

Report on Banks

November 2008



BANCO CENTRAL
DE LA REPÚBLICA ARGENTINA

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November 2008

Year VI, No. 3



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Note | Information for November 2008 available by December 24, 2008 is included. This Report is focussed on the performance of the financial system, including breakdowns by homogeneous subsectors. The data reported (particularly, those referring to profitability) are provisional and are subject to changes later. Except the opposite was indicated, the information included corresponds to BCRA Information Regimes (end of month data).

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For comments, inquiries or electric subscription: analisis.financiero@bcra.gov.ar

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Summary

- Within a context of high volatility derived from the international financial crisis, **the local financial system has continued to evidence adequate liquidity and solvency levels, as well as reduced balance-sheet mismatches.** Specifically, **during the month there was a recovery in private sector deposit stocks, in line with the measures introduced by the BCRA to restore monetary market equilibrium.**
- **Balance-sheet stocks for non-financial sector deposits picked up in November following the drop posted in the previous month.** Total placements rose \$2.65 billion (1.1% or 17.4% y.o.y.) during the month, driven by private sector deposits (up 1.8% or 13.2% y.o.y.). Total non-financial sector deposits in pesos rose \$1.9 billion in November (0.9% or 15% y.o.y.). **Sight accounts were behind the rise in private sector deposits in November, with an increase of \$3.15 billion (3.8%), while time deposits recorded a slight decline.**
- **Financial system liquidity continues to improve.** Led by repos with the BCRA and larger cash holdings, the stocks of liquid assets at November recorded an increase for the month of \$7.1 billion. As a result, **the liquidity indicator stood at 28.1% of total deposits**, 2.6 p.p. more than in October and 5.8 p.p. above the total one year earlier. If the portfolio of Lebac and Nobac not related to repo transactions is included, the broad liquidity indicator rose by 2.1 p.p. of total deposits in November, to 41.7%.
- **Balance-sheet credit to the private sector remained steady in November, continuing to show a more moderate rate of annual growth.** There was a drop in commercial loans (2.5%), which was offset by an increase in collateralized credits (2.2%) and consumer financing (0.9%). **Loans to the private sector remained at 39.4% of total bank assets during the month** (2.6 p.p. more than 12 months earlier), **over three times exposure to the public sector**, which stood at 12.8% (3.3 p.p. less than in the same month of 2007).
- **Private sector lending non-performance increased slightly in November, although it remains at historically low levels: 2.9% of the portfolio, showing a drop of 0.4 p.p. in the last 12 months**, driven mainly by the corporate sector. Coverage of total non-performing loans by provisions totaled 131%.
- **Financial system solvency continues to gain strength.** Consolidated bank net worth rose \$230 million (0.6% or 12.4% y.o.y.) in November, from the recording by financial entities of book profits and the receipt of capital contributions. **Financial system profitability stood at an annualized (a.) 0.9% of assets in November (\$240 million)**, dropping 1.5 p.p. in the month, mainly because of lower gains from foreign exchange price adjustments and other financial results, during a period in which the peso-dollar exchange rate remained steady between ends. Exceeding internationally-recommended and local requirements, **capital considered for regulatory purposes stood at a level of 16.8% of risk-weighted assets.**

Activity

The financial system maintains moderate levels of balance sheet mismatching

Within a context of high volatility derived from the international financial crisis, the local financial system has continued to display adequate liquidity and solvency levels, as well as reduced balance-sheet mismatches. As a result of the measures introduced by the BCRA to restore equilibrium to the monetary market, during November a gradual recovery began to take place in private sector deposit balance sheet stocks, following the drop in the previous month, such resources being mainly allocated to increasing overall financial entity liquidity. During the month, growth totaled 1.4% (16.6% y.o.y.) of netted assets (see Chart 1). This increase was mainly driven by private banks, which recorded a rise of 2.2% (14.5% y.o.y.), while public financial entities posted growth of 0.6% (18.7% y.o.y.).

Over the course of 2008 the financial entity assets composition has shown increased signs of normalization, in line with incentives generated by BCRA measures. In November, liquid bank assets¹ (including Lebac and Nobac portfolio²) rose by 1.8 p.p. of total assets compared with the same month of 2007 to 28.4%, while lending to households and companies stood at 39.4%, growing 2.6 p.p. in the last 12 months. This increased share accounted for by lending to the private sector and liquid assets took place at the same time as a fall in exposure to the public sector, which stood at 12.8% of assets for the month, a drop of 3.3 p.p. compared with November 2007.

The improvements in bank net worth have helped lower exposure to real interest rate risk during the course of the year. In the last 12 months, the reduction in the balance sheet stock for certain long-duration adjusted by CER assets, such as certain kinds of public sector assets, together with a drop in CER-adjusted time deposits balance-sheet stocks on the liabilities side, have kept the balance-sheet mismatching of adjustable items relatively stable in absolute terms. This mismatching stood at 71% of net worth in November (see Chart 2), below the level recorded at the end of 2007 and 57 p.p. less than the level of 4 years earlier. Private banks have been mainly responsible for this reduction for the year, while public sector entities have reported a relatively larger level of mismatching.

Chart 1

Netted Assets
Financial System

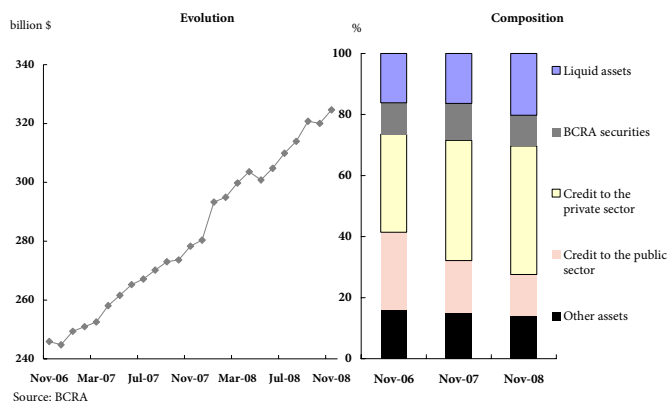
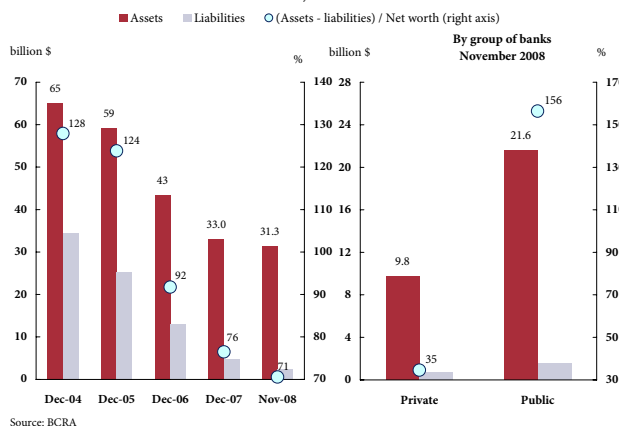


Chart 2

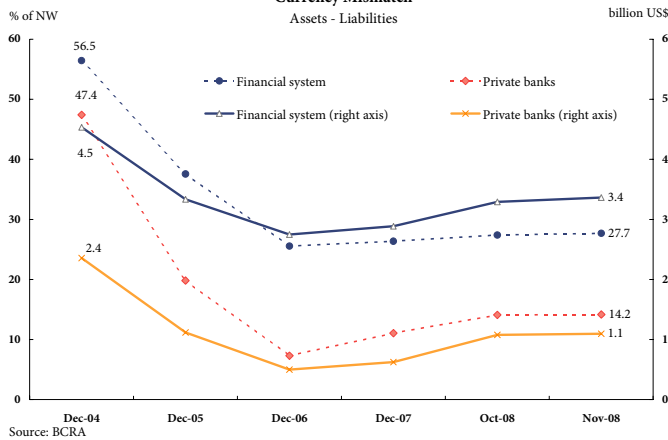
CER Mismatch
CER adjusted stocks



¹ See Glossary.

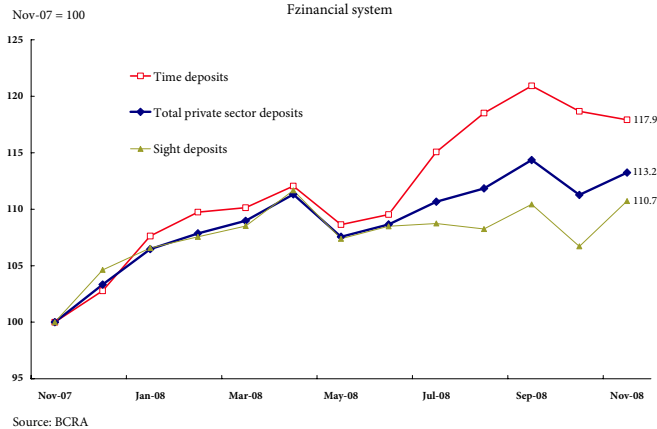
² Holdings of Lebac and Nobac not linked to repo transactions.

Chart 3
Currency Mismatch
Assets - Liabilities



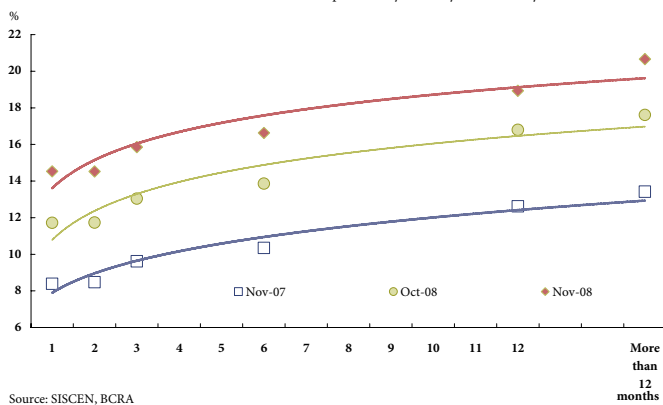
Although in November there was a slight increase in bank foreign currency mismatching, it remains limited, at a level similar to that at the end of 2007 and well below that recorded in previous years. Financial system foreign currency assets rose US\$510 million in November, mainly from the rise in liquid assets, partly compensated by the reduction in the stocks of loans to the private sector in foreign currency. Foreign currency liabilities rose US\$440 million during the month, led by an increase in deposits in dollars by institutional investors. As a result, foreign currency mismatching recorded a slight increase to 27.7% of net worth, although this represents less than half the level recorded four years earlier (see Chart 3).

Chart 4
Balance-Sheet Private Sector Deposit Stocks Evolution
Ffinancial system



In terms of the flows of funds estimated on the basis of balance-sheet figures for all financial entities, during November increased private sector deposits and the reduction in Lebac and Nobac portfolios not related to repo transactions constituted the main sources of funds. The increase in liquid assets was the most significant use of resources made during the month. Other uses of resources in November included a reduction in public sector deposits and an increase in lending to the private sector. The main difference between the flow of funds in the private and the public banking took place in the behavior of lending to the private sector: while in the case of the latter group there was an increase for the month in lending to the private sector, private banks reported a drop in their balance sheet stocks.

Chart 5
Private Sector Time Deposits in Pesos
Less than \$100 thousand interest rate operation by maturity - Financial system



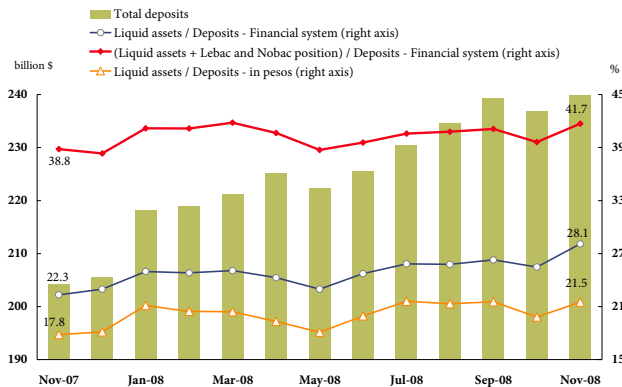
Deposits and liquidity

Precautionary liquidity levels continue to be reinforced in a context of recovering private sector deposit stocks

During November, balance sheet stocks for non-financial sector deposits in the financial entities as a group recovered much of the loss recorded in the previous month. Total deposits³ increased \$2.65 billion (1.1% or 17.4% y.o.y.) during the month, driven by private sector deposits (1.8% or 13.2% y.o.y.), as those for the public sector recorded a slight drop for November (-0.9%), which nevertheless still resulted in a year-on-year increase (28.9%). Balance sheet stocks for all non-financial sector deposits in pesos grew \$1.9 billion in November (0.9% or 15% y.o.y.), while the stock in pesos of dollar deposits rose by \$750 million.

³ Including deposits from the private and public sectors, accrued interest and CER adjustments.

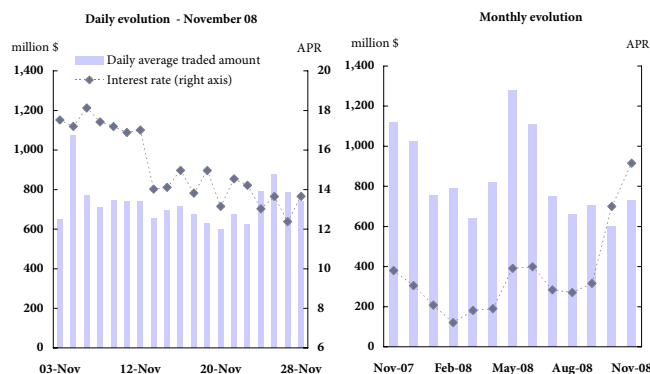
Chart 6
Deposits and Liquidity



Source: BCRA

Sight accounts were responsible for the rise in private sector deposit stocks in November. Private sector current and savings accounts together increased by \$3.15 billion (3.8%) in the month, while time deposits by the same sector fell slightly, by \$500 million (-0.6%). **The dynamism of the balance sheet stocks for private sector deposits in the last 12 months continues to be driven by time deposits (17.9% y.o.y.)** (see Chart 4) and, to a lesser extent, by sight accounts (10.7% y.o.y.). **The monthly performance by time deposits was accompanied by an increase in retail deposit interest rates across all terms** (see Chart 5). **Two-thirds of the monthly increase in the private sector deposit stock corresponded to placements in pesos, and the remainder to deposits in dollars** (in a month in which the exchange rate remained steady). The increase in private sector foreign currency deposits was mainly explained by deposits from institutional investors.

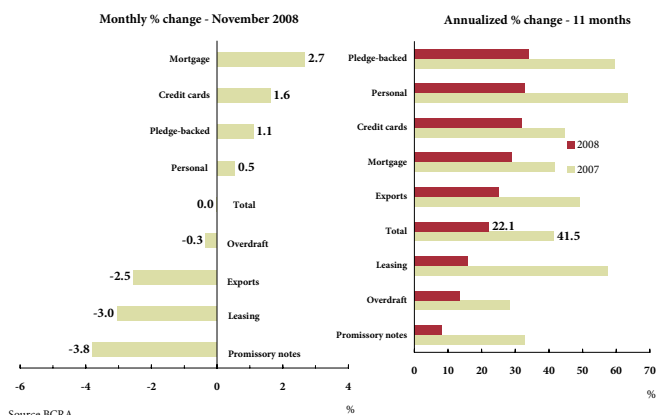
Chart 7
Call Market
Operation in pesos



Source: SISCEN, BCRA

Within the context of a recovery in deposits, the financial system continues to strengthen its liquidity levels. As a result of the setting up of repos with the BCRA (\$6.35 billion) and an increase in cash (\$750 million), liquid assets rose by \$7.1 billion in November. As a result, **the liquidity indicator stood at 28.1% of deposits, rising 2.6 p.p. for the month and 5.8 p.p. compared with one year earlier** (see Chart 6). Balance sheet stocks for Lebac and Nobac portfolios not linked to repo transactions dropped by \$900 million in November, so that the broad liquidity indicator went up by 2.1 p.p. of total deposits, to 41.7%. In November the indicator for systemic liquidity in pesos reached 21.5% of the stocks for deposits in the same currency increasing 1.7 p.p. in the month and 3.7 p.p. with regard to the same period of the previous year.

Chart 8
Credit to the Private Sector in Pesos by Type of Line



Source BCRA

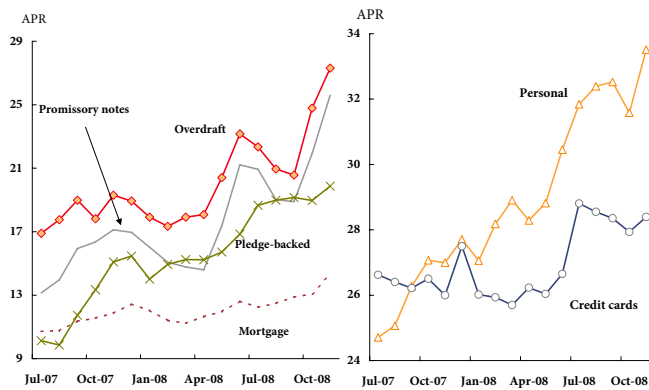
Call market interest rates rose 2.2 p.p. to 15.2% in November in terms of the daily average for the month. However, **during November there was a gradual reduction in interest rates agreed** (see Chart 7), **and this trend continued through to the end of 2008.** In November there was a slight increase in the traded amount on this market to a daily average of \$730 million.

At a time of marked volatility on financial markets, the BCRA continues to introduce measures to consolidate the system's liquidity position. In November an increase took place in the maximum limit available for the BCRA's reverse repos with financial entities at fixed interest rates, from \$3 billion to \$10 billion. In addition, for purposes of compliance with peso and foreign currency liquidity requirements,

Chart 9

Lending Interest Rates

Credit to the private sector - Financial system

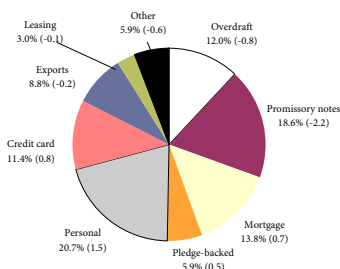


Source: BCRA

Chart 10

Credit to the Private Sector Composition

In % - November 08

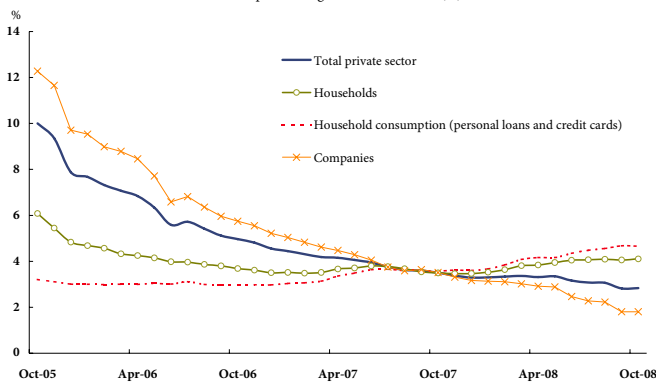


* () Percentage point variation in 2008
Source: BCRA

Chart 11

Non-Performing Credit to the Private Sector

Non-performing loans / Total loans (%)



Source: BCRA

financial entities can use the full amount of cash in transit and at value carriers as from December.

Financing

Collateralized and consumer loan totals rise

In November, **balance-sheet stocks for lending to the private sector remained at almost the same levels as in October**, although there was an increase of \$160 million if the monthly issuance by banks of financial trusts is taken into account⁴. As a result, the rhythm of expansion for lending to the private sector has continued to slow, reaching a level of 22.1%a. for the first 11 months of 2008 (see Chart 8), 19.4 p.p. less than one year earlier. This slowing credit expansion has been widespread across all lines, and has been particularly noticeable in private banks.

Loans to the private sector performed unevenly over the different credit lines in November. Commercial loans⁵ lost 2.5%, mainly explained by promissory notes, down 3.8% for the month. **This reduction in commercial credit lines was offset by the increases recorded in collateralized loans⁶ (2.2%) and consumer lending⁷ (0.9%).** In the case of the former, there has been a notable dynamism in the case of mortgage loans (up 2.7%), while in the case of the latter, credit cards stood out (rising 1.6%).

Lending to the private sector during November took place **within the framework of rising lending interest rates** (see Chart 9), and a slightly lower spread measured in terms of the average interest rate offered on time deposits. The largest increases in lending interest rates were recorded by commercial lines (overdrafts and promissory notes), and in personal loans.

From an annual perspective, personal loans have shown the greatest strength, becoming the main source of lending to the private sector, followed by credit cards, mortgage and pledge-backed loans, all lines that have gained share of the total stock of loans (see Chart 10), at the expense of promissory notes and overdrafts.

Lending to companies and households has continued to take place in a context of limited credit risk.

⁴ In November there were three financial trusts issued using bank loans as underlying assets, for a total of \$175 million, of which \$95 million corresponded to securitizations of personal loans and the rest to leasing contracts.

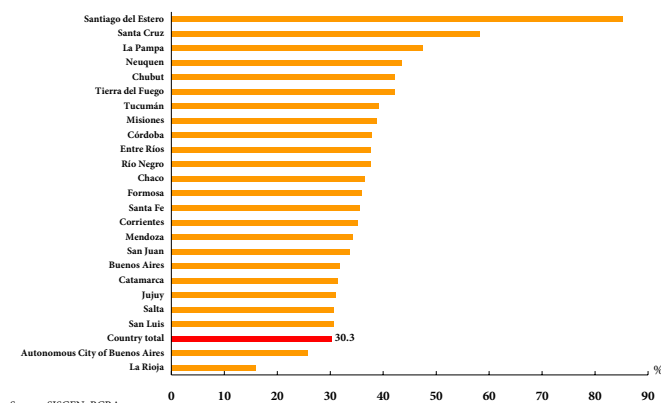
⁵ Includes overdrafts, promissory notes, exports and leasing.

⁶ Mortgage and pledge-backed loans.

⁷ Personal loans and credit cards.

Chart 12

Credit to the Private Sector by Province
Year on year % change - September 08

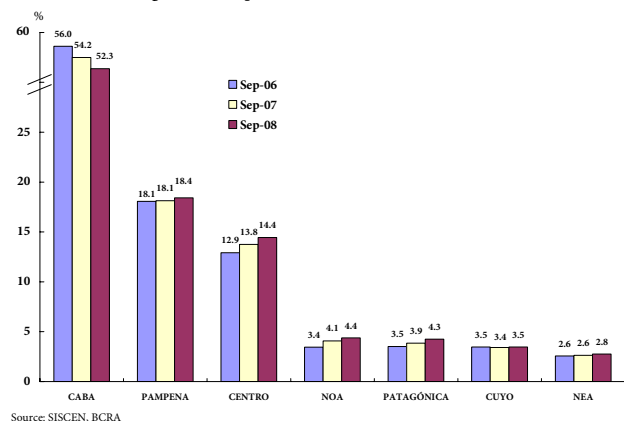


Source: SISCEN, BCRA

Although there was a slight increase in non-performance for the month, it remained at a historically low level of 2.9% of private sector loans in November, recording a fall of 0.4 p.p. in the last 12 months. Based on figures as at October 2008⁸, **the year-on-year improvement in loan portfolio quality was explained by lending to the corporate sector**⁹ (see Chart 11), which recorded a delinquency level of 1.8%, as household lending non-performance posted a slight rise compared with the levels of one year earlier (to 4.1%). Furthermore, **the degree of coverage by provisions of total non-performing loans stood at 131%**, another indication of the sound position of banks in the face of private sector credit risk.

Chart 13

Regional Participation in Total Credit to the Private Sector



Source: SISCEN, BCRA

In the last 12 months there has been a widespread and uniform increase in lending to the private sector in all districts of the country (see Chart 12)¹⁰. The various jurisdictions recorded a low year-on-year growth rate dispersion level, with notable dynamism recorded in the provinces of Santiago del Estero and Santa Cruz. Districts showing the lowest increase were the province of La Rioja (15.9% y.o.y.) and the Autonomous City of Buenos Aires (25.7% y.o.y.), although the latter accounts for over 46% of the total increase in loans to the private sector in the last year¹¹.

As a result, **there has been a gradual improvement in the distribution of lending to the private sector across the regions**¹² compared with previous years, although this has mainly been centered on the Autonomous City of Buenos Aires. This latter region saw a reduction in its participation to 52.3% of the total stock, 1.9 p.p. less than one year earlier, accumulating a drop of almost 4 p.p. in the last 24 months (see Chart 13). Offsetting this change, the country's remaining regions increased or maintained their share of total loan stocks, with notable dynamism in the case of the Central and Patagonian regions, which increased their share by 0.6 p.p. and 0.4 p.p. in the year-on-year comparison.

⁸ Latest information available enabling a breakdown by sector of credit beneficiaries.

⁹ Loans to companies are considered to be those granted to legal persons and commercial credit to individuals, while remaining lending to individuals is included under the households heading.

¹⁰ Figures as at September 2008 (information from SISCEN). Does not include interest or leasing contracts.

¹¹ There could be situations in which households or companies resident in one jurisdiction might have decided to obtain credit lines in other jurisdictions.

¹² Regions are grouped as follows: CABA: Autonomous City of Buenos Aires; Center: Provinces of Córdoba, Santa Fe and Entre Ríos; Northeastern Argentina (NEA): Provinces of Corrientes, Formosa, Chaco and Misiones; Northwestern Argentina (NOA): Provinces of Catamarca, Tucumán, Jujuy, Salta and Santiago del Estero; Patagonia: Provinces of Santa Cruz, Chubut, Río Negro, Neuquén and Tierra del Fuego; Pampas region: Provinces of Buenos Aires and La Pampa.

Solvency

On the verge of ending a fourth consecutive year of book profits, the financial system is consolidating its solvency

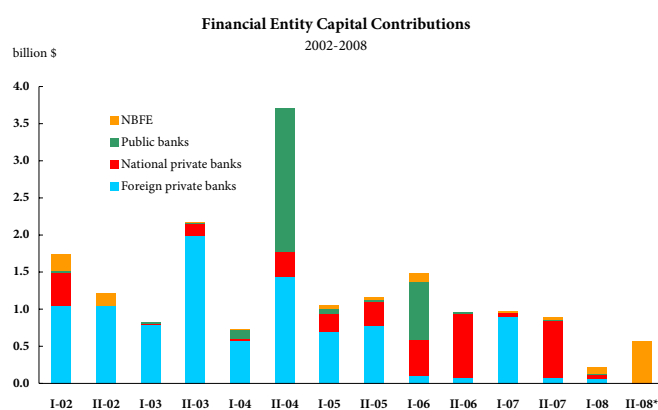
In November, banks continued to strengthen their solvency, mainly as a result of the recording of book profits, with a lesser contribution from the capital contributions received. Consolidated financial system net worth rose by \$230 million (0.6% or 12.4% y.o.y.) in November, with all bank groups showing similar dynamism. One non-bank financial entity and one national private bank received capitalization during the month, for a total of \$20 million. As a result, in the year to date, new contributions have been received for almost \$800 million (see Chart 14). In line with the situation seen during the month, the main source of reinforcement for bank solvency has been the obtaining of profits, and to a lesser extent, new capital contributions.

Capital compliance stood at 16.8% of risk-weighted assets in November, exceeding both minimum internationally-recommended levels and those required locally. This level was slightly lower than in October. Financial system excess capital compliance totaled 89% of the total requirement, 2 p.p. less than in the previous month.

In November the financial system accrued book profits for \$240 million, a ROA of 0.9%a. and ROE of 7.9%a., showing a decline for the month of 1.5 p.p. of assets. Private and public sector banks recorded similar profit levels in terms of assets during the month (see Chart 15). Sixty financial entities, accounting for 81% of total assets, recorded positive results in November. In 2008 to date profits have amounted to \$4.38 billion (ROA of 1.6%a.).

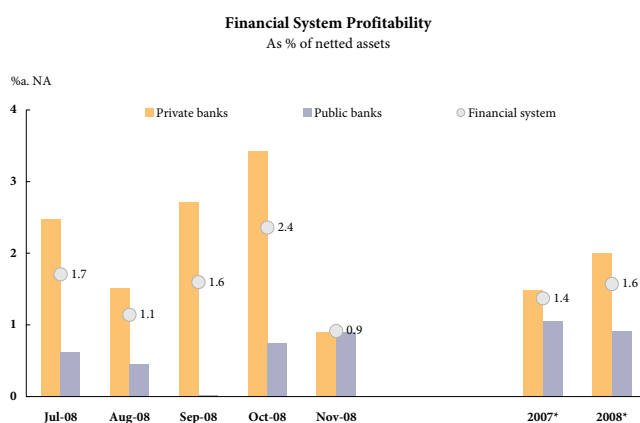
Financial margin posted a drop of 3.1 p.p. of assets in November to 6%a., driven by lower foreign exchange price adjustments and a drop in other financial income (lines that had shown an exceptionally high performance in October¹³), in the context of stability in the peso-dollar exchange rate between ends for the month (see Chart 16). Gains on securities rose 4.2 p.p. of assets to 2.4%a. in the month¹⁴. Consequently, financial

Chart 14



* At November
Source: BCRA

Chart 15



* at November annualized
Source: BCRA

¹³ For further details, see the Report on Banks for October 2008

¹⁴ Under the terms of current regulations, the impact on bank balance sheets of short-term financial volatility has been moderated.

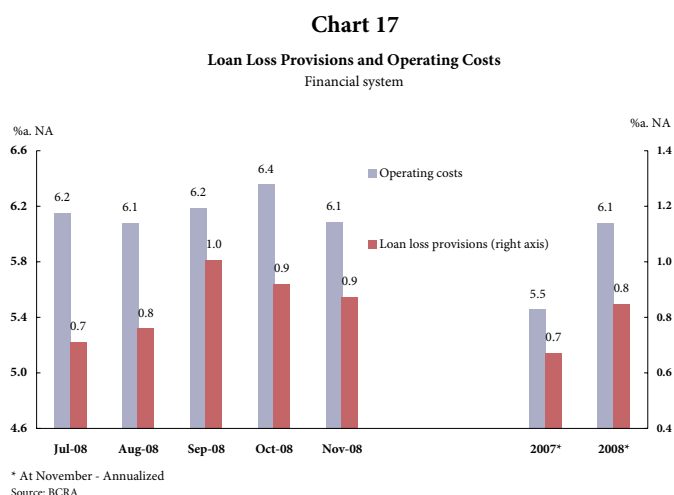
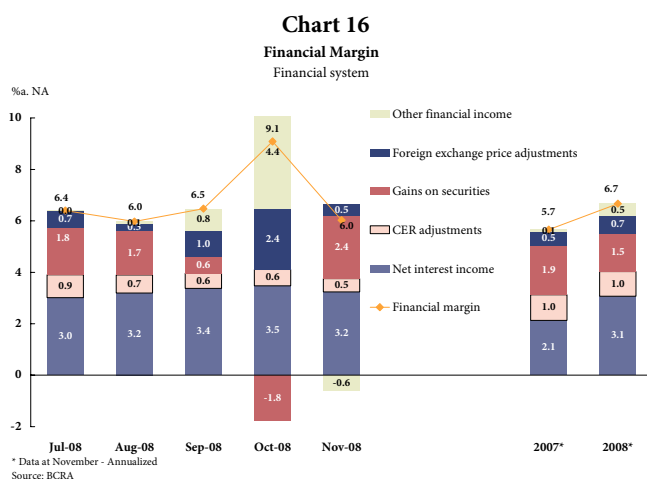
margin has totaled 6.7%a. of assets in the year to date, 1 p.p. more than in the same period of 2007.

At a time of certain slowing in the private sector lending growth rate, in November recurring income sources saw a slight fall in their weighting in terms of assets. Interest income in particular declined by 0.3 p.p. to 3.2%a. of assets, while income from services dropped 0.2 p.p. of assets to 3.6%a. Nevertheless, both these financial system income statement headings have performed well over the course of the year. **Net interest income accumulates 3.1%a. of assets in 2008 to date, 1 p.p. higher than in the same period of last year, while service income margin totals 3.5%a. of assets, 0.4 p.p. more than in the first 11 months of 2007.**

The low level of delinquency in loans to the private sector has made it possible to keep loan loss provisions at a reasonable level. In November, charges accrued under this heading remained steady at 0.9%a. of assets. Over the course of 2008 loan loss provisions have totaled 0.8%a. of assets, showing a slight increase of 0.1 p.p. compared with the same period of 2007. For their part, operating costs recorded a drop of 0.3 p.p. of assets, to 6.1%a. during the month (see Chart 17), a figure in line with that recorded over the course of the year.

Other results for the banking aggregate rose by 1.2 p.p. of assets in November to 0.6%a, returning to positive levels, in line with the situation over the course of 2008. Lastly, those headings linked to the gradual recognition of the impact of the 2001-2002 crisis (amortization of court-ordered releases and adjustments to the valuation of public sector assets) **totaled 1.1%a. of assets on aggregate for the month.**

On the basis of the information available at the time of publication of this Report, it is estimated that in **December financial entities will have continued to consolidate their levels of solvency by means of the recording of profits.** Although moderation in financial intermediation activity levels is expected to continue, net interest income and service income margin will continue to shore up bank profits. In the case of the cost structure, a slight increase is predicted for loan loss provisions and operating costs, mainly as a result of routine year-end balance-sheet adjustments.



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” 4868 – 7/11/08**

Regulation on BCRA financial assistance. The liquidity ratio has been modified with the incorporation in the numerator of Guaranteed Loans and BOGAR 2020 used in Liquidity Window transactions at the BCRA. In the case of the denominator, the percentage of time deposits and term investments has been increased from 30% to 50%. In all cases, term liabilities included shall only be computed when their maturity takes place within 20 working days following the date of the request for funds, applying the same criterion for interbank loans granted. In addition, a window has been set up for collateral pre-qualification.

- **Communication “A” 4872 – 13/11/08**

Regulation on minimum cash. Temporarily, as from December 1, 2008, financial entities have been allowed to compute all cash held by them either in transit or at value carriers for purposes of compliance with minimum cash requirements in pesos and US dollars.

- **Communication “A” 4874 – 19/11/08**

Time deposits and term investments. Financial entities have been allowed to take time deposits in pesos with incentives or compensation –total or partial- in the form of goods or services. Such deposits will only be allowed to be made in pesos, and remuneration may be paid in advance. The minimum term has been set at 180 days.

- **Communication “A” 4875 – 21/11/08**

Time deposits and term investments. The requirements for information for the issue of time deposit certificates has been modified.

- **Communication “A” 4876 – 21/11/08**

Liquidity window. An increase has been made to the possibilities of carrying out transactions using government securities as collateral, including national government bonds not considered for repo transactions with the BCRA that are accepted for trading on the Electronic Transactions System (SIOPEL). In addition, certain guidelines have been modified in relation to the maximum amount of financial assistance for liquidity purposes to be granted by the BCRA.

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. Unless otherwise specified, profit ratios are annualized.
- (e) Initially, the breakdown by group of banks was determined based on majority decision making role –in terms of voting rights at shareholder meetings - distinguishing between private sector financial entities and public sector banks. In order to increase depth of the analysis, private sector entities were also classed according to the geographic and business scope of their operations. Wholesale banks were therefore defined as those specializing in the 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 that specialize in a financial sector niche market –usually smaller entities-. Finally, it is worth noting that the classifications defined above are solely for analytical purposes and does not mean it is the only methodology criteria by which to group them; while on the other hand, the listing of features for each financial entity group has been established in a general manner.
- (f) Indicators exhibited in Tables 1 and 5 of Statistical Appendix: 1.- $(\text{Paid in liquidity at the BCRA} + \text{Other cash holding} + \text{Holdings of BCRA securities for repo transactions in cash}) / \text{Total deposits}$; 2.- $(\text{Position in government securities (not including Lebac nor Nobac)} + \text{Loans to the public sector} + \text{Compensations to be received}) / \text{Total assets}$; 3.- $(\text{Loans to the non-financial private sector} + \text{Leasing operations}) / \text{Total assets}$; 4.- $\text{Irregular portfolio with the non-financial private sector} / \text{Loans to the non-financial private sector}$; 5.- $(\text{Total irregular portfolio} - \text{Bad loan provisions}) / \text{Equity}$. The irregular portfolio includes loans classed in situations 3, 4, 5 and 6; 6.- $\text{Cumulative annual result} / \text{Average monthly netted assets} - \% \text{ annualized}$; 8.- $(\text{Financial margin (Net interest income} + \text{CER and CVS adjustments} + \text{Gains on securities} + \text{Foreign exchange price adjustments} + \text{Other financial income}) + \text{Service income margin}) / \text{Cumulative annual operating costs}$; 9.- $\text{Paid in capital (Calculated Equity Requirement)} / \text{Risk weighted assets, according to the BCRA rule on minimum capital}$; 10.- $\text{Total capital position (Paid in capital less requirement, including flexibilities)} / \text{Capital requirement}$.

Glossary

%a.: annualized percentage.

%i.a.: interannual percentage.

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

ASE: Adjusted stockholders' equity, for Responsabilidad Patrimonial Computable (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. Rescheduled Stabilization Coefficient.

Financial margin: Income less outlays of a financial nature. Includes 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. Includes interest on loans of government securities and premiums on repos and reverse repos.

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

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

mill.: million.

NBFE: Non-banking financial entity.

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

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

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

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

ON: Corporate bonds (Obligaciones Negociables).

OS: Subordinated debt (Obligaciones Subordinadas).

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

PN: Net worth (Patrimonio Neto).

p.p.: percentage points.

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

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

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

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

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

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

SME: Small and Medium Enterprises.

US\$: United States dollars.

RWA: Risk weighted assets.

Statistics Annex | Financial System

Chart 1 | Financial Soundness Indicators (see Methodology)

As %	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	Nov 2007	2007	Oct 2008	Nov 2008
1.- Liquidity	22.3	26.1	23.1	25.0	23.4	19.6	22.8	29.1	29.6	20.1	22.5	22.3	23.0	25.5	28.1
2.- Credit to the public sector	16.9	16.2	16.2	18.0	17.3	23.0	48.5	46.5	40.6	31.3	22.3	16.1	16.1	13.1	12.8
3.- Credit to the private sector	50.8	47.7	48.4	44.9	39.9	42.7	20.8	18.1	19.6	25.8	31.0	36.9	38.2	40.1	39.4
4.- Private non-performing loans	16.2	13.8	12.2	14.0	16.0	19.1	38.6	33.5	18.6	7.6	4.5	3.3	3.2	2.8	2.9
5.- Net worth exposure to private sector	24.9	22.5	20.6	24.7	26.2	21.9	17.3	12.4	-1.0	-4.1	-3.3	-2.9	-3.0	-3.2	-3.1
6.- ROA	0.6	1.0	0.5	0.2	0.0	0.0	-8.9	-2.9	-0.5	0.9	1.9	1.4	1.5	1.6	1.6
7.- ROE	4.1	6.3	3.9	1.7	0.0	-0.2	-59.2	-22.7	-4.2	7.0	14.3	10.2	11.0	14.1	13.5
8.- Efficiency	142	136	138	142	147	143	69	125	151	167	160	160	160	168	167
9.- Capital compliance	23.8	20.8	20.3	21.0	20.1	21.4	-	14.5	14.0	15.3	16.8	17.3	16.9	17.1	16.8
10.- Excess capital compliance	64	73	49	54	58	54	-	116	185	173	134	104	93	91	89

Source: BCRA

Chart 2 | Balance Sheet

In million of current pesos	Dec 00	Dec 01	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Nov 07	Dec 07	Oct 08	Nov 08	Change (in %)			
												Last month	2008	Last 12 months	
Assets	163,550	123,743	187,532	186,873	212,562	221,962	258,384	297,647	297,963	340,912	346,709	1.7	16.4	16.5	
Liquid assets ¹	20,278	13,005	17,138	27,575	29,154	20,819	37,991	42,987	46,320	56,686	57,432	1.3	24.0	33.6	
Public bonds	10,474	3,694	31,418	45,062	55,382	66,733	64,592	67,773	62,678	62,492	69,569	11.3	11.0	2.7	
Lebac/Nobac	-	-	-	-	17,755	28,340	29,289	40,295	36,022	40,556	43,913	8.3	21.9	9.0	
Portfolio	-	-	-	-	11,803	21,067	25,725	33,495	31,598	33,529	32,645	-2.6	3.3	-2.5	
Repo ²	-	-	-	-	5,953	7,273	3,563	6,800	4,424	7,026	11,268	60.4	154.7	65.7	
Private bonds	633	543	332	198	387	389	813	394	382	204	192	-6.1	-49.9	-51.4	
Loans	83,277	77,351	84,792	68,042	73,617	84,171	103,668	128,442	132,157	154,927	155,303	0.2	17.5	20.9	
Public sector	15,164	22,694	44,337	33,228	30,866	25,836	20,874	16,885	16,772	17,069	17,221	0.9	2.7	2.0	
Private sector	64,464	52,039	38,470	33,398	41,054	55,885	77,832	106,290	110,355	132,507	132,793	0.2	20.3	24.9	
Financial sector	3,649	2,617	1,985	1,417	1,697	2,450	4,962	5,268	5,030	5,352	5,289	-1.2	5.1	0.4	
Provisions over loans	-6,907	-6,987	-11,952	-9,374	-7,500	-4,930	-3,728	-3,966	-4,089	-4,384	-4,469	1.9	9.3	12.7	
Other netted credits due to financial intermediation	42,361	21,485	39,089	27,030	32,554	26,721	26,039	31,516	29,712	36,848	35,277	-4.3	18.7	11.9	
Corporate bonds and subordinated debt	794	751	1,708	1,569	1,018	873	773	667	606	1,016	667	-4.7	59.9	45.2	
Unquoted trusts	2,053	2,065	6,698	4,133	3,145	3,883	4,881	5,186	5,023	5,733	5,735	0.0	14.2	10.6	
Compensation receivable	0	0	17,111	14,937	15,467	5,841	763	376	377	349	348	-0.2	-7.7	-7.3	
Other	39,514	18,669	13,572	6,392	12,924	16,124	19,622	25,287	23,706	29,751	28,226	-5.1	19.1	11.6	
Leasing	786	771	567	397	611	1,384	2,262	3,431	3,469	4,100	3,976	-3.0	14.6	15.9	
Shares in other companies	2,645	2,688	4,653	4,591	3,871	4,532	6,392	6,208	6,430	7,188	7,143	-0.6	11.1	15.1	
Fixed assets and miscellaneous	4,939	4,804	8,636	8,164	7,782	7,546	7,619	7,601	7,643	7,830	7,851	0.3	2.7	3.3	
Foreign branches	1,115	1,057	3,522	3,144	3,524	3,647	2,782	2,898	2,912	3,066	3,053	-0.4	4.8	5.3	
Other assets	3,950	5,334	9,338	12,043	13,180	10,950	9,953	10,363	10,347	11,953	11,381	-4.8	10.0	9.8	
Liabilities	146,267	107,261	161,446	164,923	188,683	195,044	225,369	261,437	261,143	300,307	305,769	1.8	17.1	17.0	
Deposits	86,506	66,458	75,001	94,635	116,655	136,492	170,898	204,233	205,550	236,873	239,892	1.3	16.7	17.5	
Public sector ³	7,204	950	8,381	16,040	31,649	34,019	45,410	51,720	48,340	67,279	66,660	-0.9	37.9	28.9	
Private sector ³	78,397	43,270	59,698	74,951	83,000	100,809	123,431	150,050	155,048	166,965	169,922	1.8	9.6	13.2	
Current account	6,438	7,158	11,462	15,071	18,219	23,487	26,900	34,608	35,245	37,184	37,966	2.1	7.7	9.7	
Savings account	13,008	14,757	10,523	16,809	23,866	29,078	36,442	44,105	47,109	46,813	49,193	5.1	4.4	11.5	
Time deposit	53,915	18,012	19,080	33,285	34,944	42,822	54,338	64,142	65,952	76,373	75,873	-0.7	15.0	18.3	
CEDRO	0	0	12,328	3,217	1,046	17	13	0	0	0	0	-	-	-	
Other netted liabilities due to financial intermediation	55,297	36,019	75,737	61,690	64,928	52,072	46,037	47,931	46,225	52,157	54,324	4.2	17.5	13.3	
Interbanking obligations	3,545	2,550	1,649	1,317	1,461	2,164	4,578	4,601	4,310	4,520	4,447	-1.6	3.2	-3.4	
BCRA lines	102	4,470	27,837	27,491	27,726	17,005	7,686	2,399	2,362	1,948	1,912	-1.8	-19.0	-20.3	
Outstanding bonds	4,954	3,777	9,096	6,675	7,922	6,548	6,603	7,046	6,938	6,138	6,077	-1.0	-12.4	-13.7	
Foreign lines of credit	8,813	7,927	25,199	15,196	8,884	4,684	4,240	3,983	3,864	5,151	4,797	-6.9	24.2	20.4	
Other	37,883	17,295	11,955	11,012	18,934	21,671	22,930	29,901	28,752	34,400	37,091	7.8	29.0	24.0	
Subordinated debts	2,255	2,260	3,712	2,028	1,415	1,381	1,642	1,664	1,672	1,723	1,733	0.5	3.6	4.1	
Other liabilities	2,210	2,524	6,997	6,569	5,685	5,099	6,792	7,609	7,695	9,553	9,820	2.8	27.6	29.1	
Net worth	17,283	16,483	26,086	21,950	23,879	26,918	33,014	36,210	36,819	40,605	40,940	0.8	11.2	13.1	
Memo															
Netted assets	129,815	110,275	185,356	184,371	202,447	208,275	244,791	278,556	280,336	320,054	324,668	1.4	15.8	16.6	
Consolidated netted assets	125,093	106,576	181,253	181,077	198,462	203,286	235,845	269,752	271,652	310,610	315,103	1.4	16.0	16.8	

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

Source: BCRA

Statistics Annex | Financial System (cont.)

Chart 3 | Profitability Structure

Amount in million of pesos	Annual								First 11 months		Monthly			Last
	2000	2001	2002	2003	2004	2005	2006	2007	2007	2008	Sep-08	Oct-08	Nov-08	12 months
Financial margin	7,291	6,943	13,991	1,965	6,075	9,475	13,262	15,134	13,680	18,587	1,710	2,393	1,606	20,041
Net interest income	5,106	4,625	-3,624	-943	1,753	3,069	4,150	5,744	5,149	8,552	891	915	863	9,147
CER and CVS adjustments	0	0	8,298	2,315	1,944	3,051	3,012	2,624	2,400	2,683	155	168	138	2,907
Foreign exchange price adjustments	185	268	5,977	-890	866	751	944	1,357	1,253	1,882	275	625	123	1,986
Gains on securities	1,481	1,490	3,639	1,962	1,887	2,371	4,923	5,144	4,638	4,154	164	-467	645	4,660
Other financial income	519	559	-299	-480	-375	233	235	264	240	1,317	224	1,153	-162	1,340
Service income margin	3,582	3,604	4,011	3,415	3,904	4,781	6,243	8,248	7,428	9,783	943	1,014	960	10,603
Loan loss provisions	-3,056	-3,096	-10,007	-2,089	-1,511	-1,173	-1,198	-1,894	-1,621	-2,362	-266	-243	-233	-2,634
Operating costs	-7,375	-7,362	-9,520	-7,760	-7,998	-9,437	-11,655	-14,634	-13,187	-16,957	-1,634	-1,675	-1,621	-18,403
Tax charges	-528	-571	-691	-473	-584	-737	-1,090	-1,537	-1,374	-2,064	-203	-274	-199	-2,227
Income tax	-446	-262	-509	-305	-275	-581	-595	-1,032	-984	-1,407	-121	-245	-128	-1,456
Adjust. to the valuation of gov. securities ²	0	0	0	-701	-320	-410	-752	-837	-714	-1,614	-229	-129	-138	-1,737
Amort. payments for court-ordered releases	0	0	0	-1,124	-1,686	-1,867	-2,573	-1,922	-1,793	-917	-61	-68	-152	-1,046
Other	535	702	-3,880	1,738	1,497	1,729	2,664	2,380	1,875	1,328	282	-153	148	1,834
Monetary results	0	0	-12,558	69	0	0	0	0	0	0	0	0	0	0
Total results³	3	-42	-19,162	-5,265	-898	1,780	4,306	3,905	3,309	4,377	422	621	244	4,974
Adjusted results ⁴	-	-	-	-3,440	1,337	4,057	7,631	6,665	5,816	6,908	712	818	534	7,757
<i>Annualized indicators - As % of netted assets</i>														
Financial margin	5.7	5.7	6.5	1.1	3.1	4.6	5.8	5.7	5.7	6.7	6.5	9.1	6.0	6.6
Net interest income	4.0	3.8	-1.7	-0.5	0.9	1.5	1.8	2.2	2.1	3.1	3.4	3.5	3.2	3.0
CER and CVS adjustments	0.0	0.0	3.9	1.3	1.0	1.5	1.3	1.0	1.0	0.6	0.6	0.5	1.0	
Foreign exchange price adjustments	0.1	0.2	2.8	-0.5	0.4	0.4	0.4	0.5	0.5	0.7	1.0	2.4	0.5	0.7
Gains on securities	1.2	1.2	1.7	1.1	1.0	1.2	2.2	1.9	1.9	1.5	0.6	-1.8	2.4	1.5
Other financial income	0.4	0.5	-0.1	-0.3	-0.2	0.1	0.1	0.1	0.1	0.5	0.8	4.4	-0.6	0.4
Service income margin	2.8	3.0	1.9	1.9	2.0	2.3	2.7	3.1	3.1	3.5	3.6	3.8	3.6	3.5
Loan loss provisions	-2.4	-2.6	-4.7	-1.1	-0.8	-0.6	-0.5	-0.7	-0.7	-0.8	-1.0	-0.9	-0.9	-0.9
Operating costs	-5.8	-6.1	-4.4	-4.2	-4.1	-4.6	-5.1	-5.5	-5.5	-6.1	-6.2	-6.4	-6.1	-6.1
Tax charges	-0.4	-0.5	-0.3	-0.3	-0.3	-0.4	-0.5	-0.6	-0.6	-0.7	-0.8	-1.0	-0.7	-0.7
Income tax	-0.3	-0.2	-0.2	-0.2	-0.1	-0.3	-0.3	-0.4	-0.4	-0.5	-0.5	-0.9	-0.5	-0.5
Adjust. to the valuation of gov. securities ²	0.0	0.0	0.0	-0.4	-0.2	-0.2	-0.3	-0.3	-0.3	-0.6	-0.9	-0.5	-0.5	-0.6
Amort. payments for court-ordered releases	0.0	0.0	0.0	-0.6	-0.9	-0.9	-1.1	-0.7	-0.7	-0.3	-0.2	-0.3	-0.6	-0.3
Other	0.4	0.6	-1.8	0.9	0.8	0.8	1.2	0.9	0.8	0.5	1.1	-0.6	0.6	0.6
Monetary results	0.0	0.0	-5.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ROA³	0.0	0.0	-8.9	-2.9	-0.5	0.9	1.9	1.5	1.4	1.6	1.6	2.4	0.9	1.6
ROA adjusted ⁴	0.0	0.0	-8.9	-1.9	0.7	2.0	3.4	2.5	2.4	2.5	2.7	3.1	2.0	2.6
ROE ³	0.0	-0.2	-59.2	-22.7	-4.2	7.0	14.3	11.0	10.2	13.5	13.9	20.3	7.9	14.0

(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 00	Dec 01	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Nov 07	Dec 07	Oct 08	Nov 08
Non-performing loans (overall)	12.9	13.1	18.1	17.7	10.7	5.2	3.4	2.8	2.7	2.4	2.5
Non-performing loans to the non-financial private sector	16.0	19.1	38.6	33.5	18.6	7.6	4.5	3.3	3.2	2.8	2.9
Provisions / Non-performing loans	61.1	66.4	73.8	79.2	102.9	124.5	129.9	128.2	129.6	133.6	130.9
(Total non-performing - Provisions) / Overall financing	5.0	4.4	4.7	3.7	-0.3	-1.3	-1.0	-0.8	-0.8	-0.8	-0.8
(Total non-performing - Provisions) / Net worth	26.2	21.6	17.2	11.9	-1.0	-4.1	-3.3	-2.9	-3.0	-3.2	-3.1

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

Source: BCRA

Statistics Annex | Private Banks

Chart 5 | Financial Soundness Indicators (see Methodology)

As %	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	Nov 2007	2007	Oct 2008	Nov 2008
1.- Liquidity	23.6	26.9	22.8	24.3	24.1	23.6	24.8	27.6	29.2	21.5	23.7	24.3	25.7	29.0	32.6
2.- Credit to the public sector	13.5	13.7	13.6	16.1	14.7	20.8	49.4	47.1	41.2	28.0	15.9	9.2	9.1	6.8	6.6
3.- Credit to the private sector	51.0	46.7	47.6	44.6	38.4	45.4	22.4	19.9	22.5	31.1	37.9	45.9	46.6	48.0	46.0
4.- Private non-performing loans	11.1	8.5	7.7	8.9	9.8	14.0	37.4	30.4	15.3	6.3	3.6	2.6	2.5	2.5	2.6
5.- Net worth exposure to private sector	21.6	14.3	13.2	11.5	13.4	11.4	18.6	11.2	1.9	-2.2	-3.0	-3.6	-3.6	-3.6	-3.3
6.- ROA	0.6	0.7	0.5	0.3	0.1	0.2	-11.3	-2.5	-1.0	0.5	2.2	1.5	1.6	2.1	2.0
7.- ROE	4.1	6.3	4.3	2.3	0.8	1.4	-79.0	-19.1	-8.1	4.1	15.3	10.1	10.9	16.5	15.7
8.- Efficiency	144	135	139	146	152	151	168	93	115	136	158	152	152	169	168
9.- Capital compliance	15.9	15.4	14.6	18.9	18.0	17.6	-	14.0	15.1	17.8	18.6	20.0	19.2	18.5	18.2
10.- Excess capital compliance	33	47	27	60	49	43	-	88	157	155	116	102	87	86	84

Source: BCRA

Chart 6 | Balance Sheet

In million of current pesos	Dec 00	Dec 01	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Nov 07	Dec 07	Oct 08	Nov 08	Change (in %)			
												Last month	2008	Last 12 months	
Assets	119,371	82,344	118,906	116,633	128,065	129,680	152,414	172,915	175,509	195,226	201,830	3.4	15.0	16.7	
Liquid assets ¹	13,920	10,576	11,044	14,500	15,893	14,074	22,226	26,870	29,418	34,103	35,077	2.9	19.2	30.5	
Public bonds	7,583	1,627	19,751	22,260	24,817	29,966	27,663	26,152	24,444	19,898	24,998	25.6	2.3	-4.4	
Lebac/Nobac	0	0	-	-	8,359	15,227	15,952	18,603	17,684	15,430	20,275	31.4	14.7	9.0	
Portfolio	0	0	-	-	5,611	12,899	14,220	15,854	15,639	11,482	12,016	4.7	-23.2	-24.2	
Repo ²	0	0	-	-	2,749	2,328	1,732	2,749	2,045	3,948	8,259	109.2	303.9	200.4	
Private bonds	563	451	273	172	333	307	683	336	310	123	109	-11.2	-64.8	-67.5	
Loans	56,035	52,319	51,774	47,017	50,741	56,565	69,294	86,657	88,898	100,539	99,808	-0.7	12.3	15.2	
Public sector	8,172	13,803	25,056	23,571	21,420	15,954	10,036	6,429	6,413	6,274	6,317	0.7	-1.5	-1.7	
Private sector	45,103	36,636	26,074	22,816	28,213	39,031	55,632	76,159	78,587	90,143	89,371	-0.9	13.7	17.3	
Financial sector	2,760	1,880	644	630	1,107	1,580	3,626	4,069	3,898	4,121	4,120	0.0	5.7	1.3	
Provisions over loans	-3,248	-3,957	-7,463	-5,225	-3,717	-2,482	-2,227	-2,326	-2,365	-2,671	-2,736	2.5	15.7	17.7	
Other netted credits due to financial intermediaries	36,600	13,037	27,212	22,148	25,753	16,873	18,387	17,699	17,084	21,688	23,800	9.7	39.3	34.5	
Corporate bonds and subordinated debt	724	665	1,514	1,394	829	675	618	488	430	804	758	-5.8	76.3	55.4	
Unquoted trusts	1,609	1,637	6,205	3,571	2,362	2,444	2,982	3,706	3,456	3,915	3,923	0.2	13.5	5.8	
Compensation receivable	0	0	15,971	13,812	14,657	5,575	760	375	377	349	348	-0.2	-7.6	-7.3	
Other	34,267	10,735	3,523	3,370	7,905	8,179	14,027	13,129	12,822	16,620	18,772	12.9	46.4	43.0	
Leasing	776	752	553	387	592	1,356	2,126	3,127	3,149	3,621	3,492	-3.6	10.9	11.7	
Shares in other companies	1,651	1,703	3,123	2,791	1,892	2,416	4,042	3,701	3,762	4,568	4,509	-1.3	19.9	21.8	
Fixed assets and miscellaneous	3,225	3,150	5,198	4,902	4,678	4,575	4,677	4,641	4,685	4,867	4,878	0.2	4.1	5.1	
Foreign branches	75	112	-109	-136	-53	-148	-139	-152	-154	-173	-173	0.2	12.6	13.6	
Other assets	2,190	2,574	7,549	7,816	7,137	6,178	5,682	6,211	6,277	8,661	8,067	-6.9	28.5	29.9	
Liabilities	107,193	70,829	103,079	101,732	113,285	112,600	131,476	149,985	152,153	169,365	175,754	3.8	15.5	17.2	
Deposits	57,833	44,863	44,445	52,625	62,685	75,668	94,095	114,162	116,719	127,878	130,627	2.1	11.9	14.4	
Public sector ³	1,276	950	1,636	3,077	6,039	6,946	7,029	8,133	7,564	11,086	11,508	3.8	52.1	41.5	
Private sector ³	55,917	43,270	38,289	47,097	55,384	67,859	85,714	104,588	107,671	115,109	117,133	1.8	8.8	12.0	
Current account	4,960	7,158	8,905	11,588	13,966	17,946	20,604	26,383	27,132	27,925	28,554	2.2	5.2	8.2	
Savings account	9,409	14,757	6,309	10,547	14,842	18,362	23,165	28,240	30,169	29,644	31,528	6.4	4.5	11.6	
Time deposit	39,030	18,012	11,083	18,710	22,729	27,736	38,043	45,358	45,770	53,055	52,489	-1.1	14.7	15.7	
CEDRO	0	0	9,016	2,409	798	3	1	0	0	0	0	-	-	-	
Other netted liabilities due to financial intermediaries	46,271	22,629	49,341	42,367	45,083	32,349	31,750	29,835	29,323	33,959	37,474	10.4	27.8	25.6	
Interbanking obligations	2,293	1,514	836	726	1,070	1,488	3,383	2,238	1,979	1,596	1,559	-2.3	-21.2	-30.4	
BCRA lines	83	1,758	16,624	17,030	17,768	10,088	3,689	670	675	641	644	0.4	-4.6	-3.9	
Outstanding bonds	4,939	3,703	9,073	6,674	7,922	6,548	6,413	6,894	6,686	5,826	5,765	-1.0	-13.8	-16.4	
Foreign lines of credit	5,491	4,644	15,434	9,998	5,444	2,696	2,249	1,955	1,833	2,933	2,579	-12.1	40.7	31.9	
Other	33,466	11,010	7,374	7,939	12,878	11,530	16,015	18,078	18,150	22,963	26,928	17.3	48.4	49.0	
Subordinated debts	1,668	1,700	3,622	1,850	1,304	1,319	1,642	1,660	1,668	1,719	1,728	0.5	3.6	4.1	
Other liabilities	1,420	1,637	5,671	4,890	4,213	3,264	3,989	4,443	5,808	5,924	2.0	33.3	36.9		
Net worth	12,178	11,515	15,827	14,900	14,780	17,080	20,938	22,930	23,356	25,861	26,076	0.8	11.6	13.7	
Memo															
Netted assets	88,501	73,796	117,928	115,091	121,889	123,271	143,807	163,360	166,231	183,048	187,061	2.2	12.5	14.5	

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

Source: BCRA

Statistics Annex | Private Banks (cont.)

Chart 7 | Profitability Structure

Amount in million of pesos	Annual								First 11 months		Monthly			Last
	2000	2001	2002 ¹	2003	2004	2005	2006	2007	2007	2008	Sep-08	Oct-08	Nov-08	12 months
Financial margin	5,441	5,282	10,628	2,575	3,415	5,253	7,778	8,960	8,041	11,908	1,064	1,739	1,026	12,826
Net interest income	3,598	3,519	-304	107	1,214	2,069	2,826	4,191	3,725	6,930	690	779	722	7,396
CER and CVS adjustments	0	0	1,476	1,082	900	1,215	858	662	611	622	41	44	11	672
Foreign exchange price adjustments	160	256	6,189	-312	666	576	740	990	914	1,354	116	223	117	1,430
Gains on securities	1,232	962	3,464	1,892	959	1,259	3,154	2,888	2,581	1,720	-5	-450	334	2,027
Other financial income	450	546	-197	-195	-322	134	199	229	210	1,281	222	1,143	-158	1,301
Service income margin	2,554	2,598	2,782	2,341	2,774	3,350	4,459	5,881	5,299	6,877	668	722	654	7,459
Loan loss provisions	-2,173	-2,464	-6,923	-1,461	-1,036	-714	-737	-1,174	-1,019	-1,572	-190	-158	-166	-1,727
Operating costs	-5,263	-5,224	-6,726	-5,310	-5,382	-6,303	-7,741	-9,735	-8,765	-11,187	-1,086	-1,096	-1,057	-12,157
Tax charges	-379	-418	-512	-366	-393	-509	-769	-1,105	-987	-1,534	-148	-207	-144	-1,652
Income tax	-393	-216	-337	-295	-202	-217	-365	-380	-329	-1,095	-107	-230	-112	-1,145
Adjust. to the valuation of gov. securities ²	0	0	0	-665	-51	-201	-170	-100	-74	-272	-47	-27	-7	-298
Amort. payments for court-ordered releases	0	0	0	-791	-1,147	-1,168	-1,182	-1,466	-1,355	-642	-39	-47	-122	-752
Other	307	615	-4,164	1,178	846	1,156	1,641	1,576	727	297	297	-180	67	1,028
Monetary results	0	0	-10,531	-20	0	0	0	0	0	0	0	0	0	0
Total results³	93	174	-15,784	-2,813	-1,176	648	2,915	2,457	2,087	3,210	412	516	138	3,580
Adjusted results⁴	-	-	-	-1,357	252	2,016	4,267	4,023	3,516	4,124	498	590	268	4,630
<i>Annualized indicators - As % of netted assets</i>														
Financial margin	6.2	6.4	7.6	2.3	2.9	4.3	5.9	5.8	5.7	7.4	7.0	11.6	6.7	7.3
Net interest income	4.1	4.3	-0.2	0.1	1.0	1.7	2.1	2.7	2.6	4.3	4.6	5.2	4.7	4.2
CER and CVS adjustments	0.0	0.0	1.1	0.9	0.8	1.0	0.6	0.4	0.4	0.4	0.3	0.3	0.1	0.4
Foreign exchange price adjustments	0.2	0.3	4.4	-0.3	0.6	0.5	0.6	0.6	0.6	0.8	0.8	1.5	0.8	0.8
Gains on securities	1.4	1.2	2.5	1.7	0.8	1.0	2.4	1.9	1.8	1.1	0.0	-3.0	2.2	1.2
Other financial income	0.5	0.7	-0.1	-0.2	-0.3	0.1	0.2	0.1	0.1	0.8	1.5	7.6	-1.0	0.7
Service income margin	2.9	3.2	2.0	2.0	2.4	2.7	3.4	3.8	3.8	4.3	4.4	4.8	4.3	4.3
Loan loss provisions	-2.5	-3.0	-5.0	-1.3	-0.9	-0.6	-0.6	-0.8	-0.7	-1.0	-1.3	-1.0	-1.1	-1.0
Operating costs	-6.0	-6.4	-4.8	-4.6	-4.6	-5.1	-5.9	-6.3	-6.2	-7.0	-7.2	-7.3	-6.9	-7.0
Tax charges	-0.4	-0.5	-0.4	-0.3	-0.3	-0.4	-0.6	-0.7	-0.7	-1.0	-1.0	-1.4	-0.9	-0.9
Income tax	-0.4	-0.3	-0.2	-0.3	-0.2	-0.2	-0.3	-0.2	-0.2	-0.7	-0.7	-1.5	-0.7	-0.7
Adjust. to the valuation of gov. securities ²	0.0	0.0	0.0	-0.6	0.0	-0.2	-0.1	-0.1	-0.1	-0.2	-0.3	-0.2	0.0	-0.2
Amort. payments for court-ordered releases	0.0	0.0	0.0	-0.7	-1.0	-1.0	-0.9	-0.9	-1.0	-0.4	-0.3	-0.3	-0.8	-0.4
Other	0.4	0.7	-3.0	1.0	0.7	0.9	1.2	1.0	0.9	0.5	2.0	-1.2	0.4	0.6
Monetary results	0.0	0.0	-7.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ROA³	0.1	0.2	-11.3	-2.5	-1.0	0.5	2.2	1.6	1.5	2.0	2.7	3.4	0.9	2.0
ROA adjusted⁴	0.1	0.2	-11.3	-1.2	0.2	1.6	3.2	2.6	2.5	2.6	3.3	3.9	1.8	2.7
ROE³	0.8	1.4	-79.0	-19.1	-8.1	4.1	15.3	10.9	10.1	15.7	21.6	26.8	7.2	15.9

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

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

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

Source: BCRA

Chart 8 | Portfolio Quality

As percentage	Dec 00	Dec 01	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Nov 07	Dec 07	Oct 08	Nov 08
Non-performing loans (overall)	8.3	9.9	19.8	15.7	8.9	4.4	2.9	2.3	2.2	2.2	2.3
Non-performing loans to the non-financial private sector	9.8	14.0	37.4	30.4	15.3	6.3	3.6	2.6	2.5	2.5	2.6
Provisions / Non-performing loans	67.7	75.7	73.4	79.0	97.0	114.3	129.3	140.1	141.3	139.5	135.4
(Total non-performing - Provisions) / Overall financing	2.7	2.4	5.3	3.3	0.4	-0.6	-0.9	-0.9	-0.9	-0.9	-0.8
(Total non-performing - Provisions) / Net worth	13.4	11.4	18.6	11.2	1.3	-2.2	-3.0	-3.6	-3.6	-3.6	-3.3

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

Source: BCRA

