

Report on Banks

September 2012



BANCO CENTRAL
DE LA REPÚBLICA ARGENTINA

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September 2012

Year X, No. 1



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DE LA REPÚBLICA ARGENTINA

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Note | Information for September 2012 available by October 26, 2012 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

- **Closing the third quarter of 2012, financial system intermediation showed a steady dynamism**, with rises in the stocks of loans and private sector deposits in pesos. **Financial institutions as a whole has maintained appropriate levels of liquidity and solvency**, with a low and stable delinquency ratio of the financing portfolio, fully covered by provisions. Therefore, as compared to the past, the financial system mitigated its pro-cyclic feature, partly due to the policies pursued by the BCRA.
- **In September, lending to the private sector in local and foreign currency expanded by 1.8% (27.6% in year on year terms —y.o.y.). This increase was boosted by loans in pesos (2.4% and 37.4% y.o.y.)**—which represented 91.3% of total stock—, while loans in foreign currency continued their downward trend in the context of certain substitution with financing through lines in local currency. The monthly increase in loans was driven by lending to the productive sector, which rose 2.7% (23.5% y.o.y.), while credit lines to households rose 0.9% (34.2% y.o.y.).
- The BCRA has carried out 18 auctions through the **Bicentenary Productive Financing Program** and it has awarded a total amount of \$5.6 billion. The participating banks have already given companies loans for an amount equal to \$3.627 billion, the loans being mainly given to the manufacturing sector. Furthermore, between July and October of 2012, financial institutions would have disbursed loans under the terms contemplated in the **“Credit Lines for Productive Investment”**— implemented according to Communication “A” 5319— for an amount equal to half the loans to be given (\$14.9 billion). Manufacturing and commerce were the sectors that received more loans through this new long-term credit line (30% and 23% of the total, respectively).
- **Non-performing private sector lending ratio stood at 1.7%** of total loans, remaining at that level for the fifth consecutive month. Non-performing private sector portfolio provision coverage was still high (145%).
- In September, **total financing system balance sheet deposits stocks** (in local and foreign currency) **went up by 1.3%**, driven by private sector deposits in pesos, which increased by 2.3%. In the last 12 months, total deposits showed a 20.6% growth, with private sector time deposits in pesos being specially dynamic (50.5% y.o.y.). In turn, **the broad liquidity indicator for the financial system** (in local and foreign currency, including LEBAC and NOBAC holdings) **fell slightly in September reaching 39% of total deposits**, whereas the liquidity indicator that excludes holdings of LEBAC and NOBAC stood at 25.3%.
- **The performance of electronic means of payment is still good.** In particular, the number of immediate transfers increased by 76% y.o.y. (141% y.o.y. in terms of amounts), while the number of payment of service transactions through direct debit increased by 14.9% y.o.y. (50.7% y.o.y. considering the amounts). **The number of cleared checks increased by 5.4% y.o.y. (22.1% y.o.y. in terms of amounts) and the ratio of bounced checks by on-sufficient funds to total cleared checks continued its downward move up to the levels recorded at closing 2011.**
- **In September, the consolidated financial system net worth expanded by 2.5%**, driven by book profits. In year-on-year terms, net worth accumulated a rise of 33.1%, 11.6 p.p. above the value recorded one year ago. **During the month, the ratio of banking system capital compliance stood at 16.7% of risk-weighted assets (RWA), with an accumulated increase of 0.9 p.p. as compared to the end of 2011.** The financial system capital position (excess compliance) represented 62% of the regulatory requirement in September, and it fell 7 p.p. in the first nine months of 2012, mainly due to the coming into force of capital requirement for operational risk.
- **During the month, the banking system book earnings reached 3.5% of total assets in annualized terms (a.).** Over the year, the financial system recorded a 3%a. ROA, 0.6 p.p. more as compared to the same period last year. The increase in profitability in y.o.y. terms was mainly due to the rise in banking sector activity (intermediation services and means of payment), as well as higher interest rate spreads. **Both public and private institutions improved their accumulated profitability compared to the same period last year.**

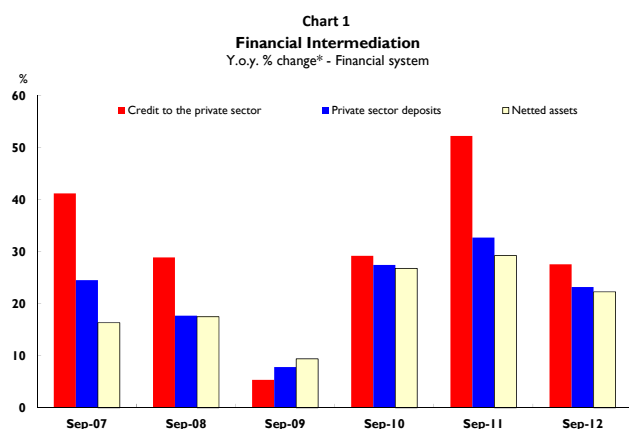
I. Activity

The aggregate levels of financial intermediation provided by financial institutions as a whole continued their upward trend during the month. In September, loans to the private sector¹ increased 1.8% (27.6% y.o.y.) and private sector deposits expanded by 2% (23.2% y.o.y.) (see Chart 1). In turn, the netted and consolidated assets of financial institutions as a whole increased monthly by 1.7% (22.3% y.o.y.).

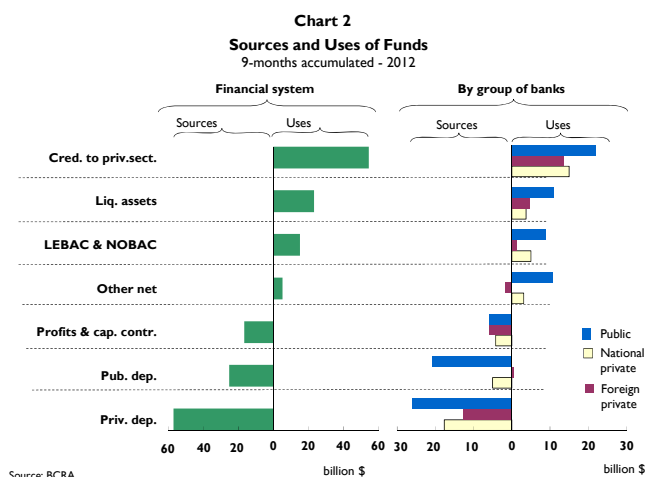
During September, the funds² used by banks resulted mainly from the increase in private sector deposits (\$7.5 billion). To a lesser extent, financial institutions obtained funds from net operating income from their transactions, the placing of financial trusts and lower holdings of LEBAC. These funds were mainly used to increase private sector lending supply (\$6.75 billion). In addition, in September, the financial system slightly increased its holdings of liquid assets.

Considering the amounts accumulated for the first 9 months of 2012, deposit taking became the most important source of funds. It should be mentioned that 49% of the increase of total deposits accumulated in 2012 resulted from private sector time deposits in pesos, more than twice the amount recorded for the same period last year. As regards uses, during the period, financial institutions mostly used their resources to increase lending to the private sector (see Chart 2). This increase was channeled in similar proportion to companies and households. In the year to date, the constitution of liquid assets and the increase in holdings of Lebac and NOBAC were other uses of funds relevant for the financial system. During the period, financial intermediation with the private sector was mainly driven by public banks; this explained, to a large extent, the increases in loans (41.4% of the total increase, 9.6 p.p. more than in the same period of 2011) and in deposits (45.6% of the total, 12 p.p. more than in the first 9 months of last year).

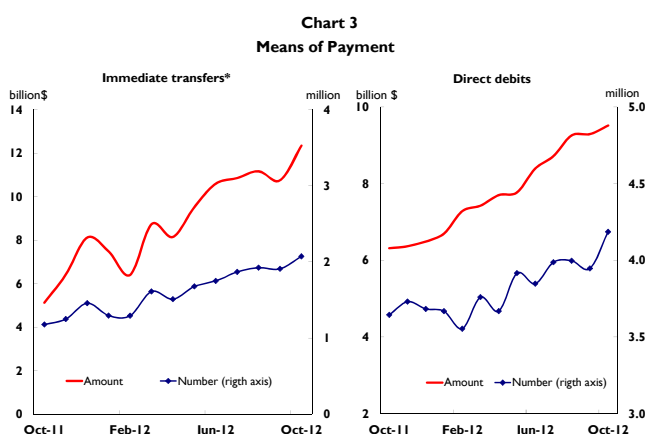
In line with the trend recorded over the last two years, financial system kept on showing a significant increase in the supply of means of payment services, in particular, through a favorable evolution of electronic instruments. Thus, the number of immediate value transfers³ increased by 8.6% in October⁴ (14.8% in terms of amounts), with an



* Note: Include national and foreign currency.
Source: BCRA



Source: BCRA



* Immediate transfers settled through ATM's net system (Link and Banelco).
Source: BCRA

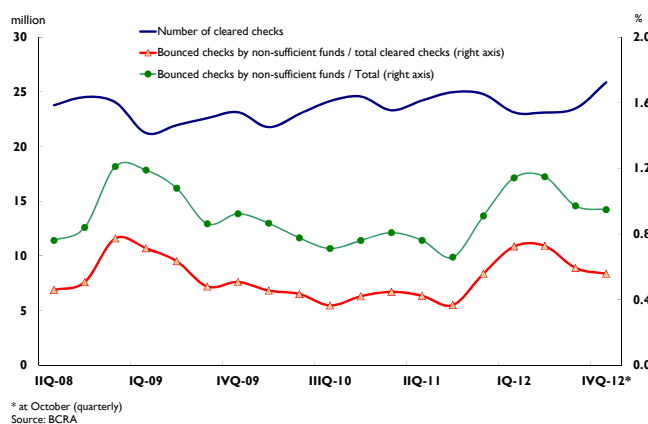
¹ Include national and foreign currency.

² Estimation realized on the basis of variations in balance sheet stocks.

³ Communication "A" 5194 dated 18/03/11. Approved channels are ATMs and home banking. The limits on amounts of transfer per day and per account for ATM transfers are \$10,000 and for transactions processed by Internet the maximum is \$50,000.

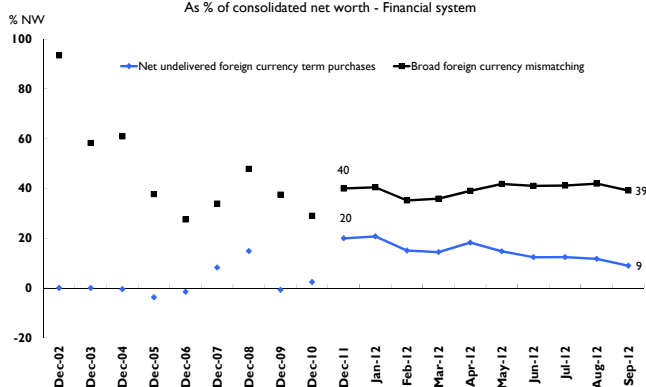
⁴ Last available data.

Chart 4
Cleared and Bounced Checks



accumulated 76% y.o.y. growth (141% y.o.y. in amounts) (see Chart 3). Considering the amount of immediate (monthly annualized) transfers in terms of the GDP, there was an increase in y.o.y. terms slightly exceeding 3 p.p. and reaching 6.5%. In turn, the number of **direct debits** to pay services increased by 6.1% in October⁵ (2.4% in amounts) and 14.9% y.o.y. (50.7% y.o.y. in amounts). Total (monthly annualized) amount of direct debits represented 5% of the GDP, 1 p.p. more than 12 months ago. At the same time, **the use of checks continued its upward trend during the month**. In October (the last information available), the number of cleared checks increased by 5.4% y.o.y. (22.1% y.o.y. in terms of amounts). **At the beginning of the fourth quarter of 2012, the ratio of bounced checks by non-sufficient funds to total cleared checks continued to drop** (see Chart 4), both as regards the number of checks and their amount (up to 0.9% and 0.6%, respectively, at similar levels to those recorded for the closing of 2011).

Chart 5
Broad Foreign Currency Mismatching* and its Components
As % of consolidated net worth - Financial system

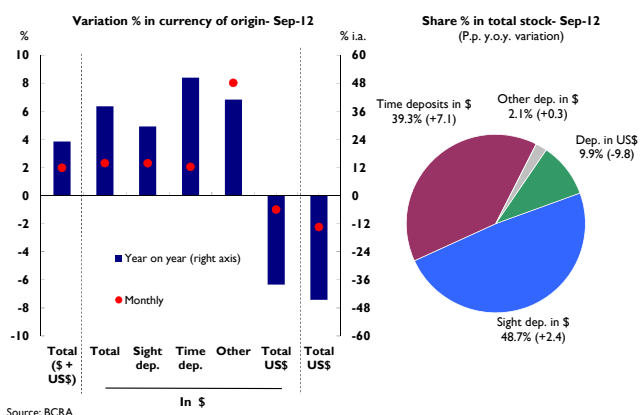


As regards the financial system foreign currency mismatching, in September, the broad indicator reached 39.2% of net worth, falling 2.8 p.p. compared with the previous month (see Chart 5). The decline in the indicator was mainly caused by the drop in net term purchases of foreign currency by foreign private banks.

* Assets - Liabilities + Net undelivered foreign currency term purchases (memorandum account). Source: BCRA

II. Deposits and liquidity

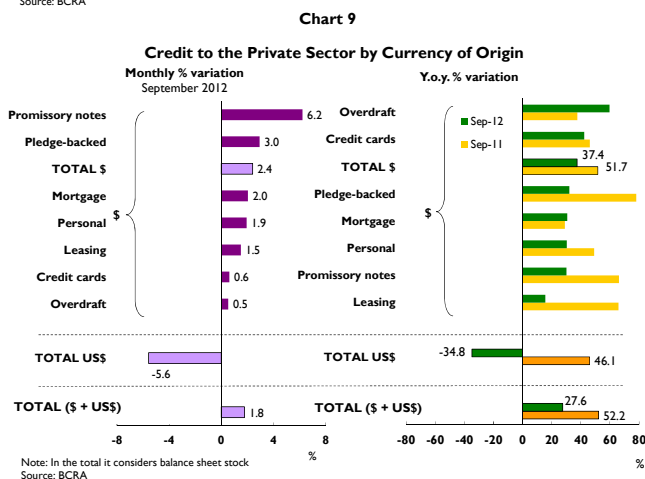
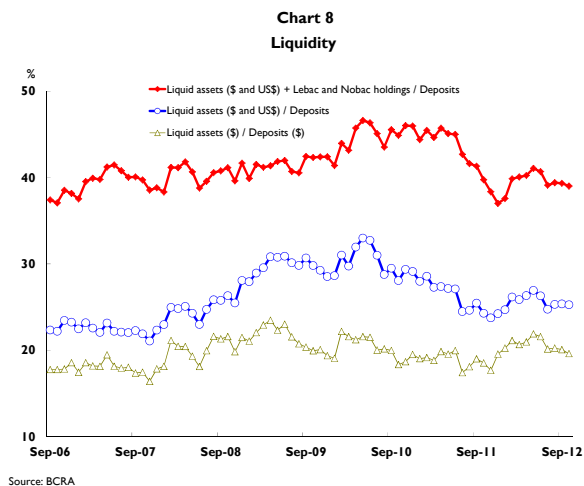
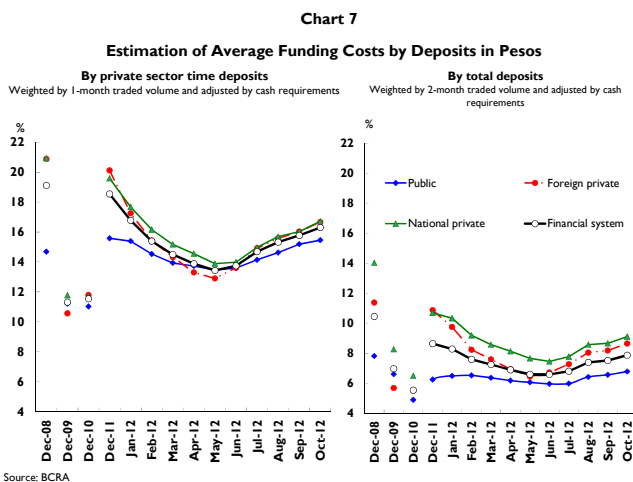
Chart 6
Non-Financial Private Sector Deposits in the Financial System



The total financial system stocks of deposits (in domestic and foreign currency) increased by 1.3% in September. This increase was explained by private sector deposits, which grew 2%, while public sector deposits slightly declined during the month. **Private sector deposits in pesos expanded by 2.3% in September, boosted by the increase both in sight deposits (2.3%) and in term deposits (2%)** (see Chart 6). In September, private sector deposits in dollars — currency of origin— fell 2.2%.

In the last 12 months, total deposits showed a 20.6% increase for the aggregate of the financial institutions, increase that was largely explained by the private sector deposits in local currency (38.3% y.o.y.). In this last segment, time deposits stood out with a 50.5% y.o.y. growth; they increased by 7.1 p.p. their share in total private sector deposits reaching 39.3%. In contrast, the stocks of private sector deposits in dollar —currency of origin— dropped 44.5%

⁵ Last available information.



compared with September 2011; thus, its relative relevance as regards total deposits declined almost 10 p.p. year-on-year. In year-on-year terms, public sector deposits (in domestic and foreign currency) expanded by 14.9%.

The increasing volume of private sector time deposits was accompanied by a gradual increase in the average interest rate for those deposits as from May. Consequently, in the last five months, there has been a slight increase in the estimated cost of funding (see Chart 7). **Such cost of funding for the financial system reached 7.9% in October** (latest information available), a level which is still lower than that recorded at the closing of 2011.

There were no significant changes in the financial system aggregate liquidity during the month. The broad liquidity indicator (in local and foreign currency, including LEBAC and NOBAC holdings) stood at 39% of total deposits in September, barely 0.3 p.p. less than in August (see Chart 8). In turn, the liquidity indicator that excludes holdings of LEBAC and NOBAC stood at 25.3% of the total deposits.

III. Financing

In September, lending to the private sector expanded by 1.8%⁶, boosted by loans in pesos (2.4%), which reached to more than 91% of total stock by the end of the period under consideration. In particular, there was a significant increase in pledge-backed loans and documents in national currency (see Chart 9). Loans in foreign currency continued their downward trend (-5.6% in September)⁷, though at a more moderate pace. **In year-on-year terms, total lending to the private sector increased by 27.6%, while lines in pesos (in particular, overdrafts and cards) experienced a 37.4% y.o.y. growth.**

The monthly financing expansion was driven by the lending to companies⁸, which increased by 2.7% (23.5% y.o.y.). On the third quarter of 2012, the increase in loans to the productive sectors was 6.3% (27.8% a.), with a major contribution of loans to the industry (see Chart 10). In particular, the contribution of

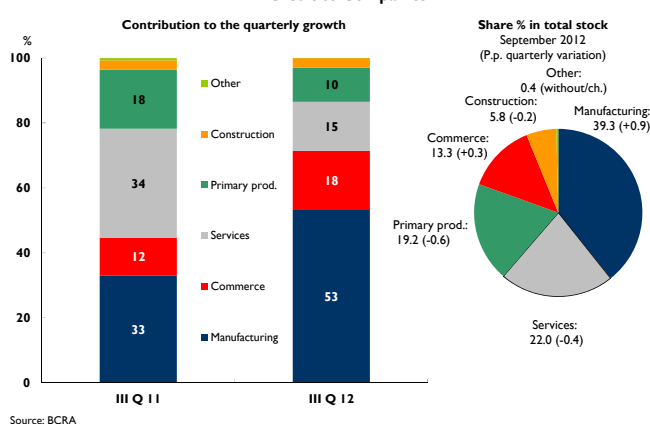
⁶ If balance sheet stocks are adjusted by the assets securitized during September (using bank loans as underlying assets), the monthly variation in private sector lending would reach to 1.9%. In particular, during the period, six financial trusts were issued for a total of \$656 million, 90% (\$592 million) corresponding to the use of bank personal loans as their underlying assets and the remaining 10% (\$64 million) to the use of credit card coupons as underlying assets.

⁷ Considering the currency of origin monthly variation.

⁸ Includes total balances (in local and foreign currency). Loans to companies include those granted to legal persons, as well as commercial loans granted to individuals.

the loans to the manufacturing sector to the increase in total loans to companies grew 20 p.p. compared to the same period last year, up to reaching 53%.

Chart 10
Credit to Companies



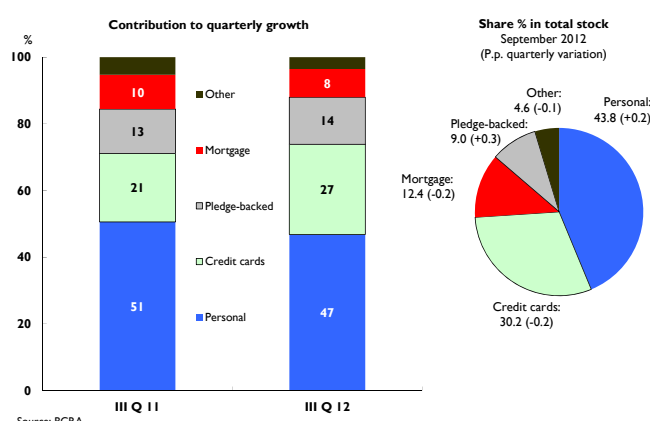
Source: BCRA

The increase in loans to companies is consistent with the different measures taken by the BCRA to strengthen and encourage the granting of loans for productive investment. In this context, and continuing with the development of the **Bicentenary Productive Financing Program, this Institution has carried out 18 auctions and awarded a total amount of \$5.578 billion.** The participating banks have already given loans to companies for an amount of \$3.627⁹ billion, mainly lent to the manufacturing sector.

Furthermore, with the new “**Credit Line for Productive Investment**”¹⁰, between July and October, the financial institutions would have disbursed an amount equal to approximately 50% of the total loan to be given (\$14.9 billion). Total loan was equally distributed between large companies and Micro and SME’s (*MiPyMES*). Manufacturing and commerce were the sectors that received more loans (30% and 23%, respectively).

Chart 11

Credit to Households

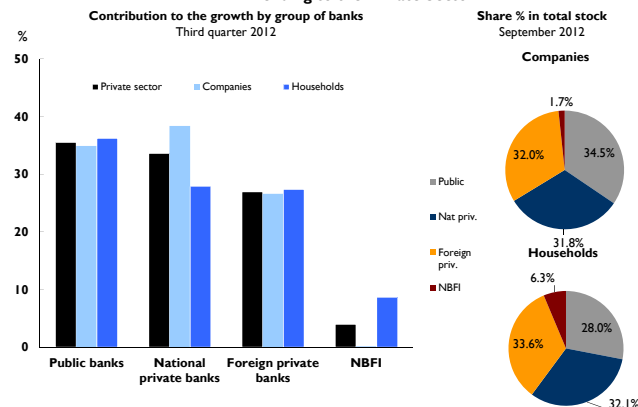


Source: BCRA

In September, household lending¹¹ increased by 0.9% (34.2% y.o.y.). In the third quarter of 2012, household loans expanded by 6.7% (29.4% a.), mainly driven by loans for consumption (see Chart 11). In particular, the contribution to the quarterly increase of credit cards was higher as compared to the same period last year, and there was a slight drop in personal loans.

Chart 12

Lending to the Private Sector



Source: BCRA

During the third quarter of the year, there was a general increase in lending to companies and households in all the groups of financial institutions. During the period, public banks contributed relatively more to the increase in total lending (see Chart 12). In turn, national private and public banks stood out regarding the dynamics of loans for companies.

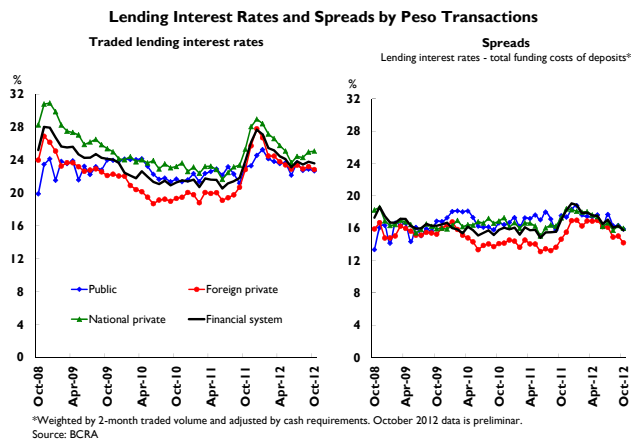
According to the last information available, in October, **lending interest rates in pesos declined, in average, in almost all groups of banks** (see Chart 13), though their behavior varied by type of line. Interest rates of commercial loans (overdrafts and promissory notes) slightly increased, while interest rates of lines for consumption and pledge-backed loans fell. In turn, **in October, the interest rate spreads in local currency**

⁹ Information at 10/31/12.

¹⁰ Communication “A” 5319 and “A” 5338.

¹¹ It is included total stocks (in local and foreign currency). Loans to households are considered to be those granted to individuals, unless they are for commercial purposes.

Chart 13

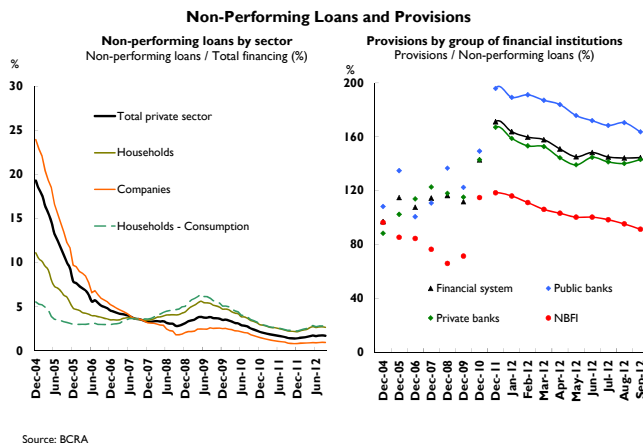


fell in all groups of bank to levels inferior to those recorded one year ago.

The increase in loans to companies and households entailed low credit risk levels. Evidence of this is that the non-performance ratio for private sector lending stood at 1.7% for the fifth consecutive month. Although in the year to date, there was a slight 0.3 p.p. increase in the level of arrears, that level was lower than in previous years (see Chart 14). In this context, the coverage of loans to the private sector by provisions stood at high levels (145%).

In turn, the financial system gross exposure to the public sector was slightly lower in September, reaching 9.4% of the total assets. Considering the public sector deposits, this sector still shows a net creditor position in relation to the banking system of 11.7% of aggregate assets.

Chart 14



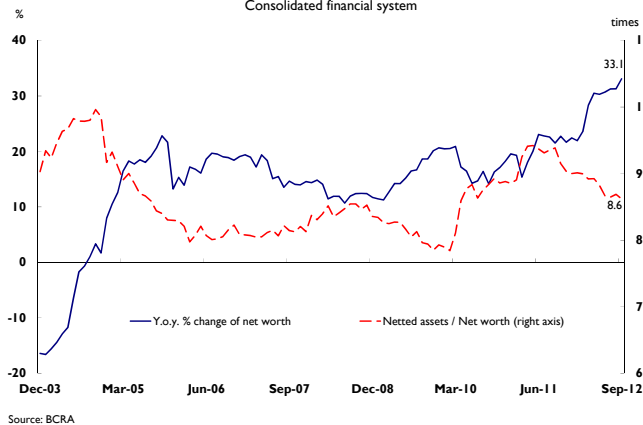
IV. Solvency

The consolidated financial system net worth expanded by 2.5% in September, mainly due to book profits. In the last 12 months, the net worth expanded 33.1% (see Chart 15), 11.6 p.p. above the value recorded one year ago. Private banks (in particular, foreign private banks) recorded the highest relative year-on-year growth.

The ratio of banking system capital compliance rose slightly during September standing at 16.7% of risk-weighted assets (RWA) (see Chart 16). By closing 2011, this indicator increased by 0.9 p.p., mainly boosted by foreign private banks. There still was a surplus financial system capital position (capital compliance less capital requirement), which stood at 62% of the regulatory requirement, slightly above the level recorded last month. In the first nine months of the year, this indicator fell 7 p.p., within the framework of the coming into force of the capital requirement for operational risk.

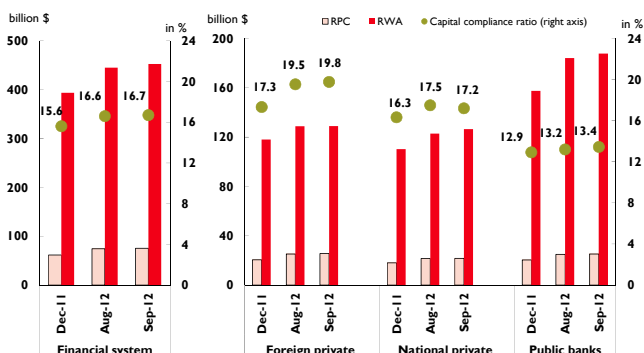
Recently, the BCRA amended the minimum capital regime¹² in order to strengthen the financial system, to encourage lending aimed at sustaining the growth of the economy, and to conform local regulations to international standards. Provisions included, among others, the redefinition of the risk weighting factors to calculate the regulatory capital requirement for the following loan exposures: (i) loans to individuals and Micro and SME's (*MiPyME*): there was a decline in the

Chart 15
Net Worth and Leverage
Consolidated financial system



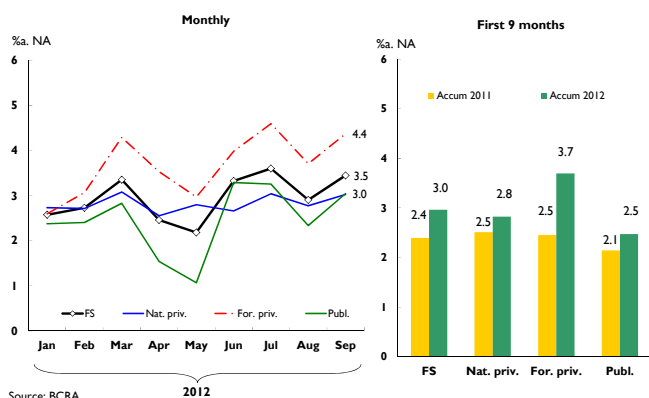
¹² Communication "A" 5369 and "P" 50116.

Chart 16
Capital Compliance (RPC) and Risk Weighted Assets (RWA)
By group of banks



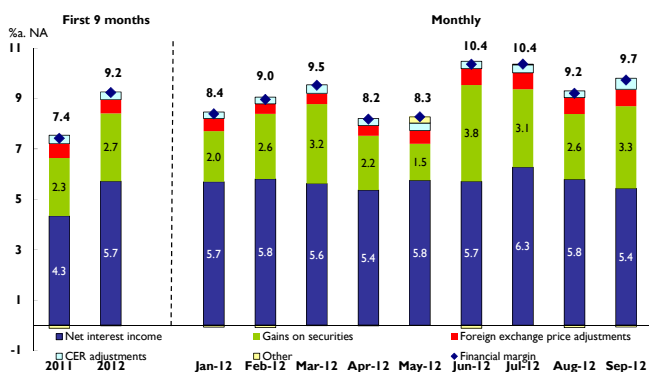
Source: BCRA

Chart 17
Profitability by Group of Banks
As % of netted assets



Source: BCRA

Chart 18
Financial Margin
As % of netted assets - Financial system



Source: BCRA

ratio from 100% to 75%; (ii) mortgage loans on single dwelling, the factor dropped from 50% to 35%; (iii) loans in pesos to the public sector will be weighted at 0% (those stated in other currencies remain at 100%); (iv) as regards the treatment of securitization, in the future, capital should be maintained for the total of loans transferred to a trust fund if the assigning institution has some kind of exposure; (v) loans in arrears will have a decreasing factor as the loan loss provision increases. **These amendments will become effective as from 2013.**

In September, the banking system book profits reached 3.5%a. of assets (see Chart 17), growing by 0.6 p.p. compared with the previous month. The monthly increase in the aggregate profitability was mainly due to an expansion of the financial margin, as well as by a reduction of non-financial expenses. Thus, the accumulated accounting benefits for the third quarter of 2012 totaled 3.3%a. of assets. **Over the course of the year the financial system recorded a 3%a. ROA, 0.6 p.p. more than in the first nine months of last year.** The improvement in the benefits accrued as compared to 2011 reflects the increasing level of activity in a context of slightly higher interest rate spreads considering the average for the period. In year-on-year terms, all groups of banks, and private banks in particular, improved their accumulated profitability levels.

Financial margin increased by 0.5 p.p. of assets in September, reaching 9.7%a. (see Chart 18). This monthly increase was mainly due to the higher gains on securities, mostly in public banks. **In year-on-year terms, the accumulated financial margin for the first 9 months of the year expanded by 1.8 p.p. of assets up to 9.2%a.,** a variation driven by net interest income.

Financial system service income margin declined slightly during the month up to a level similar to the annual average, 4.1%a. of assets. Service income margin accrued during the third quarter of 2012 remained stable as compared to the previous quarter, though they showed a slight increase in y.o.y. terms.

In September, the financial system loan loss provisions declined slightly to 0.9%a. of assets, in line with the level accumulated in 2012, which was over that recorded in the same period of 2011, mainly due to the performance of private banks. In turn, **operating costs stood at 6.8%a. of assets for the month,** falling 0.3 p.p. as compared to August. These expenses declined 0.2 p.p. of assets in the last quarter, 7%a. In the year to date, operating costs increased by 0.4 p.p. of assets up to 7%a., a performance observed in all groups of banks.

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” 5351 – 9/6/12

It was provided that, as from 9/7/12 only public financial institutions could open and/or maintain operating offices (branches and/or special customer service offices) in international airports and ports, provided that certain conditions were satisfied.

Communication “A” 5355 – 9/20/12

Minimum capital requirements. As from 10/1/12, minimum capital requirements and the requirements to open branches are amended. The classification of localities increased from four to six. The minimum basic capital for financial institutions will be as follows: for categories I and II: \$26 million for banks and \$12 million for the other institutions; and for categories III to VI: \$15 million for banks and \$8 million for the other institutions. A scoring system is established to authorize branches, based on an initial score that financial institutions must apply according to the place where their operating offices are located (headquarters/main office, branches and teller machines) at 10/1/12. Then, by each opening/transfer, or closing of an office/teller machine, financial institutions must adjust the available score according to the table which links places to scores. Branches authorized in categories III to VI, as well as ATMs in categories V and VI must remain operative for, at least, 24 months.

Communication “A” 5356 – 9/21/12

Minimum cash requirement. Rates to be applied after 3/1/13 are redefined. In the case of transactions in pesos, such rates will depend on the category of the locality where the operating office taking the deposit is located (category I, on the one hand, and categories II to VI, on the other hand). Furthermore, there is a temporary schedule for the readjustment of minimum cash requirement rates in pesos according to the operating office taking the deposit, applicable during the period from October 2012 to February 2013. There is a reduction in the average requirement in pesos according to the share of loans to micro, small and medium-sized companies in the total loans to the private non-financial sector in the financial institution, based on a table where the larger the share in these loans, the larger the deduction.

Communication “A” 5358 – 9/27/12

Lending to the non-financial public sector. No objection has been made to the acquisition by financial institutions of Treasury Bills issued by the Province of Chubut for a nominal amount of up to \$200 million, as long as the maximum limits on credit assistance to the public non-financial sector are not exceeded.

Communication “A” 5359 – 9/27/12

Financing to the non-financial public sector. No objection has been made to the acquisition by financial institutions of Treasury Bills issued by the Province of Buenos Aires for a nominal amount of up to \$500 million, as long as the maximum limits on credit assistance to the non-financial public sector are not exceeded. Such issue is additional to the \$2.5 billion and \$500 million issues previously approved by the Economy Secretariat of the Ministry of Economy and Public Finances.-

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 institution 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 institutions 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. Profit ratios are annualized with the exception of those ,.
- (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 institutions (national or foreign depending on their residence) and public banks. In order to increase depth of the analysis, private sector institutions 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 institutions specialized in a financial sector niche market -usually smaller institutions-. 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 (without 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 - Capital requirement) / Capital requirement. Included exemptions.

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 institutions.

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

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 annex¹ | Financial system

Chart 1 | Financial Soundness Indicators (see Methodology)

As %	Dec 05	Dec 06	Dec 07	Dec 08	Dec 09	Dec 10	Sep 2011	Dec 11	Aug 2012	Sep 2012
1.- Liquidity	20.1	22.5	23.0	27.9	28.6	28.0	24.3	24.7	25.4	25.3
2.- Credit to the public sector	31.5	22.5	16.3	12.7	14.4	11.9	10.0	10.2	9.6	9.4
3.- Credit to the private sector	25.8	31.0	38.2	39.4	38.3	39.8	45.9	47.4	48.0	48.0
4.- Private non-performing loans	7.6	4.5	3.2	3.1	3.5	2.1	1.4	1.4	1.7	1.7
5.- Net worth exposure to the private sector	-2.5	-0.8	-1.5	-1.7	-1.3	-3.2	-4.3	-4.3	-3.2	-3.2
6.- ROA	0.9	1.9	1.5	1.6	2.3	2.8	2.4	2.7	2.9	3.0
7.- ROE	7.0	14.3	11.0	13.4	19.2	24.4	22.4	25.3	26.0	26.5
8.- Efficiency	151	167	160	167	185	179	171	179	188	190
9.- Capital compliance	15.3	16.9	16.9	16.9	18.8	17.7	15.8	15.6	16.6	16.7
10.- Capital compliance Tier I	14.1	14.1	14.6	14.2	14.5	13.1	11.5	10.9	13.1	12.9
11.- Excess capital compliance	173	134	93	90	100	87	70	69	61	62

Source: BCRA

Chart 2 | Balance Sheet

In million of current pesos	Dec 08	Dec 09	Dec 10	Sep 11	Dec 11	Aug 12	Sep 12	Change (in %)		
								Last month	2012	Last 12 months
Assets	346,762	387,381	510,304	600,096	628,381	720,498	733,033	1.7	16.7	22.2
Cash disposal ¹	58,676	71,067	93,085	101,322	104,389	120,507	123,351	2.4	18.2	21.7
Public bonds	65,255	86,318	117,951	117,981	112,906	130,147	129,730	-0.3	14.9	10.0
Lebac/Nobac	37,093	43,867	76,948	79,628	71,050	92,391	91,327	-1.2	28.5	14.7
Portfolio	25,652	34,748	61,855	69,879	59,664	75,220	74,965	-0.3	25.6	7.3
Repo ²	11,442	9,119	15,093	9,748	11,386	17,170	16,362	-4.7	43.7	67.8
Private bonds	203	307	209	185	212	270	321	19.0	51.8	73.8
Loans	154,719	169,868	230,127	306,657	332,317	384,816	391,662	1.8	17.9	27.7
Public sector	17,083	20,570	25,907	29,061	31,346	36,140	36,367	0.6	16.0	25.1
Private sector	132,844	145,247	199,202	269,609	291,708	339,158	345,461	1.9	18.4	28.1
Financial sector	4,793	4,052	5,018	7,987	9,263	9,518	9,835	3.3	6.2	23.1
Provisions over loans	-4,744	-5,824	-6,232	-6,743	-7,173	-8,691	-8,760	0.8	22.1	29.9
Other netted credits due to financial intermediation	38,152	33,498	39,009	38,627	40,805	43,781	45,649	4.3	11.9	18.2
Corporate bonds and subordinated debt	912	1,146	1,433	1,817	1,657	1,602	1,954	22.0	18.0	7.5
Unquoted trusts	5,714	5,942	6,824	7,644	7,967	8,770	9,141	4.2	14.7	19.6
Leasing	3,935	2,933	3,936	5,633	6,222	6,347	6,437	1.4	3.5	14.3
Shares in other companies	7,236	6,711	7,921	8,582	9,123	10,685	11,064	3.5	21.3	28.9
Fixed assets and miscellaneous	7,903	8,239	9,071	9,724	10,111	10,527	10,595	0.6	4.8	9.0
Foreign branches	3,153	3,926	3,283	3,433	3,525	4,085	4,136	1.2	17.3	20.5
Other assets	12,275	10,337	11,943	14,695	15,944	18,025	18,848	4.6	18.2	28.3
Liabilities	305,382	339,047	452,752	535,553	558,264	636,873	647,359	1.6	16.0	20.9
Deposits	236,217	271,853	376,344	451,385	462,517	537,643	544,526	1.3	17.7	20.6
Public sector ³	67,151	69,143	115,954	134,941	129,885	155,897	155,038	-0.6	19.4	14.9
Private sector ³	166,378	199,278	257,595	312,889	328,463	378,009	385,507	2.0	17.4	23.2
Current account	39,619	45,752	61,306	72,761	76,804	89,259	91,447	2.5	19.1	25.7
Savings account	50,966	62,807	82,575	101,841	103,636	109,574	111,216	1.5	7.3	9.2
Time deposits	69,484	83,967	104,492	127,345	135,082	165,744	168,755	1.8	24.9	32.5
Other netted liabilities due to financial intermediation	57,662	52,114	60,029	67,535	76,038	75,864	77,806	2.6	2.3	15.2
Interbanking obligations	3,895	3,251	4,201	6,771	7,947	8,050	8,383	4.1	5.5	23.8
BCRA lines	1,885	270	262	1,387	1,920	3,167	3,232	2.0	68.3	132.9
Outstanding bonds	5,984	5,033	3,432	6,707	6,856	8,764	8,643	-1.4	26.1	28.9
Foreign lines of credit	4,541	3,369	3,897	5,543	6,467	6,373	6,080	-4.6	-6.0	9.7
Other	13,974	14,891	17,426	20,619	24,137	19,739	20,471	3.7	-15.2	-0.7
Subordinated debts	1,763	1,922	2,165	1,938	2,065	2,529	2,565	1.4	24.2	32.3
Other liabilities	9,740	13,159	14,213	14,694	17,644	20,836	22,461	7.8	27.3	52.9
Net worth	41,380	48,335	57,552	64,543	70,117	83,626	85,675	2.5	22.2	32.7
Memo										
Netted assets	321,075	364,726	482,532	575,177	601,380	691,592	703,426	1.7	17.0	22.3
Consolidated netted assets	312,002	357,118	472,934	562,239	586,805	675,967	687,316	1.7	17.1	22.2

(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 1 | Financial system (cont)

Chart 3 | Profitability Structure

Amount in million of pesos	Annual				First 9 months		Monthly			Last
	2008	2009	2010	2011	2011	2012	Jul-12	Aug-12	Sep-12	12 months
Financial margin	20,462	28,937	35,490	43,670	29,460	45,139	5,777	5,263	5,658	59,348
Net interest income	9,573	14,488	17,963	24,903	17,213	27,942	3,498	3,311	3,158	35,633
CER and CVS adjustments	2,822	1,196	2,434	1,725	1,314	1,497	176	152	257	1,908
Foreign exchange price adjustments	2,307	2,588	2,100	3,025	2,270	2,672	364	373	389	3,428
Gains on securities	4,398	11,004	13,449	14,228	9,141	13,148	1,723	1,482	1,896	18,235
Other financial income	1,362	-339	-457	-211	-477	-122	16	-55	-43	145
Service income margin	10,870	13,052	16,089	21,391	15,432	20,172	2,384	2,460	2,394	26,131
Loan loss provisions	-2,839	-3,814	-3,267	-3,736	-2,586	-4,270	-484	-569	-539	-5,420
Operating costs	-18,767	-22,710	-28,756	-36,365	-26,274	-34,334	-3,975	-4,045	-3,926	-44,425
Tax charges	-2,318	-3,272	-4,120	-6,047	-4,159	-6,323	-738	-790	-768	-8,211
Adjust. to the valuation of gov. Securities ¹	-1,757	-262	-214	-336	-264	-245	-27	-26	-28	-317
Amort. payments for court-ordered releases	-994	-703	-635	-290	-203	-182	-14	-20	-59	-268
Other	1,441	918	2,079	2,963	2,237	1,983	182	171	252	2,709
Total results before tax ²	6,100	12,145	16,665	21,251	13,644	21,939	3,105	2,442	2,983	29,546
Income tax	-1,342	-4,226	-4,904	-6,531	-4,135	-7,443	-1,095	-781	-977	-9,839
Total result²	4,757	7,920	11,761	14,720	9,509	14,496	2,010	1,662	2,007	19,707
Adjusted results ³	7,508	8,885	12,610	15,345	9,976	14,923	2,051	1,708	2,093	20,292
<i>Annualized indicators - As % of netted assets</i>										
Financial margin	6.7	8.6	8.5	8.0	7.4	9.2	10.4	9.2	9.7	9.3
Net interest income	3.1	4.3	4.3	4.6	4.3	5.7	6.3	5.8	5.4	5.6
CER and CVS adjustments	0.9	0.4	0.6	0.3	0.3	0.3	0.3	0.3	0.4	0.3
Foreign exchange price adjustments	0.8	0.8	0.5	0.6	0.6	0.5	0.7	0.7	0.7	0.5
Gains on securities	1.4	3.3	3.2	2.6	2.3	2.7	3.1	2.6	3.3	2.9
Other financial income	0.4	-0.1	-0.1	0.0	-0.1	0.0	0.0	-0.1	-0.1	0.0
Service income margin	3.6	3.9	3.8	3.9	3.9	4.1	4.3	4.3	4.1	4.1
Loan loss provisions	-0.9	-1.1	-0.8	-0.7	-0.7	-0.9	-0.9	-1.0	-0.9	-0.9
Operating costs	-6.1	-6.7	-6.9	-6.7	-6.6	-7.0	-7.1	-7.1	-6.8	-7.0
Tax charges	-0.8	-1.0	-1.0	-1.1	-1.0	-1.3	-1.3	-1.4	-1.3	-1.3
Adjust. to the valuation of gov. securities ¹	-0.6	-0.1	-0.1	-0.1	-0.1	-0.1	0.0	0.0	0.0	0.0
Amort. payments for court-ordered releases	-0.3	-0.2	-0.2	-0.1	-0.1	0.0	0.0	0.0	-0.1	0.0
Other	0.5	0.3	0.5	0.5	0.6	0.4	0.3	0.3	0.4	0.4
Total results before tax ²	2.0	3.6	4.0	3.9	3.4	4.5	5.6	4.3	5.1	4.7
Income tax	-0.4	-1.3	-1.2	-1.2	-1.0	-1.5	-2.0	-1.4	-1.7	-1.5
Total result²	1.6	2.3	2.8	2.7	2.4	3.0	3.6	2.9	3.5	3.1
Adjusted result ³	2.5	2.6	3.0	2.8	2.5	3.1	3.7	3.0	3.6	3.2
<i>Total results before tax / Net worth</i>	<i>17.2</i>	<i>29.5</i>	<i>34.5</i>	<i>36.5</i>	<i>32.2</i>	<i>40.1</i>	<i>48.8</i>	<i>37.6</i>	<i>44.9</i>	<i>41.8</i>
<i>Total results / Net worth²</i>	<i>13.4</i>	<i>19.2</i>	<i>24.4</i>	<i>25.3</i>	<i>22.4</i>	<i>26.5</i>	<i>31.6</i>	<i>25.6</i>	<i>30.2</i>	<i>27.9</i>

(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.

(²) 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.

(³) 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 05	Dec 06	Dec 07	Dec 08	Dec 09	Dec 10	Sep 11	Dec 11	Aug 12	Sep 12
Non-performing loans (overall)	5.2	3.4	2.7	2.7	3.0	1.8	1.3	1.2	1.5	1.5
Provisions / Non-performing loans	115	108	115	117	115	148	175	176	148	149
(Total non-performing - Provisions) / Overall financing	-0.8	-0.3	-0.4	-0.5	-0.5	-0.9	-0.9	-0.9	-0.7	-0.7
(Total non-performing - Provisions) / Net worth	-2.6	-0.9	-1.6	-1.8	-1.7	-3.6	-4.6	-4.6	-3.5	-3.5
Non-performing loans to the non-financial private sector	7.6	4.5	3.2	3.1	3.5	2.1	1.4	1.4	1.7	1.7
Provisions / Non-performing loans	115	108	114	116	112	143	169	171	144	145
(Total non-performing - Provisions) / Overall financing	-1.1	-0.3	-0.5	-0.5	-0.4	-0.9	-1.0	-1.0	-0.8	-0.8
(Total non-performing - Provisions) / Net worth	-2.5	-0.8	-1.5	-1.7	-1.3	-3.2	-4.3	-4.3	-3.2	-3.2

Source: BCRA

¹ Note | Data available in Excel in www.bcra.gov.ar

Statistics annex¹ | Private banks (cont.)

Chart 5 | Financial Soundness Indicators (see Methodology)

As %	Dec 05	Dec 06	Dec 07	Dec 08	Dec 09	Dec 10	Sep 2011	Dec 11	Aug 2012	Sep 2012
1.- Liquidity	21.5	23.7	25.7	34.1	29.8	26.0	25.3	26.7	26.4	26.4
2.- Credit to the public sector	28.5	16.3	9.5	6.3	6.1	4.4	2.9	2.8	2.6	2.4
3.- Credit to the private sector	31.1	37.9	46.6	44.0	43.3	50.3	55.1	54.5	56.7	56.4
4.- Private non-performing loans	6.3	3.6	2.5	2.8	3.3	2.0	1.4	1.4	1.8	1.7
5.- Net worth exposure to the private sector	-0.4	-1.4	-2.0	-1.8	-1.6	-3.4	-4.5	-4.4	-3.2	-3.3
6.- ROA	0.5	2.2	1.6	1.9	3.0	3.2	2.5	3.0	3.2	3.3
7.- ROE	4.1	15.3	10.9	15.2	22.9	24.5	21.5	25.6	26.6	26.9
8.- Efficiency	136	158	152	166	195	176	169	178	188	189
9.- Capital compliance	17.8	18.6	19.2	18.4	22.6	20.3	17.0	16.8	18.5	18.5
10.- Capital compliance Tier I	16.1	15.3	16.8	15.0	17.2	15.2	13.8	12.5	15.0	14.7
11.- Excess capital compliance	155	116	87	87	121	102	73	72	67	67

Source: BCRA

Chart 6 | Balance Sheet

In million of current pesos	Dec 08	Dec 09	Dec 10	Sep 11	Dec 11	Aug 12	Sep 12	Change (in %)		
								Last month	2012	Last 12 months
Assets	208,888	229,549	280,025	339,326	364,122	395,983	403,549	1.9	10.8	18.9
Cash disposal ¹	37,044	43,562	49,730	58,570	58,877	68,562	70,601	3.0	19.9	20.5
Public bonds	29,552	47,949	48,903	44,831	50,055	48,924	48,095	-1.7	-3.9	7.3
Lebac/Nobac	23,457	31,575	34,422	31,406	34,246	38,483	37,140	-3.5	8.5	18.3
Portfolio	12,858	27,413	31,148	27,001	23,908	31,211	30,198	-3.2	26.3	11.8
Repo ²	10,598	4,161	3,274	4,405	10,338	7,272	6,943	-4.5	-32.8	57.6
Private bonds	127	233	184	130	164	144	195	35.5	18.9	49.6
Loans	98,529	101,722	143,202	190,223	202,117	228,222	231,919	1.6	14.7	21.9
Public sector	6,249	1,694	1,625	1,316	1,215	1,353	1,296	-4.2	6.7	-1.5
Private sector	88,426	96,790	137,308	182,159	193,126	218,959	222,229	1.5	15.1	22.0
Financial sector	3,854	3,238	4,270	6,748	7,777	7,910	8,394	6.1	7.9	24.4
Provisions over loans	-2,871	-3,653	-3,926	-4,280	-4,574	-5,641	-5,612	-0.5	22.7	31.1
Other netted credits due to financial intermediation	25,265	21,258	20,241	23,765	29,338	24,292	26,051	7.2	-11.2	9.6
Corporate bonds and subordinated debt	699	734	757	947	796	710	758	6.8	-4.8	-19.9
Unquoted trusts	3,869	4,198	4,500	4,851	5,268	5,381	5,660	5.2	7.4	16.7
Leasing	3,451	2,569	3,519	4,969	5,452	5,457	5,535	1.4	1.5	11.4
Shares in other companies	4,538	4,067	4,934	5,542	5,998	7,142	7,372	3.2	22.9	33.0
Fixed assets and miscellaneous	4,926	5,096	5,808	6,372	6,663	6,956	6,999	0.6	5.0	9.8
Foreign branches	-178	-202	-215	-232	-240	0	0	-	-	-
Other assets	8,505	6,946	7,646	9,435	10,271	11,925	12,393	3.9	20.7	31.4
Liabilities	182,596	198,438	243,766	300,190	321,123	344,322	350,663	1.8	9.2	16.8
Deposits	135,711	154,387	198,662	244,432	253,705	283,916	287,900	1.4	13.5	17.8
Public sector ³	19,600	17,757	23,598	32,292	27,664	31,801	32,022	0.7	15.8	-0.8
Private sector ³	114,176	134,426	173,203	209,827	223,141	249,877	253,490	1.4	13.6	20.8
Current account	30,188	35,127	46,297	53,629	57,586	66,986	68,028	1.6	18.1	26.8
Savings account	32,778	40,999	53,085	66,830	66,891	66,795	67,450	1.0	0.8	0.9
Time deposit	46,990	54,058	67,568	81,675	89,924	106,895	108,345	1.4	20.5	32.7
Other netted liabilities due to financial intermediation	39,298	34,235	34,427	44,394	53,973	45,357	46,767	3.1	-13.4	5.3
Interbanking obligations	1,160	1,668	1,903	2,742	3,524	3,657	3,647	-0.3	3.5	33.0
BCRA lines	649	41	57	382	456	615	644	4.7	41.2	68.6
Outstanding bonds	5,672	4,626	2,802	5,258	5,119	5,839	5,882	0.7	14.9	11.9
Foreign lines of credit	2,261	1,262	1,716	3,336	4,252	3,810	3,497	-8.2	-17.8	4.8
Other	11,125	12,015	13,849	16,418	19,059	15,912	16,085	1.1	-15.6	-2.0
Subordinated debts	1,759	1,918	2,148	1,921	1,948	2,123	2,161	1.8	10.9	12.5
Other liabilities	5,828	7,897	8,528	9,443	11,497	12,927	13,836	7.0	20.3	46.5
Net worth	26,292	31,111	36,259	39,136	42,999	51,661	52,886	2.4	23.0	35.1
Memo										
Netted assets	192,074	216,100	267,364	324,898	344,101	381,285	387,810	1.7	12.7	19.4

(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 1 | Private banks (cont.)

Chart 7 | Profitability Structure

Amount in million of pesos	Annual				First 9 months		Monthly			Last
	2008	2009	2010	2011	Jul-05	Jul-05	Jul-12	Aug-12	Sep-12	12 months
Financial margin	12,964	19,724	21,837	27,234	18,211	27,852	3,350	3,322	3,357	36,875
Net interest income	7,727	10,572	12,842	18,518	12,908	20,259	2,435	2,416	2,332	25,869
CER and CVS adjustments	651	185	244	288	218	260	40	25	35	330
Foreign exchange price adjustments	1,620	1,646	1,493	2,064	1,572	1,620	213	228	223	2,112
Gains on securities	1,637	7,343	7,464	6,358	3,801	5,630	620	680	782	8,186
Other financial income	1,329	-22	-205	6	-288	83	43	-28	-15	377
Service income margin	7,632	9,198	11,345	15,243	10,960	14,460	1,700	1,748	1,698	18,744
Loan loss provisions	-1,863	-2,751	-2,253	-2,633	-1,827	-3,049	-346	-442	-370	-3,855
Operating costs	-12,401	-14,807	-18,819	-23,821	-17,267	-22,435	-2,567	-2,596	-2,606	-28,990
Tax charges	-1,715	-2,380	-2,927	-4,300	-3,003	-4,503	-519	-562	-538	-5,800
Adjust. to the valuation of gov. Securities ¹	-267	0	47	-40	-40	0	0	0	0	0
Amort. payments for court-ordered releases	-688	-367	-441	-133	-92	-126	-7	-14	-53	-168
Other	916	398	1,382	1,723	1,349	1,339	148	98	229	1,714
Total results before tax ²	4,579	9,014	10,171	13,272	8,291	13,539	1,759	1,553	1,718	18,520
Income tax	-1,168	-3,001	-2,733	-4,293	-2,806	-4,610	-582	-532	-534	-6,097
Total result²	3,412	6,014	7,438	8,980	5,485	8,929	1,177	1,021	1,184	12,423
Adjusted results ³	4,367	6,381	7,832	9,153	5,616	9,055	1,184	1,035	1,238	12,591
Annualized indicators - As % of netted assets										
Financial margin	7.3	9.8	9.3	9.0	8.2	10.2	10.9	10.6	10.5	10.4
Net interest income	4.4	5.3	5.5	6.1	5.8	7.4	7.9	7.7	7.3	7.3
CER and CVS adjustments	0.4	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Foreign exchange price adjustments	0.9	0.8	0.6	0.7	0.7	0.6	0.7	0.7	0.7	0.6
Gains on securities	0.9	3.7	3.2	2.1	1.7	2.1	2.0	2.2	2.4	2.3
Other financial income	0.8	0.0	-0.1	0.0	-0.1	0.0	0.1	-0.1	0.0	0.1
Service income margin	4.3	4.6	4.8	5.0	5.0	5.3	5.5	5.6	5.3	5.3
Loan loss provisions	-1.1	-1.4	-1.0	-0.9	-0.8	-1.1	-1.1	-1.4	-1.2	-1.1
Operating costs	-7.0	-7.4	-8.0	-7.8	-7.8	-8.2	-8.4	-8.3	-8.2	-8.1
Tax charges	-1.0	-1.2	-1.2	-1.4	-1.4	-1.6	-1.7	-1.8	-1.7	-1.6
Adjust. to the valuation of gov. securities ¹	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amort. payments for court-ordered releases	-0.4	-0.2	-0.2	0.0	0.0	0.0	0.0	0.0	-0.2	0.0
Other	0.5	0.2	0.6	0.6	0.6	0.5	0.5	0.3	0.7	0.5
Total results before tax ²	2.6	4.5	4.3	4.4	3.8	5.0	5.7	4.9	5.4	5.2
Income tax	-0.7	-1.5	-1.2	-1.4	-1.3	-1.7	-1.9	-1.7	-1.7	-1.7
Total result²	1.9	3.0	3.2	3.0	2.5	3.3	3.8	3.2	3.7	3.5
Adjusted result ³	2.5	3.2	3.3	3.0	2.5	3.3	3.9	3.3	3.9	3.5
Total results before tax / Net worth	20.4	34.4	33.5	37.8	32.4	40.9	45.5	39.4	42.6	43.4
Total results / Net worth ²	15.2	22.9	24.5	25.6	21.5	26.9	30.5	25.9	29.4	29.1

(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.

(²) 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.

(³) 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 05	Dec 06	Dec 07	Dec 08	Dec 09	Dec 10	Sep 11	Dec 11	Aug 12	Sep 12
Non-performing loans (overall)	4.4	2.9	2.2	2.5	3.1	1.9	1.3	1.3	1.7	1.7
Provisions / Non-performing loans	103	114	123	119	116	144	169	168	142	145
(Total non-performing - Provisions) / Overall financing	-0.1	-0.4	-0.5	-0.5	-0.5	-0.8	-0.9	-0.9	-0.7	-0.8
(Total non-performing - Provisions) / Net worth	-0.4	-1.4	-2.1	-1.9	-1.7	-3.4	-4.6	-4.4	-3.3	-3.4
Non-performing loans to the non-financial private sector	6.3	3.6	2.5	2.8	3.3	2.0	1.4	1.4	1.8	1.7
Provisions / Non-performing loans	102	114	123	118	115	143	168	167	140	144
(Total non-performing - Provisions) / Overall financing	-0.1	-0.5	-0.6	-0.5	-0.5	-0.9	-0.9	-0.9	-0.7	-0.8
(Total non-performing - Provisions) / Net worth	-0.4	-1.4	-2.0	-1.8	-1.6	-3.4	-4.5	-4.4	-3.2	-3.3

Source: BCRA

¹ Note | Data available in Excel in www.bcra.gob.ar