

Report on Banks

August 2011



BANCO CENTRAL
DE LA REPÚBLICA ARGENTINA

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August 2011

Year VIII, No. 12



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DE LA REPÚBLICA ARGENTINA

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Note | Information for August 2011 available by September 27, 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

- **In August banks maintained their financial intermediation dynamism.** The persistence of high volatility in international financial markets did not prevent local banks from continuing to carry out their operations normally, with slight increases in deposit and lending rates. Loan delinquency levels remained low, and were comfortably covered by provisions. **Profits earned during the month, added to further capitalization, contributed to preserving the solvency of the sector.**
- **Lending to the private sector rose 3.8% in August. In the last twelve months loans to the private sector have risen by 51.4%, more than doubling the rate of change in the same month of 2010.** The year-on-year (y.o.y.) increase in lending to companies (54.8%) has been higher than that for household loans since July 2010, and has even been running higher than the increase in consumer credit since September 2010. In the last 12 months lending to the corporate sector has explained over 60% of total growth in lending to the private sector, 4 p.p. more than in the same month of 2010.
- **Private sector loan non-performing rates remained steady during the month at a level of 1.6%,** showing a year-on-year (y.o.y.) drop of 1.1 p.p. Both loans to households and loans to companies reduced their delinquency in the last 12 months. The private sector non-performing loan provision coverage ratio stood at 164%, 37 p.p. above the ratio recorded one year earlier.
- **Total bank balance sheet deposit stocks** went up 2.1% in August, accumulating a **growth of 32.6% y.o.y.** This performance was **led by private sector deposits** (34.6% y.o.y.), which reflected a surge by both sight accounts and time deposits. **In a context of rising lending to the private sector, the broad liquidity indicator for the banking system dropped 0.3 p.p. in terms of total deposits in August to 41.3%** (with a year-on-year reduction of 4.3 p.p.). For its part, the financial system liquidity indicator that only includes peso-denominated items (excluding Lebac and Nobac positions) rose slightly in the month to 19%, although it records a reduction of 1 p.p. of deposits in the last 12 months.
- **Financial system net worth expanded by 2.2% in August (22.5% y.o.y.), an increase explained by book profits, and to a lesser extent by capital contributions.** Given the growth in loans, systemic capital compliance ratio declined slightly during the month, to 16% of risk-weighted assets (RWA). Excess capital compliance reached 69% of the requirement, slightly less than the figure for the previous month.
- **In August, financial system profitability reached 2.7%a. of assets, in line with the figure recorded in the previous month. Over the course of the year ROA accrued by the financial system in the aggregate has been 2.5%a., similar to the level recorded in the same period of 2010,** with a decline in gains on securities having been offset by lower operating costs and loan loss provisions.
- **Development of universal access to financial services plays a key role on the Central Bank's current agenda. In this context, one year ago this Institution created the Free Universal Account (CGU) and re-introduced the Settlement Check (ChC), two instruments making it possible for transactions to be performed with greater security.** Use of these tools has been rising steadily. The total number of CGU accounts reached 81,800 by mid-October 2011. By the end of September the amount of peso ChC transactions totaled \$145 million (2,070 checks), while the total for ChC in foreign currency reached US\$215 million (3,800 checks).
- **At the same time the Central Bank has been encouraging the use of bank transfers. On the one hand, a substantial reduction was made to the cost of such transfers, and in particular those for smaller amounts.** In the period from the time the Central Bank measure was introduced (October 2010) and September 2011, there has been an increase of 33% in the volume of monthly transfers for amounts of under \$10,000 (the amount below which such transfers are free of charge). **On the other, since the end of April 2011 it has been possible to make immediate transfers.** In September 2011 the number of immediate transfers reached 1.1 million (for a total amount of \$4.6 billion), an increase of 38% since May 2011.
- **The Central Bank has held 8 auctions within the framework of the Bicentenary Productive Financing Program, providing funds for almost \$2.92 billion, distributed among 12 financial entities.** By the end of September participating banks had already provided assistance to 97 companies, disbursing \$1.375 billion (three-quarters being provided to the manufacturing sector) out of a total committed by banks to their customers of almost \$1.775 billion.

Activity

There has been continued expansion in financial intermediation and the provision of means of payment

In August financial intermediation with the private sector continued to expand, while the liquid asset growth rate continued to slow (see Chart 1). The year-on-year (y.o.y.) growth in lending to the private sector reached 51.4%, while the increase in deposits from this sector reached 34.6% y.o.y. Aggregate financial system netted assets went up 2.3% in the month, accumulating a rise of 31.1% y.o.y. This increase for the month was driven mainly by private banks.

During August the main sources of bank funds¹ came from increased private sector deposits (\$5.45 billion), followed by higher public sector deposits (\$3.9 billion) and a reduction in Lebac and Nobac positions (\$3.4 billion). **Uses of funds included expansion of lending to the private sector** (\$10.1 billion) and an increase in liquid assets (\$6.0 billion), mainly in the form of Central Bank repos.

During the first 8 months of 2011, the increase in private sector deposits, and to a lesser extent, those of the public sector, were the most significant sources of financial system funds. The increase in lending to the private sector was equivalent to over 90% of the rise recorded in total deposits, and was the most significant use of funds (see Chart 2). This proportion was significantly higher than that recorded in the same period of 2010, when the ratio was only 43%.

As a result, the stock of lending to the private sector continued to gain share in total financial system assets, being driven mainly by loans to companies. Loans to the corporate sector represented 27.5% of assets for the banking system², 4.2 p.p. above the weighting recorded 12 months earlier (see Chart 3). Liquid assets posted the greatest reduction in terms of relative importance, falling by 3 p.p. of financial system assets compared with August 2010, to 20.4%.

In line with growing levels of financial intermediation with the private sector, the banking system recorded an expansion in the provision of means of payment for the economy. In recent months the number and amounts of checks cleared have continued to rise. In the third quarter of the year documents were processed for \$281 billion, 27.6% more than 12 months earlier. The number of bounced checks by non-sufficient funds totaled 0.37% of total cleared, in

Chart 1

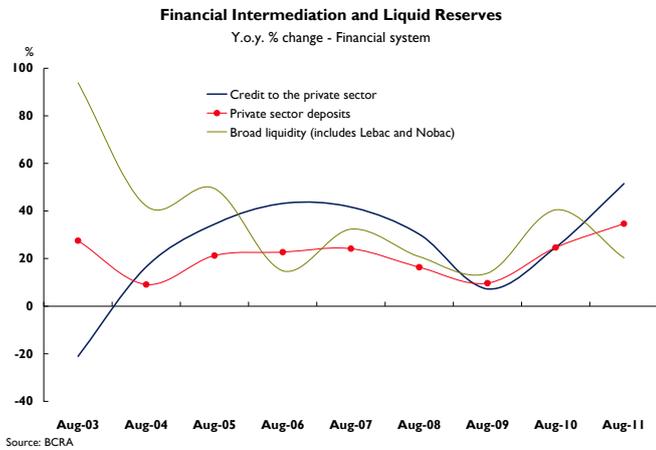


Chart 2

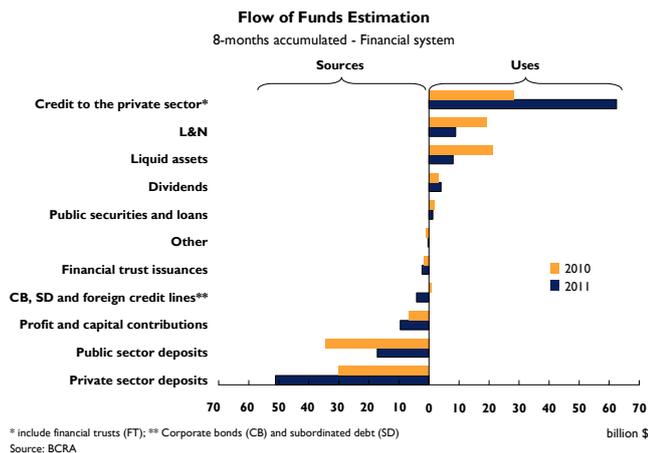
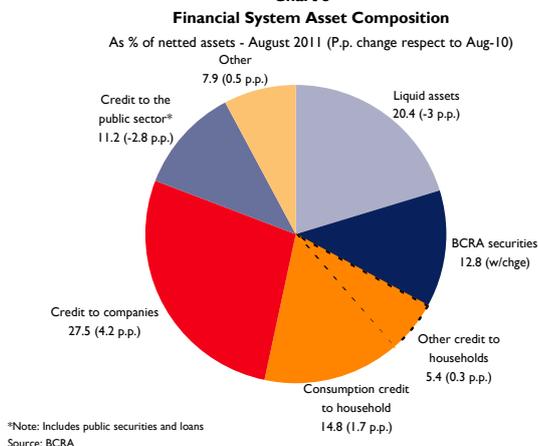


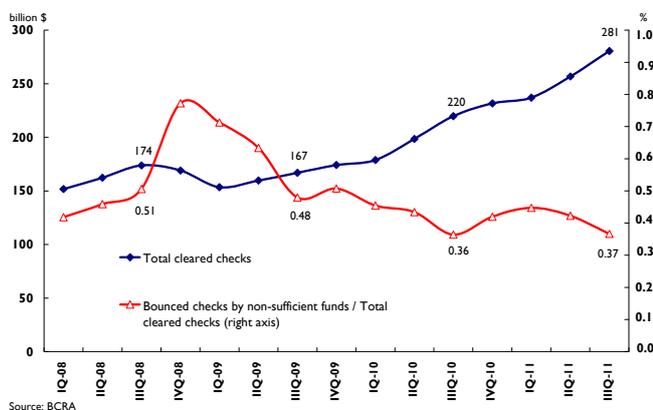
Chart 3



¹ Change estimated on the basis of variations in balance sheet stocks.

² Considering consolidated netted assets. Estimated from the basis of changes to balance sheet totals.

Chart 4
Cleared and Bounced Checks

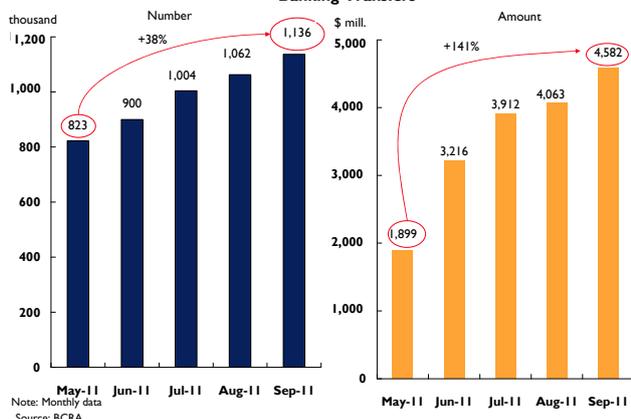


Source: BCRA

line with the figure recorded one year earlier, and well below the average for the last 4 years (see Chart 4).

With the aim of facilitating the making of bank transfers, since the end of 2010 the Central Bank has been adopting measures that have included a significant reduction in the cost of operations, particularly in the low amount segments, and the introduction of immediate transfers. Between October 2010 and September 2011 there has been an increase of 33% in the monthly volume of transfers for less than \$10,000 (the figure below which transfers are free of charge). Furthermore, in September 2011 the number of immediate transfers reached 1.1 million (for an amount of \$4.6 billion), posting an increase of 38% compared with May 2011 (see Chart 5).

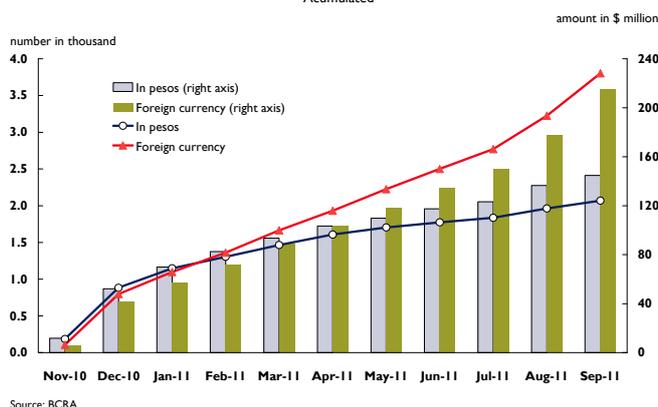
Chart 5
Banking Transfers



Note: Monthly data
Source: BCRA

In a complementary manner, the Central Bank has been seeking to improve access by the population to banking services. With this aim in mind, the Free Universal Account (CGU) was created at the end of 2010, and the use of such accounts has increased steadily. Towards the middle of October the number of CGU holders reached 81,800³, with public banks accounting for a significant proportion of the accounts granted. At the same time, for use in transactions involving large amounts and to ensure they can be carried out securely, the Central Bank re-launched the Settlement Check (ChC). By the end of September 3,800 transactions had been carried out in foreign currency (for US\$215 million) and 2,070 had been carried out in domestic currency (\$145 million) (see Chart 6).

Chart 6
Settlement checks issued
Accumulated



Source: BCRA

There has been a slight increase in financial system foreign currency mismatching from its previous moderate levels. The active foreign currency position for the banking system⁴ rose 4.3 p.p. of net worth in August to 35.4%.

Banking system lending to the public sector has remained at a limited level. In August, bank lending to the public sector stood at 11.2% of netted consolidated assets⁵, a monthly drop of 0.4 p.p., mainly as a result of the settlement of a loan granted by one public bank. Therefore, in the last 12 months exposure to the public sector has accumulated a reduction of 2.8 p.p. of netted consolidated assets. It should be noted that if the funding obtain from public sector deposits is taken into account, this sector continues to record a net creditor position with regard to the financial system (equivalent to 12.8% of netted consolidated assets).

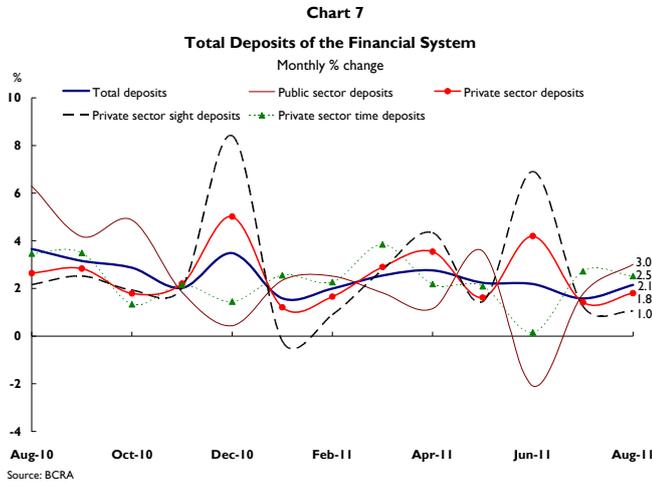
³ Of these, some 9,400 accounts are in the process of being validated, pending completion of the process of verification of the requirements for applicants

⁴ Including the difference between assets and liabilities, and the term purchases and sales of foreign currency

⁵ Equivalent to 10.4% of total financial system assets

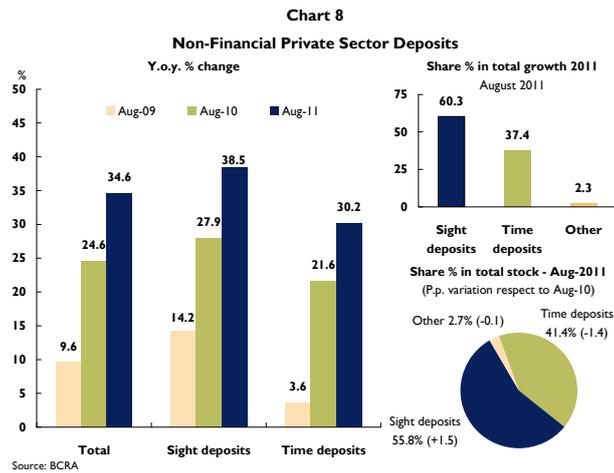
Deposits and liquidity

Private sector deposits rose in August, mainly from higher time deposits

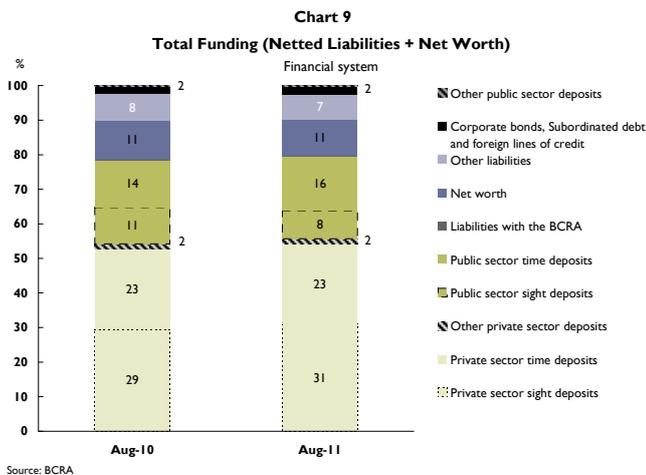


Total financial system deposit stocks rose 2.1% in August. Private sector deposits went up 1.8% in the month, driven mainly by time (2.5%) and to a lesser extent, by sight accounts (1%) (see Chart 7). Public sector deposits increased 3% in the month, again mainly from higher time deposits.

In year-on-year terms financial system deposit stocks accumulated growth of 32.6% (1.7 p.p. more than in August 2010). Private sector deposits have risen 34.6% in the last 12 months, driven mainly by sight accounts (38.5% y.o.y., contributing 60.3% of the growth in private sector deposits) and to a lesser extent by time deposits (30.2% y.o.y., contributing with 37.4% of the rise in private sector deposit stocks) (see Chart 8). Public sector deposits posted an increase of 25.4% y.o.y. **In line with these movements, in the last year the share of private sector sight deposits in total banking system funding⁶ rose by almost 2 p.p. to 31%, while the weighting of public sector deposits fell 0.5 p.p. to 24%⁷. The weighting of private sector time deposits remained steady at around 23% (see Chart 9).**



Cost of funding by total deposits in local currency for the banking system⁸, registered a slight increase of 0.2 p.p. in the month until reaching 5.9%. **This increase reflects both the increased participation by time deposits in total deposit operations during the month, as well as the effect of increasing remuneration on such deposits.** In the year-on-year comparison, the funding cost of deposits in pesos for the financial system as a whole rose slightly, explained by the increase in private banks (mainly those of foreign capital) that was partly offset by the decline in official financial entities (see Chart 10).



In the context of a steady increase in lending to the private sector, the broad liquidity indicator for the banking sector (that takes into account in both pesos and foreign currency items, as well as Central Bank bills and notes not related to repos with this Institution) declined by 0.3 p.p. of total deposits in August to 41.3%, essentially because of the drop in the month of Lebac and Nobac holdings, partially offset by increases in cash holdings in banks and net repos with the Central Bank. This movement for the month

⁶ Netted and consolidated.

⁷ The rest of total financial system funding is made up of net worth and other liabilities (such as the placement of outstanding bonds, subordinated debt, and foreign lines of credit).

⁸ Estimated on the basis of interest rates traded, weighted by volume of transactions.

took place mainly in public banks (see Chart 11). The financial system liquidity indicator that includes only peso-denominated items (excluding Lebac and Nobac holdings not related to Central Bank repos) increased by 0.9 p.p. of deposits in domestic currency during the month, to 19%.

Average interest rates on the call market fell 0.7 p.p. to 9.5% in August, with the average trading volume dropping 18% in the month to a level of almost \$900 million.

Financing

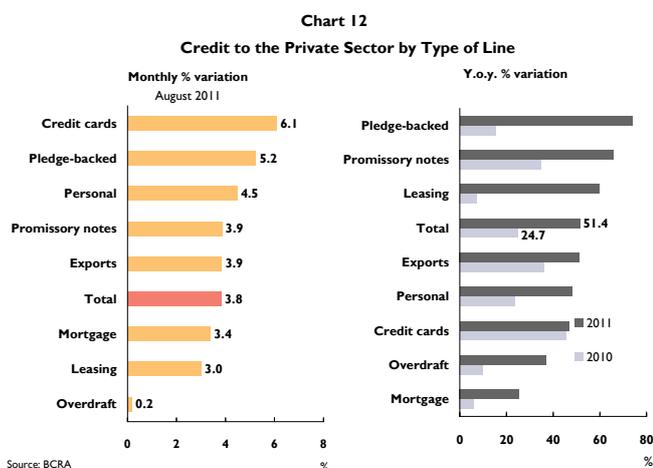
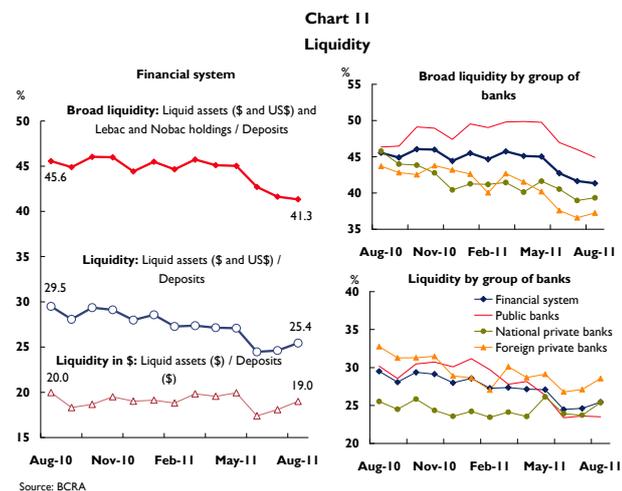
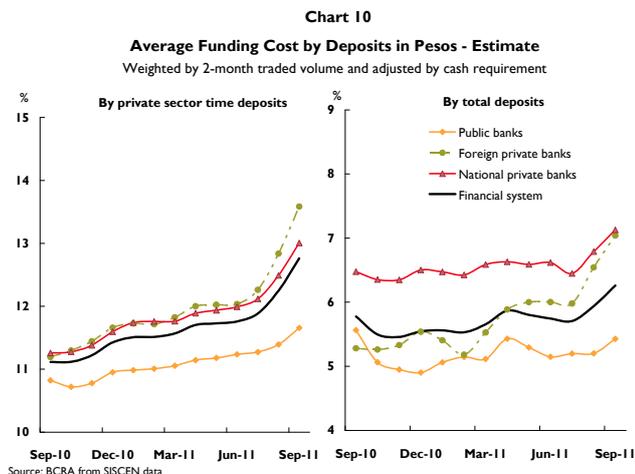
Consumer loans showed greater dynamism during the month, although loans to companies continued to drive overall lending growth in year-on-year terms

In August lending to the private sector went up 3.8%⁹. All credit lines showed growth for the month, with notable dynamism in consumer lending (credit cards and personal loans) and pledge-backed loans. **In year-on-year terms, loans to the private sector increased 51.4%, more than twice the level recorded in the same month of 2010** (see Chart 12).

The increase in lending to the private sector during August was widespread across financial entities, with 85% of the total, representing 97% of total financial system assets, recording growth. In the last 12 months almost 95% of financial entities increased their lending to companies and households, with a notable performance by public entities (up 55.6% y.o.y.). As a result, public banks almost doubled their share of year-on-year growth in lending to the private sector compared with the same month of the previous year, although private banks have continued to be those making the largest contribution to this increase (see Chart 13).

Lending to the corporate sector increased 3.1% in August, totaling growth of 54.8% y.o.y., exceeding the year-on-year growth rate for household loans for the fourteenth month in a row, and even that for consumer household loans as from September 2010 (see Chart 14). As a result, in the last 12 months, loans to the corporate sector have accounted for 60.5% of total growth in lending to the private sector, 4 p.p. more than in the same month of 2010.

In August, year-on-year changes in lending among the various productive sectors¹⁰ have shown a fairly uniform



⁹ If balance sheet totals 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 4%. During the month 5 financial trusts were issued using bank loans as underlying assets for a total of \$468 million, of which \$400 million corresponded to personal loan securitization and \$68 million to securitization of leasing contracts.

¹⁰ Financial System Debtor Center data classified by economic sector.

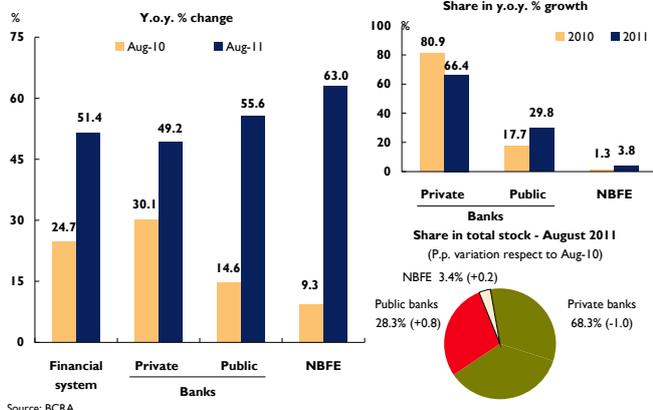
behavior, with rises of over 50% in all cases, more than the increase seen in the same month of the previous year. Loans to manufacturing, services, and primary production sectors together contributed 83% of the increase in lending to companies in the last 12 months. **The increase in lending to manufacturing in this period came mainly from private banks, while services and production were provided with credit equally by private and public financial entities** (see Chart 15).

The Central Bank has held 8 auctions within the framework of the Bicentenary Productive Financing Program¹¹, providing funds for almost \$2.92 billion, distributed among 12 financial entities. By the end of September participating banks had already provided assistance to 97 companies, disbursing \$1.375 billion out of a total committed by banks to their customers of almost \$1.775 billion. Almost three-quarters of the amount provided by banks under this Program were channeled to the manufacturing sector (see Chart 16).

Lending to households was up 4.8% in August, the highest nominal monthly increase for the last 4 years. This movement was mainly driven by consumer loans and pledge-backed loans. In year-on-year terms, lending to households has expanded by 46%. Consumer credit lines recorded a rise of 49% y.o.y. (personal loans were up 49% y.o.y. and cards were up 47% y.o.y.) and accounted for over 75% of the year-on-year growth in household lending (see Chart 17). Pledge-backed loans have been the most dynamic in the last 12 months (96% y.o.y.), although they only contributed 13% of the increase in household lending in that period, as they account for 8% of such loans (3.5% of total lending to the private sector).

In general terms, local currency lending interest rates have recorded moderate increases during the month. In particular, slight rises were seen in both pledge-backed loans and commercial credit lines interest rates (overdrafts and promissory notes), while personal loans and mortgage loans showed slight declines. **Spreads on local currency transactions recorded monthly variations that differed according to the type of credit line. Spreads on overdrafts, promissory notes and pledge-backed loans rose, as the rise in lending interest rates exceeded the increase in the estimated cost of funding from total deposits in pesos. Spreads fell in the case of personal and mortgage loans, while remaining steady in the case of credit cards.** In year-on-year terms, these differentials between lending interest rates and costs of funding have shown slight increases in certain credit lines (see Chart 18).

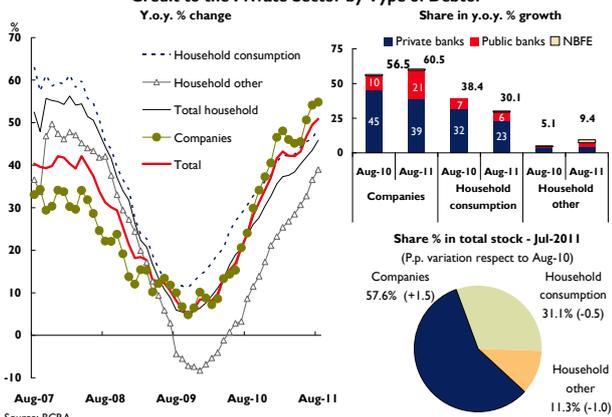
Chart 13
Credit to the Private Sector by Group of Financial Entities



Source: BCRA

Chart 14

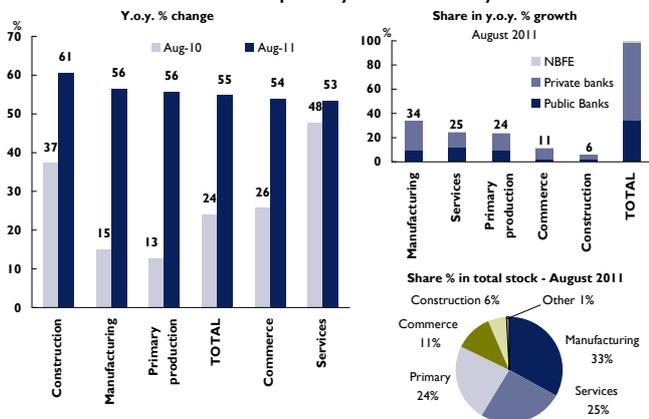
Credit to the Private Sector by Type of Debtor



Source: BCRA

Chart 15

Credit to Companies by Economic Activity



Source: BCRA

¹¹ The purpose of this Program is to provide funding to financial entities to be channeled towards lending for investment.

Portfolio quality

Improvements in bank financing for the private sector continued to be recorded in the context of reduced delinquency and wide coverage of the non-performing portfolio by provisions

The private sector loan non-performance ratio remained steady during the month at a low level of around 1.6%. This indicator has recorded a year-on-year drop of 1.1 p.p., reflecting an improvement in portfolio quality for all uniform groups of financial entities (see Chart 19). In August 46 banks (holding 76% of total bank assets) posted delinquency levels of under 2%, while one year ago, only 25 banks (holding 23% of total bank assets) recorded levels below that figure.

Household lending non-performance dropped 0.1 p.p. in August to 2.3%. In the last 12 months the delinquency rate for these loans has fallen 1.4 p.p., led by an improvement in the credit quality of all lending lines (see Chart 20). There has been a notable year-on-year reduction in the non-performance rate for personal loans (-2 p.p.) and pledge-backed loans (-1.1 p.p.).

Delinquency levels for the corporate sector remained steady in August compared with the previous month, standing at around 1%. In year-on-year terms, this indicator has dropped 1 p.p., a movement caused by an improvement in the portfolio quality in relation to all productive sectors, in all cases from the combined effect of a reduction in the stock of non-performing loans and greater dynamism in the total loan stock. It should be mentioned that the drop in the stock of non-performing loans to companies seen in the last 12 months was largely explained by lending to manufacturing, commerce and primary production sector, mainly from improvement in the quality of export, overdrafts, and promissory notes credit lines.

Within this framework, the financial system has continued to record a high level of provisioning. The ratio of non-performing portfolio coverage by provisions reached 164%, 37 p.p. more than one year earlier, an increase driven by all groups of banks.

Solvency

On the basis of booked profits and capital contributions, the financial system has maintained high solvency levels

Financial system consolidated net worth rose 2.2% in August (22.5% y.o.y.) mainly because of the book

Chart 16

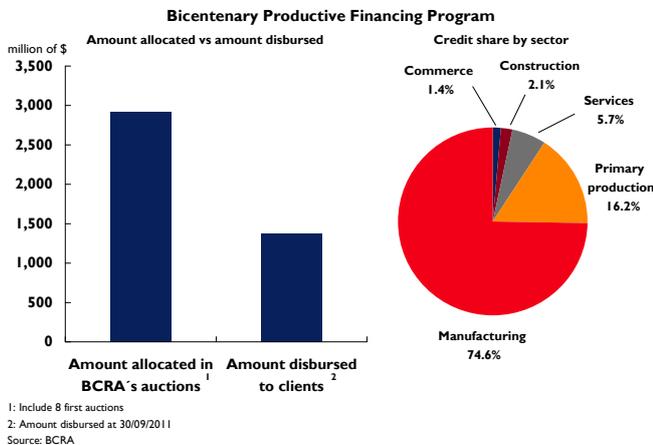


Chart 17

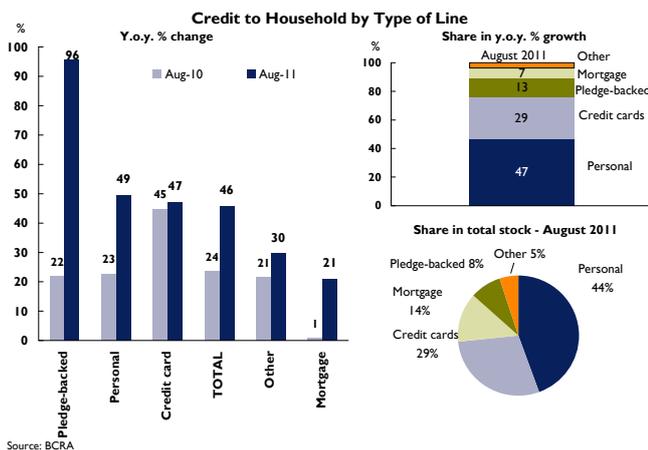
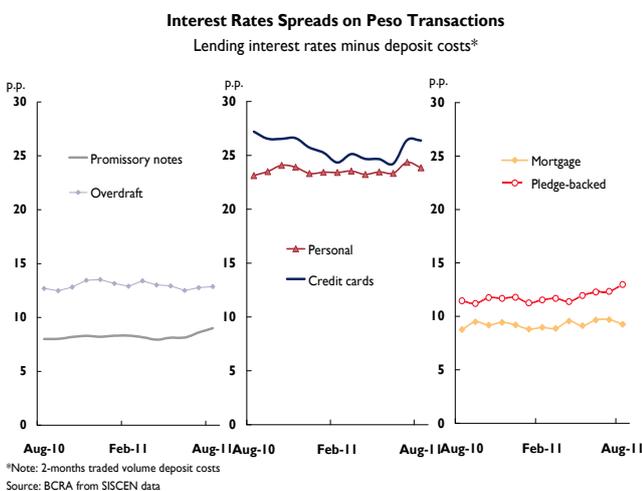
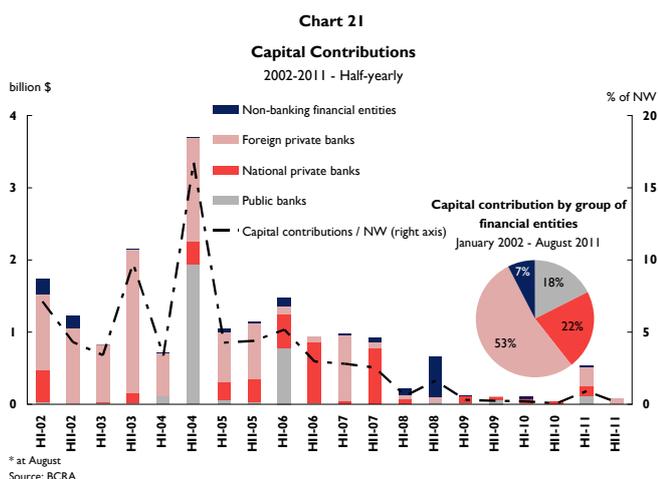
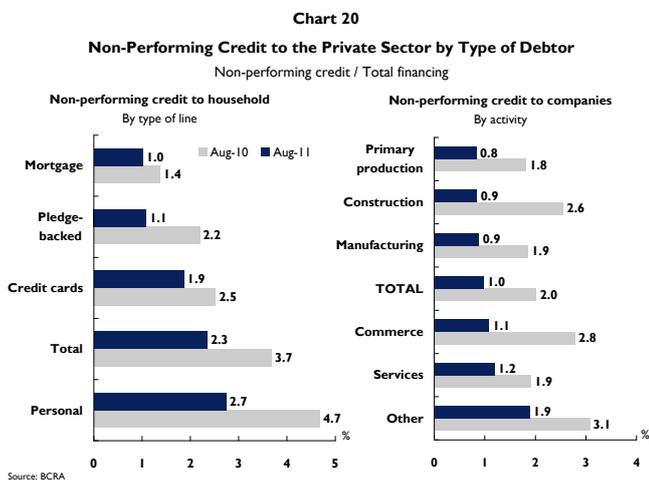
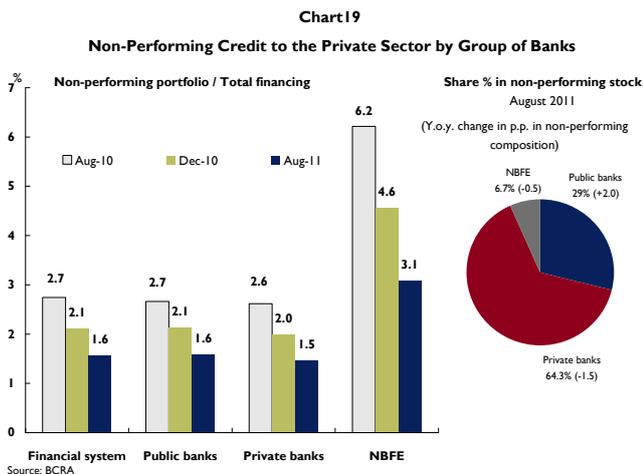


Chart 18





profits recorded, and to a lesser extent, as a result of capital contributions. During the month capital contributions were made for \$85 million. So far this year capital contributions, mainly for foreign private banks, have totaled \$630 million (see Chart 21).

Within the context of steady growth in the rate of bank lending to the private sector, the capital compliance ratio fell by 0.4 p.p. of risk-weighted assets (RWA) in the month, to 16% (see Chart 22). Capital compliance in excess of regulatory requirement was 69%, slightly under the level for the previous month.

In August, financial system profitability stood at 2.7%a. of assets, in line with the figure for the previous month, with a slight increase for private banks and a moderate fall in the case of public banks. Over the course of the year, financial entity ROA has reached around 2.5%a. (see Chart 23), similar to that for the same period of 2010 (lower outlays for operating costs and loan loss provisions were offset by a reduction in gains on securities).

Financial system financial margin¹² recorded a slight monthly increase to 8.1%a. of assets, mainly from an increase in headings linked to the development of the nominal peso-dollar exchange rate¹³, in the context of a slight nominal depreciation of the peso. In the first 8 months of the year banks' financial margin has fallen by 0.6 p.p. of assets year-on-year to 7.6%a., a movement explained by lower gains on securities and lower results from CER adjustments (see Chart 24).

Financial system service income margin posted a small increase for the month up to 4%a. of assets. This increase was recorded in all groups of banks. In the total for the year to date, service income margin rose by 0.1 p.p. of assets to 3.9%a., gradually gaining share of income statements from insurance commissions and credit card issuances.

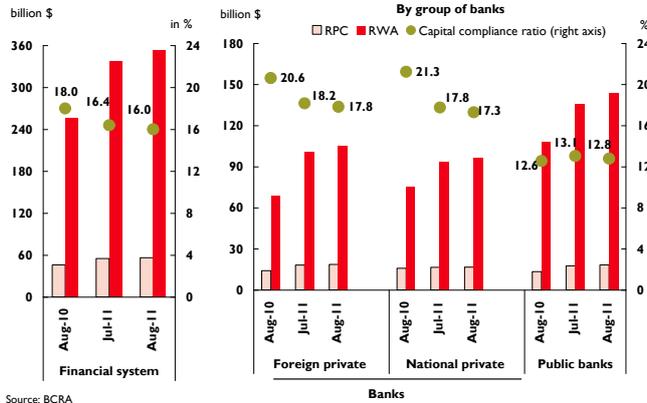
During the month, operating costs rose slightly to 6.7%a. of assets, a movement driven mainly by public banks. Nevertheless, over the course of the year a slight reduction has been recorded in these outlays in year-on-year terms, reaching a level of 6.6%a. of assets at system level (0.2 p.p. less than one year earlier).

Loan loss provisions have posted a monthly drop in all groups of financial entities. In August this costs amounted to 0.6%a. of financial system assets. In the year to date loan loss provisions have totaled 0.6%a. of assets, 0.2 p.p. less than the figure in the same period of 2010, in a context in which the quality of loans has continued to improve.

¹² Made up of the sum of income from interest, CER and CVS adjustment, exchange rate differences, gains on securities, and other financial results.

¹³ Headings linked to the exchange rate are exchange rate differences and other financial results.

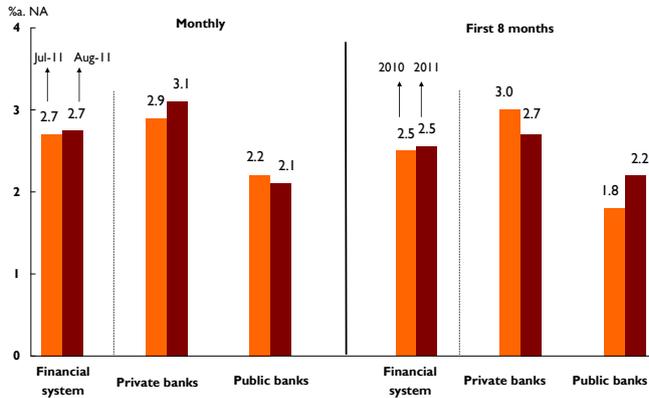
Chart 22
Capital Compliance (RPC) and Risk Weighted Assets (RWA)



Source: BCRA

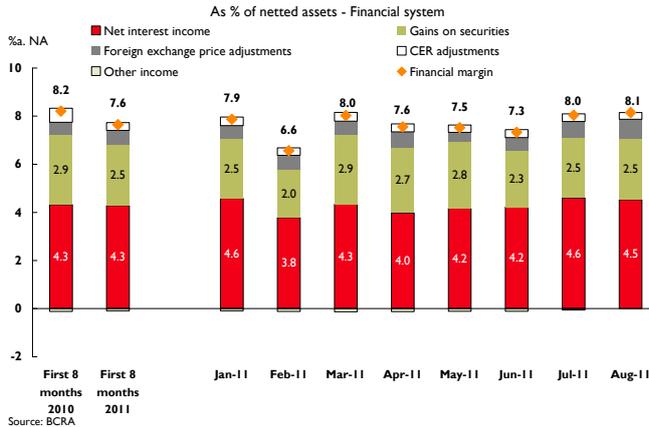
From the analysis of the main income and expenditure flows on the financial system income statement, **an improvement can be seen in the ratio for coverage of operating costs by means of recurring income** (net of loan loss provisions), particularly among private banks. The financial system has posted an increase in the volume of business with the private sector in terms of operating costs.

Chart 23
Profitability by Group of Banks



Source: BCRA

Chart 24
Financial Margin



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” 5212 – 1/08/11

Savings accounts, salary accounts, free universal accounts and special accounts. It has been determined that whatever the means and amount of deposits in sight accounts for court use, the transactions should be made at no cost to the originator and/or depositor. If the beneficiaries of the court payments do not have a sight account, banks should optimize processes for the opening of an ordinary savings account, with the issue of a debit card to the beneficiary account-holder in the shortest possible time.

Transfer services. Banks shall be able to set charges and/or commissions for the cost of additional services they offer to facilitate the mass load of transactions on systems that they place at the disposal of their customers. A similar criterion is applied in relation to items to be transferred to customers from taxes, withholdings, etc., according to applicable legislation.

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.- (Minimum cash compliance at the BCRA in pesos and foreign currency + Other cash holding in pesos and foreign currency + Creditor net balance for BCRA repo transactions with Lebac and Nobac) / Total deposits; 2.- (Position in government securities (with out Lebac and Nobac) + Loans to the public sector + Compensations receivable) / Total assets; 3.- (Loans to the non-financial private sector + Leasing) / Total assets; 4.- Non-performing portfolio with the non-financial private sector / Loans to the non-financial private sector; 5.- (Total non-performing portfolio – Loan loss provisions) / Net worth. Non-performing portfolio includes loans classified into situations 3, 4, 5 and 6; 6.- Cumulated annual result / Average monthly netted assets - % annualized; 7.- Cumulated annual result / Average monthly net worth - % annualized; 8.- (Financial margin (Net interest income + CER and CVS adjustments + Gains on securities + Foreign exchange price adjustments + Other financial income) + Service income margin) / Cumulated annual operating costs; 9.- Capital compliance (Responsabilidad Patrimonial Computable) / Risk -adjusted assets according to the regulation of BCRA about Minimum Capital Compliance; 10.- Capital compliance Tier 1 / Risk weighted assets, according to the BCRA rule on minimum capital; 11.- (Capital compliance minus requirements, included forbearances) / Capital requirements.

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: Cash disposal (Minimum cash compliance – cash, current account at BCRA and special accounts in guarantee – and other liquid items mainly correspondent accounts) plus Creditor net balance for BCRA repo transactions with Lebac and Nobac.

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 %	2002	2003	2004	2005	2006	2007	2008	2009	Aug 2010	2010	Jul 2011	Aug 2011
1.- Liquidity	22.8	29.1	29.6	20.1	22.5	23.0	27.9	28.6	29.5	28.0	24.6	25.4
2.- Credit to the public sector	48.9	47.0	40.9	31.5	22.5	16.3	12.7	14.4	12.9	12.2	10.8	10.4
3.- Credit to the private sector	20.8	18.1	19.6	25.8	31.0	38.2	39.4	38.3	38.2	39.8	43.9	44.1
4.- Private non-performing loans	38.6	33.5	18.6	7.6	4.5	3.2	3.1	3.5	2.7	2.1	1.6	1.6
5.- Net worth exposure to the private sector	16.6	11.5	1.1	-2.5	-0.8	-1.5	-1.7	-1.3	-2.4	-3.2	-4.0	-4.2
6.- ROA	-8.9	-2.9	-0.5	0.9	1.9	1.5	1.6	2.3	2.5	2.8	2.5	2.5
7.- ROE	-59.2	-22.7	-4.2	7.0	14.3	11.0	13.4	19.2	21.4	24.4	23.5	23.8
8.- Efficiency	189	69	125	151	167	160	167	185	176	179	173	174
9.- Capital compliance	-	14.5	14.0	15.3	16.9	16.9	16.9	18.8	18.0	17.7	16.4	16.0
10.- Capital compliance Tier I	-	-	13.5	14.1	14.1	14.6	14.2	14.5	14.8	13.1	11.8	12.1
11.- Excess capital compliance	-	115.9	185.1	173.5	134.0	92.8	89.8	99.8	89.8	86.5	71.1	69.4

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	Aug 10	Dec 10	Jul 11	Aug 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	457,405	510,304	579,374	598,681	3.3	17.3	30.9
Cash disposal ¹	17,138	27,575	29,154	20,819	37,991	46,320	58,676	71,067	87,851	93,085	97,548	99,513	2.0	6.9	13.3
Public bonds	31,418	45,062	55,382	66,733	64,592	62,678	65,255	86,318	107,633	117,951	123,985	125,403	1.1	6.3	16.5
Lebac/Nobac	-	-	17,755	28,340	29,289	36,022	37,093	43,867	67,032	76,948	85,075	86,169	1.3	12.0	28.5
Portfolio	-	-	11,803	21,067	25,767	31,598	25,652	34,748	53,944	61,855	74,173	70,769	-4.6	14.4	31.2
Repo ²	-	-	5,953	7,273	3,521	4,424	11,442	9,119	13,088	15,093	10,902	15,400	41.3	2.0	17.7
Private bonds	332	198	387	389	813	382	203	307	260	209	247	242	-2.2	15.6	-6.9
Loans	84,792	68,042	73,617	84,171	103,668	132,157	154,719	169,868	199,769	230,127	285,259	294,398	3.2	27.9	47.4
Public sector	44,337	33,228	30,866	25,836	20,874	16,772	17,083	20,570	24,141	25,907	29,582	28,956	-2.1	11.8	19.9
Private sector	38,470	33,398	41,054	55,885	77,832	110,355	132,844	145,247	171,241	199,202	248,978	258,475	3.8	29.8	50.9
Financial sector	1,985	1,417	1,697	2,450	4,962	5,030	4,793	4,052	4,386	5,018	6,699	6,967	4.0	38.8	58.8
Provisions over loans	-11,952	-9,374	-7,500	-4,930	-3,728	-4,089	-4,744	-5,824	-6,124	-6,232	-6,631	-6,772	2.1	8.7	10.6
Other netted credits due to financial intermediation	39,089	27,030	32,554	26,721	26,039	29,712	38,152	33,498	35,493	39,009	37,550	44,747	19.2	14.7	26.1
Corporate bonds and subordinated debt	1,708	1,569	1,018	873	773	606	912	1,146	1,260	1,433	1,829	1,872	2.3	30.6	48.6
Unquoted trusts	6,698	4,133	3,145	3,883	4,881	5,023	5,714	5,942	5,824	6,824	7,084	7,191	1.5	5.4	23.5
Compensation receivable	17,111	14,937	15,467	5,841	763	377	357	16	0	0	0	0	0.0	-19.0	-29.2
Other	13,572	6,392	12,924	16,124	19,622	23,706	31,169	26,395	28,410	30,752	28,636	35,684	24.6	16.0	25.6
Leasing	567	397	611	1,384	2,262	3,469	3,935	2,933	3,329	3,936	5,159	5,315	3.0	35.0	59.7
Shares in other companies	4,653	4,591	3,871	4,532	6,392	6,430	7,236	6,711	7,367	7,921	8,258	8,534	3.3	7.7	15.8
Fixed assets and miscellaneous	8,636	8,164	7,782	7,546	7,619	7,643	7,903	8,239	8,599	9,071	9,547	9,617	0.7	6.0	11.8
Foreign branches	3,522	3,144	3,524	3,647	2,782	2,912	3,153	3,926	3,206	3,283	3,531	3,536	0.1	7.7	10.3
Other assets	9,338	12,043	13,180	10,950	9,953	10,347	12,275	10,337	10,023	11,943	14,921	14,149	-5.2	18.5	41.2
Liabilities	161,446	164,923	188,683	195,044	225,369	261,143	305,382	339,047	404,903	452,752	517,100	534,907	3.4	18.1	32.1
Deposits	75,001	94,635	116,655	136,492	170,898	205,550	236,217	271,853	335,911	376,344	436,016	445,389	2.1	18.3	32.6
Public sector ³	8,381	16,040	31,649	34,019	45,410	48,340	67,151	69,143	103,774	115,954	129,285	133,181	3.0	14.9	28.3
Private sector ³	59,698	74,951	83,000	100,809	123,431	155,048	166,378	199,278	229,287	257,595	303,219	308,686	1.8	19.8	34.6
Current account	11,462	15,071	18,219	23,487	26,900	35,245	39,619	45,752	53,365	61,306	69,416	71,996	3.7	17.4	34.9
Savings account	10,523	16,809	23,866	29,078	36,442	47,109	50,966	62,807	71,115	82,575	101,164	100,372	-0.8	21.6	41.1
Time deposits	19,080	33,285	34,944	42,822	54,338	65,952	69,484	83,967	96,022	104,492	122,424	125,418	2.4	20.0	30.6
CEDRO	12,328	3,217	1,046	17	13	0	0	0	0	0	0	0	-	-	-
Other netted liabilities due to financial intermediation	75,737	61,690	64,928	52,072	46,037	46,225	57,662	52,114	54,909	60,029	63,634	72,804	14.4	21.3	32.6
Interbanking obligations	1,649	1,317	1,461	2,164	4,578	4,310	3,895	3,251	3,621	4,201	5,531	5,804	4.9	38.2	60.3
BCRA lines	27,837	27,491	27,726	17,005	7,686	2,362	1,885	270	199	262	857	913	6.6	247.8	358.1
Outstanding bonds	9,096	6,675	7,922	6,548	6,603	6,938	5,984	5,033	3,997	3,432	6,051	6,418	6.1	87.0	60.6
Foreign lines of credit	25,199	15,196	8,884	4,684	4,240	3,864	4,541	3,369	3,432	3,897	5,110	5,307	3.9	36.2	54.6
Other	11,955	11,012	18,934	21,671	22,930	28,752	41,357	40,191	43,659	48,236	46,086	54,361	18.0	12.7	24.5
Subordinated debts	3,712	2,028	1,415	1,381	1,642	1,672	1,763	1,922	1,989	2,165	1,853	1,894	2.2	-12.5	-4.8
Other liabilities	6,997	6,569	5,685	5,099	6,792	7,695	9,740	13,159	12,094	14,213	15,596	14,820	-5.0	4.3	22.5
Net worth	26,086	21,950	23,879	26,918	33,014	36,819	41,380	48,335	52,502	57,552	62,274	63,773	2.4	10.8	21.5
Memo															
Netted assets	185,356	184,371	202,447	208,275	244,791	280,336	321,075	364,726	432,128	482,532	553,998	566,556	2.3	17.4	31.1
Consolidated netted assets	181,253	181,077	198,462	203,286	235,845	271,652	312,002	357,118	423,271	472,934	542,604	554,729	2.2	17.3	31.1

(¹) Includes margin accounts with the BCRA. (²) Booked value from balance sheet (it includes all the counterparties). (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 8 months		Monthly			Last
	2002 ¹	2003	2004	2005	2006	2007	2008	2009	2010	2010	2011	Jun-11	Jul-11	Aug-11	12 months
Financial margin	13,991	1,965	6,075	9,475	13,262	15,134	20,462	28,937	35,490	21,773	26,706	3,288	3,683	3,815	40,424
Net interest income	-3,624	-943	1,753	3,069	4,150	5,744	9,573	14,488	17,963	11,458	14,950	1,894	2,106	2,119	21,455
CER and CVS adjustments	8,298	2,315	1,944	3,051	3,012	2,624	2,822	1,196	2,434	1,546	1,125	149	147	128	2,013
Foreign exchange price adjustments	5,977	-890	866	751	944	1,357	2,307	2,588	2,100	1,396	2,099	243	304	386	2,803
Gains on securities	3,639	1,962	1,887	2,371	4,923	5,144	4,398	11,004	13,449	7,684	8,842	1,049	1,152	1,182	14,607
Other financial income	-299	-480	-375	233	235	264	1,362	-339	-457	-311	-309	-48	-25	0	-455
Service income margin	4,011	3,415	3,904	4,781	6,243	8,248	10,870	13,052	16,089	10,164	13,516	1,817	1,778	1,886	19,441
Loan loss provisions	-10,007	-2,089	-1,511	-1,173	-1,198	-1,894	-2,839	-3,814	-3,267	-2,139	-2,258	-223	-330	-301	-3,387
Operating costs	-9,520	-7,760	-7,998	-9,437	-11,655	-14,634	-18,767	-22,710	-28,756	-18,097	-23,118	-3,132	-3,007	-3,120	-33,778
Tax charges	-691	-473	-584	-737	-1,090	-1,537	-2,318	-3,272	-4,120	-2,520	-3,650	-492	-484	-518	-5,251
Adjust. to the valuation of gov. securities ²	0	-701	-320	-410	-752	-837	-1,757	-262	-214	-183	-238	-24	-23	-24	-270
Amort. payments for court-ordered releases	0	-1,124	-1,686	-1,867	-2,573	-1,922	-994	-703	-635	-430	-180	-26	-21	-23	-385
Other	-3,880	1,738	1,497	1,729	2,664	2,380	1,441	918	2,079	951	1,953	417	264	225	3,082
Monetary results	-12,558	69	0	0	0	0	0	0	0	0	0	0	0	0	0
Total results before tax ¹	-18,653	-4,960	-623	2,360	4,901	4,938	6,100	12,145	16,665	9,520	12,731	1,623	1,859	1,941	19,876
Income tax	-509	-305	-275	-581	-595	-1,032	-1,342	-4,226	-4,904	-2,843	-3,828	-490	-644	-675	-5,889
Resultado total³	-19,162	-5,265	-898	1,780	4,306	3,905	4,757	7,920	11,761	6,677	8,903	1,134	1,215	1,266	13,986
Resultado ajustado ⁴	-	-3,440	1,337	4,057	7,631	6,665	7,508	8,885	12,610	7,290	9,321	1,184	1,259	1,313	14,641
<i>Annualized indicators - As % of netted assets</i>															
Financial margin	6.5	1.1	3.1	4.6	5.8	5.7	6.7	8.6	8.5	8.2	7.6	7.3	8.0	8.1	8.0
Net interest income	-1.7	-0.5	0.9	1.5	1.8	2.2	3.1	4.3	4.3	4.3	4.3	4.2	4.6	4.5	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	0.3	0.3	0.3	0.3	0.4
Foreign exchange price adjustments	2.8	-0.5	0.4	0.4	0.4	0.5	0.8	0.8	0.5	0.5	0.6	0.5	0.7	0.8	0.6
Gains on securities	1.7	1.1	1.0	1.2	2.2	1.9	1.4	3.3	3.2	2.9	2.5	2.3	2.5	2.5	2.9
Other financial income	-0.1	-0.3	-0.2	0.1	0.1	0.1	0.4	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	0.0	-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	3.9	4.1	3.9	4.0	3.9
Loan loss provisions	-4.7	-1.1	-0.8	-0.6	-0.5	-0.7	-0.9	-1.1	-0.8	-0.8	-0.6	-0.5	-0.7	-0.6	-0.7
Operating costs	-4.4	-4.2	-4.1	-4.6	-5.1	-5.5	-6.1	-6.7	-6.9	-6.8	-6.6	-7.0	-6.6	-6.7	-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	-1.1	-1.1	-1.1	-1.0
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	-0.1	-0.1	-0.1	-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	-0.2	-0.1	-0.1	0.0	0.0	-0.1
Other	-1.8	0.9	0.8	0.8	1.2	0.9	0.5	0.3	0.5	0.4	0.6	0.9	0.6	0.5	0.6
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
Total results before tax ¹	-8.7	-2.7	-0.3	1.1	2.2	1.9	2.0	3.6	4.0	3.6	3.6	3.6	4.1	4.1	4.0
Income tax	-0.2	-0.2	-0.1	-0.3	-0.3	-0.4	-0.4	-1.3	-1.2	-1.1	-1.1	-1.1	-1.4	-1.4	-1.2
ROA³	-8.9	-2.9	-0.5	0.9	1.9	1.5	1.6	2.3	2.8	2.5	2.5	2.5	2.7	2.7	2.8
ROA adjusted ⁴	-8.9	-1.9	0.7	2.0	3.4	2.5	2.5	2.6	3.0	2.7	2.7	2.6	2.7	2.8	2.9
ROE before tax ²	-57.6	-21.4	-2.9	9.3	16.2	13.9	17.2	29.5	34.5	30.6	34.1	34.3	38.5	39.3	36.5
ROE ³	-59.2	-22.7	-4.2	7.0	14.3	11.0	13.4	19.2	24.4	21.4	23.8	24.0	25.1	25.6	25.7

(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	Aug 10	Dec 10	Jul 11	Aug 11
Non-performing loans (overall)	18.1	17.7	10.7	5.2	3.4	2.7	2.7	3.0	2.4	1.8	1.4	1.4
Provisions / Non-performing loans	72.3	76.8	97.8	115.3	108.2	115.2	117.0	115.3	130.8	147.7	165.0	169.4
(Total non-performing - Provisions) / Overall financing	5.0	4.1	0.2	-0.8	-0.3	-0.4	-0.5	-0.5	-0.7	-0.9	-0.9	-1.0
(Total non-performing - Provisions) / Net worth	18.2	13.3	0.8	-2.6	-0.9	-1.6	-1.8	-1.7	-2.9	-3.6	-4.3	-4.5
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	2.7	2.1	1.6	1.6
Provisions / Non-performing loans	73.8	79.0	96.9	114.8	107.6	114.4	116.4	111.8	126.4	142.8	159.4	163.8
(Total non-performing - Provisions) / Overall financing	10.1	7.0	0.6	-1.1	-0.3	-0.5	-0.5	-0.4	-0.7	-0.9	-1.0	-1.0
(Total non-performing - Provisions) / Net worth	16.6	11.5	1.1	-2.5	-0.8	-1.5	-1.7	-1.3	-2.4	-3.2	-4.0	-4.2

Source: BCRA

Statistics annex | Private banks

Chart 5 | Financial Soundness Indicators (see Metodology)

As %	2002	2003	2004	2005	2006	2007	2008	2009	Aug 2010	2010	Jul 2011	Aug 2011
1.- Liquidity	24.8	27.6	29.2	21.5	23.7	25.7	34.1	29.8	28.9	26.0	25.4	27.0
2.- Credit to the public sector	50.0	47.7	41.6	28.5	16.3	9.5	6.3	6.1	5.0	4.4	3.6	3.4
3.- Credit to the private sector	22.4	19.9	22.5	31.1	37.9	46.6	44.0	43.3	47.5	50.3	53.7	52.8
4.- Private non-performing loans	37.4	30.4	15.3	6.3	3.6	2.5	2.8	3.3	2.6	2.0	1.5	1.5
5.- Net worth exposure to the private sector	19.1	12.9	3.6	-0.4	-1.4	-2.0	-1.8	-1.6	-2.4	-3.4	-4.2	-4.4
6.- ROA	-11.3	-2.5	-1.0	0.5	2.2	1.6	1.9	3.0	3.0	3.2	2.6	2.7
7.- ROE	-79.0	-19.1	-8.1	4.1	15.3	10.9	15.2	22.9	22.6	24.5	22.6	23.2
8.- Efficiency	168	93	115	136	158	152	166	195	176	176	171	173
9.- Capital compliance	-	14.0	15.1	17.8	18.6	19.2	18.3	22.6	21.0	20.4	18.0	17.6
10.- Capital compliance Tier I	-	-	14.7	16.1	15.3	16.7	14.9	17.2	17.4	15.2	14.5	14.3
11.- Excess capital compliance	-	88.2	157.1	155.0	115.8	86.9	86.4	121.3	105.6	100.4	79.9	77.0

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	Aug 10	Dec 10	Jul 11	Aug 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	254,295	280,025	323,720	341,129	5.4	21.8	34.1
Cash disposal ¹	11,044	14,500	15,893	14,074	22,226	29,418	37,044	43,562	48,652	49,730	54,560	57,749	5.8	16.1	18.7
Public bonds	19,751	22,260	24,817	29,966	27,663	24,444	29,552	47,949	46,767	48,903	48,132	49,887	3.6	2.0	6.7
Lebac/Nobac	-	-	8,359	15,227	15,952	17,684	23,457	31,575	32,141	34,422	34,199	35,844	4.8	4.1	11.5
Portfolio	-	-	5,611	12,899	14,220	15,639	12,858	27,413	28,471	31,148	28,628	27,117	-5.3	-12.9	-4.8
Repo ²	-	-	2,749	2,328	1,732	2,045	10,598	4,161	3,670	3,274	5,571	8,726	56.6	166.5	137.8
Private bonds	273	172	333	307	683	310	127	233	158	184	183	181	-1.4	-1.7	14.1
Loans	51,774	47,017	50,741	56,565	69,294	88,898	98,529	101,722	123,083	143,202	176,108	182,623	3.7	27.5	48.4
Public sector	25,056	23,571	21,420	15,954	10,036	6,413	6,249	1,694	1,724	1,625	1,286	1,319	2.5	-18.8	-23.5
Private sector	26,074	22,816	28,213	39,031	55,632	78,587	88,426	96,790	117,836	137,308	169,080	175,365	3.7	27.7	48.8
Financial sector	644	630	1,107	1,580	3,626	3,898	3,854	3,238	3,523	4,270	5,741	5,940	3.5	39.1	68.6
Provisions over loans	-7,463	-5,225	-3,717	-2,482	-2,227	-2,365	-2,871	-3,653	-3,864	-3,926	-4,143	-4,260	2.8	8.5	10.3
Other netted credits due to financial intermediation	27,212	22,148	25,753	16,873	18,387	17,084	25,265	21,258	19,913	20,241	24,591	29,912	21.6	47.8	50.2
Corporate bonds and subordinated debt	1,514	1,394	829	675	618	430	699	734	722	757	964	969	0.5	28.0	34.3
Unquoted trusts	6,205	3,571	2,362	2,444	2,982	3,456	3,869	4,198	3,961	4,500	4,438	4,513	1.7	0.3	14.0
Compensation receivable	15,971	13,812	14,657	5,575	760	377	357	16	0	0	0	0	-	-	-
Other	3,523	3,370	7,905	8,179	14,027	12,822	20,339	16,311	15,231	14,984	19,189	24,430	27.3	63.0	60.4
Leasing	553	387	592	1,356	2,126	3,149	3,451	2,569	2,952	3,519	4,616	4,691	1.6	33.3	58.9
Shares in other companies	3,123	2,791	1,892	2,416	4,042	3,762	4,538	4,067	4,594	4,934	5,179	5,457	5.4	10.6	18.8
Fixed assets and miscellaneous	5,198	4,902	4,678	4,575	4,677	4,685	4,926	5,096	5,405	5,808	6,230	6,290	1.0	8.3	16.4
Foreign branches	-109	-136	-53	-148	-139	-154	-178	-202	-215	-215	-228	-231	1.6	7.8	7.7
Other assets	7,549	7,816	7,137	6,178	5,682	6,277	8,505	6,946	6,848	7,646	8,491	8,829	4.0	15.5	28.9
Liabilities	103,079	101,732	113,285	112,600	131,476	152,153	182,596	198,438	221,168	243,766	285,883	302,343	5.8	24.0	36.7
Deposits	44,445	52,625	62,685	75,668	94,095	116,719	135,711	154,387	178,465	198,662	232,289	241,016	3.8	21.3	35.0
Public sector ³	1,636	3,077	6,039	6,946	7,029	7,564	19,600	17,757	24,742	23,598	30,125	32,749	8.7	38.8	32.4
Private sector ³	38,289	47,097	55,384	67,859	85,714	107,671	114,176	134,426	152,279	173,203	199,992	206,035	3.0	19.0	35.3
Current account	8,905	11,588	13,966	17,946	20,604	27,132	30,188	35,127	39,756	46,297	50,657	53,110	4.8	14.7	33.6
Savings account	6,309	10,547	14,842	18,362	23,165	30,169	32,778	40,999	45,362	53,085	64,679	65,513	1.3	23.4	44.4
Time deposit	11,083	18,710	22,729	27,736	38,043	45,770	46,990	54,058	61,187	67,568	77,534	79,711	2.8	18.0	30.3
CEDRO	9,016	2,409	798	3	1	0	0	0	0	0	0	0	-	-	-
Other netted liabilities due to financial intermediation	49,341	42,367	45,083	32,349	31,750	29,323	39,298	34,235	33,470	34,427	43,178	50,318	16.5	46.2	50.3
Inter-banking obligations	836	726	1,070	1,488	3,383	1,979	1,160	1,668	1,660	1,903	2,184	2,386	9.2	25.3	43.7
BCRA lines	16,624	17,030	17,768	10,088	3,689	675	649	41	34	57	238	302	27.2	431.6	801.6
Outstanding bonds	9,073	6,674	7,922	6,548	6,413	6,686	5,672	4,626	3,712	2,802	4,851	5,087	4.9	81.6	37.0
Foreign lines of credit	15,434	9,998	5,444	2,696	2,249	1,833	2,261	1,262	1,363	1,716	2,952	3,120	5.7	81.8	128.9
Other	7,374	7,939	12,878	11,530	16,015	18,150	29,555	26,638	26,701	27,949	32,953	39,423	19.6	41.1	47.6
Subordinated debts	3,622	1,850	1,304	1,319	1,642	1,668	1,759	1,918	1,976	2,148	1,836	1,877	2.2	-12.6	-5.0
Other liabilities	5,671	4,890	4,213	3,264	3,989	4,443	5,828	7,897	7,257	8,528	8,580	9,132	6.4	7.1	25.8
Net worth	15,827	14,900	14,780	17,080	20,938	23,356	26,292	31,111	33,127	36,259	37,837	38,786	2.5	7.0	17.1
Memo															
Netted assets	117,928	115,091	121,889	123,271	143,807	166,231	192,074	216,100	241,467	267,364	307,206	319,749	4.1	19.6	32.4

(¹) Includes margin accounts with the BCRA. (²) Booked value from balance sheet (it includes all the counterpart). (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 8 months		Monthly			Last
	2002 ¹	2003	2004	2005	2006	2007	2008	2009	2010	2010	2011	Jun-11	Jul-11	Aug-11	12 months	
Financial margin	10,628	2,575	3,415	5,253	7,778	8,960	12,964	19,724	21,837	13,669	16,671	2,089	2,339	2,396	24,839	
Net interest income	-304	107	1,214	2,069	2,826	4,191	7,727	10,572	12,842	8,073	11,237	1,458	1,556	1,600	16,006	
CER and CVS adjustments	1,476	1,082	900	1,215	858	662	651	185	244	187	193	25	24	26	251	
Foreign exchange price adjustments	6,189	-312	666	576	740	990	1,620	1,646	1,493	967	1,404	175	195	239	1,930	
Gains on securities	3,464	1,892	959	1,259	3,154	2,888	1,637	7,343	7,464	4,580	3,976	459	566	502	6,860	
Other financial income	-197	-195	-322	134	199	229	1,329	-22	-205	-136	-139	-28	-2	29	-208	
Service income margin	2,782	2,341	2,774	3,350	4,459	5,881	7,632	9,198	11,345	7,209	9,572	1,266	1,259	1,358	13,708	
Loan loss provisions	-6,923	-1,461	-1,036	-714	-737	-1,174	-1,863	-2,751	-2,253	-1,385	-1,598	-153	-235	-220	-2,466	
Operating costs	-6,726	-5,310	-5,382	-6,303	-7,741	-9,735	-12,401	-14,807	-18,819	-11,891	-15,190	-2,003	-1,963	-2,027	-22,119	
Tax charges	-512	-366	-393	-509	-769	-1,105	-1,715	-2,380	-2,927	-1,821	-2,621	-359	-354	-370	-3,727	
Adjust. to the valuation of gov. securities ²	0	-665	-51	-201	-170	-100	-267	0	47	19	-40	0	0	0	-12	
Amort. payments for court-ordered releases	0	-791	-1,147	-1,168	-1,182	-1,466	-688	-367	-441	-300	-81	-12	-9	-10	-222	
Other	-4,164	1,178	846	1,156	1,641	1,576	916	398	1,382	707	1,080	231	71	100	1,755	
Monetary results	-10,531	-20	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total results before tax ³	-15,447	-2,518	-973	865	3,279	2,836	4,579	9,014	10,171	6,207	7,792	1,058	1,108	1,226	11,756	
Income tax	-337	-295	-202	-217	-365	-380	-1,168	-3,001	-2,733	-1,762	-2,553	-377	-382	-414	-3,523	
Resultado total³	-15,784	-2,813	-1,176	648	2,915	2,457	3,412	6,014	7,438	4,445	5,239	681	726	812	8,233	
Resultado ajustado ⁴	-	-1,357	252	2,016	4,267	4,023	4,367	6,381	7,832	4,726	5,360	693	735	822	8,466	
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	9.1	8.6	8.3	9.2	9.1	8.9	
Net interest income	-0.2	0.1	1.0	1.7	2.1	2.7	4.4	5.3	5.5	5.4	5.8	5.8	6.1	6.1	5.7	
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	0.1	0.1	
Foreign exchange price adjustments	4.4	-0.3	0.6	0.5	0.6	0.6	0.9	0.8	0.6	0.6	0.7	0.7	0.8	0.9	0.7	
Gains on securities	2.5	1.7	0.8	1.0	2.4	1.9	0.9	3.7	3.2	3.1	2.0	1.8	2.2	1.9	2.5	
Other financial income	-0.1	-0.2	-0.3	0.1	0.2	0.1	0.8	0.0	-0.1	-0.1	-0.1	-0.1	0.0	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	4.8	4.9	5.1	5.0	5.1	4.9	
Loan loss provisions	-5.0	-1.3	-0.9	-0.6	-0.6	-0.8	-1.1	-1.4	-1.0	-0.9	-0.8	-0.6	-0.9	-0.8	-0.9	
Operating costs	-4.8	-4.6	-4.6	-5.1	-5.9	-6.3	-7.0	-7.4	-8.0	-7.9	-7.8	-8.0	-7.7	-7.7	-7.9	
Tax charges	-0.4	-0.3	-0.3	-0.4	-0.6	-0.7	-1.0	-1.2	-1.2	-1.2	-1.4	-1.4	-1.4	-1.4	-1.3	
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	0.0	0.0	0.0	0.0	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	-0.2	0.0	0.0	0.0	0.0	-0.1	
Other	-3.0	1.0	0.7	0.9	1.2	1.0	0.5	0.2	0.6	0.5	0.6	0.9	0.3	0.4	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	
Total results before tax ³	-11.1	-2.2	-0.8	0.7	2.5	1.8	2.6	4.5	4.3	4.1	4.0	4.2	4.4	4.7	4.2	
Income tax	-0.2	-0.3	-0.2	-0.2	-0.3	-0.2	-0.7	-1.5	-1.2	-1.2	-1.3	-1.5	-1.5	-1.6	-1.3	
ROA³	-11.3	-2.5	-1.0	0.5	2.2	1.6	1.9	3.0	3.2	3.0	2.7	2.7	2.9	3.1	3.0	
ROA adjusted ⁴	-11.3	-1.2	0.2	1.6	3.2	2.6	2.5	3.2	3.3	3.2	2.8	2.8	2.9	3.1	3.0	
ROE before tax ³	-77.3	-17.1	-6.7	5.5	17.2	12.6	20.4	34.4	33.5	31.5	34.5	37.4	38.3	41.5	35.4	
ROE ³	-79.0	-19.1	-8.1	4.1	15.3	10.9	15.2	22.9	24.5	22.6	23.2	24.1	25.1	27.5	24.8	

(1) Data at December 2002 currency (2) Com. "A" 391 I. 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" 391 I 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	Aug 10	Dec 10	Jul 11	Aug 11
Non-performing loans (overall)	19.8	15.7	8.9	4.4	2.9	2.2	2.5	3.1	2.5	1.9	1.5	1.4
Provisions / Non-performing loans	71.3	73.0	89.2	102.7	114.2	123.4	118.5	115.9	125.3	143.5	160.9	164.5
(Total non-performing - Provisions) / Overall financing	5.7	4.2	1.0	-0.1	-0.4	-0.5	-0.5	-0.5	-0.6	-0.8	-0.9	-0.9
(Total non-performing - Provisions) / Net worth	20.1	14.4	3.4	-0.4	-1.4	-2.1	-1.9	-1.7	-2.4	-3.4	-4.3	-4.5
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	2.6	2.0	1.5	1.5
Provisions / Non-performing loans	72.2	75.0	88.3	102.4	113.9	122.7	118.0	115.1	124.9	143.0	159.8	163.4
(Total non-performing - Provisions) / Overall financing	10.4	7.6	1.8	-0.1	-0.5	-0.6	-0.5	-0.5	-0.7	-0.9	-0.9	-0.9
(Total non-performing - Provisions) / Net worth	19.1	12.9	3.6	-0.4	-1.4	-2.0	-1.8	-1.6	-2.4	-3.4	-4.2	-4.4

Source: BCRA