

Report on Banks

December 2018



BANCO CENTRAL
DE LA REPÚBLICA ARGENTINA

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Note | Data presented in this Report (especially data related to profitability) are provisional and subject to subsequent changes. Unless otherwise stated, the information corresponds to end-of-month data.

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Executive Summary

- **In December 2018, the financial system kept high levels of liquidity and solvency. The exposure to systemic risks continues to be reduced. Deposits of the private sector posted a marked hike whereas lending continued to go down in real terms.**
- **The ensemble of institutions in aggregate maintained relatively high values for solvency indicators.** The regulatory capital accounted for 15.8% of risk-weighted assets (RWA) in aggregate in December, and it stood slightly above the level recorded in November and by the end of 2017. **The total leverage of the ensemble of financial institutions continued to be moderate.** The leverage ratio, within the framework of the Basel Committee's recommendations, reached 8.8% in December, widely exceeding the 3% minimum required.
- **The liquidity in the financial system reached relatively high levels by the end of 2018.** The broad liquidity indicator –compliance with minimum cash, BCRA's instruments and liquid assets, in both domestic and foreign currency– stood at around 56.4% of total deposits (53.7% taking into account only items in pesos), up 2.3 p.p. against November (+0.9 p.p. considering only items in pesos). **In 2018, the broad liquidity indicator of the ensemble of financial institutions went up 13.8 p.p.**
- **In December, private sector deposits in pesos rose 5.7% in real terms (+8.4% in nominal terms) against the previous month, posting a year-on-year drop of 4.8% in real terms (+40.5% in nominal terms).** The usual monthly increase was observed in deposits in sight accounts (+10.6% in real terms, thus accumulating a -16.2% year-on-year change) associated with liquidity needs at year end and with the payment of the semi-annual complementary wage. Time deposits in pesos of the private sector also rose in December (+1.2% in real terms against the previous month, with a year-on-year change of 12.7%). Boosted by the drop of public sector deposits in pesos, total deposits in pesos contracted 1.7% in real terms in the period (2.5% y.o.y.).
- In December, loans in pesos to the private sector went down 2.3% in real terms (+0.3% in nominal terms) against the previous month, mainly due to the performance of overdrafts and personal loans. Against this backdrop, **the credit exposure of the financial system to the private sector decreased throughout 2018.** Lending to such sector accounted for 41.3% of assets in December, down 1 p.p. against November and down 6.9 p.p. against the level recorded a year ago.
- **The non-performance of lending to the private sector stood at 3.1% in December 2018,** up 1.2 p.p. against the level recorded in late 2017. **This indicator still stands within a range of relatively low levels both in historical and international terms.** The non-performing ratio of loans to companies reached 2.4% in December (+1.5 p.p. y.o.y.), whereas in loans to households, such ratio stood at 4% (+1.1 p.p. y.o.y.). The delinquency ratio of mortgage loans remained at low levels (0.19% of the portfolio for UVA loans). **The loan loss provisions of the financial system in aggregate continued to be high.**
- In December, the financial system accrued monthly income equivalent to 5.1% annualized (a.) of assets –ROA. **Throughout 2018, the financial system recorded an annual nominal income equivalent to 3.9% of assets and 34.4% of equity,** up 1.1 p.p. of assets and up 11.1 p.p. of equity against 2017.

I. Recently Adopted Measures¹

For the purpose of contributing to the implementation of the monetary policy, on February 8, 2019, the Central Bank provided for that the daily net position recorded by financial institutions in BCRA's Liquidity Bills (LELIQs) and repo loans in pesos against the BCRA may not exceed the Adjusted Stockholders' Equity (ASE) of the previous month or 65% of the monthly average of daily balances of total deposits in pesos –excluding those from the financial sector– of the previous month, whichever may be higher.² The Central Bank provided for a transition period with a preset schedule of adjustment over time in order to contemplate the institutions requiring an adjustment of their positions to the above-mentioned limit.

In order to consolidate the infrastructure for the provision of financial services and to continue encouraging bancarization as well, in January, the Central Bank established that automated agencies may act in relation to the hiring and revocation/termination of products and/or services the steps for which are taken in such agencies with the clients (for instance, savings accounts opening, credit cards activation, etc.), with no need of intervention by the centralizing branch.³

It was recently established that deposits of Acquisition Value Units (UVAs) created in the context of a savings plan to obtain UVA loans for the purchase, construction or remodeling of a dwelling house, may be repaid early in the event the user may decide to abandon such savings plan.⁴

II. Financial Intermediation Activity

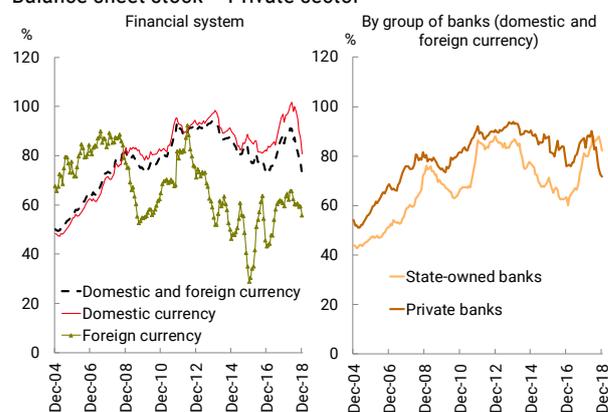
In December, the financial system's balance sheet contracted slightly, with a drop of assets in aggregate of 0.6% in real terms (+12.9% year-on-year in real terms⁵). During this month, the performance of loans to the private sector was not in line with the momentum of deposits by such sector, thus increasing the system's liquidity in aggregate.

In particular, the private sector loans to deposits ratio reached 72% by the end of 2018

(down 13 p.p. against the value one year ago) (see Chart 1). This phenomenon was recorded mainly in private banks.

Chart 1 | Lending in Terms of Deposits

Balance sheet stock – Private sector



Source: BCRA

¹ This Section includes the measures adopted as from the date of publication of the last "Report on Banks" (January 16, 2019) to this date.

² Communication "A" 6647.

³ Communication "A" 6644.

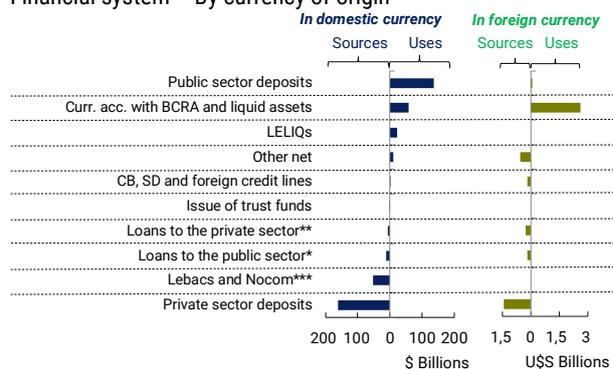
⁴ Communication "A" 6645.

⁵ As from 2018, financial institutions started to submit their balance sheets according to the domestic application of International Financial Reporting Standards (IFRS). It is estimated that upon deparating the equity effect of IFRS application "for the first time" in certain items, the banks' assets would have grown 8.6% in real terms during 2018.

The estimated monthly cash flow of the financial system for items in domestic currency⁶ shows that the main source of funding of the sector in December was the increase of private sector deposits (\$160 billion) (see Chart 2).⁷ In turn, the contraction of public sector deposits (\$137,000) was the most relevant use of resources for the ensemble of banks in the last month of the year. To a lesser extent, the increase of the stock of current accounts held by banks with the BCRA was another significant use of resources. Taking into account the cash flow of December for items in

Chart 2 | Cash Flow Estimate – December 2018

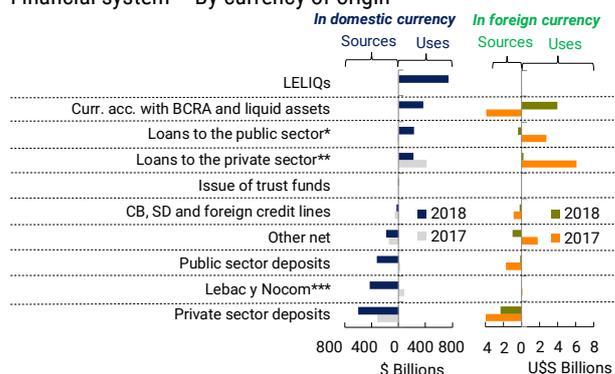
Financial system – By currency of origin



*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 annual

Financial system – By currency of origin

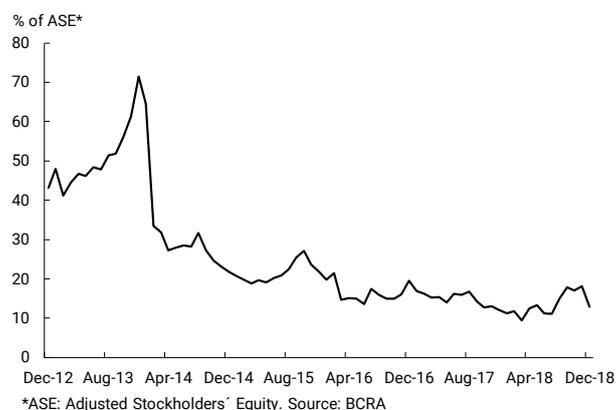


*Including assets admissible for calculation of the compliance with minimum cash requirement. **Including principal of the loans (excluding accrued interest and capital adjustments). ***NOCOM: BCRA's Cash Clearing Notes. Source: BCRA.

foreign currency, the increase of private sector deposits and the increase of liquidity were the most relevant source and use of funds for the financial system.

Taking into consideration the estimate of cash flow for 2018, the increase of deposits of households and companies (\$595 billion) was the most significant source of funds among items in domestic currency of the financial system (see Chart 3).⁸ Besides, the contraction of holdings of LEBACs and the increase of public sector deposits were additional funding sources in pesos for banks during the period. These funds were mainly allocated to increasing holdings of LELIQs (\$680 billion) and, to lesser extent, to increasing the stock of bank current accounts with the BCRA and bank lending. In turn, according to the annual cash flow estimated for items in foreign currency, the increase of private sector deposits was the most relevant source of

Chart 4 | FC Assets – FC Liabilities + FC Forward Net Purchases without delivery of the underlying assets
% of ASE* of the financial system



*ASE: Adjusted Stockholders' Equity. Source: BCRA

⁶ The main sources and uses of funds were impacted by events related to year-end matters and specific transactions. For further detail, see Section III. Deposits and Liquidity of this Report.

⁷ To estimate the cash flow, the balance sheet spread is taken into consideration.

⁸ Idem previous note.

funds for banks. These funds were mostly allocated to increasing liquidity in US dollars throughout the year.

In December, the total assets in foreign currency of the financial system rose 4.3% whereas liabilities grew 2.8%.⁹ In addition, in the last month of the year, net forward purchases in foreign currency without delivery of the underlying assets –classified as off-balance purchases– went from posting a debit balance to showing a credit balance, and this performance may be mainly attributed to foreign banks. Thus, **the spread between foreign currency assets and liabilities – including off-balance net forward purchases of foreign currency– stood at a value equivalent to 12.8% of the Adjusted Stockholders' Equity (ASE) for the whole system**, down 5.3 p.p. against November, and up 0.7 p.p. if compared to late 2017 (see Chart 4). In turn, **taking into account the CER-adjusted items in domestic currency, in December, the spread between assets and liabilities totaled 53.5% of the regulatory capital**, 2.8 p.p. above the value recorded in November and up 22.5 p.p. against late 2017. The monthly evolution was mainly due to the restatement of capital of assets and liabilities. It is worth stating that the spread of CER-adjusted items is mainly explained by state-owned banks.

III. Deposits and Liquidity

The stock of private sector deposits in pesos went up 5.7% in real terms in December (+8.4% in nominal terms), with a relative higher increase of sight accounts (+10.6% in real terms), which mirrored in part the effect of payment of the semi-annual complementary wage and of year-end liquidity needs (see Chart 5). In turn, **time deposits in pesos of the private sector rose 1.2% in real terms against November, thus reversing the real changes recorded in the same period of previous years** (-4.6% in 2016 and -0.7% in 2017). Given the contraction in nominal terms of public sector deposits in pesos –partly due to the above-mentioned payment of the semi-annual complementary wage–, total deposits in domestic currency went down 1.7% in real terms in the period.¹⁰ Besides, **total deposits arranged in foreign currency rose 4.2% –in currency of origin– in December, driven by private sector deposits, which went up 5.2% in the month.**

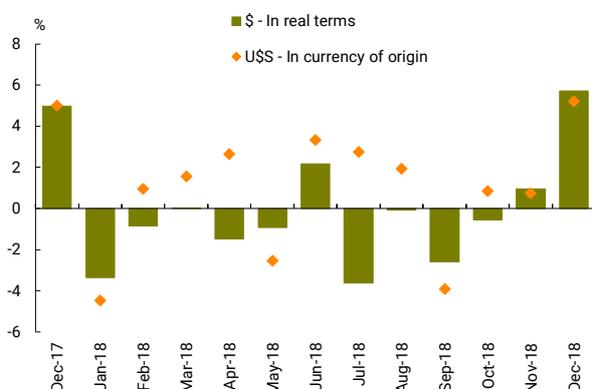
Throughout 2018, private sector deposits in pesos went down 4.8% in real terms (-16.2% for sight accounts and +12.7% for time deposits, both values in real terms), whereas public sector deposits went up. Thus, **the stock of total deposits in domestic currency rose 2.5% in real terms in the last twelve months.** In turn, **deposits in foreign currency accumulated an increase of 8.2% –in currency of origin– in 2018**, with increases in both private and public sector deposits (+8.9% and +4.9% respectively; both values in currency of origin).

Taking into account the performance of the different sources of funds of the financial system, **in December, the relative share of private sector deposits in total funding** (liabilities and net worth) **rose by 2.8 p.p., to a level of 57.5%.** On the other hand, during the month, the share of public

⁹ In currency of origin.

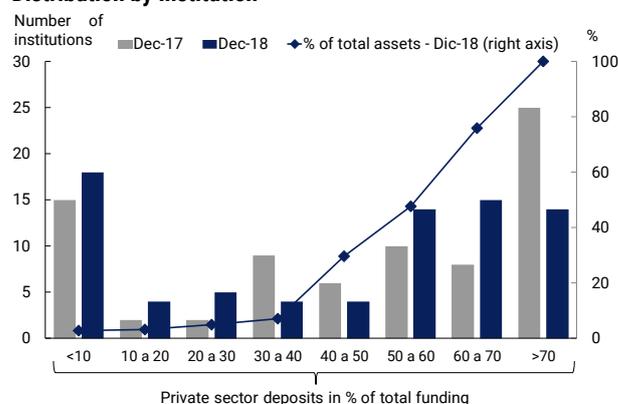
¹⁰ In December, there were some specific transactions related to public and private sector deposits, such as adjustments to retirement, pension and social security benefits and entitlements, and extraordinary payments for certain wage earners.

Chart 5 | Monthly Evolution of Private Sector Deposits



Source: BCRA

Chart 6 | Share of Private Sector Deposits in Total Funding – Distribution by Institution



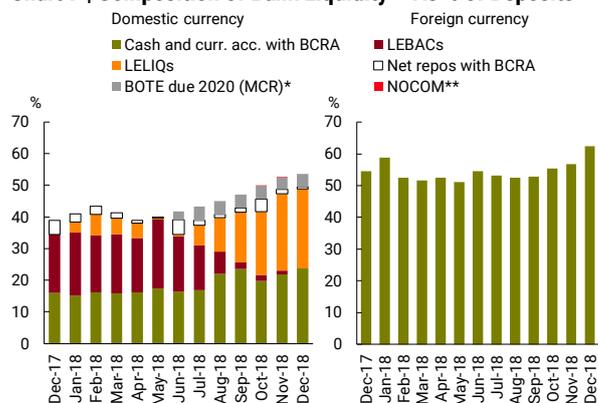
Source: BCRA

sector deposits contracted 2.9 p.p. in total funding, to 15.6%. By the end of 2018, a total of 43 banks (out of the 78 banks of the financial system) posted a ratio of non-financial private sector deposits to total funding above 50% (these financial institutions accounted for more than 70% of aggregate assets, see Chart 6).

Bank liquidity ended the year at high levels. The broad liquidity ratio – compliance with minimum

cash requirements, instruments of the BCRA and liquid assets, in domestic and foreign currency—reached 56.4% of total deposits in December (53.7% taking into account only items in pesos), going up 2.3 p.p. (+0.9 p.p.) against the previous month. The monthly increase of liquidity was mainly due to the higher holdings of cash and the stocks of current accounts of financial institutions with the BCRA (see Chart 7). In year-on-year terms, the broad liquidity of the financial system rose by 13.8 p.p. of deposits, a change mainly driven by private banks. In turn, in December, liquid assets in foreign currency accounted for 62.4% of deposits in foreign currency, 5.5 p.p. above the value recorded in November and 7.8 p.p. above the level of December 2017.

Chart 7 | Composition of Bank Liquidity – As % of Deposits



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

Interest rates for time deposits of the private sector contracted 1.6 p.p. down to an average nominal annual rate of 46.2%, after several months following an upward trend.

IV. Credit and Portfolio Quality

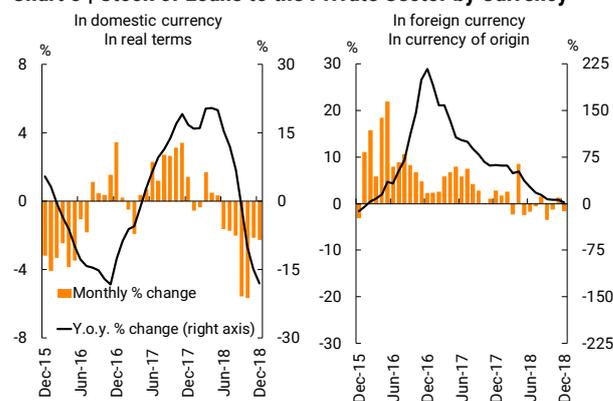
In December, the stock of loans in pesos of the financial system in aggregate to the private sector went down 2.3% in real terms against November (+0.3% in nominal terms¹¹) (see Chart 8).¹²

¹¹ Seasonally-adjusted.

The monthly performance was mainly explained by overdrafts and personal loans that, on a joint basis, accounted for almost 90% of the monthly fall in real terms of lending to the private sector. In turn, **the stock of loans in foreign currency shrank 1.6% in the period** with a widespread contraction of the different credit lines.¹³ Against this backdrop, in the last month of 2018, the stock of total lending (including domestic and foreign currency) to companies and households restated in pesos recorded a monthly drop of 2.9% in real terms (-0.4% in nominal terms).

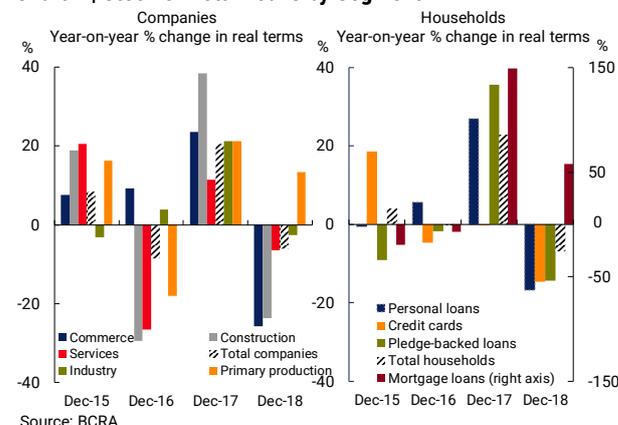
In 2018, loans in pesos to the private sector accumulated an 18% decrease in real terms (see Chart 8).¹⁴ Promissory notes, assets under leasing and pledge-backed loans exhibited the most significant relative year-on-year drops (-41%, -32% and -27%, respectively). Meanwhile, **lending in foreign currency stood slightly above the level recorded by the end of 2017 (+1.8% y.o.y.).**

Chart 8 | Stock of Loans to the Private Sector by Currency



The stock of total lending (including domestic and foreign currency) to companies contracted 3.2% in December in real terms (-0.7% in nominal terms) against November, mainly driven by the performance of loans to the industry and construction (see Chart 9).¹⁵ From January to December, **the stock of total lending to companies accumulated a fall of 6.1% in real terms.** In 2018, the decrease in real terms of loans to this segment was recorded in private banks and, to a lesser extent, in state-owned banks. In turn, in 2018, non-banking financial institutions (NBFI) increased the stock of lending to companies in real terms.

Chart 9 | Stock of Total Loans by Segment



In December, loans to households went down 2% in real terms against the previous month (+0.5% nominal), with a drop of the stock in real terms of all credit lines.¹⁶ **In year-on-year terms, total bank lending to households accumulated a contraction of 6.9% in real terms** (see Chart 9), mainly boosted by personal loans and credit cards.¹⁷ The year-on-year performance of lending to households was driven by private banks and by non-banking financial institutions, whereas state-owned banks increased loans to such segment in real terms during the period.

¹² It includes adjustments of principal and interest accrued.

¹³ Change in currency of origin.

¹⁴ It includes adjustments of principal and interest accrued.

¹⁵ 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.

¹⁶ Idem previous note.

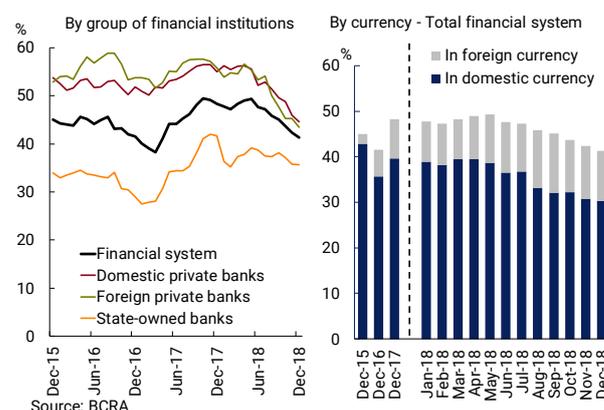
¹⁷ Adjustments of principal and interest accrued are considered.

The stock of lending in UVA to the private sector of the financial system reached \$269.77 billion by the end of 2018¹⁸, thus recording a monthly growth of 2.8% in real terms. This type of lending accounted for 11.8% of the total stock of lending to such sector of the ensemble of financial institutions by the end of 2018.

The share of lending to the private sector in total assets of the financial system reached 41.3%, down 1 p.p. against the value of November and 6.9 p.p. in year-on-year terms (see Chart 10). The monthly and year-on-year performance of this credit exposure indicator was mainly boosted by private banks. Upon breaking down data by currency, the decreased exposure of the ensemble of banks to the private sector was mainly explained by the performance of lending in pesos which went from accounting for 39.7% of total assets by the end of 2017 to accounting for 30.3% of total assets by the end of 2018.

The average lending interest rates in pesos for transactions with the private sector recorded a heterogeneous performance in December. Interest rates agreed for commercial lines (overdrafts and promissory notes), and pledge-backed and personal loans contracted against the rates recorded in November, whereas rates for credit cards and mortgage loans slightly increased. In turn, **the average lending interest rate in UVA in December did not post significant changes against November**, with slight increases for rates of mortgage and personal loans and promissory notes, which were offset by the contraction of rates for pledge-backed loans.

Chart 10 | Gross Exposure to the Non-financial Private Sector
Financing to the private sector in % of assets

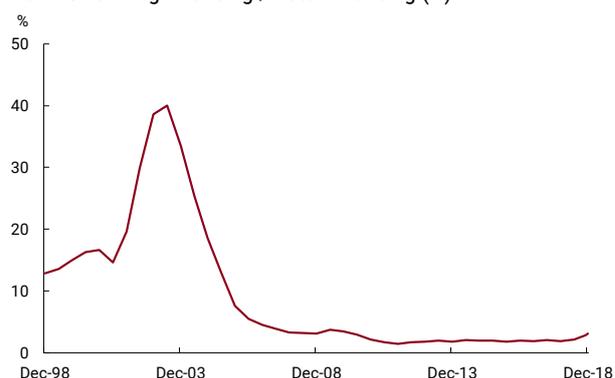


The delinquency ratio of lending to the private sector stood at 3.1% by the end of 2018, up 0.2 p.p. against the value recorded in November and up 1.2 p.p. if compared to the level by the end of 2017. Nevertheless, **it is worth stating that the levels of non-performance of bank lending to the private sector still stand at low levels if compared to historical values and against the values recorded in other economies of the region and emerging economies (see Charts 11 and 12).**

Upon breaking down by sector, in the last month of 2018, **the delinquency ratio of loans to companies went up 0.3 p.p. against November, to 2.4% in December (see Chart 13).** In year-on-year terms, such indicator accumulated a 1.5 p.p. increase, mainly due to the performance of loans to construction, commerce and industry.

¹⁸ It includes adjustment of principal as per CER evolution.

Chart 11 | Non-Performing Loans to the Private Sector
Non-Performing financing / Total financing (%)



Source: BCRA

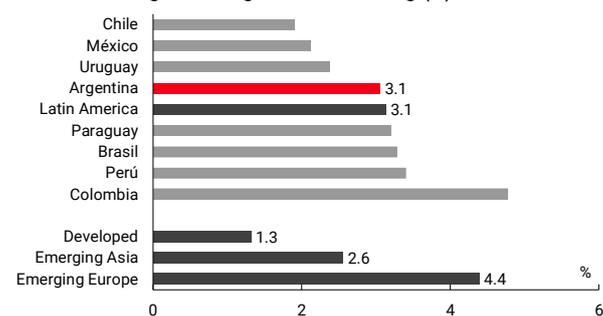
In December, the delinquency ratio of loans to households stood at 4% of the total portfolio, up 0.1 p.p. against the value recorded in November and up 1.1 p.p. if compared to the level reached one year ago (see Chart 13). The year-on-year performance was driven by loans to consumption (personal loans and credit cards) and, to a lesser extent, by pledge-backed loans. Besides, the delinquency ratio of mortgage loans to households ended the year at a level equivalent to 0.3%, slightly above the value recorded by the end of 2017. Specifically, **the non-performing ratio of UVA mortgage loans stood at low values in December, around 0.19% of the total.**

The ensemble of banks ended 2018 with high provisioning levels. Upon excluding the estimate of minimum provisions attributable to the performing portfolio, the provisioning of the aggregate financial system would account for 87% of the non-performing portfolio in the month (see Chart 14). The total stock of accounting provisions accounted for 121% of the non-performing portfolio of the private sector in December, slightly below the value recorded in November and below the level observed a year ago.

In December, the balance sheet exposure of the financial system to the private sector rose 0.3 p.p. against the value recorded in November and reached 1.6%.¹⁹ The monthly evolution was mainly due to the increase of the stock of non-performing loans to this sector. In year-on-year

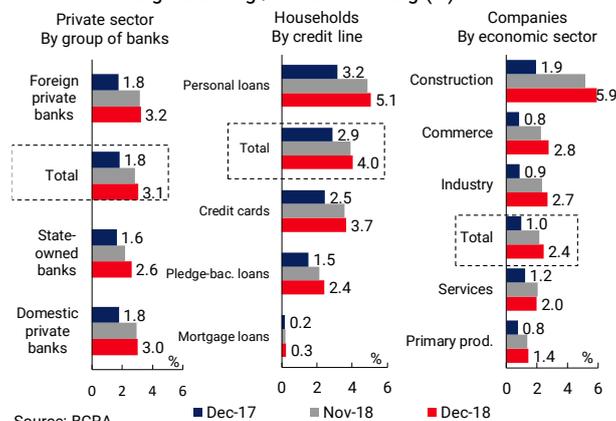
¹⁹ The balance sheet exposure to the private sector is defined as the ratio of the non-performing portfolio of the private sector net of provisions associated with the non-performing portfolio of such sector and the consolidated net worth of the aggregate financial system.

Chart 12 | Non-Performing Loans
Non-Performing financing / Total financing (%)



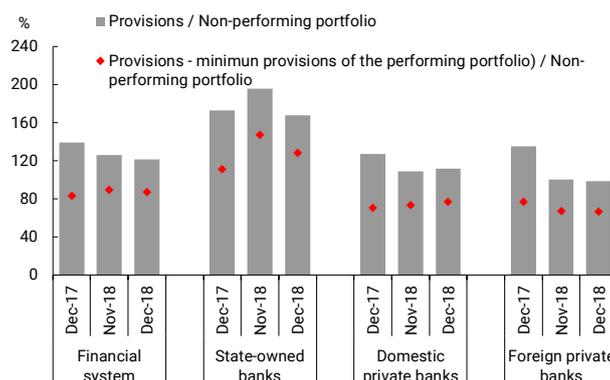
Note: Emerging Asia: China, India and Indonesia. Developed: Australia, Canada, France, Germany, USA, Japan, Spain and Italy. Emerging Europe: Bulgaria, Romania, Hungary and Turkey. Information as of 2018, except for Uruguay as of 2017. The data of regions corresponds to median.
Source: BCRA y FSI (IMF).

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



Source: BCRA

Chart 14 | Financial System Provisions



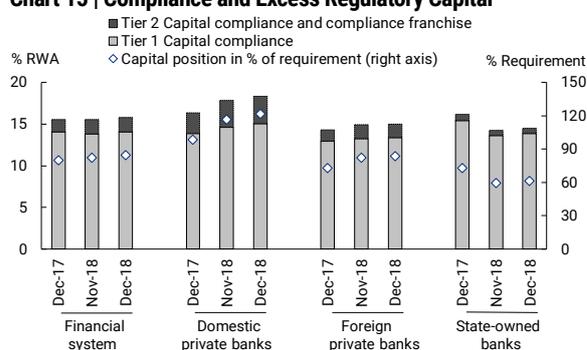
Source: BCRA

terms, this ratio stood slightly above the level recorded by the end of 2017. Meanwhile, **the gross exposure of the ensemble of banks to the public sector stood at 10.4% of total assets in December, down 0.5 p.p. against the value recorded in the previous month (+2 p.p. y.o.y.).** The fall in the period was driven by domestic private banks and by state-owned banks. Besides, the exposure of the financial system to this sector, net of the stock of deposits from the public sector, stood at -5.2% of total assets in the period (-0.4 p.p. y.o.y.).

V. Solvency

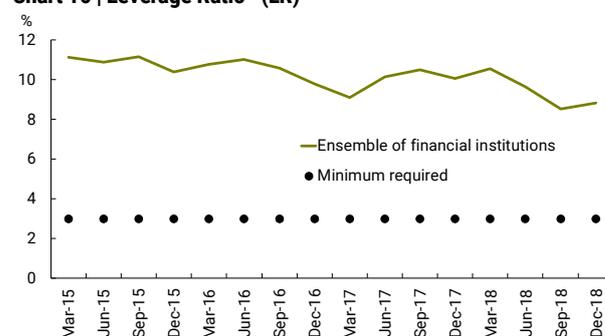
The financial system ended 2018 with relatively high values for solvency indicators (see Chart 15). Compliance with the regulatory capital accounted for 15.8% of risk-weighted assets (RWA) in aggregate in December, slightly above the compliance recorded in November 2018 and by the end of 2017. Tier 1 capital continued to be behind almost 90% of total compliance.²⁰ In turn, the excess in capital compliance accounted for 85% of the regulatory requirement. All the groups of banks posted an excess capital compliance with respect to the minimum prudential requirement. **The leverage of the ensemble of financial institutions continued to be moderate.** The leverage ratio (within the framework of the recommendations of the Basel Committee) reached 8.8% in December, widely exceeding the minimum capital requirement of 3% (see Chart 16).

Chart 15 | Compliance and Excess Regulatory Capital



Tier 1 Capital compliance: Basic Net Worth
Tier 2 Capital compliance: Supplementary Net Worth

Chart 16 | Leverage Ratio* (LR)



*Ratio of Tier 1 capital and a broad measurement of exposure (derivatives, financing transactions with securities, other assets and off-balance sheet exposures). According to the scheme of the Basel Committee (BCBS), the minimum LR for 2018 was established at 3%. Source: BCRA

In December, the financial system accrued nominal monthly income accounting for 5.1%a. of assets –ROA– (+2.7 p.p. against November, see Chart 17). The monthly ROA reached 6%a. in the group of private banks and 4.1%a. in the ensemble of state-owned banks. **Throughout 2018, the financial system recorded a nominal annual income equivalent to 3.9% of assets and 34.4% of equity,** thus recording a nominal change against 2017 of 1.1 p.p. of assets and 11.1 p.p. of equity.²¹

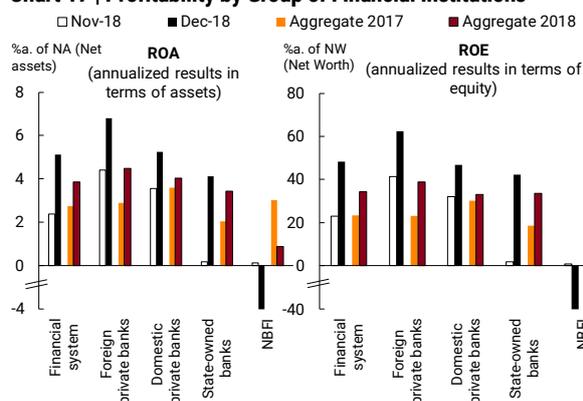
²⁰ Tier 1 capital is more adequate to cover unexpected losses. This capital comprises primarily common shares and retained earnings.

²¹ In 2018, private banks accumulated a ROA of 4.3% in nominal terms (+1 p.p. y.o.y.) and a ROE of 35.9% in nominal terms (+9.3 p.p. y.o.y.), while state-owned banks accumulated a ROA of 3.4% in nominal terms (+1.4 p.p. y.o.y.) and a ROE of 33.7% in nominal terms (+15.1 p.p. y.o.y.).

In December, the financial margin of the ensemble of financial institutions reached 13.5%a. of assets (see Chart 18). This item went up, in nominal terms, 3.6 p.p. of assets against November, mainly due to higher income from securities and a reduction of expenses for interest; in turn, these effects were partially offset by a decrease of income from exchange rate differences and CER adjustment, and lower income from interest.²² **Throughout the year, the financial margin of the ensemble of banks reached 10.9% of assets**, 0.8 p.p. above the level recorded in 2017. Taking into account the group of private banks, in December, the financial margin accounted for 13%a. of assets, up 0.5 p.p. against November (in 2018, the financial margin of private banks totaled 12.1% of assets, up 0.8 p.p. in year-on-year terms).

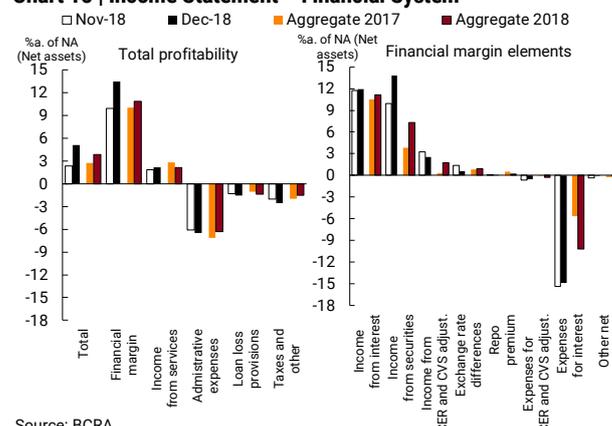
Net income from services of the financial system accounted for 2.2%a. of assets in December, widening 0.4 p.p. against November (see Chart 18). **In year-to-date terms, such net income from services accounted for 2.2% of assets**, contracting 0.7 p.p. against 2017.

Chart 17 | Profitability by Group of Financial Institutions



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

Chart 18 | Income Statement – Financial System



Source: BCRA

Total loans loss provisions went up 0.3 p.p. in the month and stood at 1.5%a. of assets in December (see Chart 18). **In 2018, loans loss provisions accounted for 1.3% of assets**, widening 0.3 p.p. against 2017, in a context of an increase in the non-performing loans in the period.

Administrative expenses of the financial system went up 0.4 p.p. of assets in December, to 6.5%a. of assets (see Chart 18).

From January to December 2018, administrative expenses totaled 6.3% of assets, down 0.9 p.p. against the expenses recorded in 2017.

²² Most of the increase of income from securities was due to an accounting adjustment performed by a bank with a significant share in the ensemble of banks.

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" 6610 – December 14, 2018 | The Central Bank adjusted the regulations on ["Deposits in savings, salary and special accounts"](#), effective as from January 2, 2019. The limit was increased for deposits in accounts denominated "Savings account for payment of entitlement plans or programs" up to an amount equivalent to five times the Minimum Wage (SMVM) per calendar month. In addition, the BCRA admitted the deposit of any type of loans in such accounts. The BCRA also expanded the scope of the types of loans admitted to be deposited with the "Salary/social security account". In turn, the term for closing a "Salary account" was changed, from 60 calendar days up to 180 calendar days calculated as from the last date of deposit of funds or notice of closing by the employer or worker, as applicable. It was established that when the employment relationship is terminated but the salary account is still active, thus resulting in the loss of benefits and/or collection of commission fees related to additional services previously contracted by the worker, such worker must be notified through self-proving means prior to accrual of the applicable commission fee.

Communication "A" 6616 – December 20, 2018 | The BCRA amended the regulations on ["Minimum reserve requirements"](#) by establishing different requirement rates, as follows:

- i) Institutions within Group "A" and any institutions such as branches or subsidiaries of foreign banks classified as global systemically important banks (G-SIBs) not included in such Group. A minimum reserve requirement was established for sight deposits, which may be satisfied as follows: 30% in pesos, 5% in Treasury Bonds (BOTEs) due 2020 and 10% in Liquidity Bills (LELIQs). For time deposits with residual term up to 29 days, the above-mentioned percentages were established at 17%, 5% and 13%, respectively. The longer the residual term of deposits the lesser the requirements.
- ii) Other financial institutions. A minimum cash requirement is established to be complied in pesos of 20% for sight deposits, 14% for time deposits with a residual term up to 29 days, 10% for deposits with a residual term from 30 to 59 days, 5% for deposits with a residual term from 60 to 89 days and 0% for terms exceeding 90 days, and the possibility to comply with such requirement using BOTE due 2020 was eliminated.

These measures are to become effective as from February 1, 2019 for the first group of institutions, and as from January 1, 2019 for the second group. In turn, the daily compliance with minimum cash requirement in case of a deficiency in compliance in the previous month was reduced from 70% to 50%. The BCRA eliminated the possibility of using LELIQs/NOBACs to satisfy the increase of balances recorded in certain time deposits against the balance as of September 30, 2018.

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 provisiones 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 provisiones 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 provisiones 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.

