

## TABLE OF CONTENTS

1	<b>ECONOMIC AND FINANCIAL MARKET BACKGROUND</b>	1
1.1	MAIN MARKET REFORMS IN RECENT YEARS .....	2
1.2	BANKING SECTOR: RECENT REFORMS AND CURRENT STRUCTURE .....	2
1.2.1	Recent Reforms.....	2
1.2.2	Current Structure .....	3
1.3	OTHER MAJOR CREDIT-GRANTING INSTITUTIONS OF THE FINANCIAL AND NON-FINANCIAL SECTORS.....	7
1.3.1	Financial Intermediation Cooperatives .....	7
1.3.2	Finance Houses .....	7
1.3.3	External Financial Institutions.....	8
1.3.4	Management Companies for Savings Societies Funds .....	8
1.3.5	National Development Corporation (CND).....	8
1.3.6	Other Firms Grant Credit to the NFS.....	9
1.4	THE CURRENT CREDIT MARKET .....	9
1.4.1	Key Issues in Business Financing.....	10
1.4.2	Key Issues in Consumer Financing .....	10
1.4.2.1	Consumer Credit .....	10
1.4.2.2	Mortgage Lending .....	11
1.5	MAJOR TRENDS IN CREDIT REPORTING .....	11
2	<b>INSTITUTIONAL ASPECTS</b> .....	12
2.1	LEGAL FRAMEWORK .....	12
2.1.1.	Privacy.....	13
2.1.2.	Banking Secrecy .....	14
2.1.3.	Consumer Protection/Quality Assurance .....	14
2.2	THE ROLE OF FINANCIAL INSTITUTIONS: CREDIT REPORTING .....	14
2.2.1.	Credit Reporting Agencies .....	14
2.2.2.	Banking Sector.....	15
2.2.3.	Other.....	15
2.3	THE ROLE OF THE AUTHORITIES .....	15
2.3.1.	Central Bank .....	15
2.3.2.	Ministry of Economics and Finance.....	15
2.3.3.	National Internal Audit Office .....	16
2.3.4.	Consumer Protection Agency.....	16
2.4	THE ROLE OF OTHER PUBLIC AND PRIVATE SECTOR INSTITUTIONS .....	16

2.4.1. Non-financial Credit Providers .....	16
<b>3 PRIVATE CREDIT REGISTRIES .....</b>	<b>17</b>
3.1 CLEARING DE INFORMES .....	17
3.1.1 Control/Governance .....	17
3.1.2 Sources of Information .....	17
3.1.3 Users .....	17
3.1.4 Services Provided .....	17
3.1.5 Pricing Policies .....	18
3.1.6 Procedures and Policies to Ensure Quality of Information .....	18
3.1.7 Risk Management Procedures and Policies.....	18
3.1.8 Rights of Individuals/Firms to Access Information and Resolve Disputes .....	18
3.1.9 Information Sharing Policies .....	18
3.2 LIGA DE DEFENSA COMERCIAL (LIDECO) .....	18
3.2.1 Control/Governance .....	18
3.2.2 Sources of Information .....	19
3.2.3 Users .....	19
3.2.4 Services Provided .....	19
3.2.5 Pricing Policies .....	21
3.2.6 Procedures and Policies to Ensure Quality of Information .....	21
3.2.7 Risk Management Procedures and Policies.....	21
3.2.8 Rights of Individuals/Firms to Access Information and Resolve Disputes .....	21
3.2.9 Information Sharing Policies .....	21
3.3 INFOCRED .....	21
3.3.1 Control/Governance .....	21
3.3.2 Sources of Information .....	22
3.3.3 Users .....	22
3.3.4 Services Provided .....	22
3.3.5 Pricing Policies .....	23
3.3.6 Procedures and Policies to Ensure Quality of Information .....	23
3.3.7 Risk Management Procedures and Policies.....	24
3.3.8 Rights of Individuals/Firms to Access Information and Resolve Disputes .....	25
3.3.9 Information Sharing Policies .....	25
<b>4 PUBLIC CREDIT REGISTRIES .....</b>	<b>26</b>
4.1 MAIN OBJECTIVES OF REGISTRY .....	26
4.2 SOURCES OF INFORMATION.....	26

4.3	USERS .....	27
4.4	SERVICES PROVIDED .....	27
4.5	PRICING POLICIES .....	29
4.6	PROCEDURES AND POLICIES TO ENSURE QUALITY OF INFORMATION .....	29
4.7	RISK MANAGEMENT PROCEDURES AND POLICIES .....	30
4.8	RIGHTS OF INDIVIDUALS/FIRMS TO ACCESS INFORMATION AND RESOLVE DISPUTES .....	30
4.9	INFORMATION SHARING POLICIES .....	30
<b>5</b>	<b>INTERACTION WITH OTHER COMPONENTS OF THE FINANCIAL INFRASTRUCTURE .....</b>	<b>31</b>
5.1	PAYMENTS SYSTEMS AND INSTRUMENTS.....	31
5.2	NATIONAL OFFICE OF REGISTRIES (DNR).....	31
5.2.1	Property Registry.....	31
5.2.2	National Registry of Personal Actions.....	32
5.2.3	National Registry of Commerce .....	32
5.3	NATIONAL OFFICE OF CIVIL IDENTIFICATION (DNIC).....	33
5.4	GENERAL TAX AUTHORITY (DGI).....	33
5.5	NATIONAL INTERNAL AUDIT OFFICE .....	33
<b>APPENDIX: STATISTICAL TABLES .....</b>	<b>35</b>	
<b>ANNEXES .....</b>	<b>47</b>	
<b>LIST OF ABBREVIATIONS .....</b>	<b>59</b>	
<b>GLOSSARY .....</b>	<b>61</b>	
<b>TEXT TABLES</b>		
TABLE 1: MACROECONOMIC INDICATORS .....	1	
TABLE 2: FINANCIAL STRUCTURE OF THE FINANCIAL SYSTEM .....	3	
TABLE 3: OFFICIAL BANKS AND THEIR LOAN PORTFOLIO .....	6	
TABLE 4: MAIN PRIVATE BANKS AND THEIR LOAN PORTFOLIO .....	6	
TABLE 5: FINANCIAL INTERMEDIATION COOPERATIVES AND THEIR LOAN PORTFOLIO .....	7	
TABLE 6: FINANCE HOUSES AND THEIR LOAN PORTFOLIO .....	7	
TABLE 7: EXTERNAL FINANCIAL INSTITUTIONS AND THEIR LOAN PORTFOLIO.....	8	
TABLE 8: MANAGEMENT COMPANIES FOR SAVINGS SOCIETIES FUNDS AND THEIR LOAN PORTFOLIO .....	8	
<b>TEXT FIGURES</b>		
FIGURE 1: EVOLUTION OF ASSETS IN THE BANKING SYSTEM.....	4	

FIGURE 2: LOANS TO THE NON-FINANCIAL SECTOR .....	4
FIGURE 3: BANKING SYSTEM LOANS TO THE NON-FINANCIAL SECTOR BY SECTOR OF ACTIVITY .....	5
FIGURE 4: EVOLUTION OF NON-PERFORMING LOANS IN THE BANKING SYSTEM .....	5
FIGURE 5: NON-PERFORMANCE IN GROSS LENDING TO NFS .....	6
FIGURE 6: EVOLUTION OF GROSS CREDIT TO THE NON FINANCIAL SYSTEM IN LOCAL AND FOREIGN CURRENCY .....	9
FIGURE 7: CREDIT/GDP IN CURRENT PRICES .....	10

APPENDIX I: DESCRIPTION OF SERVICES PROVIDED	
<b>TEXT CHARTS</b>	
CHART 1: CR-BCU, FILE WITH CONSOLIDATED LOAN INFORMATION ON THE INSTITUTION'S CLIENTS.....	28
CHART 2: CR-BCU, FILE WITH NON-PERFORMING LOANS OR DEBTORS IN ARREARS .....	28
CHART 3: CR-BCU, FILE WITH INFORMATION ON ECONOMIC GROUPS .....	29
3.2.1 Control/Governance .....	18
3.2.2 Sources of Information .....	18
3.2.3 Users .....	19
3.2.4 Services Provided .....	19
3.2.5 Pricing Policies .....	21
3.2.6 Procedures and Policies to Ensure Quality of Information .....	21
3.2.7 Risk Management Procedures and Policies .....	21
3.2.8 Rights of Individuals/Firms to Access Information and Reasons for Non-disclosure .....	21
3.2.9 Information Sharing Policies .....	21
3.3 INFOCRED .....	
3.3.1 Control/Governance .....	21
3.3.2 Sources of Information .....	22
3.3.3 Users .....	22
3.3.4 Services Provided .....	22
3.3.5 Pricing Policies .....	23
3.3.6 Procedures and Policies to Ensure Quality of Information .....	23
3.3.7 Risk Management Procedures and Policies .....	24
3.3.8 Rights of Individuals/Firms to Access Information and Reasons for Non-disclosure .....	25
3.3.9 Information Sharing Policies .....	25
4. PUBLIC CREDIT REGISTRIES .....	26
4.1 Main Sources of Registry .....	26
4.2 Sources of Data .....	27
APPENDIX II: STATISTICAL TABLES	
TABLE 1: FINANCIAL STRUCTURE .....	21
TABLE 2: FINANCIAL INTERMEDIATION COORDINATION .....	24
TABLE 3: OTHER BANKS AND THEIR LOAN PORTFOLIO .....	24
TABLE 4: MAIN PRIVATE BANKS AND THEIR LOAN PORTFOLIO .....	25
TABLE 5: FINANCIAL STRUCTURE OF THE FINANCIAL SYSTEM .....	25
TABLE 6: FINANCIAL INSTITUTIONS AND THEIR LOAN PORTFOLIO .....	25
TABLE 7: FINANCIAL INSTITUTIONS AND THEIR LOAN PORTFOLIO .....	25
TABLE 8: MANUFACTURERS FOR SAVINGS SOCIETIES AND THEIR LOAN PORTFOLIO .....	25
APPENDIX III: GEOMETRICAL ASPECTS IN THE BANKING SYSTEM	
Figure 1: Geometric Aspects in the Banking System .....	27