Report on Banks

March 2021

BANCO CENTRAL
DE LA REPÚBLICA ARGENTINA

Table of Contents

About the use of inclusive language in the Spanish version of this report

The Central Bank of Argentina is committed to encouraging the use of a non-discriminatory language that promotes the acceptance of all gender identities. It should be noted that all those who have contributed to this report acknowledge that language influences on ideas, feelings, ways of thinking, as well as principles and core values.

Published on May 27, 2021.
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.

Electronic subscription | Opinion Poll | Previous issues.
For comments and inquiries: analisis.financiero@bcra.gob.ar

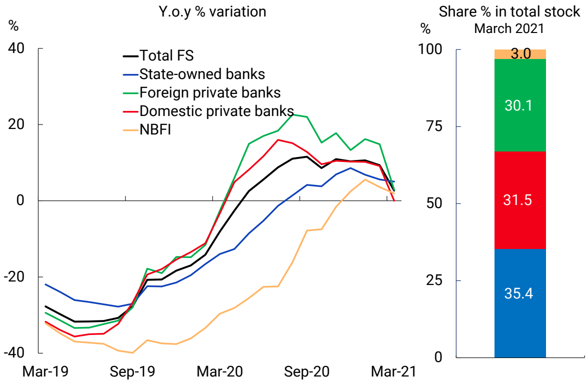
Executive Summary

- In March, the financial system developed its activity preserving high levels of liquidity and solvency, in a context characterized by the worsening of the pandemic-related health situation impacting on the recovery of the economic activity and where the financial intermediation with the private sector was more moderated.
- During this month, the stock of loans to private sector in pesos contracted 3.4% in real terms (+1.2% in nominal terms), and kept a growth of 2.7% year-on-year (y.o.y.) in real terms, above the drops recorded in the same month of previous years (-27.7% y.o.y. for March 2019 and -8.1% y.o.y. for March 2020) and after a sustained growth of lending to the private sector until early 2021 favored by the stimulus policies implemented by the government and the BCRA. In the context of the measures adopted to facilitate access to lending for companies, in March, the BCRA renewed the quota of the Credit Line for Productive Investment (LFIP) for micro, small and medium-sized enterprises (MSMEs). Under this program, there are disbursements in aggregate for more than $513.3 billion by the end of April, comprising 120,181 companies. In turn, during this month, loans to private sector in foreign currency rose 7.2% —in currency of origin.
- In March, the non-performing ratio of loans to private sector increased slightly to 3.9% (-1.4 p.p. y.o.y.). It is worth considering that up to such month, measures had been in effect to ease the financial burden of debtors in the context of the pandemic: temporary modification of parameters for classification of debtors and possibility of transferring unpaid instalments to the end of the lifetime of the loan —accruing only compensatory interest. From the beginning of April 2021 to the end of May 2021, the BCRA established a gradual transition in the parameters for classification of debtors of financial institutions, to eventually return to the criteria in force and effect prior to the commencement of the pandemic as from June 2021. More recently, in order to favor the financial relief focused on the most critical and hardest-hit sectors due to the pandemic, it was established that financial institutions would include at the end of the lifetime of the credit any unpaid instalments of financial aid granted only for debtors that are employers subject to the Productive Recovery Program II (REPRO II), accruing only compensatory interest.
- The real stock of private sector deposits in pesos stood without significant changes throughout the month (+4.8% in nominal terms), with an increase of time deposits –keeping the minimum rates unchanged– and with a decrease in sight accounts. In line with the various saving instruments launched by the BCRA with inflation hedge, in March, the growth of UVA time deposits continued to be remarkable, with a monthly increase of 34.8% in real terms for deposits with an early cancelation option and of 16.3% in real terms for traditional UVA deposits. In year-on-year terms, the stock of private sector deposits in pesos grew in aggregate 12.6% in real term. In turn, in March, the stock of private sector deposits in foreign currency rose 1.6% —in currency of origin.
- From high levels, if compared to the last 15 years, in March, the financial system's liquidity ratios went up. Broad liquidity stood at 66% of total deposits in the month (61.5% if taking into account items in pesos), up 1 p.p. against February and up 1.4 p.p. against the value recorded a year ago.
- Regulatory Capital (RC) of the financial system stood at 25.3% of risk-weighted assets (RWA), up 0.5 p.p. against February and 3.3 p.p. y.o.y. In turn, the ratio of RC to loans to private sector net of provisions —an indicator of resilience to the eventual risk credit materialization— reached 45.8% in aggregate in March, up 1.3 p.p. against the previous month (+8.8 p.p. y.o.y.), and this is a high record if compared to the average for the last 10 years (26.2%).
- In the first quarter of 2021, comprehensive income in homogeneous currency accrued by the aggregate financial system was equivalent to 0.2% annualized (a.) of assets (ROA) and to 1.3%a. of equity (ROE), below the values recorded throughout 2020. In the aggregate of the last 12 months to March, the sector recorded a ROA of 1.9% and a ROE of 12.7%.
- Electronic means of payment have shown a remarkable performance in a context intended to encourage the measures implemented by the BCRA including the launching of the system of Payment by Bank Transfers and regulatory incentives (regulatory liquidity requirements). Specifically, total transfers in pesos in April 2021 (latest information available) rose 41% y.o.y. in number and 17.3% y.o.y. in amount in real terms. The relative higher momentum of instant transfers through mobile banking and online banking stands out. In turn, the share of transactions using electronic checks (ECHEQs) increased in the total clearing of checks both in number (up to 14.5%), and in amount (up to 36.9%).

I. Financial Intermediation Activity

In March, the financial system intermediation activity with the private sector in domestic currency contracted in real terms. In this respect, it is worth stating that the sustained recovery of economic activity until early 2021, encouraged by the stimulus measures of the Argentine government and the BCRA, as well as the fact that several sectors started to resume activities, added to the commencement of the vaccination process, was lessened by the worsening by the pandemic-related health situation as from March.

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

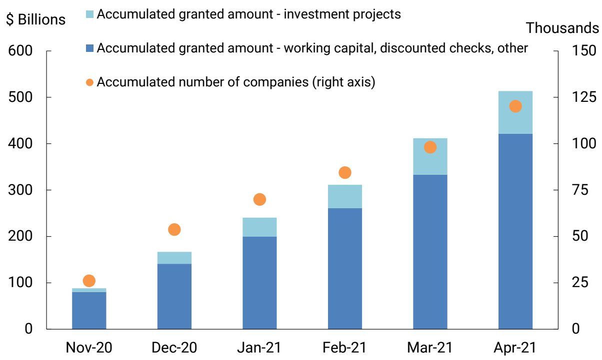


* Not seasonally adjusted. Total includes adjustments of principal and interest accrued.
NBFI: Non-Banking Financial Institutions. Source: BCRA

During this month, the stock of loans to private sector in pesos contracted 3.4% in real terms (+1.2% in nominal terms).[1] [2] Within this segment, almost all credit lines showed reductions in real stocks, except for pledge-backed loans and loans backed with assets under financial lease. In year-on-year terms, lending in domestic currency to the private sector, after a sustained recovery until early 2021, continued to grow but at a slower pace, up 2.7% in real terms, with a relative higher momentum in state-owned financial institutions. Even though this variation stood below the records observed in preceding months, it exceeded the values recorded in March of previous years (-27.7% y.o.y. in real terms for 2019, and -8.1% y.o.y. for 2020, see Chart 1).[3]

The BCRA continues to encourage credit with favorable conditions for the productive sector, and in particular, for micro, small and medium-sized enterprises (MSMEs), aimed at investing in machinery and equipment, and at rebuilding the working capital. Thus, within the measures intended for promotion of credit, in mid-March, the BCRA renewed the quota of the Credit Line for Productive Investment (LFIP) of MSMEs.[4] As from its implementation in mid-October 2020 and up to the end of April 2021, under the LFIP over $513.3 billion[5] have been disbursed in aggregate (out of which amount, 19.8% corresponds to the 2021 quota), and comprising 120,181 companies (see Chart 2). Domestic

Chart 2 | Credit Line for Productive Investment (LFIP) of MSMEs



Note: End-month data. Information subject to rectification. Source: BCRA

1 Including capital adjustments and accrued interest.
2 Differences of the balance sheet stock expressed in homogeneous currency. Information taken from the Monthly Accounting Reporting System (March 2021, latest information available at the time of publication of this Report).
3 Throughout this Report, whenever reference is made to ensembles of private (domestic and/or foreign) and state-owned financial institutions, such reference is to banks. Non-banking financial institutions shall be referred to as "EFNBs".
4 See Communication "A" 7240.
5 Almost 18% of aggregate disbursements correspond to investment projects.

private financial institutions accounted for 36% of total disbursements, state-owned institutions accounted for 33% and the rest was attributed to foreign financial institutions.

In parallel, through the credit line at subsidized interest rates for companies registered in the "Emergency Assistance Program for Work and Production" (ATP),[6] 20,912 loans have already been granted for a total of $14.29 billion up to the end of April.

Considering credit lines intended for persons under the simplified tax regime or self-employed workers, through Zero-Interest Credit Lines,[7] around $66.5 billion have already been granted until the end of April, and around $310 million have been lent through the Culture Zero-Interest Financing.[8]

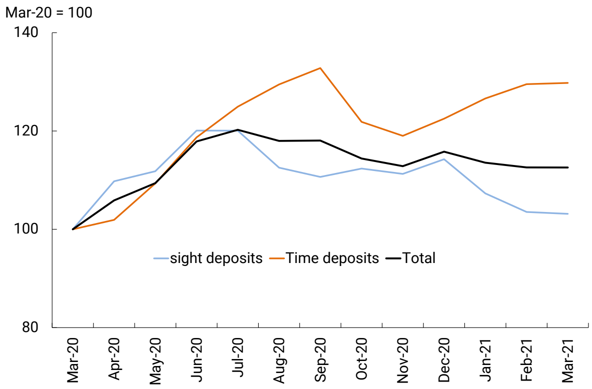
In order to continue encouraging access to credit, financial inclusion and use of electronic means of payment, in March, the BCRA established a series of incentives for financial institutions through exemptions from regulatory liquidity requirements. To obtain such exemption, financial institutions must prove that they have granted financing to natural persons or SMEs not registered as debtors of financial institutions, and/or that they have increased the transactions through electronic means and/or have improved ATMs operations.[9]

Considering foreign currency items, the stock of loans went up 7.2% in March —in currency of origin—, mainly driven by the performance of lending to exports of foreign private institutions,[10] after keeping a competitive and stable real exchange rate. As a result, the total stock of loans (both in domestic and foreign currency) to the private sector contracted 2.4% in real terms against February (-5.9% y.o.y. in real terms).

As regards funding of the financial system, within a context of minimum interest rates without changes, the stock of private sectors deposits in pesos in real terms posted no sizable changes against February (+4.8% in nominal terms) (see Chart 3). Sight accounts shrank 0.4% in real terms (+4.4% in nominal terms), whereas time deposits rose 0.2% in real terms (+5% in nominal terms). In recent months, the momentum of saving alternatives protected against inflation has stood out among the various yield-enhancement instruments[11] (see Chart 4). In particular, UVA time deposits with an early cancellation option –launched by the BCRA in January 2020 in order to provide an attractive saving alternative in domestic currency, adjustable by price evolution, at a positive real interest rate– increased 34.8% against February, whereas traditional UVA deposits went up 16.3%, in both cases in real terms. In spite of this momentum, the relative weight of the stock of private sector UVA time deposits continues to be low in the aggregate of private sector time deposits in pesos, accounting for 4.3% in March.

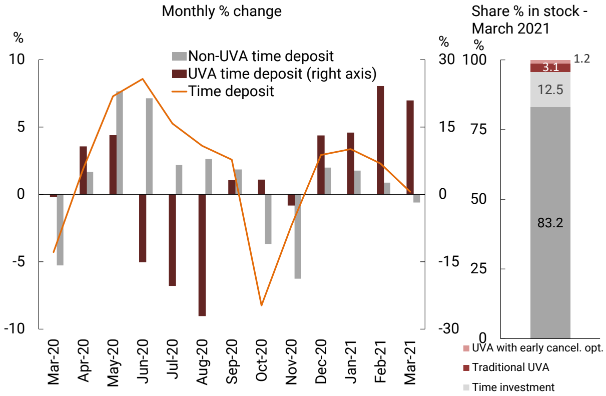
6 See Communication "A" 7082 and Communication "A" 7102.
7 See Communication "A" 6993.
8 See Communication "A" 7082.
9 See Communication "A" 7254 and Press release of March 31, 2021.
10 For further detail, see Report "Evolution of the Foreign Exchange Market and Exchange Balance – March 2021".
11 See Press release.

Chart 3 | Stock of private sector deposits in pesos
In real terms*



*Non-seasonally-adjusted. Source: BCRA

Chart 4 | Stock of private sector time deposits in pesos –In real terms*

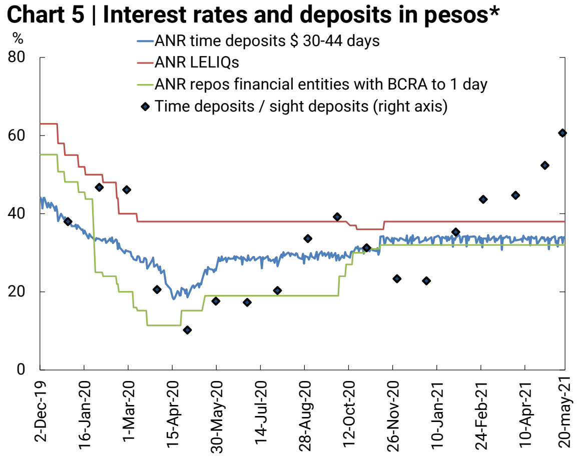


*Non-seasonally adjusted. Source: BCRA

Monetary policy and nominal borrowing interest rates in pesos stood stable during the month (see Chart 5). Against this backdrop, as from the beginning of the year, there has been an increase in the stock of time deposits/ sight accounts ratio of the private sector in domestic currency.

In March, private sector deposits in foreign currency went up 1.6% against February —in currency of origin—, and this performance was mainly driven by private financial institutions. Thus, the real stock of private sector total deposits (in domestic and foreign currency) went down 0.2% against February (+4.6% in nominal terms), accumulating an increase of 6.4% y.o.y.

Chart 5 | Interest rates and deposits in pesos*



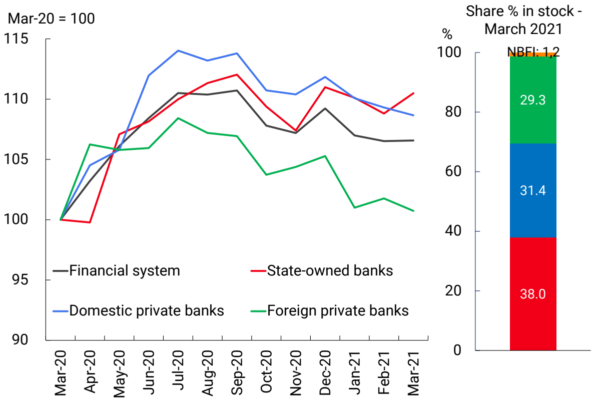
*Balance sheet stock in pesos (private sector). Last 2 figures are estimated .
Source: BCRA

In the last twelve months, the stock of private sector deposits in domestic currency rose 12.6% in real terms (+60.6% y.o.y. in nominal terms), whereas public sector deposits increased 32.7% in real terms (+89.4% y.o.y. in nominal terms) in the same period. Considering both sectors, the stock of deposits in pesos accumulated a year-on-year growth equivalent to 15.6% in real terms (+64.9% y.o.y. in nominal terms). Finally, taking into account both the private and public sectors and all currencies (domestic and foreign), the stock of total deposits rose 9.6% y.o.y. in real terms (+56.3% y.o.y. in nominal terms) in March.

II. Aggregate Balance Sheet Composition

In March, total assets of the ensemble of financial institutions posted no sizable changes in real terms against February (+0.1% in real terms, or +4.9% in nominal terms), with an increase in the ensemble of state-owned financial institutions and with a decrease in private institutions (see Chart 6). In a year-on-year comparison, the total asset of the aggregate financial system

Chart 6 | Stock of total assets
In real terms

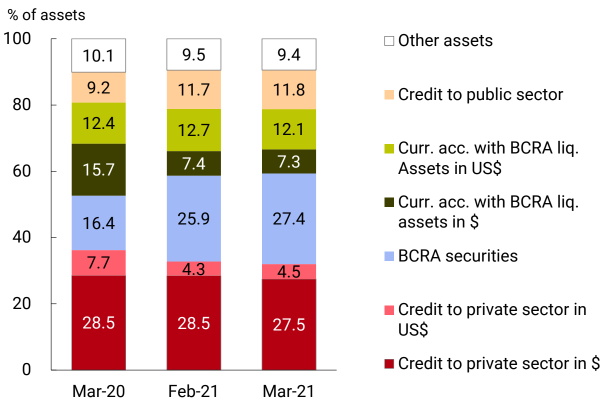


NBFI: Non-Banking financial institutions. Source: BCRA

accumulated a growth of 6.6% in real terms, with increases in all ensembles of financial institutions (banks).

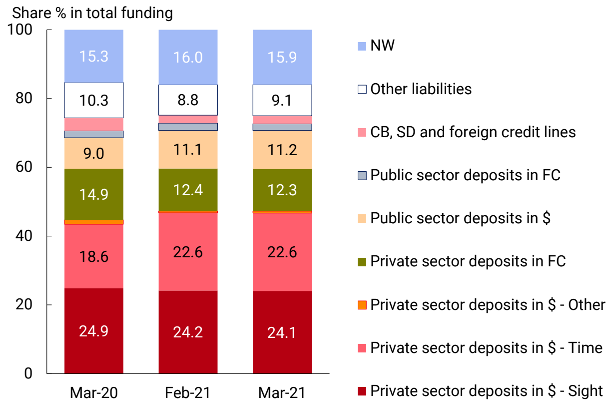
As regards the composition of total assets of the financial system, an increase was observed in March in the weight of holding of monetary regulation instruments and the relevance of loans to private sector in foreign currency (see Chart 7). In turn, during this month, the share of lending in pesos to the private sector, lessened by the worsening of the pandemic-related health situation, and the financial institutions' holdings in foreign currency current accounts with the BCRA went down in total assets.

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



Source: BCRA

Chart 8 | Composition of total funding – financial system
In % of total funding (liabilities + net worth)

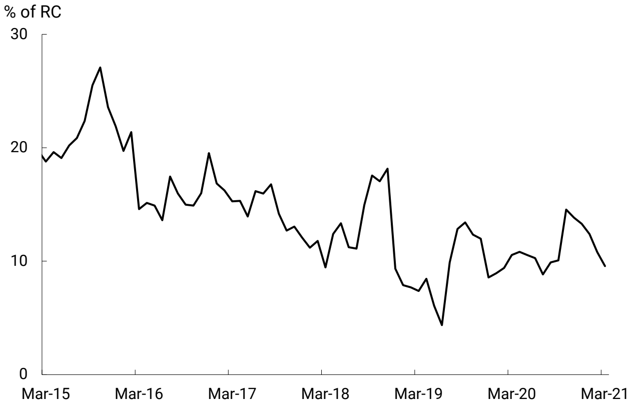


FC: Foreign currency. Source: BCRA

In relation to the composition of funding, no sizable changes were observed in March against the previous month (see Chart 8). Private sector deposits in domestic currency continued to show the highest relative weight, and they accounted for 47.3% of total funding (liabilities and equity).

In March, foreign currency assets of the ensemble of financial institutions accounted for 19.2% of total assets, down 0.5 p.p. against February and 3.5 p.p. if compared to the level recorded one year ago. In turn, foreign currency liabilities posted a similar performance, with a 17.4% share of total

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

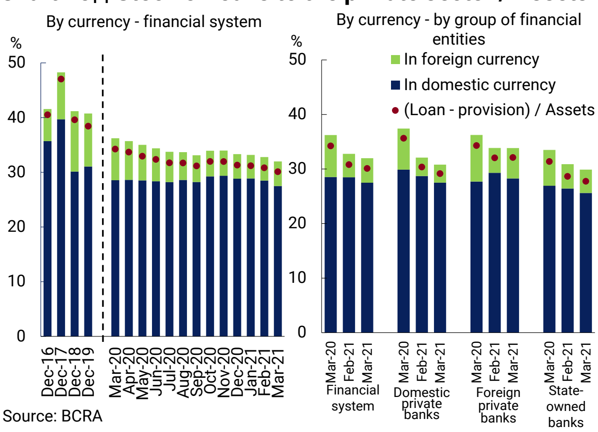


Source: BCRA

funding (liabilities and equity). Also taking into consideration the purchase and sale forward transactions in foreign currency —classified as off-balance—, the spread of the financial system's assets and liabilities in foreign currency stood at 9.6% of regulatory capital, going down both in monthly and in year-on-year terms (see Chart 9).

III. Portfolio Quality

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

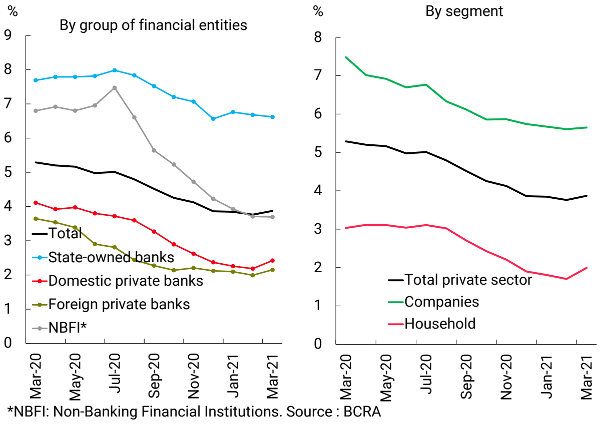


Source: BCRA

In March, the gross exposure of the financial system to the private sector (both in domestic and foreign currency) stood at 32% of total assets,[12] down 0.8 p.p. against February (-4.2 p.p. y.o.y.). The ratio stood at 27.5% if considering only lending in pesos, 1 p.p. below the value recorded in the previous month (-1 p.p. y.o.y.) (see Chart 10). In turn, the share of loans to private sector in foreign currency increased slightly in total assets against February (+0.2 p.p.), even though it stood below the level of March 2020 (-3.2 p.p. y.o.y.).

In March, the non-performing ratio of loans to private sector for the aggregate financial system slightly rose up to 3.9% (-1.4 p.p. y.o.y.) (see Chart 11). The monthly increase was mainly explained by private financial institutions. This performance occurred during the effectiveness, until March 2021, of the temporary modification of the parameters to classify debtors and the possibility of deferring unpaid installments to the end of the lifetime of the loan —accruing only compensatory interest[13]— to mitigate the financial burden upon the pandemic-related health scenario. In this respect, as from early April 2021 and until late May 2021, the BCRA decided to establish a schedule for gradual transition of the parameters to classify debtors of financial institutions.[14] Following this transition, as from June 2021, financial entities must classify debtors according to the delinquency criteria existing before March 2020. Finally, it was established that financial institutions must include, at the end of the lifetime of the credit, any unpaid instalments of financial aid granted only for

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



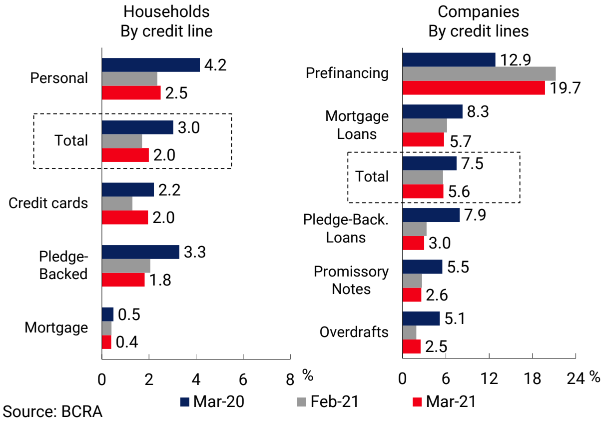
*NBFI: Non-Banking Financial Institutions. Source : BCRA

[12] This ratio reached 30.1% if credit to the private sector is netted from the stock of accounting loan loss provisions.
[13] Communication "A" 6938, Communication "A" 7107, Communication "A" 7181, and Item 2.1.1. of Consolidated Text "Financial Services in the context of Health Emergency provided for by Executive Order No. 260/2020 CORONAVIRUS (COVID-19)".
[14] Communication "A" 7245.

debtors that are employers subject to the Productive Recovery Program II (REPRO II), accruing only compensatory interest.[15]

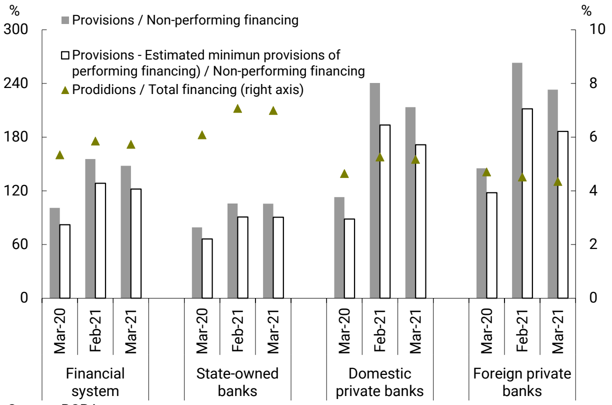
The non-performing ratio of loans to households stood at 2% in the period, 0.3 p.p. above the level of February (-1 p.p. y.o.y.). This monthly performance was mainly driven by the increase shown in delinquency of credit cards (see Chart 12). As regards loans to companies, the non-performing ratio stood at 5.6% in March, in line with the record of the previous month (-1.8 p.p. y.o.y.). The monthly increase in the non-performing ratio observed in overdrafts was offset by the decrease in the remaining financial aids.

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



Source: BCRA

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



Source: BCRA

The loan loss provisions recorded by the aggregate financial system accounted for 5.7% of the total stock of loans to the private sector in March, slightly below the record of February (+0.4 p.p. y.o.y., see Chart 13). The total loan loss provisions in terms of the non-performing portfolio stood at 148% in this month. In turn, in March, 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) totaled 122% of such portfolio.

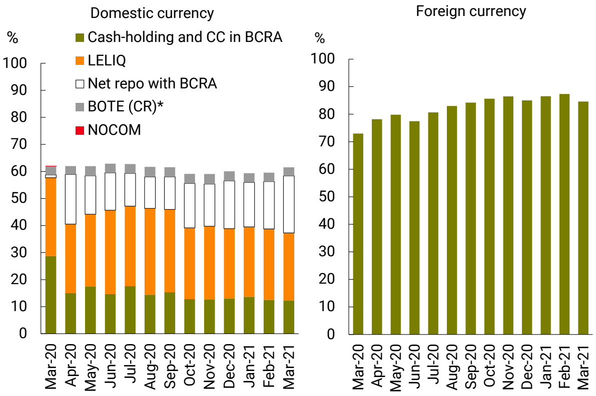
IV. Liquidity and Solvency

The liquidity of the aggregate financial system ended the first quarter of the year at high levels compared to the levels recorded in the last 15 years. The broad liquidity ratio[16] of the sector rose 1 p.p. of total deposits in March, up to 66% (+2 p.p. up to 61.5% considering items in pesos and -2.7 p.p. up to 84.6% for the foreign currency segment, see Chart 14). The monthly increase of liquid assets in pesos was mainly due to the higher stock of net repos with the BCRA, whereas there was a reduction in the share of the stock of LELIQs and of financial institutions' current

[15] Communication "A" 7285. The BCRA will provide a list of such employers. It is worth considering that the restructuring of credit due to application of the provisions set forth shall not entail a refinancing for the client's inability to pay for the purposes of regulations on "Classification of Debtors".
16 Liquid assets, regulatory liquidity requirements, and BCRA instruments, in domestic currency and in foreign currency.

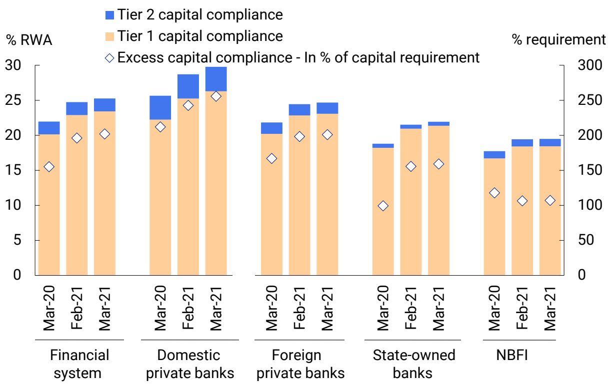
accounts with the BCRA. In the last 12 months, broad liquidity increased 1.4 p.p. of deposits, mainly due to the performance of the foreign currency segment.

Chart 14 | Financial system liquidity
In % of deposits



*CR: Cash reserves. Source: BCRA

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



NBFI: Non-Banking Financial institutions. Source: BCRA

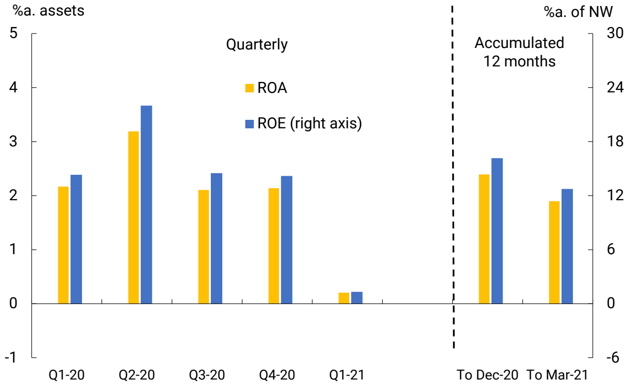
The solvency ratios of the ensemble of financial institutions rose in March. The ratio of Regulatory Capital (RC) in terms of risk-weighted assets (RWA) stood at 25.3% for the sector in aggregate in March, up 0.5 p.p. against February (see Chart 15). All the groups of financial institutions increased their capital adequacy over the month. In turn, the capital position (RC net of the regulatory requirement) of the ensemble of financial entities increased 5.8 p.p. of the regulatory requirement in March, up to 202%. In a year-on-year comparison, the regulatory capital requirement and the capital position of the financial system went up 3.3 p.p. of RWAs and 46.8 p.p. of the regulatory capital requirement, respectively.

The ratio of minimum capital requirement to loans to private sector, net of accounting provisions for the aggregate financial system, makes it possible to acquire a general notion of the level of resilience of the sector to credit exposure. In March, this ratio stood at 45.8% in aggregate, up 1.3 p.p. against February (+8.8 p.p. y.o.y.), and this is a high level if compared to the average for the last 10 years (26.2%).

As regards internally-generated funds, in the first quarter of 2021, aggregate profitability indicators of the sector remained at positive levels, below the records obtained in 2020. The financial system accrued total comprehensive income in homogeneous currency equivalent to 0.2% annualized (a.) of assets (ROA) and equivalent to 1.3%a. of equity (ROE) in the first three months of 2021 (see Chart 16). The lower profitability indicators of the first quarter of 2021, if compared to the aggregate for 2020, particularly show the price dynamics, a higher cost of funding for deposits in pesos (minimum rates and increasing share of time deposits), a reduction of income from securities and some increase in tax burdens, among other factors. These effects were moderated by lesser loan loss provisions, administrative expenses and income tax accrued, among other events.

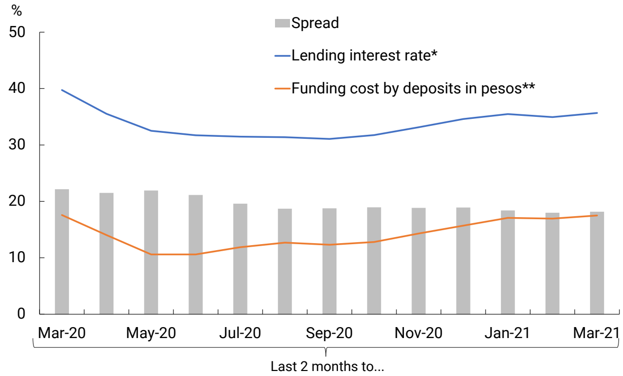
The reduced profitability of the sector observed in recent months is, to a certain extent, in line with the evolution of the spread of nominal implicit interest rates estimated for domestic currency

Chart 16 | Total comprehensive income in homogeneous currency – Financial System



Source: BCRA.

Chart 17 | Estimated implicit nominal interest rates (annualized) – Financial System



*For loans in pesos (non-financial), LELIQs not used to comply with Minimum Cash requirements, and Net Repos with BCRA. ** Considering the Minimum Cash requirement. Source: BCRA

transactions.[17] [18] Specifically, in the last two-month period, the spread between the implicit lending rate average in pesos and the implicit cost of funding for deposits in pesos continued to decline (see Chart 17). On the margin, this performance occurred in the context of increases in the cost of funding and in the lending rate, and the former was relatively higher than the latter. Likewise, when estimating the behavior of implicit interest rates, regardless of the effect of inflation, a reduction of the spread was observed as well in the last two-month period and in a year-on-year comparison.

Considering the last twelve months up to March, the ROA of the ensemble of financial institutions totaled 1.9% and the ROE reached 12.7%. The financial margin of the sector accounted for 11.6% of assets. The most remarkable sources of financial income during this period include income from securities (8.7% of assets)[19] and interest on loans (8% of assets). Other profitability sources of lesser volume were premiums for repo transactions, CER-adjusted items and exchange rate differences. As regards expenses, interest paid for deposits continued to be the most relevant item, totaling 9.2% of assets.

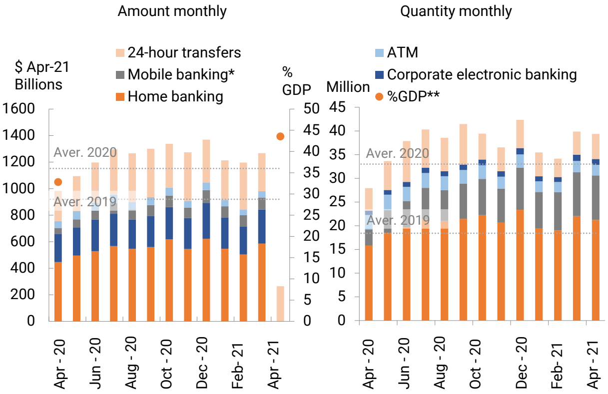
Among non-financial items of the income statement, from April 2020 to March 2021, income from services (1.8% of assets) stood out as sources of net income. Taking into consideration non-financial expenses, administrative expenses (6.5% of assets) and loan loss provisions (1.4% of assets) were the most relevant.

17 Concepts such as administrative expenses, tax expenses, cost of capital or other components associated with hedging for risks inherent in financial intermediation activities are not taken into account for the construction of implicit interest rates.
18 In this estimate, implicit interest rates are built by accumulating the flows for the last two months annualized. For further detail as to the method of calculation, see previous issues of the Report on Banks.
19 In addition to this record, the ensemble of financial institutions recorded income from securities within "other comprehensive income". The latter are estimated to be around 1.7% of assets for the last 12 months.

V. Payment System

In recent months, electronic means of payment continued to gain momentum in the economy as a whole.

Chart 18 | Total transfers in pesos (instant and 24-hour)



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

During April, total transfers in pesos (instant and 24-hour transfers) decreased against the previous month, even though they still stand at values above the monthly average for 2020. Moreover, in relation to the same month of the previous year, total transfers in pesos rose 41% in number and 17.3% in amount in real terms (see Chart 18); this increase partly mirrors some changes of habit as a consequence of the pandemic-related health situation. Instant transfers boosted this performance, with an outstanding relative expansion of transactions by households through mobile banking (+98% y.o.y. in real amounts) and online banking (+26.5% y.o.y.), followed by corporate electronic banking transactions (+13.8% y.o.y.). In particular, among transfers made through mobile banking, the wallets of state-owned financial institutions (*Cuenta DNI* and *BNA+*) accounted for 40% of the number of transactions conducted in April. Based on this performance, it is estimated that the amount traded through total transfers grew 10.7 p.p. of GDP in a year-on-year comparison, up to 44% in April 2021. The trend observed for growth of instant transfer transactions is expected to continue in the next months, both due to the changes of habits as from the onset of the pandemic and to the encouragement by financial institutions and by the Central Bank in this regard (launching of the Payment by Bank Transfers system and the incentives in terms of liquidity requirements for electronic transactions –debits in sight accounts, ECHEQs and credit invoices).

It is worth stating that, since the end of 2020, the system for payment with instant transfers was reformulated and optimized. Payment by Bank Transfers is like paying in cash, but using cards of access to sight accounts or payment accounts or quick response (QR) codes payments, with the advantage that this is an interoperable, immediate, economic, competitive and flexible system.[20] Upon the new implementation, users may read QR codes with any virtual wallet or bank app. In particular, the number of transactions under the Payment by Bank Transfers system grew 14% in the first four months of 2021.

During March (latest information available), transactions with debit cards went up both in number and in amount in real terms against February (see Chart 19), with a relatively higher increase in transactions through e-commerce vis-à-vis onsite transactions. Thus, the share of electronic transactions increased in the aggregate (up to totaling 27.8% in number and 29% in amount). In a

20 For further detail, see Press release of December 5, 2020.

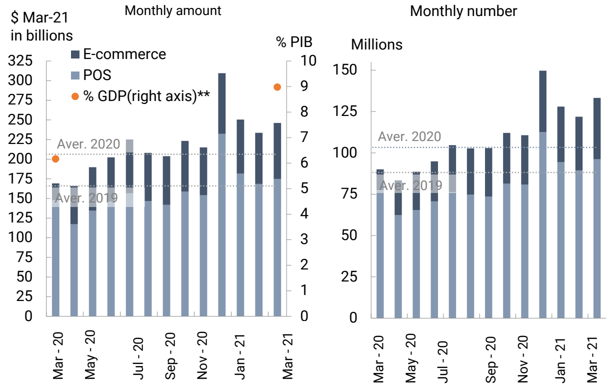
year-on-year comparison, debit card transactions posted a significant hike (48% in number and 45.4% in amounts, in real terms).

In March (latest information available) and in the context of seasonal factors, an increased use and withdrawal of funds through ATMs was recorded if compared to the previous month (see Chart 20). In year-on-year terms, there was a 5.2% rise in the number of cash withdrawals by means of ATMs and of 18% in amounts dispensed, measured in homogeneous currency.

During April, the clearing of checks decreased against March both in number and in amount in real terms, standing at levels similar to the monthly average for 2020 (see Chart 21). In the month, clearing declined in both formats (ECHEQs and physical documents). The share of transactions through ECHEQs increased in the total cleared both in number (up to 14.5%) and in amount (up to 36.9%). In relation to the same month of the previous year, total transactions through clearing of checks decreased in number (-7.2%) and increased in amount in real terms (24.2%).

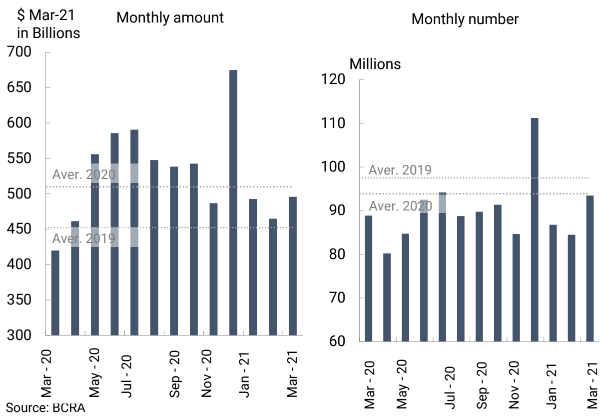
During April, bouncing of checks for insufficient funds in terms of the total cleared checks slightly rose against the previous month: in number (+0.04 p.p., with a level of 0.64%) and in amount (+0.07 p.p., with a level of 0.5%). The ratio of bounced checks due to insufficient funds is standing

Chart 19 | Debit card transactions



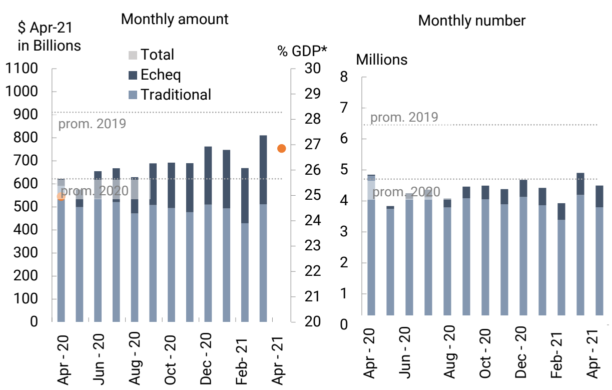
Source: BCRA. ** Three-month moving average annualized in terms of nominal GDP estimated for the same period. Not-seasonally adjusted.

Chart 20 | Cash withdrawal



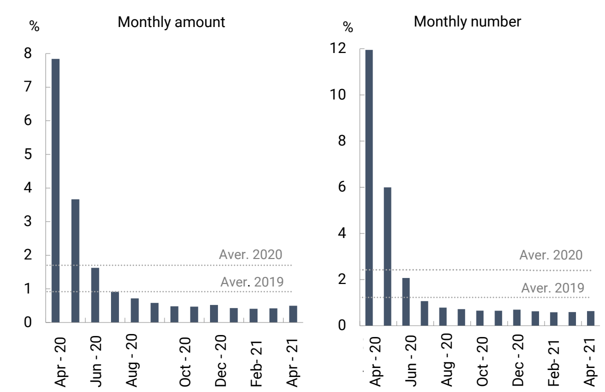
Source: BCRA

Chart 21 |Cleared checks



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

Chart 22 | Bounced checks for insufficient funds



Source: BCRA. Note: Including bouncing of traditional checks and Echeqs below the annual average recorded in 2020. In relation to the peaks observed in the same month of the previous year, the ratio of bounced checks went down 11.3 p.p. in number and 7.3 p.p. in amount (see Chart 22).