Report on Banks

November 2018

BANCO CENTRAL
DE LA REPÚBLICA ARGENTINA

Report on Banks
November 2018
Year XVI, No. 3

Content

Data of Charts appear in the spreadsheet with the information of this issue.
Statistics Annexes appear in the spreadsheet per homogeneous groups of financial institutions

Note | This report focuses on the performance of the financial system, including breakdowns by homogeneous sub-groups. The data reported (particularly, those referring to profitability) are provisional and subject to changes. Except otherwise stated, end-of-month data are included.

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Executive Summary

- **In November, the financial system's solvency indicators went up.** At systemic level, compliance with capital requirements accounted for 15.6% of risk-weighted assets (RWA) during the month, going up 0.4 percentage points (p.p.). The compliance in excess of the requirement also exhibited a monthly increase and accounted for 82.4% of the regulatory requirement during the 11th month of 2018.

- **The financial system's nominal profitability stood at around 2.4%a. of assets in November** (down 1.1 p.p. against the record of October), reaching 4%a. in private banks (down 1 p.p. against October). The monthly ROE totaled 22.9%a. of the net equity of the ensemble of banks (down 9.1 p.p. against October) and 36.6%a. in the case of private institutions (exhibiting a monthly change of -8.1p.p.). **From January to November 2018, the profitability accumulated by the financial system stood at 3.8%a. of assets** (up 0.8 p.p. against the figures of the same period of 2017) **and 34.1%a. of net equity** (up 8.3 p.p. in year-on-year -y.o.y.- terms).

- **The broad liquidity indicator for the ensemble of financial institutions** –including compliance with the minimum cash requirements, instruments of the BCRA and liquid assets in domestic and foreign currencies– **accounted for 54% of total deposits in November** (52.8% in items in pesos), up 2.5 p.p. (2.9 p.p.) against the record of October. A change in the composition of liquid assets became evident during the period, with a contraction of the stock in LEBACs and an expansion of holdings in LELIQs –complying in excess with the minimum reserve requirement– and in current accounts of financial institutions with the BCRA.

- **In November, the total stock of deposits in pesos went up 2.1% in real terms**, both due to deposits of the public sector (+3.6% in real terms) and of the private sector (+1% in real terms). Within the latter, time deposits increased 2.1% in the month, whereas sight deposits contracted slightly, both values inflation-adjusted.

- **The exposure of the financial system to the private sector contracted slightly during November from moderate levels**. The stock of lending to the private sector in terms of total assets accounted for 42.3% during the month, standing below the values observed in October and in the previous year. During the period under analysis, the stock of financing in pesos to the private sector shrank 2.2% inflation-adjusted against October (+0.9% in nominal terms), while financing in foreign currency to the financial system expanded 1.4% (in currency of origin).

- **From minimum levels, both in historical and international terms, the non-performance of loans to the private sector increased slightly in November and accounted for 2.8% of the total portfolio.** The delinquency ratio of loans to companies was 2.2% (up 0.4 p.p. against October) while the delinquency ratio of loans to households reached 3.9% (slightly above the record of October, +0.1 p.p.). In turn, the delinquency ratio of mortgage loans continued standing at low levels, at around 0.2% (0.17% for UVA-denominated loans). The financial system's accounting provisions accounted for 126% of the non-performing portfolio of the private sector, up 6 p.p. against figures recorded in October.

- As regards regulations, **in December, the BCRA modified the structure of minimum cash requirements[1] for the purposes of simplifying it –**with no impact on the total requirement or on the monetary base– **and, at the same time, of fostering the extension of terms of time deposits.**

[1] Communication "A" 6616 and Press Release of December 20, 2018.

I. Recently Adopted Measures[2]

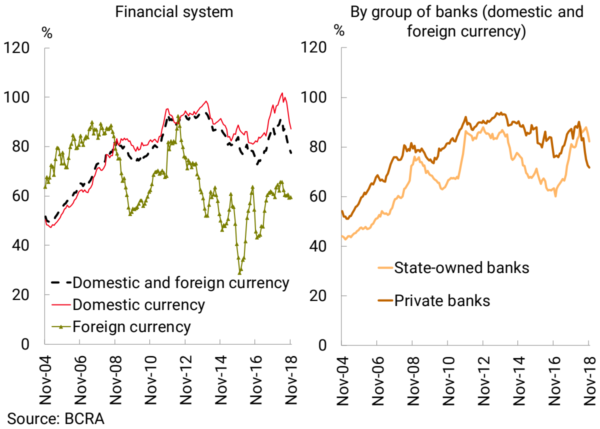
For the purpose of simplifying the minimum cash requirement scheme and fostering the extension of terms of deposits, in December, the BCRA modified the liquidity requirements structure. [3] For "Group A" institutions[4] and for branches or subsidiaries of foreign banks classified as global systemically important banks (G-SIBs) not included in "Group A", the minimum cash requirement for sight deposits shall be complied as follows: 30% in pesos, 5% in BOTES due 2020 and 10% in LELIQs. [5] For time deposits with residual terms of up to 29 days in such institutions, the following percentages were set: 17%, 5% and 13%, respectively. These requirements will be gradually reduced as the term of deposits is longer, thus reflecting the lower implicit risk due to a higher extension of the term.[6] For entities belonging to "Group B", it was established that the minimum cash requirement would be complied in pesos according to the following percentages: 20% for sight deposits, 14% for deposits with a residual term of up to 29 days, 10% for deposits with a residual term of 30 to 59 days, 5% for deposits with a residual term of 60 to 89 days and 0% for deposits for terms above 90 days. These changes to the minimum cash requirement scheme do not impact on the total requirement or the monetary base.

To continue fostering the **renewal of currency in circulation** (by printing Argentine autochthonous animals on their bills and coins), in December, a new bill of $100 bearing the image of a Taruca (Andean deer), a $2 coin with a silk floss tree and a $10 coin with a Caldén (Prosopis caldenia) were put in circulation.[7]

II. Activity

In November, the evolution of financial intermediation with the private sector continued to be moderate. **Like in recent months, deposits exhibited a better relative performance if compared to lending** (see Chart 1). As a result, the ratio between both variables (lending/deposits) shrank for the fourth consecutive month and accounted for 77% of the ensemble of banks. Within this segment, the assets of the financial system went up 2.5% in real terms. Based on the estimate of the **monthly cash flow for items in domestic**

Chart 1 | Lending in Terms of Deposits
Balance sheet stock – Private sector



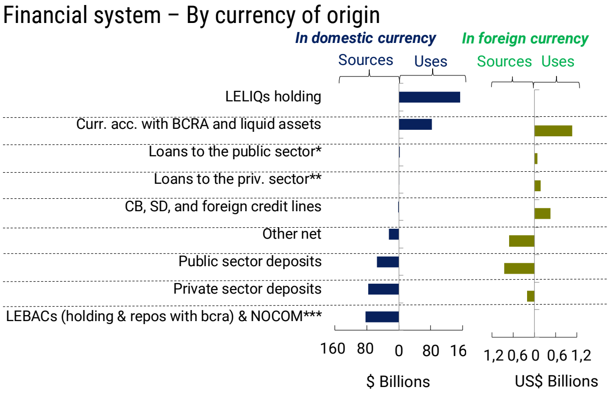
Source: BCRA

[2] It makes reference to the measures adopted as from the date of issue of the previous Report on Banks.
[3] Communication "A" 6616 and Press Release of December 20, 2018.
[4] For further detail, see Section 4 of the Consolidated Text on "Financial Entities Authorities".
[5] "Group A" consists of institutions in which the amount of assets is higher than, or equal to, 1% of total assets of the financial system. Communication "A" 6475 and Communication "A" 6608.
[6] For deposits with a residual term of 30 to 59 days, the requirements were defined as follows: 10% in cash, 5% in BOTES due 2020 and 10% in LELIQs, whereas for deposits with a residual term of 60 to 89 days, they were reduced to 5%, 2% and 0%, respectively. In turn, deposits with a residual term of over 90 days will not have to comply with a minimum cash requirement.
[7] Communication "A" 6613 and Communication "A" 6614.

currency of the financial system, in November, **the main origins of funds were the contraction of holdings in LEBACs** ($83.4 billion) **and the increase of deposits** from the private sector ($75.8 billion) and from the public sector ($54.1 billion; see Chart 2). [8]

Chart 2 | Cash Flow Estimate – November 2018

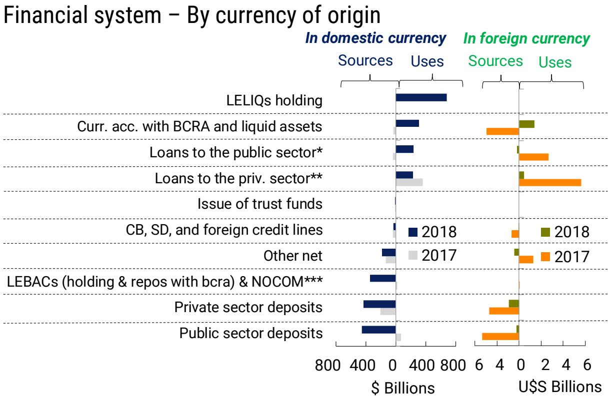
Financial system – By currency of origin



*Including assets admissible for calculation of the compliance with minimum cash requirement. ** Including principal of the loans (excluding accrued interest and capital adjustments). ***NOCOM: BCRA´s Cash Clearing Notes. Source: BCRA

Chart 3 | Cash Flow Estimate – From January to November 2018

Financial system – By currency of origin



*Including assets admissible for calculation of the compliance with minimum cash requirement. ** Including principal of the loans (excluding accrued interest and capital adjustments). ***NOCOM: BCRA´s Cash Clearing Notes. Source: BCRA

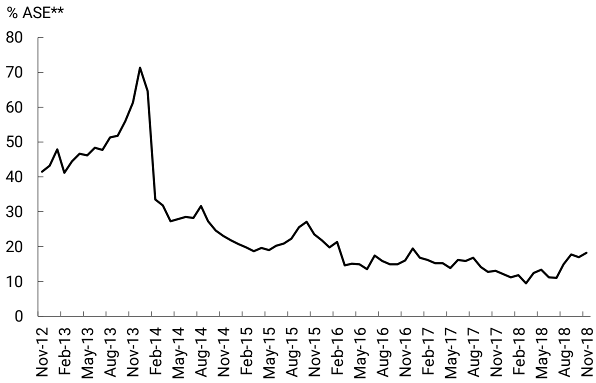
These resources were mainly used to increase the stock of LELIQs ($152.9 billion) and the current accounts of banks with the BCRA ($82.7 billion). In November, considering the cash flow for items in foreign currency, the increase of deposits from the public sector and of liquidity stood out as the main source of resources and application of funds, respectively.

On the basis of the **cash flow estimated in domestic currency so far this year, the rise of deposits** ($456.1 billion coming from the public sector and $434.8 billion from the private sector), followed by the shrank of LEBAC holdings ($347 billion), were the **most relevant funding sources** for the financial system see Chart 3). [9] **Banks used these resources mainly to increase their stock of LELIQs** ($681.6 billion) and, in second place in terms of size, to meet liquidity needs ($310.7 billion) and to increase lending to both the public and private sectors. In turn, considering the changes of items in foreign currency, the change in amount of assets and liabilities was sizably lower than the figures recorded a year before, and the increase of private sector deposits and of liquidity stood out as the main sources of resources and application of funds, respectively.

In November, the financial system exhibited a banks' long position in foreign currency equivalent to 18.2% of the Adjusted Stockholder's Equity (RPC – ASE), slightly above the records of the previous month (see Chart 4). The increase was boosted by foreign banks and resulted from the

Chart 4 | Mismatch of Foreign Currency (FC)

FC Assets – FC Liabilities + FC Forward Net Purchases without delivery of the underlying asset*



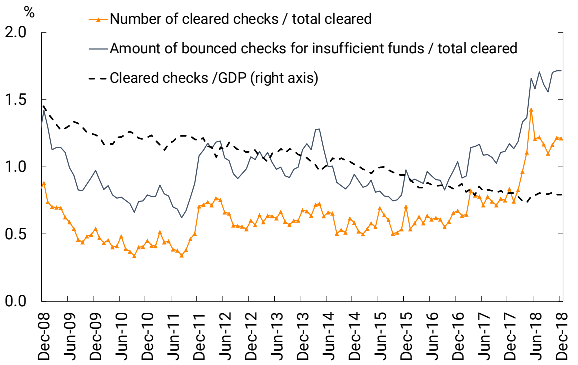
* Off-balance accounts. ** ASE: Adjusted Stockholders´ Equity. Source: BCRA

[8] To estimate the cash flow, differences of the balance sheet stock are considered.
[9] Idem previous note.

spread between assets and liabilities in the banks' balance sheet since forward purchases in foreign currency (classified in off-balance items) contracted during the month. In year-on-year terms, this indicator went up 5.1 p.p. at aggregate level of RPC (ASE). Considering **CER-adjusted items, in November, the banks' long position is estimated to be equivalent to half of the regulatory capital**, going up slightly against October. It is worth mentioning that state-owned banks concentrate the highest share of this position.

With respect to the transactions of the National Payment System, during December, the transfer of funds among third parties –in terms of both number and amount– were boosted by those involving an instant transfer of funds. **By breaking down the use of payment methods alternative to cash in 2018, it is observed that instant transfers exhibited the highest increase in terms of GDP**. In the last quarter of the year, they reached a level equivalent to 19% annualized (a.) of GDP (up 1.2 p.p. against the same period of 2017). On the other hand, checks clearing reached an amount equivalent to 32.5%a. of GDP in the fourth quarter of 2018 (down 0.3 p.p. y.o.y.). [10]

Chart 5 | Cleared and Bounced Checks



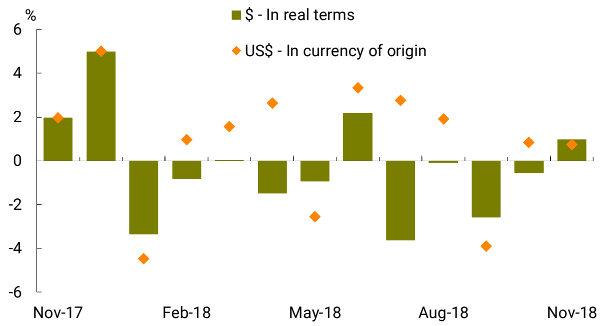
Note: The cleared checks/GDP indicator considers the sum of three moving months (annualized) for the numerator, and the moving quaterly average of the monthly GDP estimation seasonally-adjusted for the denominator. Source BCRA

Within this context, during the last month of the year, the **bounced checks for insufficient funds-to-total checks cleared ratio stood at levels similar to those recorded in the previous month,** 1.7% and 1.2%, in terms of number and amount, respectively (see Chart 5).

III. Deposits and Liquidity

Considering the sources of funding of the financial system (liabilities + net worth), in November, there was an expansion of the share of public sector deposits (up to 18.5% of total funding), whereas deposits of the private sector (54.7% of the total) and net worth contracted (10.7% of the total).

Chart 6 | Monthly Evolution of Private Sector Deposits



Note: for deflating purposes, the index used is calculated on the basis of the CPI of the City of Buenos Aires, San Luis and Cordoba weighted according to the National Survey of Households Spending corresponding to the 2004-2005 period. Source: BCRA

In November, total deposits in domestic currency went up 2.1% in real terms, led by the deposits of the public sector (+3.6% in real terms) and of the private sector (+ 1% in real terms; see Chart 6). Within the last segment, time deposits increased 2.1% in the month while sight accounts shrank slightly, in both cases inflation adjusted. The monthly performance of time

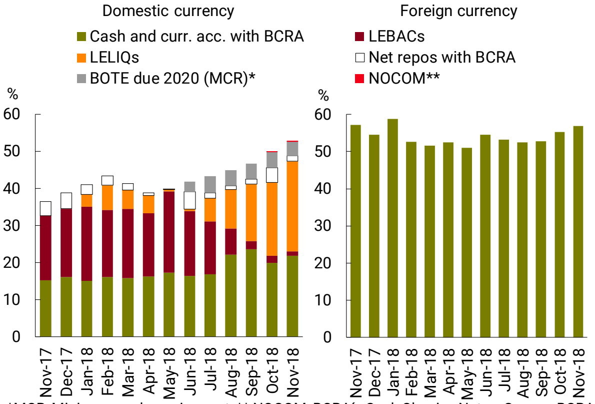
[10] For a detailed analysis, see Chapter 4 of the Financial Stability Report – Second Half 2018.

deposit stocks in pesos was, to a large extent, the result of the release of funds of the private sector related to the unwinding of LEBACs. In turn, total deposits in foreign currency went up 3.4% – in currency of origin– in November, boosted by public sector deposits. In turn, deposits of the private sector in foreign currency expanded 0.7% in the month.

In year-on-year terms, the stock of total deposits in pesos went up 10.2% inflation-adjusted, and this momentum was boosted by the deposits of the public sector. Conversely, deposits of the private sector in domestic currency contracted 5.5% in real terms against the same month of 2017. In turn, total deposits in foreign currency increased 2.9% –in currency of origin– in the last 12 months, driven by the deposits of the private sector, which accumulated an increase of 8.7%.

The broad liquidity indicator –compliance with the minimum cash requirement, instruments of BCRA and liquid assets in domestic and foreign currency– **went up 2.5 p.p. of total deposits** (+2.9% considering items in pesos) **in November, and accounted for 54% (52.8%)**. As a result of the unwinding of LEBACs stock, a change in the composition of liquid assets was evident during the period; there was a decrease in LEBAC holdings and an increase in liquidity bills –beyond the assets admissible for compliance with minimum cash requirement– and in current accounts of financial institutions with the BCRA (see Chart 7). In year-on-year terms, the broad liquidity went up 12.7 p.p. of deposits, in line with the growth spread between deposits and loans.

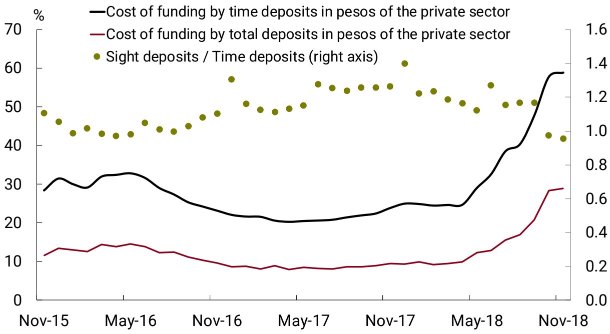
Chart 7 | Composition of Bank Liquidity
As % of Deposits



*MCR: Minimum cash requirement. ** NOCOM: BCRA´s Cash Clearing Notes. Source: BCRA

The interest rates that banks applied to the private sector for time deposits in pesos went up slightly in November (+0.9 p.p. to 47.7% in nominal annual terms on average) **and tended to stabilize on the margin after several months going up.** This performance was in line with the evolution of the reference interest rate, which has been going down since mid-October. Within this context, added to the slight increase of the weight of time deposits in total deposits, the cost of funding estimated for the deposits in pesos of the private sector increased slightly in November (see Chart 8).

Chart 8 | Cost of Funding Estimated by Deposits of the Private Sector in Pesos* and Sight Deposits/ Time Deposits Ratio**

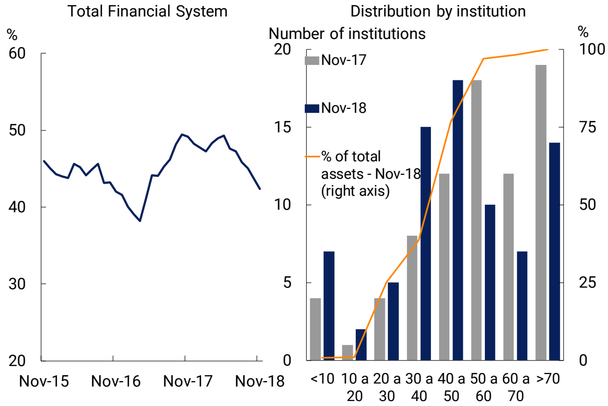


*Estimated by interest rates agreed upon with the private sector, weighted per volume transacted in 1 month and adjusted by requirements. **Stock of sight accounts of the private sector / stock of time deposits of the private sector ratio. Source: BCRA

IV. Exposure and Credit Quality

The exposure of the financial system to the non-financial private sector stood at moderate levels in November. The lending stock to the private sector accounted for 42.3% of total assets in November, down 1.4 p.p. against October, and down 6.8 p.p. in year-on-year terms (see Chart 9). During the period, over 60% of banks that are part of the financial system – which account for 77% of assets– exhibited an exposure to the non-financial private sector that was below half of their assets, unlike the previous year when only 37% of banks recorded that level.

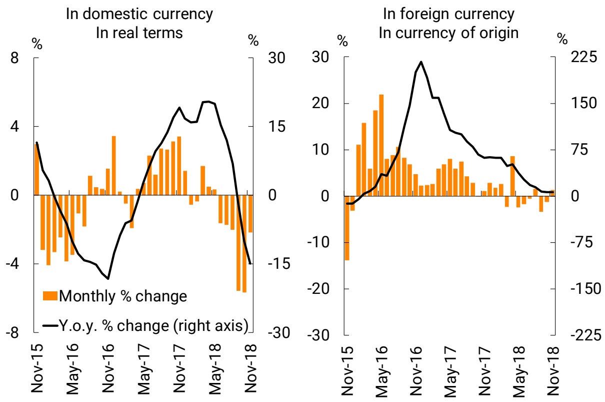
Chart 9 | Gross Exposure to the Non-Financial Private Sector
Financing to the private sector in % of assets



Source: BCRA

In November, the stock of financing in domestic currency to the private sector went down 2.2% inflation-adjusted against the previous month (+0.9% in nominal terms; see Chart 10).[11] The monthly fall was widespread in all credit lines and all groups of financial institutions. At the same time, **the stock of lending in foreign currency of the financial system went up 1.4% during the month**, mainly boosted by state-owned and foreign private banks. As a result, the total financing stock (in domestic and foreign currency) to the private sector in pesos shrank 0.8% in real terms (+2.4% in nominal terms).

Chart 10 | Stock of Loans to the Private Sector by Currency



Source: BCRA

In a year-on-year comparison, the stock of lending in pesos to the private sector continued to go down in November, reaching a drop of 14.9% inflation-adjusted (see Chart 10).[12] In turn, loans in foreign currency went up 6.4% y.o.y., standing virtually unchanged against the records of the previous month.

In November, the stock of total lending (in domestic and foreign currency) to companies went down 0.9% in real terms against the previous month (+2.2% in nominal terms).[13] The monthly drop was widespread in almost all economic sectors, except for loans to primary production, which

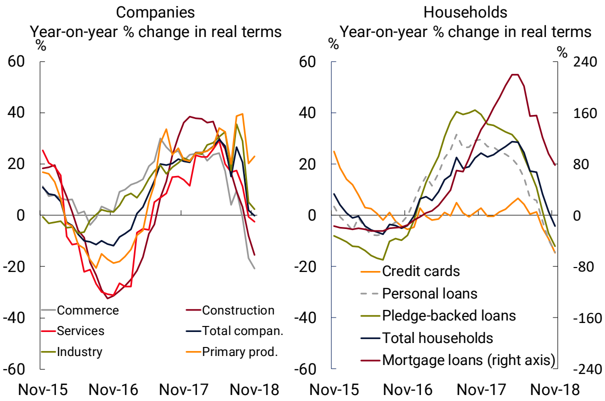
[11] It includes adjustments of principal and interest accrued.
[12] It includes adjustments of principal and interest accrued.
[13] Information obtained from the Debtors' Database (domestic currency and foreign currency). Loans to residents abroad are not included. Any adjustments of principal and interest accrued are considered. Financing to companies is herein defined as the loans granted to legal persons and commercial loans granted to natural persons. In contrast, loans to households are those granted to natural persons unless such financing has a commercial purpose.

went up slightly. In year-on-year terms, **the stock of total loans to companies contracted slightly (inflation-adjusted) against the records of the same months of 2017** (-0.2% y.o.y. in real terms). Credits for primary production and, to a lesser extent, for industry exhibited the highest momentum during the period (see Chart 11).

In turn, during the month, the stock of bank loans to households went down 1.5%, inflation-adjusted (+1.6% in nominal terms).[14] Almost all the lines channeled to this segment exhibited drops during the month, except for mortgage loans, which went up 2.2% in real terms against October. **In year-on-year terms, total lending to households accumulated a drop of 4.1% in real terms** (see Chart 11), mainly boosted by loans for consumption (credit cards and personal loans).[15]

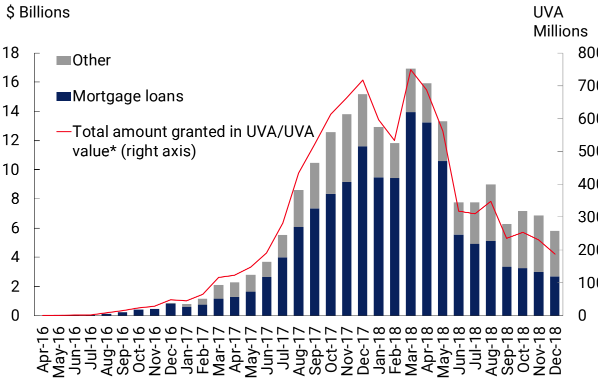
In the last month of the year, total lending in UVA to natural and legal persons totaled $5.82 billion (187 million of UVAs), out of which 46% corresponded to mortgage loans (see Chart 12).[16] Considering the balance sheet of the aggregate financial system, in November, financing in UVA to the private sector reached $255.72 billion (11.2% of total stock of loans to the private sector).[17] If lending lines are broken-down, in November, the stock of mortgage loans in UVA stood at $185.39 billion, which accounts for 83% of total mortgage loans to the private sector.

Chart 11 | Stock of Total Loans by Segment



Source: BCRA

Chart 12 | Financing in UVA – Amounts Granted



*The UVA value corresponds to the last working day of each month.
Source: Monetary Statistics Management - BCRA

In November, lending interest rates of the financial system in aggregate in pesos transacted with the private sector **remained unchanged in terms of volume against the records of October**, leading to a slight reduction of the spreads if the rise in the estimated funding cost of private sector deposits in pesos described in the previous section is considered.[18] Average lending interest rates in UVA during November stood in line with the records of October in all credit segments.

From low levels, in both historical and international terms, the non-performance of loans to the private sector went up slightly in November (+0.25 p.p.) and accounted for 2.8% of the total

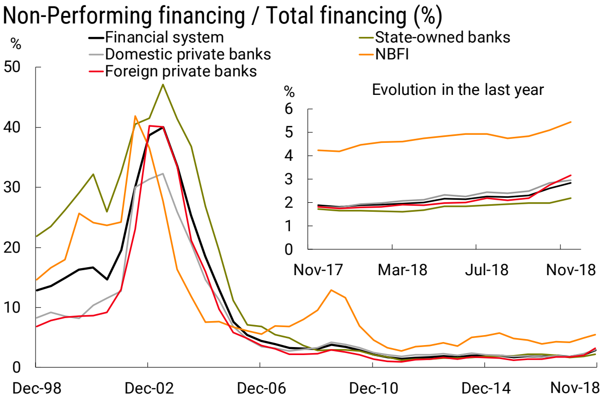
[14] Idem previous note.
[15] Adjustments of principal and interest accrued are considered.
[16] The UVA value corresponds to the last working day of December.
[17] It includes principal and adjustment of principal as per CER evolution.
[18] It covers transactions with fixed and renegotiable interest rates.

portfolio. The rise in the month was more intense among foreign private banks, in a context where the delinquency ratio increased for all the groups of banks (see Chart 13). **The delinquency ratio of loans to companies reached 2.2% in the month,** up 0.4 p.p. against the figures of October, and up 1.2 p.p. in year-on-year terms (see Chart 14). The monthly evolution was mainly due to lending for construction and primary production.[19]

The delinquency ratio of loans to households increased slightly against the records of the previous month and stood at 3.9% (see Chart 14). This level was 1 p.p. above the figure recorded a year ago due to the evolution of personal loans and credit cards and, to a lesser extent, pledge-backed loans. In turn, the delinquency ratio of mortgage loans continued to stand at reduced levels of around 0.2% (0.17% for lending in UVAs), without exhibiting sizable changes in the last 12 months.

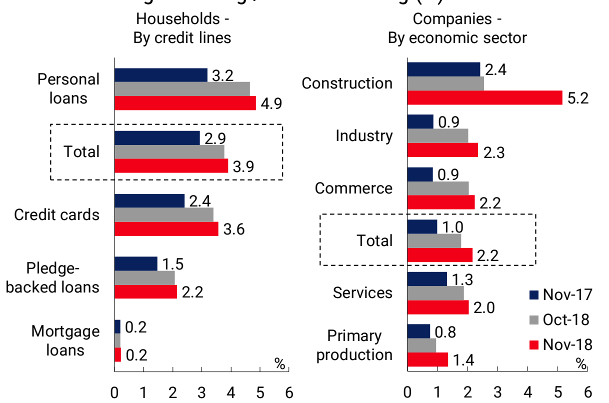
In November, the accounting provisions for the ensemble of financial institutions accounted for 126% of the non-performing portfolio of the private sector (see Chart 15), up 6 p.p. against the value of October; this change mainly resulted from the rise in the stock of provisioning, which was mirrored to a larger extent in state-owned banks. Excluding minimum provisions corresponding to the performing portfolio, the coverage ratio of the aggregate financial system would stand at 89% in the month, sizably exceeding the minimum provisioning level required on the performing portfolio (44%).

Chart 13 | Non-Performing Loans to the Private Sector
Non-Performing financing / Total financing (%)



NBFI: Non-Banking Financial Institutions
Source: BCRA

Chart 14 | Non-Performing Loans to the Private Sector
Non-Performing financing / Total financing (%)



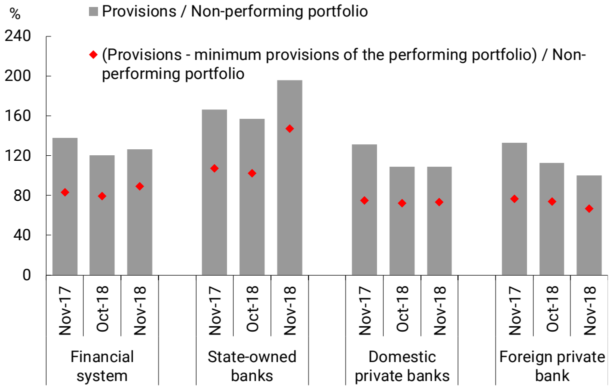
Source: BCRA

In November, the balance sheet exposure of the financial system to the private sector remained at low values of around 1.3%, in line with the level observed one year ago. [20] In turn, during the month, **the gross exposure of the ensemble of financial institutions to the public sector accounted for 11% of total assets,** down 0.6 p.p. against the figure of the previous month, and up 2.5 p.p. in year-on-year terms (see Chart 16). Additionally, if the stock of deposits of the public

[19] The monthly rise of the delinquency ratio of loans for construction was due to the performance of a construction company in particular. If this case is excluded, total non-performance of companies would have stood at 2.1%.
[20] The net worth exposure to the private sector is defined as the ratio of the non-performing portfolio of the private sector net of provisions associated with the non-performing portfolio of such sector and the consolidated net worth of the aggregate financial system.

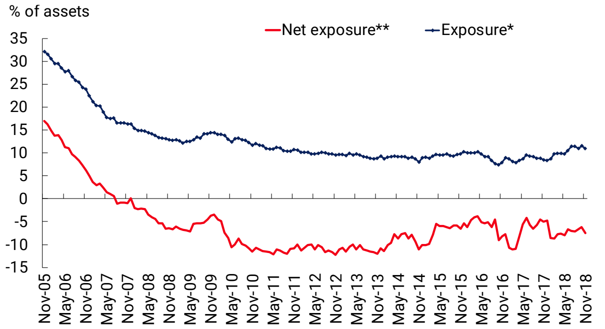
sector is netted, the exposure of the financial system to this sector would stand at -7.5% of total assets in the month.

Chart 15 | Financial System Provisions



Source: BCRA

Chart 16 | Exposure of the Financial System to the Public Sector

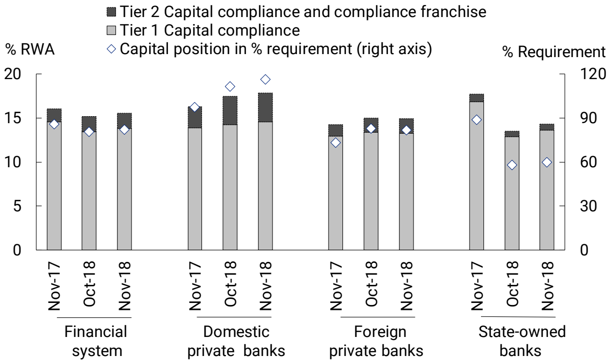


*Exposure: (Position in sovereign bonds, not including instruments of BCRA, + Loans to the public sector)/Total assets. **Net exposure: (Position in sovereign bonds, not including instruments of BCRA, + Loans to the public sector - Deposits of the public sector)/Total assets. Public sector includes all jurisdictions (national, provincial, municipal). Source: BCRA.

V. Solvency

The financial system's solvency indicators continued exhibiting high levels during the month (see Chart 17). The regulatory capital stood at 15.6% of Risk-Weighted Assets (RWA) for the ensemble of banks, mainly consisting of Tier 1 Capital.[21] The capital compliance went up 0.4 p.p. of RWA during the month, a change boosted by state-owned banks and domestic private banks.[22] In turn, the excess in compliance accounted for 82.4% of the regulatory requirement in the period.

Chart 17 | Compliance and Excess of Regulatory Capital



Tier 1 Capital Compliance: Basic Net Worth.
Tier 2 Capital compliance: Supplementary Net Worth.
Source: BCRA

In November, banks recorded nominal book profits equivalent to 2.4%a. of assets –ROA– (down 1.1 p.p. against the record of the previous month), reaching 4%a. in private Banks (down 1 p.p. against the previous month) (see Chart 18). Nevertheless, in terms of the monthly performance, **in the aggregate of the year, the ensemble of banks accrued nominal income close to 3.8%a. of assets and 34.1%a. of equity,** above the nominal income of the same period of 2017 (0.8 p.p. in terms of assets and 8.3 p.p. in terms of principal).[23]

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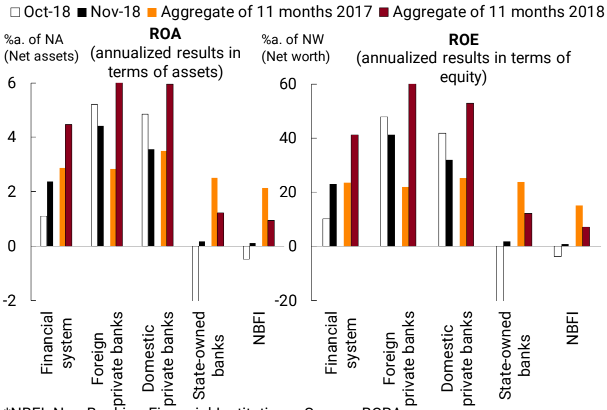
[21] Tier 1 capital is more adequate to cover unexpected losses. This capital comprises primarily common shares and retained earnings.

[22] This increase was partly related to the process of acknowledgement of results obtained by financial institutions, to the extent that the relevant auditors' report is issued on such results (for further detail see section 8, Consolidated Text on "Minimum Capitals of Financial Institutions"). Besides, upon the coming into effect of Communication "A" 6586, the limit for a debtor to be considered a retail debtor was extended, thus moderating the volume of RWAs of the financial system.

[23] For private banks, so far this year, ROA was 4.1%a. and ROE was 33.9%a., up 0.9 p.p. and 7.7 p.p., respectively, against the same period of 2017.

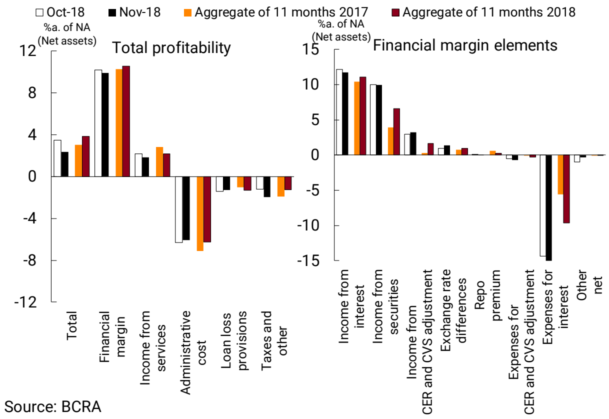
The financial margin of banks contracted by 0.3 p.p. of assets to 9.9%a. during the month, mainly due to higher expenses for interest (in line with the monthly evolution of time deposits) combined with lower income from interest (see Chart 19). In turn, the increase of earnings due to exchange rate differences and the results related to CER transactions partially offset the drop in the financial margin. **Throughout the year, the financial margin of the ensemble of banks reached 10.5%a. of assets**, up 0.3 p.p. against the record of the same period of 2017.

Chart 18 | Profitability by Group of Financial Institutions



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

Chart 19 | Income Statement – Financial System



Source: BCRA

Net income from services of the financial system totaled 1.8%a. of assets in November, contracting 0.4 p.p. against October (see Chart 19). Between January and November, banks' income recorded for this concept accounted for 2.2%a. of assets, down 0.7 p.p. against the level observed one year ago.

Loan loss provisions contracted slightly during the month and stood at 1.3%a. of assets for the aggregate of the system (see Chart 19). In the aggregate of 2018, these expenses accounted for 1.3%a. of assets, up 0.3 p.p. against the figures of the first eleven months of 2017. As a result, in line with the deterioration of the credit portfolio quality recorded in the year, loan loss provisions are estimated to close 2018 at levels above those recorded in recent years.

The financial system's operating costs went down 0.2 p.p. of assets in November to 6.1%a. (see Chart 19). **Thus, from January to November 2018, this spending accumulated 6.3%a. of assets, down 0.9 p.p. against the record of the first 11 months of 2017.**

Latest Regulations

This section contains a summary of the main regulations implemented by the BCRA during the month, related to the business of financial intermediation. **They are referenced by the date of publication**.

Communication "A" 6595 – November 8, 2018 | The BCRA made adjustments to the regulations on "Minimum cash", by increasing the rate of minimum cash for foreign financial lines, taking into account the residual term of transactions.

Communication "A" 6599 – November 22, 2018 | The Central Bank announced the regulations on "Large exposures to credit risk ", effective as from January 1, 2019, and repealed the regulations on "Spreading of credit risk", except for the provisions related to the non-financial public sector which were incorporated to the regulations on "Financing to the non-financial public sector". It is established that the limits are measured taking into account Tier 1 capital and not the Adjusted Stockholders' Equity (RPC-ASE) as stated in the regulations on "Spreading of credit risk". A large exposure to credit risk is defined as the sum of all exposure values upon a counterparty that may be equal to or higher than 10% of the institution's Tier 1 capital.

Communication "A" 6603 – November 28, 2018 | The Central Bank amended the regulations on "Expansion of financial institutions", and authorized financial institutions to delegate upon supplementary agencies of financial services any and all transactions involving the borrowing and lending of money and related to services with their clients, subject to compliance with certain requirements. Besides, the management of networks of supplementary agencies is added as a supplementary activity in the regulations on "Supplementary services of the financial activity and permitted activities".

Communication "A" 6605 – November 29, 2018 | The BCRA amended the regulations on "Guarantees", by incorporating as "B" preferred collateral: (i) security interest or collateral assignment of proceeds from bills of sales on future functional units to be built or under construction, with respect of which units possession cannot be enforced, provided it is properly registered with the real estate registry of the applicable jurisdiction; (ii) ship mortgage or first priority security interest on vessels or watercrafts (authorized to operate or under construction).

Glossary

%a.: porcentaje anualizado.
% i.a.: porcentaje interanual.
Activos líquidos: disponibilidades (integración de "efectivo mínimo" en cuenta corriente en el BCRA y en cuentas especiales de garantía y otros conceptos, fundamentalmente efectivo en bancos y corresponsalías) más el saldo acreedor neto por operaciones de pases de las entidades financieras contra el BCRA utilizando LEBAC y NOBAC.
Activo y pasivo consolidado: los que surgen de deducir las operaciones entre entidades del sistema.
Activo neteado (AN): El activo y el pasivo se netean de las duplicaciones contables por las operaciones de pase, a término y al contado a liquidar.
APR: Activos Ponderados por Riesgos Totales.
BCBS: Comité de Supervisión Bancaria de Basilea (BCBS, por sus siglas en inglés).
Cartera irregular: cartera en situación 3 a 6, de acuerdo con el régimen "Clasificación de Deudores".
Crédito al sector público: Posición en títulos públicos (sin LEBAC ni NOBAC) + Préstamos al sector público + Compensación a recibir + Títulos de deuda y Certificados de participación en fideicomisos financieros (con título público de subyacente) + Créditos diversos al sector público.
Crédito al sector privado: préstamos al sector privado no financiero incluyendo intereses devengados y ajuste CER y CVS y *leasing*.
Diferencias de cotización: Resultados provenientes de la actualización mensual de los activos y pasivos en moneda extranjera. El rubro incluye además los resultados originados por la compra y venta de moneda extranjera, que surgen como diferencia entre el precio pactado (neto de los gastos directos originados por la operación) y el valor registrado en libros.
Diversos: utilidades diversas (incluyendo, entre otros, a las ganancias por participaciones permanentes, créditos recuperados y previsiones desafectadas) menos pérdidas diversas (incluyendo, entre otros, a los quebrantos por participaciones permanentes, pérdida por venta o desvalorización de bienes de uso y amortización de llave de negocio).
Exposición patrimonial al riesgo de contraparte: cartera irregular neta de previsiones en términos del patrimonio neto.
Gastos de administración: incluye remuneraciones, cargas sociales, servicios y honorarios, impuestos y amortizaciones.
IEF: Informe de Estabilidad Financiera del BCRA.
IPCBA: Índice de Precios al Consumidor de la Ciudad de Buenos Aires.
LCR: Ratio de Cobertura de Liquidez (LCR por sus siglas en inglés).
LEBAC y NOBAC: letras y notas emitidas por el BCRA.
LELIQ: letras de liquidez del BCRA.
LR: Ratio de Apalancamiento (LR por sus siglas en inglés).
Margen financiero: Ingresos menos egresos financieros. Comprende a los resultados por intereses y por títulos valores, los ajustes CER y CVS, diferencias de cotización y otros resultados financieros.
mill.: millón o millones según corresponda.
NIIF: Normas Internacionales de Información Financiera.
NOCOM: Notas de compensación de efectivo del BCRA.
ON: Obligaciones Negociables.
ORI: Otros resultados integrales.
OS: Obligaciones Subordinadas.
Otros resultados financieros: ingresos por alquileres por locaciones financieras, aporte a fondo de garantía de depósitos, intereses por disponibilidades, cargos por desvalorización de préstamos, primas por venta de moneda extranjera y otros sin identificar.
PN: Patrimonio Neto.
p.p.: puntos porcentuales.
PyME: Pequeñas y Medianas Empresas.
Resultado consolidado: se eliminan resultados por participaciones permanentes en entidades financieras locales. Disponible desde enero de 2008.
Resultado por títulos valores: incluye resultados por títulos públicos, participaciones transitorias, obligaciones negociables, obligaciones subordinadas, opciones y por otros créditos por intermediación financiera. En el caso de los títulos públicos recoge los resultados devengados en concepto de renta, diferencias de cotización, acrecentamiento exponencial en función de la tasa interna de retorno (TIR) y ventas, además del cargo por las previsiones por riesgo de desvalorización.
Resultado por intereses: intereses cobrados menos intereses pagados por intermediación financiera, siguiendo el criterio de lo devengado (información de balance) y no de lo percibido. Incluye intereses por préstamos y depósitos de títulos públicos y primas por pases.
Resultado por servicios: comisiones cobradas menos comisiones pagadas. Incluye comisiones vinculadas con obligaciones, créditos, valores mobiliarios, garantías otorgadas, el alquiler de cajas de seguridad y operaciones de exterior y cambio, excluyendo en este último caso los resultados por compraventa de moneda extranjera, contabilizados estos últimos dentro de la cuenta de "Diferencias de cotización". Los egresos incluyen comisiones pagadas, aportes al ISSB, otros aportes por ingresos por servicios y cargos devengados del impuesto a los ingresos brutos.
ROA: Resultado final en porcentaje del activo neteado. En el caso de referirse a resultados acumulados se considera en el denominador el promedio del AN para los meses de referencia.
ROE: Resultado final en porcentaje del patrimonio neto. En el caso de referirse a resultados acumulados se considera en el denominador el promedio del patrimonio neto para los meses de referencia.
RPC: Responsabilidad Patrimonial Computable. Para más detalles ver Texto Ordenado "Capitales Mínimos de las Entidades Financieras".
TNA: Tasa nominal anual.
US$: dólares estadounidenses.
UVA: Unidad de Valor Adquisitivo.
UVI: Unidades de Vivienda.