

Chart 13 | Loans to the private sector and provisions
By group of institutions



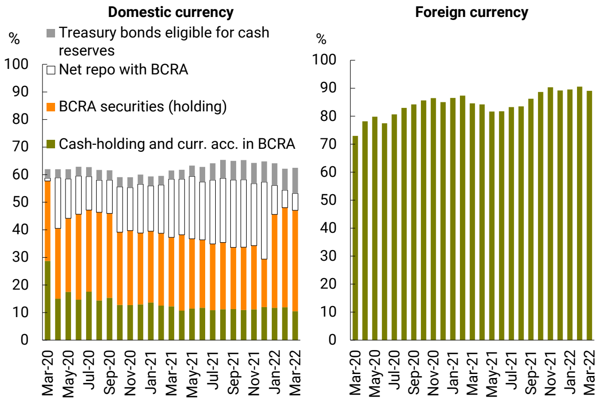
Source: BCRA

In terms of provisions, they continued to stand at relatively high levels (see Chart 13). Total provisions of the aggregate financial system accounted for 4.6% of the total stock of loans to the private sector during the month under analysis (down 0.2 p.p. against the value recorded one month ago and -1.2 p.p. y.o.y.) and for 115.6% of the non-performing portfolio (+1.9 p.p. m.o.m. and -32.7 p.p. y.o.y.). Over the period, the stock of regulatory provisions attributable to the non-performing portfolio (according to the criteria set by the rules on regulatory minimum provisions for loan loss exposure) accounted for 89.7% of such portfolio at systemic level.

IV. Liquidity and Solvency

From historically high levels, the liquidity ratio in a broad sense[9] of the ensemble of financial institutions contracted in March for the third consecutive month. Liquid assets totaled 66.7% of total deposits by the end of the first quarter, down 1.1 p.p. against February. A breakdown by currency shows that this ratio stood at 62.5% for the items in pesos and at 89.1% for the items in foreign currency, dropping 1 p.p. and 1.5 p.p. against February, respectively (see Chart 14). Most of the components of the liquidity ratio in domestic currency contracted over the month.[10] In a year-on-year comparison, the broad liquidity ratio increased slightly (+0.6 p.p. y.o.y. of total deposits) for the ensemble of financial institutions (in pesos and in foreign currency).

Chart 14 | Financial system liquidity
In % of deposits



Source: BCRA

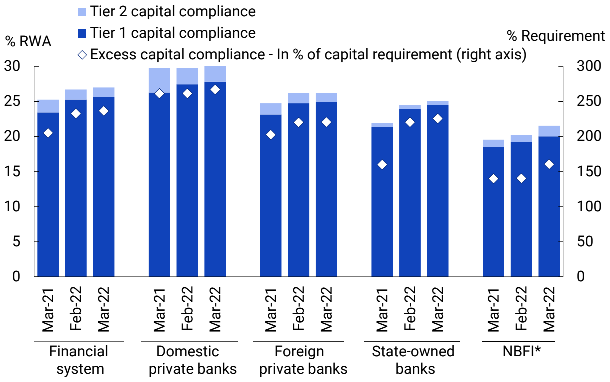
The financial system closed the first quarter of the year with high solvency ratios. The Regulatory Capital (RC) of the aggregate financial system accounted for 27% of its risk-weighted assets

9 It considers liquid assets, assets admitted for compliance with minimum cash requirements, and BCRA instruments, in domestic currency and in foreign currency, all of them in terms of total deposits.
10 In turn, the growth of NOTALIQ holdings has been especially remarkable over the month, within BCRA's instruments, considering that they started to be auctioned in February, even though their share in terms of deposits is still limited.

(RWAs), up 0.3 p.p. against February (+1.7 p.p. y.o.y., see Chart 15). In turn, regulatory capital compliance continued to sizably exceed the regulatory requirement —capital surplus—, standing at 237% of the regulatory requirement over the month at aggregate level, up 3.8 p.p. against February (+31.5 p.p. y.o.y.). The ratio between the regulatory capital surplus and the stock of loans to the private sector net of provisions totaled 34.7% at systemic level in March, standing quite above the average of the last 10 years (15.3%).

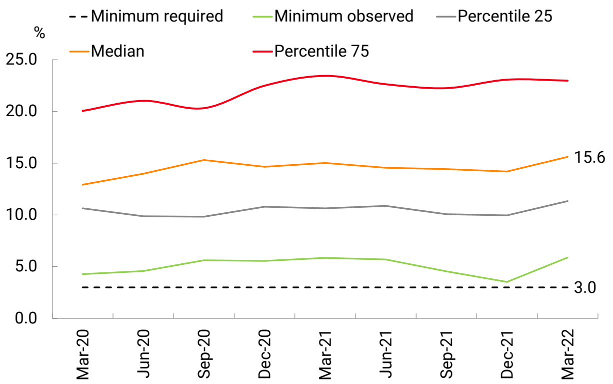
Nearly 95% of the total regulatory capital of the financial system consisted mainly in Tier 1 Capital, with a greatest capacity to absorb potential losses. The ratio between this capital loss-absorbing capacity to total exposure measure —leverage ratio according to the guidelines established by the Basel Committee— continued to exceed the 3% regulatory minimum value for all financial institutions in March (see Chart 16).

Chart 15 | Compliance with regulatory capital
By group of financial institutions



*NBFI: Non-Banking Financial Institutions. Source: BCRA

Chart 16 | Leverage ratio *

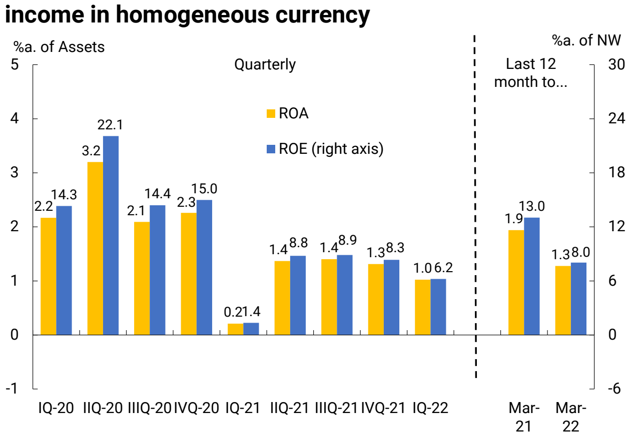


*Ratio between the highest quality regulatory capital and a broad measure of exposures.
Source: BCRA

As to the internally-generated funds of the sector, profitability indicators of the aggregate financial system stood at positive levels in the first quarter of 2022 (see Chart 17). From January to March 2022, the ensemble of financial institutions accrued a total comprehensive income in homogeneous currency of 1% annualized (a.) of assets (ROA) and 6.2%a. of equity (ROE).

In the aggregate of the last 12 months up to March, the financial system recorded a ROA of 1.3% and a ROE of 8%, down 0.7 p.p. and 5 p.p. in a year-on-year comparison. The profitability decline accumulated by the sector in the last 12 months was mainly due to the effects of increases in the cost of funding for deposits and to higher monetary losses (because of the impact of inflation on the balance sheets), even though these factors were offset in part by higher income from premiums for repo transactions and a reduction of loan loss provisions, among other.

Chart 17 | Financial system's total comprehensive income in homogeneous currency



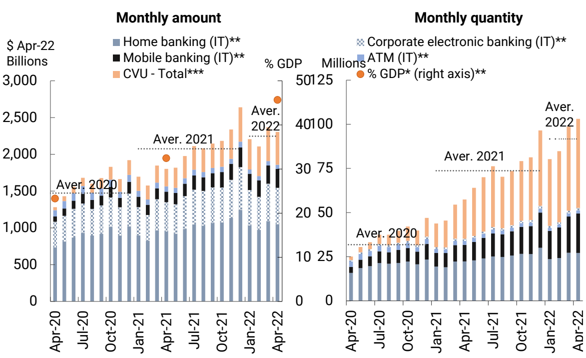
Source: BCRA

V. Payment System

In April, instant transfers were on the rise in number (4.4%) but went down in amount in real terms (-2.7%) against March. In year-on-year terms, these transactions have kept a remarkable momentum: instant transfers expanded 79.5% y.o.y. in number and 27.9% y.o.y. in amount in real terms. This year-on-year evolution was mainly due to increases in the transactions between accounts opened at financial institutions via Uniform Banking Codes (CBUs) (+49.7% y.o.y. in number and +18.7% y.o.y. in amount in real terms),[11] and also to transactions involving accounts with Payment Service Providers —PSPs— from/to Uniform Virtual Codes (CVUs) (+126.8% y.o.y. in number and +88.1% y.o.y. in amount in real terms).[12] Thus, there was an increase in the relative share of transactions involving CVUs in total instant transfers to 48.9% in number (+10.2 p.p. y.o.y.) and 19.4% in amount (+6.2 p.p. y.o.y.). It is estimated that instant transfers accounted for 45.7% of GDP[13] in March (+13.2 p.p. against the same month of the year before, see Chart 18).

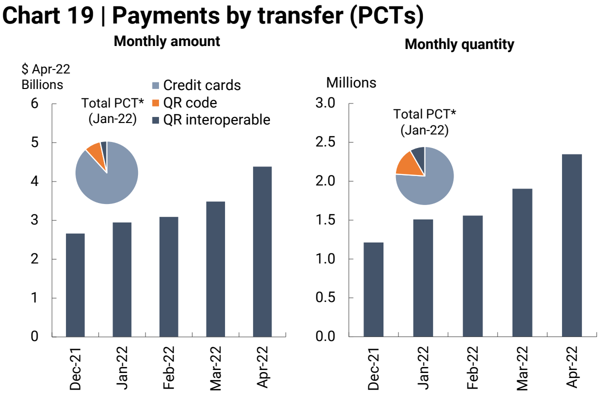
In April, payments by transfer (PCTs) initiated via an interoperable QR code [14] went up significantly against March in number (+23.3%) and in amount in real terms (+25.7%, see Chart 19). As from the beginning of the QR codes' full interoperability scheme (late November 2021), 8.6 million transactions were made under this modality up to April 2022, equivalent to $16.59 billion at April 2022 prices (resulting in an average amount of $1,929 per transaction).

Chart 18 | Instant transfers



Source: BCRA. *Three-month moving average annualized in terms of nominal GDP estimated for the same period, Not-seasonally adjusted. **IT between accounts open at financial entities (from and to a CBU). Note: high value transfers and batch transfers are not included.

Chart 19 | Payments by transfer (PCTs)



Source: BCRA. Note: operations of payment started with codes QR interoperable. ** Total payments by transfers (PCT).

During March (latest information available), there was an increase in the number of transactions made with debit cards against February (+4.7%), even though they decreased in amount in real terms (-1.8%). In year-on-year terms, transactions via debit cards grew significantly (+23.9% in number and +12.7% in amount in real terms, see Chart 20). This evolution was observed in both

11 The increase in transactions made through Mobile Banking (+137.6% y.o.y. in number and +79% y.o.y. in amount in real terms), Online Banking (+21.6% y.o.y. in number and +10.5% y.o.y. in amount in real terms) and Corporate Electronic Banking (+14.8% y.o.y. in number and +24.5% y.o.y. in amount in real terms) was especially remarkable in this year-on-year evolution between accounts opened at financial institutions via CBU.

12 Considering transactions by segment, average transactions amounted to nearly $349,900 in the Corporate Electronic Banking, $38,700 in Online Banking, $31,800 in ATMs, $11,500 in Mobile Banking and $8,900 in CVUs in April.

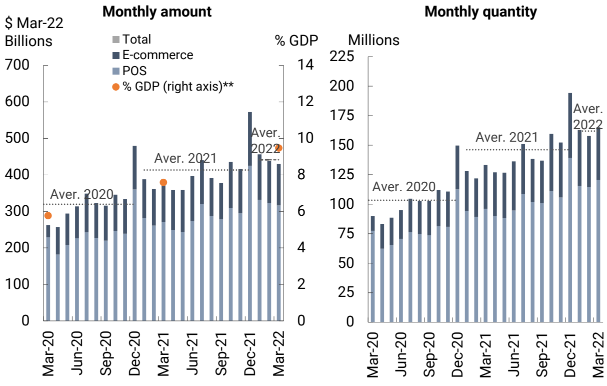
13 When considering annualized amounts of the last three months.

14 In the framework of the 3.0 Transfer initiative and driven by the regulation implemented by the BCRA, the monetary authority provided for the interoperability of the transactions initiated via QR code (for further information, see the Report on Banks corresponding to November 2021).

onsite and electronic transactions.[15] Consequently, it is estimated that debit card transactions accounted for 9.5% of GDP (up 1.9 p.p. against the same month of 2021).

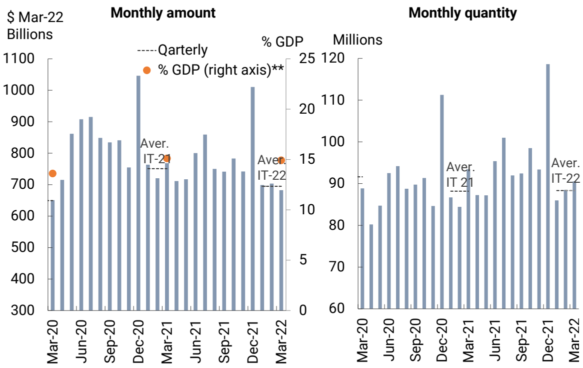
In March (latest information available), ATM cash withdrawals were on the rise in number (+2.3%) but went down in amount in real terms (-3%) against February. Considering the aggregate of the first quarter of the year, ATM cash withdrawals did not post significant changes in a year-on-year comparison in terms of number of transactions (+0.2% y.o.y.), but they decreased 7.2% y.o.y. in amount in real terms. It is estimated that, as of February, the value of ATM cash withdrawals accounted for 14.9% of GDP[16] (similar to the figure recorded in the same month of 2021, see Chart 21).[17]

Chart 20 | Debit card transactions



Source: BCRA. *Desegregation available from Nov-19. ** Three-month moving average annualized in terms of nominal GDP estimated for the same period, Not-seasonally adjusted.

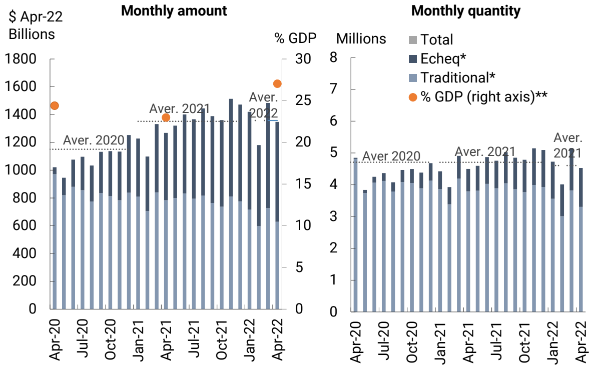
Chart 21 | ATM cash withdrawals



Source: BCRA ** Three-month moving average annualized in terms of nominal GDP estimated for the same period, Not-seasonally adjusted.

In April, due in part to seasonal factors, the clearing of checks dropped against March (-12.2% in number and -9.2% in amount in real terms). However, check clearing recorded a slight increase of 0.6% in number and 6.2% in amount in real terms against the same month of 2021. The year-on-year change is almost entirely accounted for by the electronic format (ECHEQs) (+73.8% in number and +48.1% in amount in real terms). Thus, the share of ECHEQs continued to grow in total clearing, to 27% in number (+11.4 p.p. y.o.y.) and 53.3% in amount in real terms (+15.1 p.p. y.o.y., see Chart 22). It is estimated that the amount of cleared checks reached 27% of GDP (+4.1 p.p. y.o.y.).

Chart 22 | Cleared checks

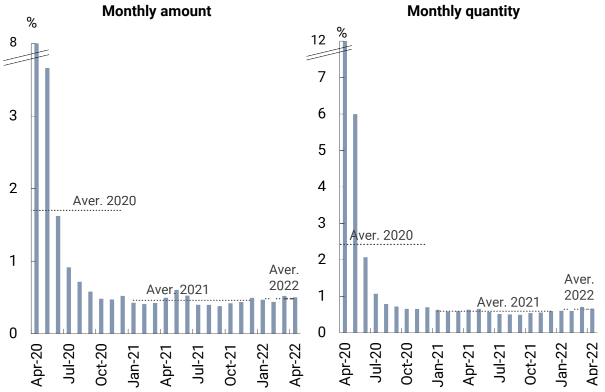


Source: BCRA. *Desegregation available from Apr-20. **Three-month moving average annualized in terms of nominal GDP estimated for the same period, Not-seasonally adjusted.

15 A greater opening of the economy due to the flexibilization of the measures adopted during the COVID-19 pandemic is consistent with a relative increase in onsite transactions.
16 When considering annualized amounts of the last three months.
17 These values are in line with the historical average of 15.7% since March 2016.

In April, the ratio of bounced checks for insufficient funds in terms of total cleared checks [18] did not show significant changes against March (+0.04 p.p. to 0.7% in number and -0.02 p.p. to 0.5% in amount, see Chart 23), and it is standing within a range of values similar to the average of 2021 and to early 2022.

Chart 23 | Bounced checks for insufficient funds



Source: BCRA. Note: Including bouncing of traditional checks and Echeqs.

18 It considers both physical instruments and electronic checks.