

Report on Banks

March 2011



BANCO CENTRAL
DE LA REPÚBLICA ARGENTINA

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March 2011

Year VIII, No. 7



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DE LA REPÚBLICA ARGENTINA

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Note | Information for March 2011 available by April 28, 2011 is included. This Report is focused on the performance of the financial system, including breakdowns by homogeneous sub-sectors. The data reported (particularly, those referring to profitability) are provisional and are subject to changes later. Except the opposite was indicated the data included corresponds to BCRA Information Regimes (end of month data).

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Summary

- **At the end of the first quarter of 2011 financial intermediation with the private sector continued to expand.** In March, the banking system recorded high levels of liquidity and solvency, while credit portfolio delinquency continued to fall to record lows.
- In this context, **the Central Bank continued to develop mechanisms so that a greater portion of the population can gain access to financial services.** By mid-May the number of **Free Universal Accounts** (“*Cuenta Gratuita Universal*”) had reached 66,200, and by the end of April transactions had been carried out using **Settlement Checks** (“*Cheque Cancelatorio*”) for a total of \$530 million (mainly in foreign currency). **A reduction in inter-banking transfer costs was mandated for transfers of smaller amounts.** In April the number of transfers for amounts of less than \$10,000, taking into account those made through clearing houses, ATMs and home banking systems, was 15% higher than in last October (before the Central Bank measure came into effect), and they have gradually been gaining weight in the total amount of bank transfers. Furthermore, **the Central Bank recently approved regulations to enable the instant crediting of bank transfers.**
- **Lending to the private sector recorded an increase of 1.8% in March. With the exception of overdrafts, all credit lines were higher in the month, with a notable performance by pledge-backed loans and personal loans.** In the first quarter of 2011 total lending to the private sector grew 31% annualized (a.), almost three times the value in the same period of the previous year. **In year-on-year terms, loans to the private sector grew 43%, driven mainly by loans to companies, which were 46% higher year on year (y.o.y.),** almost 4 p.p. more than the rate recorded by household consumer loans. At the end of the first quarter of 2011, lending to the private sector was 12.6% of GDP, more than 1 p.p. above the level recorded 12 months earlier.
- **Lending to the private sector grew in the context of low levels of credit risk. The non-performance ratio for these loans fell 0.1 p.p. in the month, reaching a low of 1.9%.** In the last 12 months this indicator decreased 1.4 percentage points (p.p.) as a result of an improvement in portfolio quality for all homogenous groups of financial entities. This performance was partly explained by the situation in the consumer loan segment, which has shown a reduction in its delinquency level over the last 12 months of 2 p.p., to 2.7% in March. **The level of non-performing portfolio coverage reached 176% in March,** 43 p.p. above the level in the same month of the previous year.
- **The stock of financial system deposits rose 2.5% in the month (35.3% y.o.y.), driven mainly by private sector deposits (2.8%). The latter were boosted by a rise in time deposits (3.8%) and to a lesser extent, by higher sight deposits (2.6%).** Public sector deposits rose by 2% in the month (42.5% y.o.y.).
- **In March the financial system liquidity indicator,** that includes items denominated in both local and foreign currency, **increased slightly to 27.4% of total deposits, driven by private banks,** mainly as a result of an increase in the stock of repos with the Central Bank. Nevertheless, in year-on-year terms **this ratio has posted a decline of 4.5 p.p. of deposits,** with falls for all groups of banks. The broad liquidity indicator (including Lebac and Nobacs not related to repos with the Central Bank) rose by 1.1 p.p. of deposits in the month to 45.7%. In year-on-year terms, broad liquidity level has remained steady at system level.
- **Financial system consolidated net worth fell 1.3% in March, although accumulating an increase of 15.4% y.o.y.** The drop for the month was mainly explained by the decision by some financial entities to allocate results from previous years for distribution among shareholders. The drop for the month in net worth was offset by book profits for the month and the new capital contributions that were received. In this context, the capital compliance ratio fell slightly during the month, accumulating a reduction of 2.4 p.p. of risk-weighted assets (RWA) compared with March 2010, to 16.7%. Despite this small drop for the month, **the capital position for all groups of financial entities remains strongly positive,** exceeding the requirement for the financial system by 77%.
- **Book profits for all financial entities were equivalent to 3%a. of assets in March, 1.1 p.p. more than in the previous year.** Financial margin results for the month and service income margin were mainly responsible for this increase in profitability. As a result, **financial system profits totaled 2.6%a. of assets in the first quarter of 2011, 0.3 p.p. more than in the same period of the previous year.** The increase in quarterly profitability in the year-on-year comparison was mainly accounted for by public banks and national private banks.

Activity

During the first quarter of 2011, lending to the private sector stood out as the main application of financial system funds

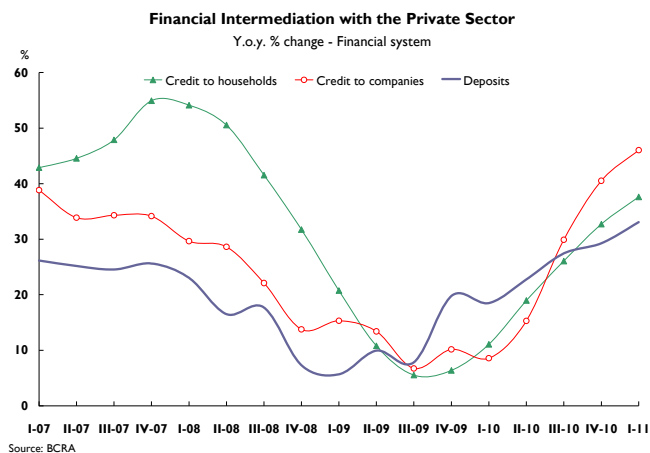
At the end of the first quarter of the year, growth in financial intermediation with the private sector was well above the level recorded in the same period of 2010. Both loans and deposits by companies and households recorded the fastest rate of growth seen in the last two years (see Chart 1). Lending to the corporate sector¹ rose 46% y.o.y., while household lending was higher 38% y.o.y. In this context, financial entities netted assets rose 2.4% in March, accumulating an increase of 32% y.o.y. The rise in private sector deposits was 33% y.o.y.

In the case of flow of funds estimation for the banking system, the increase in private sector deposits (\$7.4 billion) constituted the most significant basis of resources in March, followed by the rise in public sector deposits (\$2.5 billion). The increase for the month in the stock of bills and notes (Lebac and Nobac) not related to repos with the Central Bank (\$5.7 billion) and the expansion in lending to the private sector (\$4.3 billion) were the main uses of funds during the month. In the first quarter of 2011, growth in lending to the private sector was the most notable use of funds, and was mainly funded by deposits from the same sector (see Chart 2). Between January and March this year the increase in private sector deposits was almost three times that recorded in the same period of 2010.

With regard to the financial system provision of means of payment for the economy, in April the value of checks cleared maintained a year-on-year growth pace similar to that seen in the first quarter, in the order of 23%. Bounced checks by nonsufficient funds fell at the beginning of the second quarter compared with the first quarter of 2011 (see Chart 3), standing at around 0.8% of the number of checks cleared (or 0.4% in terms of amounts), levels similar to those for the same period of 2010.

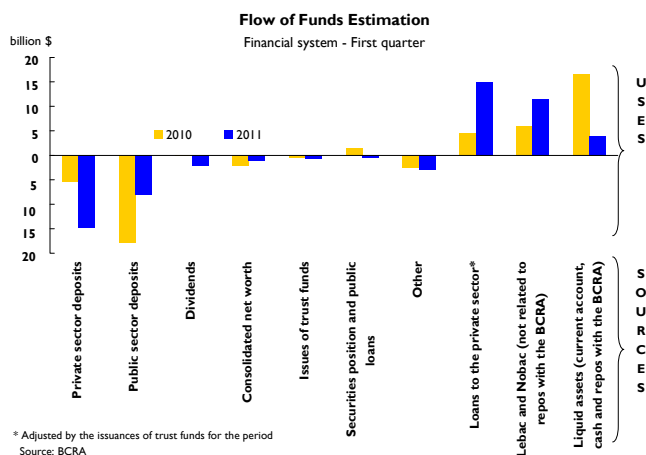
The Central Bank has continued to design and promote the use of tools to encourage wider access by the population to financial services. By mid-May the number of Free Universal Accounts (CGU) applications totaled 66,200², with public banks having

Chart 1



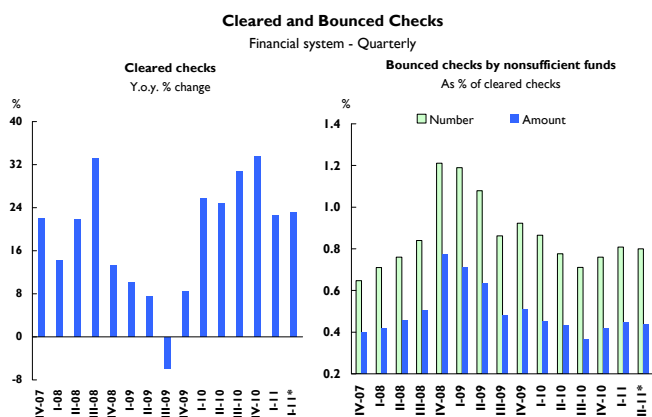
Source: BCRA

Chart 2



* Adjusted by the issuances of trust funds for the period
Source: BCRA

Chart 3

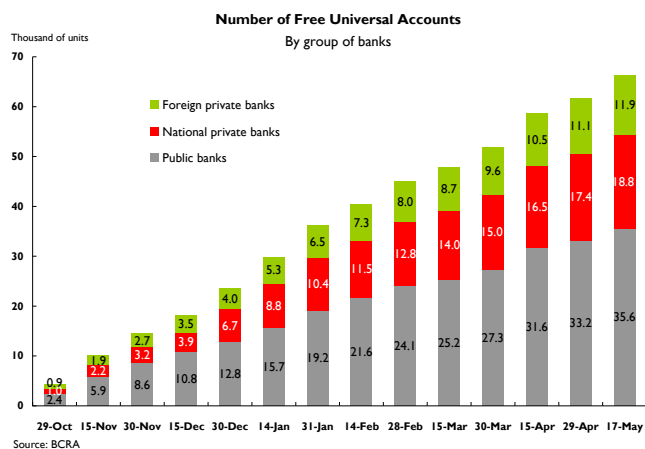


* at April
Source: BCRA

¹ Loans to companies are those granted to legal persons and commercial loans granted to individuals. Remaining lending to individuals is grouped within the figures for household borrowing.

² Of which 13,900 are still in the process of validation pending completion of verification of the requirements for application.

Chart 4



taken the lead in the number of such accounts opened (see Chart 4).

In addition, the **Central Bank reintroduced the Settlement Check for high-value transactions** (the purchase and sale of real estate, for example) to preserve security in the carrying out of banking operations. So far those operations have been accumulated for values totaling \$103 million (over 1,600 checks in local currency) and US\$103 million (around 1,900 checks denominated in foreign currency).

With the aim of encouraging a greater number of transactions through banks, the **Central Bank ordered a significant reduction in the cost of inter-bank transfers**³. In April the number of transfers for amounts of under \$10,000 performed through clearing houses, ATMs and Internet home banking reached a total of 3.7 million, almost 15% more than in last October (before the Central Bank measure took effect), an increase that rises to 19% in the case of transactions for between \$10,000 and \$50,000. This situation was also reflected in the total value of the mentioned transactions, with an increase of 70% in value for transactions of up to \$10,000 between October 2010 and April 2011, and 20% in the case of those between \$10,000 and \$50,000. As a result, transactions carried out for amounts of up to \$50,000 are gradually gaining weight in total bank transfers (see Chart 5). Complementing this reduction in inter-bank transfer costs, the **Central Bank recently approved regulations for the immediate credit of bank transfers**⁴.

Chart 5

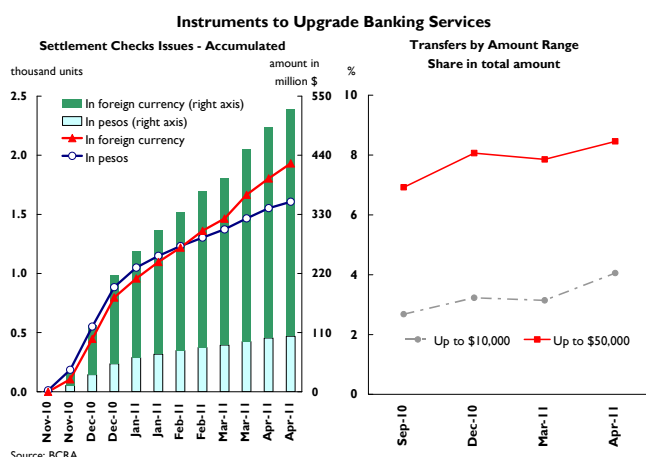
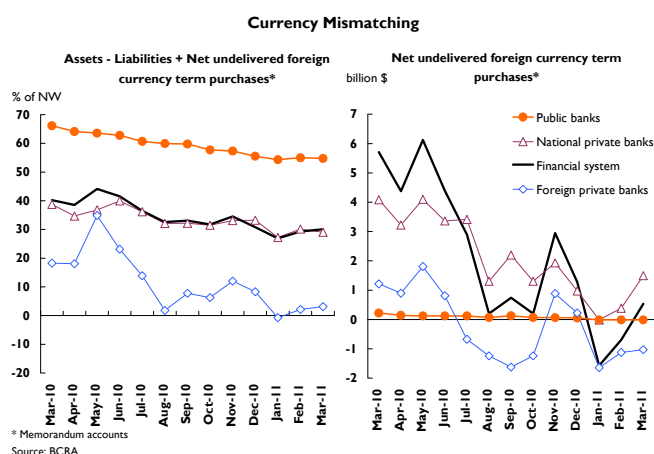


Chart 6



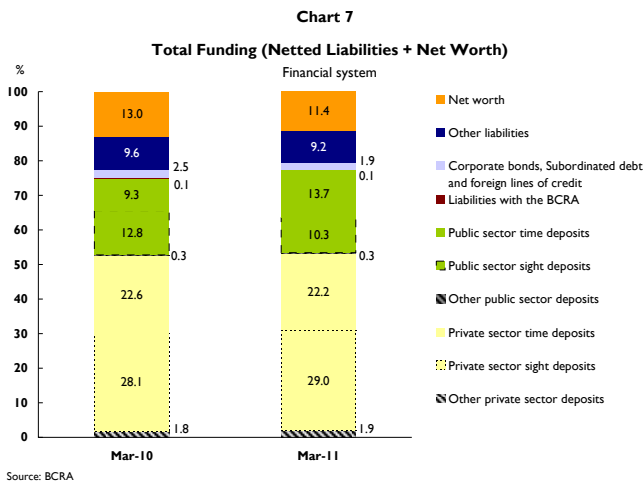
Foreign currency mismatching (including forward purchase of foreign currency in memorandum accounts) for the banking system did not show significant variation in terms of net worth during the month, standing at 30.1%. In March the financial system once again recorded a slightly overbought forward currency position, mainly because domestic private banks increased their net forward purchases (see Chart 6).

Deposits and Liquidity

Driven by private sector deposits, financial system deposit stocks increased during the month, in a context of marginal increases in liquidity levels

³ Communication "A" 5127.

⁴ Initially this will apply to transactions through ATMs or Internet; as from 25/04/11 for transactions in pesos (for amounts per day and per account of up to \$10,000 for those originated at ATMs and up to \$50,000 via Internet), and as from 31/05/11 for transactions in foreign currency (for amounts per day and per account of up to US\$2,500 for those originating at ATMs and US\$12,500 for transfers made via Internet). For further details, see Communication "A" 5194 dated 18/03/11.

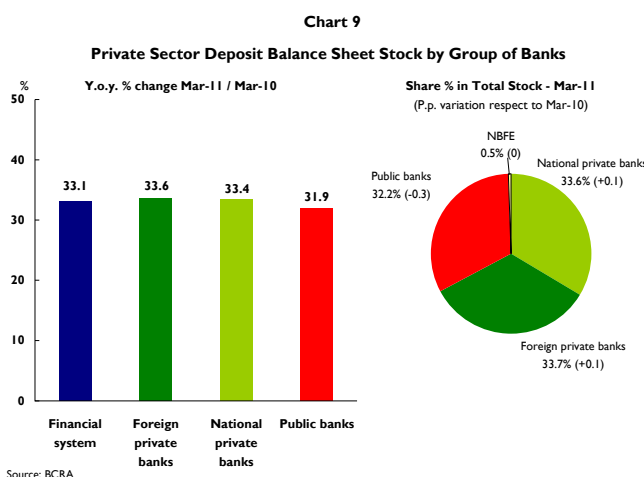
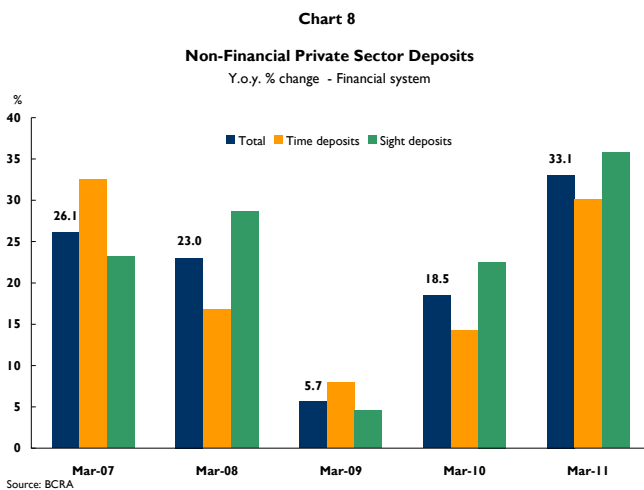


In March financial system deposits stock increased 2.5%, driven mainly by private sector deposits (2.8%). The latter were mainly boosted by time deposits (3.8%) and to a lesser extent, by sight deposits (2.6%). Deposits from the public sector grew 2% in the month. In this context, **the main interest rates for transactions in pesos remained steady.**

In year-on-year terms, banking system deposits stock have risen by 35.3% (14 p.p. more than that observed in the same month of 2010). Public sector deposits (both local and foreign currency) have shown the greatest dynamism (42.5% y.o.y.), driven mainly by time deposits, which increased their share of total bank funding by more than 4 p.p. to 13.7% (see Chart 7).

Private sector deposits were up 33.1% in the last 12 months, more than 14 p.p. above the level observed one year earlier. **This nominal increase, higher than that seen in the years prior to the recent international financial crisis, was driven mainly by sight accounts (35.8% y.o.y.) and to a lesser extent, by time deposits (30.1% y.o.y.)** (see Chart 8). The year-on-year growth rate for private sector deposits was similar for all homogeneous groups of financial entities (see Chart 9).

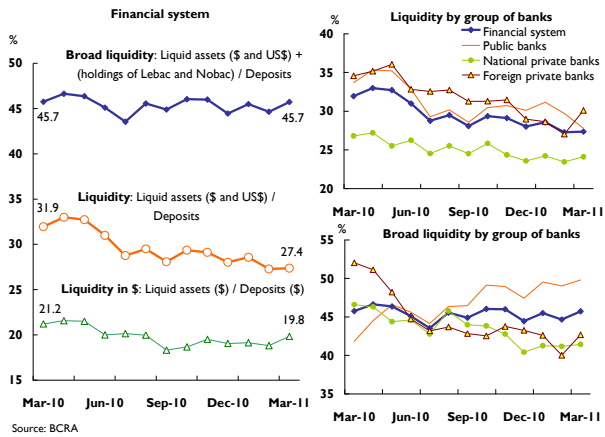
In March the financial system liquidity indicator, which includes items denominated in both local and foreign currency, increased slightly to 27.4% of deposits, driven by private banks as a result of an increase in the stock of repos with the Central Bank that was partly offset by a reduction in minimum cash compliance. This ratio has recorded a drop of 4.5 p.p. of deposits in the last 12 months, with declines for all groups of banks. The broad liquidity indicator (that includes Central Bank bills and notes not related to repos with the Central Bank) rose by 1.1 p.p. of deposits in the month to 45.7%, with a notable increase in the case of foreign private banks. In year-on-year terms, the broad liquidity ratio has remained steady at system level, with a decline in private banks (both national and foreign banks) and a rise in public banks (see Chart 10).



Average daily trading volume on the call market dropped 15% in the month, at a time when there were no significant changes in market interest rates. The average daily trading volume was \$780 million, with interest rates rising to 9.8% (0.1 p.p. higher than in February). As a result, in the first quarter of 2011 the average daily trading volume on this interbank market reached almost \$870 million, showing an increase compared with the same period of 2010. Non-banking financial entities and public banks continued to position themselves as net offerers of funds in the call market in

the early months of the year, while private banks (both national and foreign) remained takers of such funding (see Chart 11).

Chart 10
Liquidity



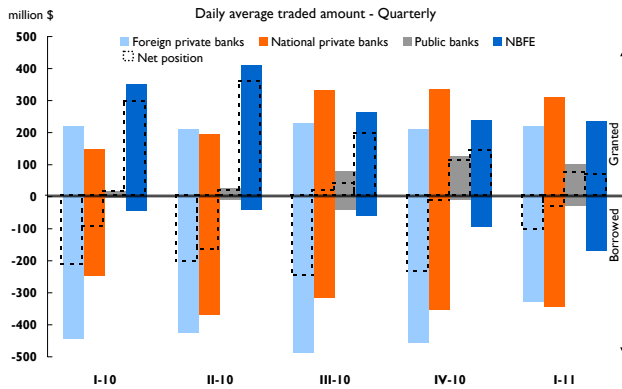
Financing

Continuing with its upward trend, lending to the private sector ended the first quarter of the year with a greater increase compared to the same period of 2010, within a framework of declining non-performing level of loan portfolios

In March, lending to the private sector posted an increase of 1.8%⁵. Except for overdrafts, all credit lines recorded an increase for the month, with notable performances by pledge-backed loans and personal loans. As a result, in the first quarter of 2011 total lending to the private sector grew by 31% a., almost three times the value recorded in the same period of the previous year, following an improvement in the pace of growth by all the credit lines (see Chart 12). Lending to the private sector grew 43% y.o.y., 33 p.p. more than the figure recorded in 2010.

Chart 11

Call Market

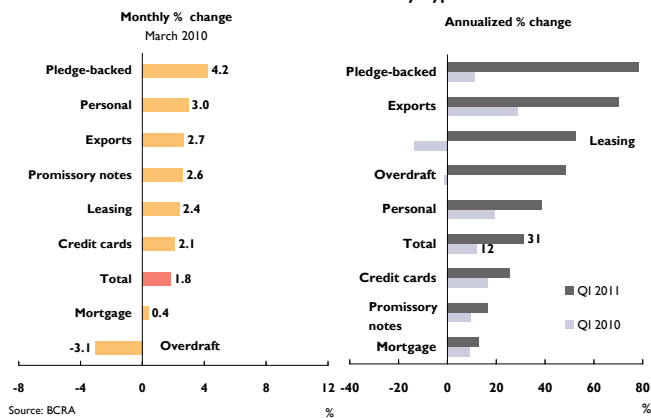


Source: BCRA from SISGEN data

Private sector lending was higher for all homogenous groups of financial sector, with a slightly higher rise in the case of public banks (see Chart 13). Although in the first three months of 2011 foreign private banks were the most dynamic, in the year-on-year comparison national private banks posted the greatest increase in the rate of growth in lending to the private sector (accounting for almost 40% of the change in the total stock during the period).

Chart 12

Credit to the Private Sector by Type of Line

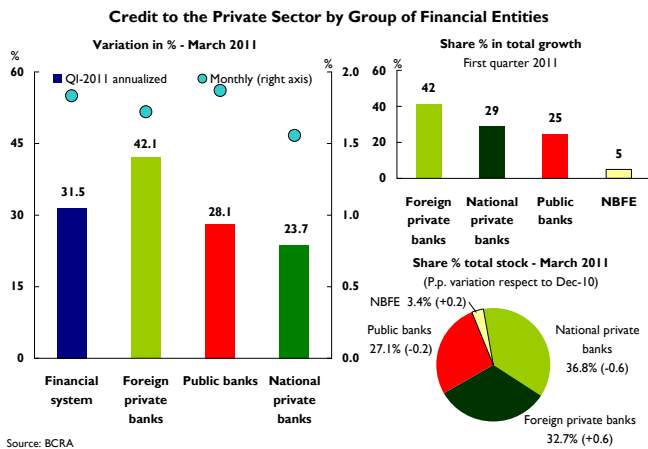


Source: BCRA

Bank lending to companies continued to rise in March, ending the first quarter of the year with a total increase of almost 28% a., slightly under the rate observed in the three previous months, in line with a certain degree of seasonal behavior. **Lending to productive sectors grew by 46% y.o.y. to a level almost 4 p.p. above that recorded by household consumer loans** (see Chart 14). In the last 12 months loans to commerce, industry and construction were the most dynamic, in a period during which all productive sectors registered a rise in the rate of lending growth compared with the previous year. Manufacturing, primary production and services continued to be the activities with the largest share of total lending to companies (with a share of 34%, 25% y 23%, respectively). Over the course of the last year, the increase in lending to manufacturing and primary

⁵ If balance sheet stocks are adjusted for the assets securitized during the month (using bank loans as underlying assets), the variation in lending to the private sector would amount to 2.1%. During March 5 financial trusts were issued using bank loans as underlying assets for a total of \$461 million, of which \$335 million corresponded to personal loan securitization and \$126 million to mortgage loans.

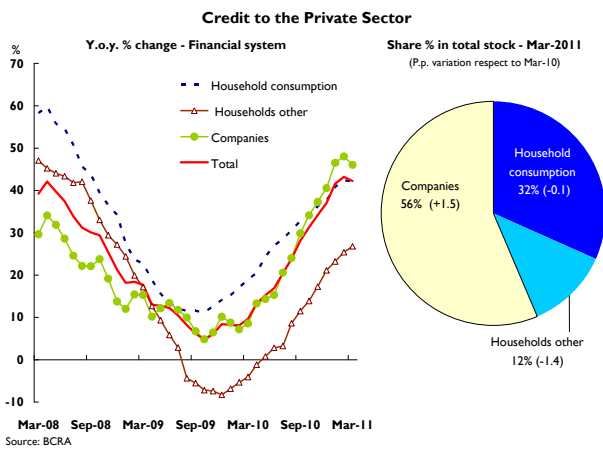
Chart 13



Source: BCRA

production came in equal proportion from private national banks, private foreign banks, and public banks, while private banks (both domestic and foreign) were noted for their relatively greater lending to the service sector (see Chart 15). In March, as part of the **Bicentenary Productive Financing Program** (“Programa de Financiamiento Productivo del Bicentenario”), the Central Bank held its fourth auction of resources for use in financial system funding so they can make loans for productive investment, awarding \$231 million. The total amount awarded by the Central Bank in the four auctions held to date has been \$1.26 billion.

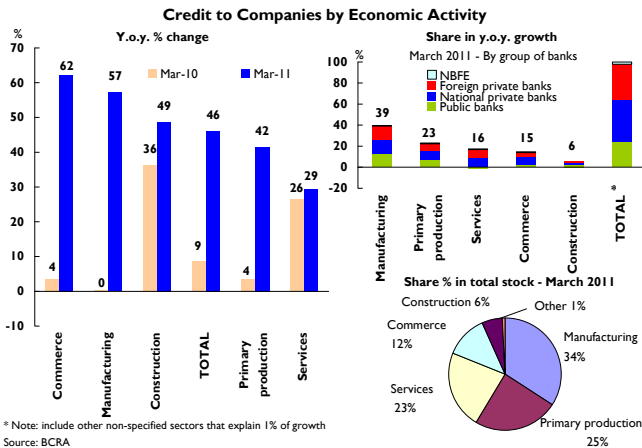
Chart 14



Source: BCRA

Lending to households increased 2.6% during the month, with growth of 35% a. for the first quarter of the year. **In the last 12 months lending to households grew 38%**, driven mainly by consumer lines, which together rose by 42% y.o.y. (credit cards were up 50% y.o.y. and personal loans 38% y.o.y.). Collateralized loans posted a rise of 25% y.o.y. in March, driven by pledge-backed loans (66% y.o.y.) and followed by mortgage loans (12% y.o.y.).

Chart 15



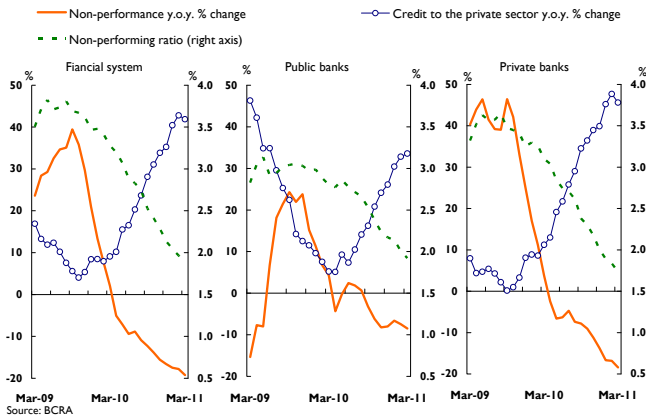
* Note: include other non-specified sectors that explain 1% of growth
Source: BCRA

The private sector lending non-performance ratio dropped 0.1 p.p. in March, setting a new record low of 1.9%. In the last 12 months this indicator has posted a decline of 1.4 p.p. as a result of an improvement in the quality of all homogenous groups of financial entities. In all cases, this improvement is explained by both a decline in non-performing loan stocks and greater dynamism in the total stock of loans (see Chart 16). **The drop in delinquency in the private sector loan portfolio in the last month was mainly driven by lending targeting household consumption**, for which the non-performing ratio dropped 2 p.p. to 2.7% in March. This improvement in the non-performance ratio for consumer household loans in the last year has been recorded by all segments classified according to residual balance, both in the case of personal loans and credit cards (see Chart 17). **Non-performing portfolio coverage reached 176% for the month**, 43 p.p. above the value for the same month of the previous year.

At the same time as lending to the private sector was increasing, in March there was a reduction in financial system exposure to the public sector equivalent to 0.4 p.p. of assets, to a level of 11.4% (2.5 p.p. less than in the same month of 2010). Taking into account the funding that banks obtain from public sector deposits at a consolidated level from all jurisdictions, in March this sector continued to show a net creditor position with regard to the aggregate

Chart 16

Non-Performing Credit to the Private Sector



financial system for an amount equivalent to 11.3% of total assets.

Solvency

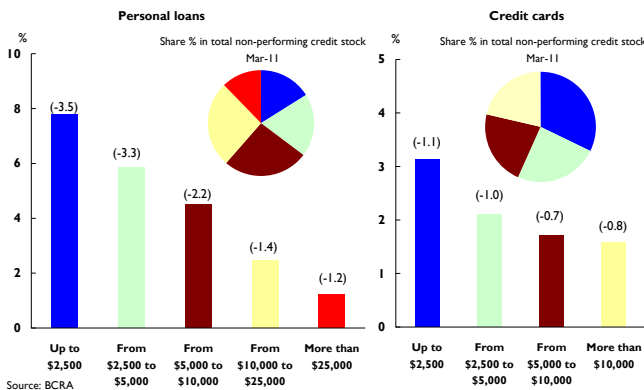
Solvency levels continued high, although financial system net worth fell slightly in March, mainly from the distribution of dividends

Consolidated financial system net worth fell 1.3% in March, posting a rise of 15.4% y.o.y. The monthly drop was mainly explained by the decision by some financial entities to allocate profits from previous years to the payment of dividends to their shareholders. This factor was partly offset by book profits for the month (almost \$1.3 billion) and new capital contributions (\$150 million, mainly accounted for by one public bank). Also in March, profits were posted to reserves (\$900 million).

Chart 17

Non-Performing Consumption Credit to Households

Non-performing loans ratio - (P.p. y.o.y. % change)

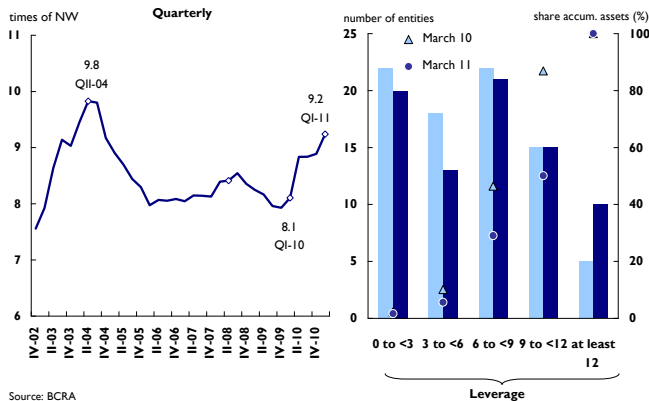


In this context, **banking system leverage rose in March, although remaining below the levels recorded by other financial systems in the region.** Netted assets were 9.2 times consolidated net worth for the financial system in the month, 0.3 p.p. more than in February and 1.1 p.p. more than in March 2010 (see Chart 18). In the year-on-year comparison there has been an increase in the number of banks with a leverage ratio in excess of 12.

Chart 18

Financial System Leverage

Netted consolidated assets (not risk weighted average) / Consolidated net worth

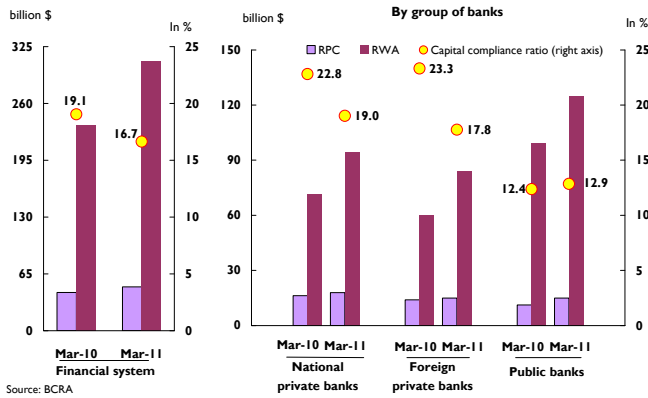


The regulatory capital compliance ratio dropped slightly during the month, accumulating a reduction of 2.4 p.p. of risk-weighted assets (RWA) compared with March 2010, to 16.7%. This has happened because of an increase in RWA of 31.1% y.o.y. compared with a rise in the RPC of 14.6% y.o.y.. The drop in the indicator was mainly explained by foreign private banks (see Chart 19).

It should be noted that in order to further strengthen the solvency of financial entities, **in the middle of last year the Central Bank decided to introduce an additional capital conservation requirement⁶.** Under this rule, a financial entity with profits available to be distributed shall only be allowed to pay dividends if its regulatory capital subsequent to the profit distribution remains at least 30% above the regulatory requirement. It can be seen that **despite the slight drop caused mainly by the decision taken by some banks to allocate profits from previous years to shareholder distributions, the capital position of all groups of financial entities**

⁶ Communication "A" 5072 dated May 5, 2010.

Chart 19
Capital Compliance (RPC) and Risk Weighted Assets (RWA)

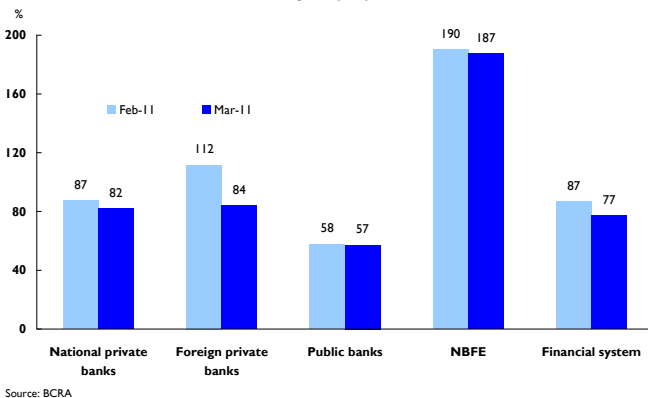


continues to be in surplus, exceeding the regulatory requirement by 50% (see Chart 20).

Banking system book profits were equivalent to 3%a. of assets in March, 1.1 p.p. higher than in the previous month. Larger increases for the month in financial margin and service income margin partly explain this increase in profitability. **Financial system profits have therefore reached 2.6%a. of assets in the first quarter of 2011, 0.3 p.p. more than in the same period of the previous year** (see Chart 21). The increase in quarterly profitability in the year-on-year comparison was mainly accounted for by public banks and domestic private banks, and was partly offset by a moderate reduction in the profits recorded by foreign private banks. Specifically, 86% of all financial entities (accounting for 98% of netted assets) accrued positive results in the first quarter of 2011.

Chart 20

Excess Capital Compliance by Group of Financial Entities
As % of regulatory requirement

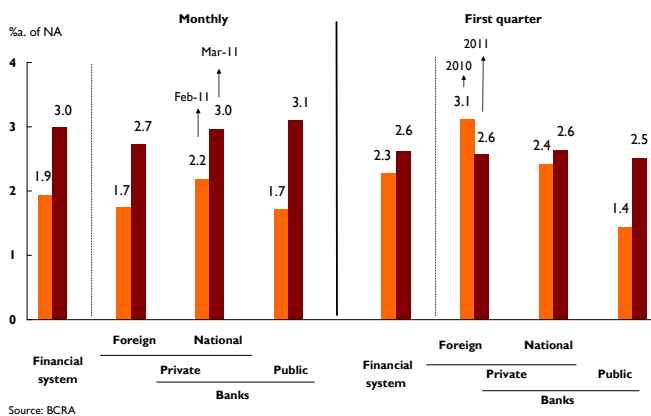


Financial margin stood at 8.1%a. of assets in the month, showing an increase compared with February, mainly because of higher gains on securities, and to a lesser extent, because of an increase in net interest income (see Chart 22). Nevertheless, the quarterly financial margin dropped slightly compared with the previous year because of lower revenue from CER adjustments and interest.

Financial system service income margin rose by 0.3 p.p. of assets in March to 3.8%a. This income statement heading stood at 3.7%a. of assets during the quarter, similar to the level in the same period of the previous year.

Chart 21

Profitability by Group of Banks



Main financial system disbursement headings did not record any significant variations with regard to February, stated in terms of assets. Operating costs were 6.4%a. of assets in March, while loan loss provisions remained at 0.6%a. of assets. As a result, **accumulated operating results in the first quarter of 2011 reached 6.4%a. of assets, 0.5 p.p. below the level in the same period of 2010⁷, a variation mainly explained by public banks.** Payroll expenses continued to represent close to 60% of operating costs in the first part of the year. **Loan loss provisions stood at 0.7%a. of assets in the first three months of the year, slightly lower on a year-on-year comparison basis, a change taking place among all bank groups** (see Chart 23) as a consequence of the improvements seen in credit portfolio quality.

In view of the rising levels of financial intermediation with the private sector, **in coming months financial**

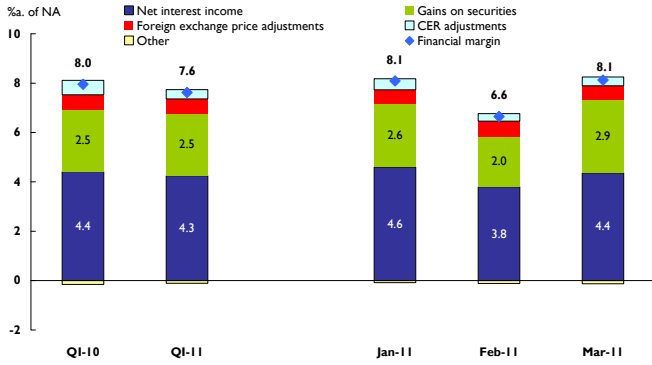
⁷ Operating costs accrued in the first quarter of 2010 already included part of the effect of the wage deal reached for the sector.

entities are expected to continue to accrue profits and maintain sound capital levels.

Chart 22

Financial Margin

As % of netted assets - Financial system

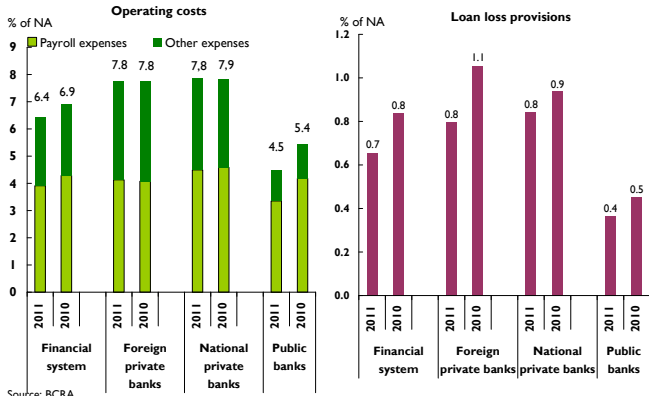


Source: BCRA

Chart 23

Main Expenditure of Result Statements

First quarter



Source: BCRA

Latest regulations

This section contains a summary of the main regulations related to the business of financial intermediation issued during the month (referenced by the date on which they came into force).

Communication “A” 5193 – Mar/14/11

Credit risk fractioning. Changes have been made to limits on credit assistance that one financial entity can grant another local financial entity. The basic limit is to be 25% of the RPC only for loans to financial entities rated 1, 2, or 3; otherwise, the assistance margin shall be 0%. In addition, a specific limit has been established for wholesale banks.

Communication “A” 5194 – Mar/18/11

Financial entities are required to implement such mechanisms as may be necessary for their customers to order immediate funds transfers, with the features detailed below, through various approved channels. Transfers should observe the following:

	In Pesos	In US Dollars
Latest date for implementation	25 April 2011	31 May 2011
Approved channels	Initially, ATMs and Internet -“home banking”-.	
Transfer amounts per day and per account:		
a) For transactions originating from ATMs:	Up to \$ 10,000	Up to US\$ 2,500
b) For transactions via Internet	Up to \$ 50,000	Up to US\$ 12,500

These transactions shall be able to be made by all individual or legal persons holding saving accounts, salary accounts, basic accounts, free universal accounts, bank current accounts or special accounts for legal persons.

Methodology

- (a) Aggregate balance sheet information is taken from the monthly accounting information system (unconsolidated balance sheets). In order to calculate aggregate data for the financial system, for financial entities that have not provided data for the month reviewed, the most recent information available is repeated in the aggregate balance sheet. On the other hand, for profitability analysis only the banks providing data for that month are considered.
- (b) Due to possible lack of data for some banks at the time this Report was drafted, and due to possible corrections to the data provided by financial entities later, the data included is of a preliminary nature –particularly for the last month included-. Therefore, and due to the fact that the most recent data available always used, data in connection with earlier periods may not match what was mentioned in earlier issues of the Report. In such cases, the latter release should be regarded as being of better quality.
- (c) Unless otherwise indicated, data about deposits and loans refer to balance sheet information, and do not necessarily agree with those compiled by the Centralized Information Requirement System (SISCEN). Reasons for discrepancies include the precise date considered in order to calculate monthly changes and the items included in the definition adopted in either case.
- (d) Profit ratio calculations are based on monthly results estimated from changes in the aggregate result amounts during the current fiscal year. Except the opposite was specified, profit ratios are annualized.
- (e) Initially, the breakdown by group of banks was determined by the majority of decision making role -in terms of voting rights at shareholder meetings- distinguishing between private sector financial entities (national or foreign depending on their residence) and public banks. In order to increase depth of the analysis, private sector entities were also classed according to the geographic coverage and business scope of their operations. Investment banking is defined as those specializing in large corporations and investor sector, which in general do not rely on deposits from the private sector for their funding. On the other hand, retail banks were divided into those carrying out business nationwide, those located in certain geographic regions -municipalities, provinces, or regions- and entities specialized in a financial sector niche market -usually smaller entities-. Finally, it is worth noting that the classifications defined above are solely for analytical purposes and does not mean it is the only methodology criteria by which to group them; while on the other hand, the listing of features for each financial entity group has been established in a general manner.
- (f) Indicators exhibited in Tables 1 and 5 of Statistical Appendix: 1.- $(\text{Minimum cash compliance at the BCRA} + \text{Other cash holding} + \text{Holdings of BCRA securities for repo transactions}) / \text{Total deposits}$; 2.- $(\text{Position in government securities (with out Lebac and Nobac)} + \text{Loans to the public sector} + \text{Compensations receivable}) / \text{Total assets}$; 3.- $(\text{Loans to the non-financial private sector} + \text{Leasing}) / \text{Total assets}$; 4.- $\text{Non-performing portfolio with the non-financial private sector} / \text{Loans to the non-financial private sector}$; 5.- $(\text{Total non-performing portfolio} - \text{Loan loss provisions}) / \text{Net worth}$. Non-performing portfolio includes loans classified into situations 3, 4, 5 and 6; 6.- $\text{Cumulated annual result} / \text{Average monthly netted assets} - \% \text{ annualized}$; 7.- $\text{Cumulated annual result} / \text{Average monthly net worth} - \% \text{ annualized}$; 8.- $(\text{Financial margin (Net interest income} + \text{CER and CVS adjustments} + \text{Gains on securities} + \text{Foreign exchange price adjustments} + \text{Other financial income}) + \text{Service income margin}) / \text{Cumulated annual operating costs}$; 9.- $\text{Capital compliance (Capital requirement)} / \text{Risk weighted assets}$, according to the BCRA rule on minimum capital; 10.- $\text{Total capital position (Capital compliance)} / \text{Capital requirement}$.

Glossary

%a.: annualized percentage.

%i.a.: interannual percentage.

Adjusted profit: Total profit excluding payments made due to court-ordered releases and adjustments to the valuation of public sector assets according to Com. "A" 3911 and modifications.

ASE: Adjusted stockholders' equity, for RPC in Spanish. The measure for compliance with bank capital regulations.

Consolidated (or aggregate) assets and liabilities: Those arising from excluding operations between financial entities.

Consolidated result: Excludes results related to shares and participations in other local financial entities.

CEDRO: Certificado de Depósito Reprogramado. Scheduled Stabilization Coefficient.

Financial margin: Income less outlays of a financial nature. Include interest income, gains from securities, CER/CVS adjustments, exchange rate differences and other financial results. Does not include the items affected by Com. A 3911.

Gains from securities: Includes income from government securities, short-term investments, corporate bonds, subordinated debt, options and from other income from financial intermediation. In the case of government securities, it includes the results accrued from income, quotation differences, exponential increase on the basis of the internal rate of return (IRR), and from sales, as well as the charge for impairment to value.

Income from services: Commissions collected less commissions paid. Includes commissions on liabilities, credits, securities, guarantees granted, rental of safe deposits boxes and foreign trade and exchange transactions, excluding in the case of the latter results from the trading of foreign currency, which are recorded in the "Exchange difference" accounts (here included under the heading "Other financial results"). Outflows include commissions paid, contributions to the Banking Social Services Institute (ISSB), other contributions on service income and charges accrued for gross income tax.

Interest income (interest margin): Interest collected less interest paid on financial intermediation, on an accrual basis – taken from balance sheet – rather than on a cash basis. Include interest on loans of government securities and premiums on repos and reverse repos.

Lebac and Nobac: Bills and notes of the BCRA.

Liquid assets: Minimum cash compliance – cash, current account at BCRA and special accounts in guarantee – and other liquid items (mainly correspondent accounts) plus repo position in cash with the BCRA.

Liquidity ratio: Liquid assets as a percentage of total deposits.

mill.: million.

NBFE: Non-banking financial entity.

Netted assets (NA) and liabilities: Those net of accounting duplications inherent to the recording of repurchase agreements, term transactions or unsettled spot transactions.

Net worth exposure to counterpart risk: Non-performing portfolio net of allowances in terms of net worth.

Non-performing portfolio: Portfolio in categories 3 to 6, as per the debtor classification system.

Operating costs: Includes remuneration, social security payments, services and fees, miscellaneous expenses, taxes and amortization.

ON: Corporate bonds (Obligaciones Negociables).

OS: Subordinated debt (Obligaciones Subordinadas).

Other financial results: Income from financial leasing, adjustments to valuation of credit to the public sector, contribution to the deposit guarantee fund, interest on liquid funds, difference in market price of gold and foreign exchange, premiums on the sale of foreign currency and other unidentified income (net).

PN: Net worth (Patrimonio Neto).

p.p.: percentage points.

Private sector credit: Loans to the private sector and private sector securities.

Public sector credit: Loans to the public sector, holdings of government securities, compensation receivable from the Federal Government and other credits to the public sector.

Quotation differences: Income from the monthly updating of foreign currency-denominated assets and liabilities. The heading also includes income arising from the purchase and sale of foreign currency, arising from the difference in the price agreed (net of direct costs generated by the transaction) and the book value.

ROA: Net profits as a percentage of netted assets. When referring to accumulated results the denominator includes the average netted assets for the reference months.

ROE: Net profits as a percentage of net worth. When referring to accumulated results the denominator includes the average net worth for the reference months.

RPC: Adjusted stockholder's equity, calculated towards meeting capital regulations. (Responsabilidad Patrimonial Computable)

RWA: Risk weighted assets.

SME: Small and Medium Enterprises.

US\$: United States dollars

Statistics annex | Financial system

Chart 1 | Financial Soundness Indicators (see Metodology)

As %	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Mar 2010	2010	Feb 2011	Mar 2011
1.- Liquidity	22.3	26.1	23.1	25.0	23.4	19.6	22.8	29.1	29.6	20.1	22.5	23.0	27.9	28.6	31.9	28.0	27.3	27.4
2.- Credit to the public sector	16.9	16.2	16.2	18.0	17.3	23.0	48.9	47.0	40.9	31.5	22.5	16.3	12.7	14.4	13.9	12.2	11.8	11.4
3.- Credit to the private sector	50.8	47.7	48.4	44.9	39.9	42.7	20.8	18.1	19.6	25.8	31.0	38.2	39.4	38.3	37.0	39.8	40.2	39.7
4.- Private non-performing loans	16.2	13.8	12.2	14.0	16.0	19.1	38.6	33.5	18.6	7.6	4.5	3.2	3.1	3.5	3.3	2.1	2.0	1.9
5.- Net worth exposure to the private sector	24.9	22.5	20.6	24.7	26.2	21.9	17.3	12.4	-1.0	-4.1	-3.3	-3.0	-3.3	-2.8	-3.3	-5.0	-5.3	-5.3
6.- ROA	0.6	1.0	0.5	0.2	0.0	0.0	-8.9	-2.9	-0.5	0.9	1.9	1.5	1.6	2.3	2.3	2.8	2.4	2.6
7.- ROE	4.1	6.3	3.9	1.7	0.0	-0.2	-59.2	-22.7	-4.2	7.0	14.3	11.0	13.4	19.2	18.3	24.4	21.9	23.9
8.- Efficiency	142	136	138	142	147	143	189	69	125	151	167	160	167	185	170	182	171	176
9.- Capital compliance	23.8	20.8	20.3	21.0	20.1	21.4	-	14.5	14.0	15.3	16.9	16.9	16.9	18.8	19.1	17.7	17.5	16.7
10.- Excess capital compliance	64	73	49	54	58	54	-	116	185	173	134	93	90	100	99	86	87	77

Source: BCRA

Chart 2 | Balance Sheet

In million of current pesos	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Dec 08	Dec 09	Mar 10	Dec 10	Feb 11	Mar 11	Change (in %)					
													Last month	2011	Last 12 months			
Assets	187,532	186,873	212,562	221,962	258,384	297,963	346,762	387,381	411,493	510,776	530,689	548,188	3.3	7.3	33.2			
Liquid assets ¹	17,138	27,575	29,154	20,819	37,991	46,320	58,676	71,067	84,600	93,082	93,983	90,589	-3.6	-2.7	7.1			
Public bonds	31,418	45,062	55,382	66,733	64,592	62,678	65,255	86,318	90,601	119,583	123,538	134,109	8.6	12.1	48.0			
Lebac/Nobac	-	-	17,755	28,340	29,289	36,022	37,093	43,867	51,700	76,948	83,658	94,859	13.4	23.3	83.5			
Portfolio	-	-	11,803	21,067	25,767	31,598	25,652	34,748	40,774	61,855	67,761	73,461	8.4	18.8	80.2			
Repo ²	-	-	5,953	7,273	3,521	4,424	11,442	9,119	10,926	15,093	15,897	21,398	34.6	41.8	95.8			
Private bonds	332	198	387	389	813	382	203	307	228	209	211	234	11.1	12.0	2.8			
Loans	84,792	68,042	73,617	84,711	103,668	132,157	154,719	169,868	175,999	230,098	240,810	244,423	1.5	6.2	38.9			
Public sector	44,337	33,228	30,866	25,836	20,874	16,772	17,083	20,570	22,557	25,878	26,138	25,937	-0.8	0.2	15.0			
Private sector	38,470	33,398	41,054	55,885	77,832	110,355	132,844	145,247	149,574	199,202	209,315	213,101	1.8	7.0	42.5			
Financial sector	1,985	1,417	1,697	2,450	4,962	5,030	4,793	4,052	3,868	5,018	5,357	5,386	0.5	7.3	39.2			
Provisions over loans	-1,952	-9,374	-7,500	-4,930	-3,728	-4,089	-4,744	-5,824	-5,847	-6,229	-6,327	-6,269	-0.9	0.6	7.2			
Other netted credits due to financial intermediaries	39,089	27,030	32,554	26,721	26,039	29,712	38,152	33,498	32,954	39,006	41,786	47,831	14.5	22.6	45.1			
Corporate bonds and subordinated debt	1,708	1,569	1,018	873	773	606	912	1,146	1,343	1,433	1,418	1,571	10.8	9.6	16.9			
Unquoted trusts	6,698	4,133	3,145	3,883	4,881	5,023	5,714	5,942	6,082	6,824	6,958	7,177	3.1	5.2	18.0			
Compensation receivable	17,111	14,937	15,467	5,841	373	377	357	16	16	0	0	0	0.0	0.0	-99.9			
Other	13,572	6,392	12,924	16,124	19,622	23,706	31,169	26,395	25,513	30,749	33,410	39,083	17.0	27.1	53.2			
Leasing	567	397	611	1,384	2,262	3,469	3,935	2,933	2,829	3,936	4,273	4,375	2.4	11.2	54.7			
Shares in other companies	4,653	4,591	3,871	4,532	6,392	6,430	7,236	6,711	6,990	7,917	8,225	7,979	-3.0	0.8	14.2			
Fixed assets and miscellaneous	8,636	8,164	7,782	7,546	7,619	7,643	7,903	8,239	8,365	9,071	9,272	9,248	-0.3	1.9	10.6			
Foreign branches	3,522	3,144	3,524	3,647	2,782	2,912	3,153	3,926	4,002	3,284	3,331	3,247	2.3	3.7	-14.9			
Other assets	9,338	12,043	13,180	10,950	9,953	10,347	12,275	10,337	10,771	10,818	11,588	12,262	5.8	13.3	13.8			
Liabilities	161,446	164,923	188,683	195,044	225,369	261,143	305,382	339,047	360,928	453,227	471,154	489,690	3.9	8.0	35.7			
Deposits	75,001	94,635	116,655	136,492	170,898	205,550	236,217	271,853	295,437	376,341	389,942	399,856	2.5	6.2	35.3			
Public sector ³	8,381	16,040	31,649	34,019	45,410	48,340	67,151	69,143	87,109	115,951	121,654	124,116	2.0	7.0	42.5			
Private sector ³	59,698	74,951	83,000	100,809	123,431	155,048	166,378	199,278	204,759	257,595	265,034	272,458	2.8	5.8	33.1			
Current account	11,462	15,071	18,219	23,487	26,900	35,245	39,619	45,752	46,404	61,306	62,527	64,696	3.5	5.5	39.4			
Savings account	10,523	16,809	23,866	29,078	36,442	47,109	50,966	62,807	63,072	82,575	82,329	83,966	2.0	1.7	33.1			
Time deposit	19,080	33,285	34,944	42,822	54,338	65,952	69,484	83,967	88,195	104,492	109,577	113,862	3.9	9.0	29.1			
CEDRO	12,328	3,217	1,046	17	13	0	0	0	0	0	0	0	-	-	-			
Other netted liabilities due to financial intermediaries	75,737	61,690	64,928	52,072	46,037	46,225	57,662	52,114	49,635	60,052	64,054	70,335	9.8	17.1	41.7			
Interbanking obligations	1,649	1,317	1,461	2,164	4,578	4,310	3,895	3,251	3,083	4,201	4,532	4,479	-1.2	6.6	45.3			
BCRA lines	27,837	27,491	27,726	17,005	7,686	2,362	1,885	270	262	262	311	351	12.7	33.7	34.1			
Outstanding bonds	9,096	6,675	7,922	6,548	6,603	6,938	5,984	5,033	4,554	3,432	3,601	3,789	5.2	10.4	-16.8			
Foreign lines of credit	25,199	15,196	8,884	4,684	4,240	3,864	4,541	3,369	3,232	3,897	3,990	4,203	5.3	7.9	30.0			
Other	11,955	11,012	18,934	21,671	22,930	28,752	41,357	40,191	38,504	48,259	51,619	57,513	11.4	19.2	49.4			
Subordinated debts	3,712	2,028	1,415	1,381	1,642	1,672	1,763	1,922	1,943	2,165	1,821	1,859	2.1	-14.1	-4.3			
Other liabilities	6,997	6,569	5,685	5,099	6,792	7,695	9,740	13,159	13,913	14,669	15,337	17,640	15.0	20.3	26.8			
Net worth	26,086	21,950	23,879	26,918	33,014	36,819	41,380	48,335	50,565	57,549	59,535	58,498	-1.7	1.6	15.7			
Memo																		
Netted assets	185,356	184,371	202,447	208,275	244,791	280,336	321,075	364,726	389,672	483,004	500,686	512,483	2.4	6.1	31.5			
Consolidated netted assets	181,253	181,077	198,462	203,286	235,845	271,652	312,002	357,118	382,115	473,406	490,611	502,659	2.5	6.2	31.5			

(¹) Includes margin accounts with the BCRA and excludes financial entities repos against BCRA. (²) Booked value from balance sheet. (³) Does not include accrual on interest or CER.

Source: BCRA

Statistics annex | Financial system (cont.)

Chart 3 | Profitability Structure

Amount in million of pesos	Annual										First 3 months		Monthly			Last
	2002 ¹	2003	2004	2005	2006	2007	2008	2009	2010	2010	2011	Jan-11	Feb-11	Mar-11	12 months	
Financial margin	13,991	1,965	6,075	9,475	13,262	15,134	20,462	28,937	35,982	7,411	9,483	3,299	2,750	3,434	38,055	
Net interest income	-3,624	-943	1,753	3,069	4,150	5,744	9,573	14,488	17,963	4,114	5,290	1,874	1,572	1,844	19,140	
CER and CVS adjustments	8,298	2,315	1,944	3,051	3,012	2,624	2,822	1,196	2,404	542	460	180	127	153	2,323	
Foreign exchange price adjustments	5,977	-890	866	751	944	1,357	2,307	2,588	2,100	561	731	227	260	244	2,270	
Gains on securities	3,639	1,962	1,887	2,371	4,923	5,144	4,398	11,004	13,968	2,338	3,139	1,053	839	1,247	14,770	
Other financial income	-299	-480	-375	233	235	264	1,362	-339	-454	-144	-137	-35	-48	-53	-447	
Service income margin	4,011	3,415	3,904	4,781	6,243	8,248	10,870	13,052	16,102	3,554	4,561	1,499	1,465	1,597	17,109	
Loan loss provisions	-10,007	-2,089	-1,511	-1,173	-1,198	-1,894	-2,839	-3,814	-3,276	-780	-816	-293	-255	-268	-3,311	
Operating costs	-9,520	-7,760	-7,998	-9,437	-11,655	-14,634	-18,767	-22,710	-28,693	-6,438	-7,986	-2,648	-2,615	-2,723	-30,241	
Tax charges	-691	-473	-584	-737	-1,090	-1,537	-2,318	-3,272	-4,124	-881	-1,243	-403	-407	-433	-4,486	
Income tax	-509	-305	-275	-581	-595	-1,032	-1,342	-4,226	-5,033	-878	-1,150	-480	-233	-438	-5,305	
Adjust. to the valuation of gov. securities ²	0	-701	-320	-410	-752	-837	-1,757	-262	-214	-73	-117	-18	-30	-68	-257	
Amort. payments for court-ordered releases	0	-1,124	-1,686	-1,867	-2,573	-1,922	-994	-703	-635	-121	-60	-17	-20	-23	-575	
Other	-3,880	1,738	1,497	1,729	2,664	2,380	1,441	918	1,652	326	593	258	146	189	1,919	
Monetary results	-12,558	69	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total results³	-19,162	-5,265	-898	1,780	4,306	3,905	4,757	7,920	11,761	2,119	3,267	1,198	802	1,267	12,908	
Adjusted results ⁴	-	-3,440	1,337	4,057	7,631	6,665	7,508	8,885	12,610	2,314	3,444	1,234	852	1,358	13,740	
Annualized indicators - As % of netted assets																
Financial margin	6.5	1.1	3.1	4.6	5.8	5.7	6.7	8.6	8.6	8.0	7.6	8.1	6.6	8.1	8.5	
Net interest income	-1.7	-0.5	0.9	1.5	1.8	2.2	3.1	4.3	4.3	4.4	4.3	4.6	3.8	4.4	4.3	
CER and CVS adjustments	3.9	1.3	1.0	1.5	1.3	1.0	0.9	0.4	0.6	0.6	0.4	0.4	0.3	0.4	0.5	
Foreign exchange price adjustments	2.8	-0.5	0.4	0.4	0.4	0.5	0.8	0.8	0.5	0.6	0.6	0.6	0.6	0.6	0.5	
Gains on securities	1.7	1.1	1.0	1.2	2.2	1.9	1.4	3.3	3.3	2.5	2.5	2.6	2.0	2.9	3.3	
Other financial income	-0.1	-0.3	-0.2	0.1	0.1	0.1	0.4	-0.1	-0.1	-0.2	-0.1	-0.1	-0.1	-0.1	-0.1	
Service income margin	1.9	1.9	2.0	2.3	2.7	3.1	3.6	3.9	3.8	3.8	3.7	3.7	3.5	3.8	3.8	
Loan loss provisions	-4.7	-1.1	-0.8	-0.6	-0.5	-0.7	-0.9	-1.1	-0.8	-0.8	-0.7	-0.7	-0.6	-0.6	-0.7	
Operating costs	-4.4	-4.2	-4.1	-4.6	-5.1	-5.5	-6.1	-6.7	-6.9	-6.9	-6.4	-6.5	-6.3	-6.4	-6.7	
Tax charges	-0.3	-0.3	-0.3	-0.4	-0.5	-0.6	-0.8	-1.0	-1.0	-0.9	-1.0	-1.0	-1.0	-1.0	-1.0	
Income tax	-0.2	-0.2	-0.1	-0.3	-0.3	-0.4	-0.4	-1.3	-1.2	-0.9	-0.9	-1.2	-0.6	-1.0	-1.2	
Adjust. to the valuation of gov. securities ²	0.0	-0.4	-0.2	-0.2	-0.3	-0.3	-0.6	-0.1	-0.1	-0.1	-0.1	0.0	-0.1	-0.2	-0.1	
Amort. payments for court-ordered releases	0.0	-0.6	-0.9	-0.9	-1.1	-0.7	-0.3	-0.2	-0.2	-0.1	0.0	0.0	0.0	-0.1	-0.1	
Other	-1.8	0.9	0.8	0.8	1.2	0.9	0.5	0.3	0.4	0.4	0.5	0.6	0.4	0.4	0.4	
Monetary results	-5.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
ROA³	-8.9	-2.9	-0.5	2.0	1.9	1.5	1.6	2.3	2.8	2.3	2.6	2.9	1.9	3.0	2.9	
ROA adjusted ⁴	-8.9	-1.9	0.7	2.0	3.4	2.5	2.5	2.6	3.0	2.5	2.8	3.0	2.1	3.2	3.1	
ROE ³	-59.2	-22.7	-4.2	7.0	14.3	11.0	13.4	19.2	24.4	18.3	23.9	26.3	17.5	28.0	25.6	

(1) Data at December 2002 currency (2) Com. "A" 3911. Adjustments to the valuation of government unlisted securities according to Com. "A" 4084 are included under the "gains from securities" heading.

(3) As of January 2008, data to calculate financial system consolidated result is available. This indicator excludes results and asset headings related to shares and participation in other local financial entities.

(4) Excluding amortization of payments for court-ordered releases and the effects of Com. "A" 3911 and 4084.

Source: BCRA

Chart 4 | Portfolio Quality

As percentage	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Dec 08	Dec 09	Mar 10	Dec 10	Feb 11	Mar 11
Non-performing loans (overall)	18.1	17.7	10.7	5.2	3.4	2.7	2.7	3.0	2.8	1.8	1.7	1.6
Non-performing loans to the non-financial private sector	38.6	33.5	18.6	7.6	4.5	3.2	3.1	3.5	3.3	2.1	2.0	1.9
Provisions / Non-performing loans	73.8	79.2	102.9	124.5	129.9	129.6	131.4	126.2	132.2	165.8	174.7	176.1
(Total non-performing - Provisions) / Overall financing	4.7	3.7	-0.3	-1.3	-1.0	-0.8	-0.8	-0.8	-0.9	-1.2	-1.3	-1.2
(Total non-performing - Provisions) / Net worth	17.2	11.9	-1.0	-4.1	-3.3	-3.0	-3.3	-2.9	-3.3	-5.0	-5.3	-5.3

(*) Include commercial loans treated as consumer loans for classification purposes.

Source: BCRA

Statistics annex | Private banks

Chart 5 | Financial Soundness Indicators (see Metodology)

As %	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Mar 2010	2010	Feb 2011	Mar 2011
1.- Liquidity	23.6	26.9	22.8	24.3	24.1	23.6	24.8	27.6	29.2	21.5	23.7	25.7	34.1	29.8	30.4	26.0	25.1	26.8
2.- Credit to the public sector	13.5	13.7	13.6	16.1	14.7	20.8	50.0	47.7	41.6	28.5	16.3	9.5	6.3	6.1	5.7	4.4	4.5	4.5
3.- Credit to the private sector	51.0	46.7	47.6	44.6	38.4	45.4	22.4	19.9	22.5	31.1	37.9	46.6	44.0	43.3	43.6	50.3	50.8	49.2
4.- Private non-performing loans	11.1	8.5	7.7	8.9	9.8	14.0	37.4	30.4	15.3	6.3	3.6	2.5	2.8	3.3	3.1	2.0	1.8	1.7
5.- Net worth exposure to the private sector	21.6	14.3	13.2	11.5	13.4	11.4	18.6	11.2	1.9	-2.2	-3.0	-3.6	-3.4	-3.1	-3.3	-5.1	-5.3	-5.3
6.- ROA	0.6	0.7	0.5	0.3	0.1	0.2	-11.3	-2.5	-1.0	0.5	2.2	1.6	1.9	3.0	2.7	3.2	2.5	2.6
7.- ROE	4.1	6.3	4.3	2.3	0.8	1.4	-79.0	-19.1	-8.1	4.1	15.3	10.9	15.2	22.9	19.7	24.5	19.8	21.3
8.- Efficiency	144	135	139	146	152	151	168	93	115	136	158	152	166	195	175	176	165	168
9.- Capital compliance	15.9	15.4	14.6	18.9	18.0	17.6	-	14.0	15.1	17.8	18.6	19.2	18.3	22.6	23.1	20.4	19.9	18.4
10.- Excess capital compliance	33	47	27	60	49	43	-	88	157	155	116	87	86	121	123	100	98	83

Source: BCRA

Chart 6 | Balance Sheet

In million of current pesos	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Dec 08	Dec 09	Mar 10	Dec 10	Feb 11	Mar 11	Change (in %)					
													Last month	2011	Last 12 months			
Assets	118,906	116,633	128,065	129,680	152,414	175,509	208,888	229,549	236,153	280,025	291,963	306,677	5.0	9.5	29.9			
Liquid assets ¹	11,044	14,500	15,893	14,074	22,226	29,418	37,044	43,562	42,175	49,730	48,267	47,379	-1.8	-4.7	12.3			
Public bonds	19,751	22,260	24,817	29,966	27,663	24,444	29,552	47,949	50,721	48,903	50,275	56,222	11.8	15.0	10.8			
Lebac/Nobac	-	-	8,359	15,227	15,952	17,684	23,457	31,575	36,549	34,422	36,714	42,890	16.8	24.6	17.4			
Portfolio	-	-	5,611	12,899	14,220	15,639	12,858	27,413	29,672	31,148	32,000	32,000	0.0	2.7	7.8			
Repo ²	-	-	2,749	2,328	1,732	2,045	10,598	4,161	6,877	3,274	4,714	10,890	131.0	232.6	58.3			
Private bonds	273	172	333	307	683	310	127	233	155	184	185	173	-6.6	-6.1	11.4			
Loans	51,774	47,017	50,741	56,565	69,294	88,898	98,529	101,722	105,398	143,202	150,707	153,096	1.6	6.9	45.3			
Public sector	25,056	23,571	21,420	15,954	10,036	6,413	6,249	1,694	1,961	1,625	1,638	1,535	-6.3	-5.5	-21.7			
Private sector	26,074	22,816	28,213	39,031	55,632	78,587	88,426	96,790	100,523	137,308	144,622	146,981	1.6	7.0	46.2			
Financial sector	644	630	1,107	1,580	3,626	3,898	3,854	3,238	2,915	4,270	4,447	4,580	3.0	7.3	57.2			
Provisions over loans	-7,463	-5,225	-3,717	-2,482	-2,227	-2,365	-2,871	-3,653	-3,671	-3,926	-3,973	-3,923	-1.3	-0.1	6.9			
Other netted credits due to financial intermediaries	27,212	22,148	25,753	16,873	18,387	17,084	25,265	21,258	22,326	20,241	23,678	30,509	28.9	50.7	36.7			
Corporate bonds and subordinated debt	1,514	1,394	829	675	618	430	699	734	860	757	723	851	17.7	12.4	-1.1			
Unquoted trusts	6,205	3,571	2,362	2,444	2,982	3,456	3,869	4,198	4,352	4,500	4,472	4,439	-0.7	-1.4	2.0			
Compensation receivable	15,971	13,812	14,657	5,575	760	377	357	16	16	0	0	0	-	-	-			
Other	3,523	3,370	7,905	8,179	14,027	12,822	20,339	16,311	17,098	14,984	18,482	25,220	36.5	68.3	47.5			
Leasing	553	387	592	1,356	2,126	3,149	3,451	2,569	2,478	3,519	3,829	3,918	2.3	11.3	58.1			
Shares in other companies	3,123	2,791	1,892	2,416	4,042	3,762	4,538	4,067	4,280	4,934	5,195	4,923	-5.2	-0.2	15.0			
Fixed assets and miscellaneous	5,198	4,902	4,678	4,575	4,677	4,685	4,926	5,096	5,195	5,808	5,958	5,997	0.7	3.3	15.4			
Foreign branches	-109	-136	-53	-148	-139	-154	-178	-202	-208	-215	-219	-220	0.8	2.7	5.9			
Other assets	7,549	7,816	7,137	6,178	5,682	6,277	8,505	6,946	7,304	7,646	8,060	8,602	6.7	12.5	17.8			
Liabilities	103,079	101,732	113,285	112,600	131,476	152,153	182,596	198,438	203,426	243,766	254,570	271,000	6.5	11.2	33.2			
Deposits	44,445	52,625	62,685	75,668	94,095	116,719	135,711	154,387	158,629	198,662	205,059	211,072	2.9	6.2	33.1			
Public sector ³	1,636	3,077	6,039	6,946	7,029	7,564	19,600	17,757	18,963	23,598	25,570	25,860	1.1	9.6	36.4			
Private sector ³	38,289	47,097	55,384	67,859	85,714	107,671	114,176	134,426	137,259	173,203	177,514	183,274	3.2	5.8	33.5			
Current account	8,905	11,588	13,966	17,946	20,604	27,132	30,188	35,127	35,621	46,297	46,407	48,322	4.1	4.4	35.7			
Savings account	6,309	10,547	14,842	18,362	23,165	30,169	32,778	40,999	41,038	53,085	53,460	55,179	3.2	3.9	34.5			
Time deposit	11,083	18,710	22,729	27,736	38,043	45,770	46,990	54,058	56,356	67,568	70,440	72,953	3.6	8.0	29.5			
CEDRO	9,016	2,409	798	3	1	0	0	0	0	0	0	0	-	-	-			
Other netted liabilities due to financial intermediaries	49,341	42,367	45,083	32,349	31,750	29,323	39,298	34,235	34,495	34,427	38,524	46,565	20.9	35.3	35.0			
Interbanking obligations	836	726	1,070	1,488	3,383	1,979	1,160	1,668	1,469	1,903	1,971	1,814	-8.0	-4.7	23.5			
BCRA lines	16,624	17,030	17,768	10,088	3,689	675	649	41	37	57	68	75	10.0	31.6	101.7			
Outstanding bonds	9,073	6,674	7,922	6,548	6,413	6,686	5,672	4,626	4,192	2,802	2,874	2,892	0.6	3.2	-31.0			
Foreign lines of credit	15,434	9,998	5,444	2,696	2,249	1,833	2,261	1,262	1,145	1,716	1,824	2,026	11.1	18.1	77.0			
Other	7,374	7,939	12,878	11,530	16,015	18,150	29,555	26,638	27,652	27,949	31,786	39,758	25.1	42.3	43.8			
Subordinated debts	3,622	1,850	1,304	1,319	1,642	1,668	1,759	1,918	1,940	2,148	1,803	1,842	2.1	-14.2	-5.1			
Other liabilities	5,671	4,890	4,213	3,264	3,989	4,443	5,828	7,897	8,362	8,528	9,185	11,522	25.5	35.1	37.8			
Net worth	15,827	14,900	14,780	17,080	20,938	23,356	26,292	31,111	32,727	36,259	37,393	35,677	-4.6	-1.6	9.0			
Memo																		
Netted assets	117,928	115,091	121,889	123,271	143,807	166,231	192,074	216,100	221,959	267,364	276,168	284,177	2.9	6.3	28.0			

(¹) Includes margin accounts with the BCRA and excludes financial entities repos against BCRA. (²) Booked value from balance sheet. (³) Does not include accrual on interest or CER.

Source: BCRA

Statistics annex | Private banks (cont.)

Chart 7 | Profitability Structure

Amount in million of pesos	Annual										First 3 months		Monthly			Last
	2002 ¹	2003	2004	2005	2006	2007	2008	2009	2010	2010	2011	Jan-11	Feb-11	Mar-11	12 months	
Financial margin	10,628	2,575	3,415	5,253	7,778	8,960	12,964	19,724	21,837	4,810	5,772	1,974	1,707	2,091	22,800	
Net interest income	-304	107	1,214	2,069	2,826	4,191	7,727	10,572	12,842	2,782	3,852	1,265	1,194	1,393	13,911	
CER and CVS adjustments	1,476	1,082	900	1,215	858	662	651	185	244	55	64	14	13	37	254	
Foreign exchange price adjustments	6,189	-312	666	576	740	990	1,620	1,646	1,493	375	471	147	167	157	1,589	
Gains on securities	3,464	1,892	959	1,259	3,154	2,888	1,637	7,343	7,464	1,691	1,466	567	363	537	7,240	
Other financial income	-197	-195	-322	134	199	229	1,329	-22	-205	-92	-81	-19	-29	-34	-194	
Service income margin	2,782	2,341	2,774	3,350	4,459	5,881	7,632	9,198	11,345	2,550	3,245	1,065	1,039	1,141	12,040	
Loan loss provisions	-6,923	-1,461	-1,036	-714	-737	-1,174	-1,863	-2,751	-2,253	-533	-565	-203	-176	-185	-2,285	
Operating costs	-6,726	-5,310	-5,382	-6,303	-7,741	-9,735	-12,401	-14,807	-18,819	-4,195	-5,361	-1,759	-1,741	-1,861	-19,985	
Tax charges	-512	-366	-393	-509	-769	-1,105	-1,715	-2,380	-2,927	-631	-879	-285	-291	-303	-3,175	
Income tax	-337	-295	-202	-217	-365	-380	-1,168	-3,001	-2,733	-711	-806	-289	-204	-313	-2,828	
Adjust. to the valuation of gov. securities ²	0	-665	-51	-201	-170	-100	-267	0	47	5	-40	3	-8	-35	2	
Amort. payments for court-ordered releases	0	-791	-1,147	-1,168	-1,182	-1,466	-688	-367	-441	-69	-27	-6	-9	-11	-399	
Other	-4,164	1,178	846	1,156	1,641	1,576	916	398	1,382	248	451	173	133	145	1,586	
Monetary results	-10,531	-20	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total results³	-15,784	-2,813	-1,176	648	2,915	2,457	3,412	6,014	7,438	1,474	1,792	673	450	669	7,756	
Adjusted results ⁴	-	-1,357	252	2,016	4,267	4,023	4,367	6,381	7,832	1,539	1,858	676	467	715	8,152	
Annualized indicators - As % of netted assets																
Financial margin	7.6	2.3	2.9	4.3	5.9	5.8	7.3	9.8	9.3	9.0	8.4	8.8	7.5	8.9	9.1	
Net interest income	-0.2	0.1	1.0	1.7	2.1	2.7	4.4	5.3	5.5	5.2	5.6	5.2	5.9	5.6	5.6	
CER and CVS adjustments	1.1	0.9	0.8	1.0	0.6	0.4	0.4	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.1	
Foreign exchange price adjustments	4.4	-0.3	0.6	0.5	0.6	0.6	0.9	0.8	0.6	0.7	0.7	0.7	0.7	0.7	0.6	
Gains on securities	2.5	1.7	0.8	1.0	2.4	1.9	0.9	3.7	3.2	3.1	2.1	2.5	1.6	2.3	2.9	
Other financial income	-0.1	-0.2	-0.3	0.1	0.2	0.1	0.8	0.0	-0.1	-0.2	-0.1	-0.1	-0.1	-0.1	-0.1	
Service income margin	2.0	2.0	2.4	2.7	3.4	3.8	4.3	4.6	4.8	4.7	4.7	4.7	4.6	4.9	4.8	
Loan loss provisions	-5.0	-1.3	-0.9	-0.6	-0.6	-0.8	-1.1	-1.4	-1.0	-1.0	-0.8	-0.9	-0.8	-0.8	-0.9	
Operating costs	-4.8	-4.6	-4.6	-5.1	-5.9	-6.3	-7.0	-7.4	-8.0	-7.8	-7.8	-7.8	-7.7	-7.9	-8.0	
Tax charges	-0.4	-0.3	-0.3	-0.4	-0.6	-0.7	-1.0	-1.2	-1.2	-1.2	-1.3	-1.3	-1.3	-1.3	-1.3	
Income tax	-0.2	-0.3	-0.2	-0.2	-0.3	-0.2	-0.7	-1.5	-1.2	-1.3	-1.2	-1.3	-0.9	-1.3	-1.1	
Adjust. to the valuation of gov. securities ²	0.0	-0.6	0.0	-0.2	-0.1	-0.1	-0.2	0.0	0.0	0.0	-0.1	0.0	0.0	-0.2	0.0	
Amort. payments for court-ordered releases	0.0	-0.7	-1.0	-1.0	-0.9	-0.9	-0.4	-0.2	-0.2	-0.1	0.0	0.0	0.0	0.0	-0.2	
Other	-3.0	1.0	0.7	0.9	1.2	1.0	0.5	0.2	0.6	0.5	0.7	0.8	0.6	0.6	0.6	
Monetary results	-7.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
ROA³	-11.3	-2.5	-1.0	0.5	2.2	1.6	1.9	3.0	3.2	2.7	2.6	3.0	2.0	2.9	3.1	
ROA adjusted ⁴	-11.3	-1.2	0.2	1.6	3.2	2.6	2.5	3.2	3.3	2.9	2.7	3.0	2.1	3.1	3.3	
ROE³	-79.0	-19.1	-8.1	4.1	15.3	10.9	15.2	22.9	24.5	19.7	21.3	23.7	15.8	24.5	24.8	

(1) Data at December 2002 currency (2) Com. "A" 3911. Adjustments to the valuation of government unlisted securities according to Com. "A" 4084 are included under the "gains from securities" heading.

(3) As of January 2008, data to calculate financial system consolidated result is available. This indicator excludes results and asset headings related to shares and participation in other local financial entities.

(4) Excluding amortization of payments for court-ordered releases and the effects of Com. "A" 3911 and 4084.

Source: BCRA

Chart 8 | Portfolio Quality

As percentage	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Dec 08	Dec 09	Mar 10	Dec 10	Feb 11	Mar 11
Non-performing loans (overall)	19.8	15.7	8.9	4.4	2.9	2.2	2.5	3.1	3.0	1.9	1.8	1.7
Non-performing loans to the non-financial private sector	37.4	30.4	15.3	6.3	3.6	2.5	2.8	3.3	3.1	2.0	1.8	1.7
Provisions / Non-performing loans	73.4	79.0	97.0	114.3	129.3	141.3	134.1	128.9	133.3	165.2	172.9	173.3
(Total non-performing - Provisions) / Overall financing	5.3	3.3	0.4	-0.6	-0.9	-0.9	-0.9	-0.9	-1.0	-1.2	-1.3	-1.2
(Total non-performing - Provisions) / Net worth	18.6	11.2	1.3	-2.2	-3.0	-3.6	-3.4	-3.1	-3.3	-5.1	-5.3	-5.3

(*) Include commercial loans treated as consumer loans for classification purposes.

Source: BCRA