

Report on Banks

January 2011



BANCO CENTRAL
DE LA REPÚBLICA ARGENTINA

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January 2011

Year VIII, No. 5



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Note | Information for January 2011 available by February 24, 2011 is included. This Report is focused on the performance of the financial system, including breakdowns by homogeneous sub-sectors. The data reported (particularly, those referring to profitability) are provisional and are subject to changes later. Except the opposite was indicated the data included corresponds to BCRA Information Regimes (end of month data).

Published on March 22, 2011

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Summary

- **At the beginning of 2011 banks continued to increase their levels of intermediation with the private sector and developing their role as providers of means of payment for the economy.** Although financial intermediation depth has gradually been increasing, there is still potential for development. **Higher activity levels encouraged some increase in banking system operating structure in recent months**, with a rise being recorded mainly in employment (which rose 2.6% year on year -y.o.y.- in the fourth quarter of 2010) and in the number of ATMs (15% year on year).
- **Stocks of lending to the private sector increased 2.7% in January.** With the exception of promissory notes, all credit lines posted increases, with a notable rise in export credit, overdraft and pledge-backed loans. **Foreign private banks recorded the greatest dynamism in lending to the private sector for the month, particularly in the commercial loan segment**, at a time when all groups of financial institution posted increases in their lending totals. **In year-on-year terms, lending to the private sector rose by 42%**, 34 p.p. more than the increase that had been recorded 12 months earlier. **Loans to companies led the annual lending growth, rising at a rate of 47% year on year.**
- **The dynamism of lending to the private sector has taken place in the context of limited credit risk.** An indication of this can be seen from the fact that **the ratio of non-performing loans to the private sector dropped 0.1 p.p. in January, setting a new all-time low of 2%**. In the last 12 months delinquency levels have fallen by 1.5 p.p., a situation experienced by all financial entities. **The financial system non-performing portfolio continues to show a high level of provision coverage (168%).**
- **Under the framework of the Bicentenary Productive Financing Program (“Programa de Financiamiento Productivo del Bicentenario”), the Central Bank recently held its fourth auction of funds for the funding of financial institutions for on-lending for productive investment. On this occasion, of the \$260 million auctioned, \$231 million was awarded to six banks.** The interest rate payable by each financial entity was set at a nominal annual 9%, while the total financial cost for the borrowers will be 9.9%. **Loans must be denominated in pesos and have an average maturity of at least two and a half years.** In total, the four auctions awarded 9 banks a total of almost \$1.26 billion, with public banks accounting for two-thirds of the total. Currently there are some 100 projects that have been approved by the evaluation units at the Ministries of Industry, Economy, and Agriculture.
- **The financial system deposits stock rose 1.6% in January, showing growth of 38.2% y.o.y..** The monthly increase was driven by both public sector deposits (2.3%) and those of the private sector (1.2%). **Public sector deposits have recorded a greater relative year-on-year dynamism (62.2%),** a rise explained mainly by time deposits, which have gained share in total aggregate funding of the banking system as a whole.
- **The banking liquidity indicator**, which includes items denominated in local and foreign currency, **increased by 0.6 p.p. of deposits for the month, to 28.6%**, mainly because of increase of minimum cash reserves by banks. The broad financial system liquidity indicator (which includes bills and notes not related to repos with the Central Bank) rose by 1 p.p. of deposits in January, to 45.5%. In year on year terms, this latter ratio has recorded a slight increase, driven mainly by public banks.
- **Bank foreign currency mismatching**, including sales and foreign currency term purchases recorded in memorandum accounts, **dropped 4 p.p. of net worth in January, to 27.5%.**
- Financial system consolidated net worth increased 2.6% in January, accumulating growth of 19.5% y.o.y.. **Book profits and capital contributions boosted the solvency of the sector at the beginning of the year.** Book profits totaled an annualized (a.) 3% of assets for the month, slightly less than those at the end of last year but above those for January 2010. One foreign private bank, and to a lesser extent one national private bank, received a capital influx for a total of \$215 million at the beginning of the year.
- **Financial system capital compliance ratio remained steady compared with the end of 2010 at around 17.7% of risk-weighted assets (RWA).** Excess capital compliance grew slightly in terms of the regulatory requirement, to 88%.

Activity

Financial intermediation continues to expand, keeping a high potential growth of lending to the private sector

At the start of 2011 the financial system continued to record an upward trend in its intermediation activity, while indicators of its soundness remained firm. Financial system netted assets increased 2.2% in January, accumulating year-on-year (y.o.y.) growth of 34.1%. All groups of banks recorded a similar dynamism for their assets in the first month of 2011. The private sector loans stock achieved a y.o.y. growth rate similar to that seen between the beginning of 2006 and the beginning of 2008 (see Chart 1). Private sector deposits also continued to improve their annual growth rate. Although the depth of financial intermediation continues to improve (see Chart 2), it is still below levels recorded in previous years and also below those observed in other economies, both emerging and developed.

In the case of estimated financial system cash flows in January (based on changes in balance sheet stocks) there was a monthly notable increase in the stock of private sector deposits (\$3.1 billion) as the main source of funds. Other sources of funds were the increase in public sector deposits and a reduction in government security stocks.¹ Leading uses of funds included the monthly growth of lending to the private sector (\$5.35 billion), followed by an increase in liquid assets and holdings of Lebac and Nobac.

On the matter of the providing of means of payment, as normally happens in the early months of the year, at the start of 2011 there was a slight drop in the number and amount of retail transfers made within the financial system compared with the end of 2010. Nevertheless, the number and amounts of transfers for January and February were higher than those for the same period of the previous year (see Chart 3). Measures taken by the Central Bank² to lower the cost of transfers contributed to this year on year increase. Additionally, in line with the aim of spreading the use of banking services, this Institution recently approved the instant credit of bank transfers performed through automatic tellers or Internet (home banking) between financial institution customers³.

Chart 1

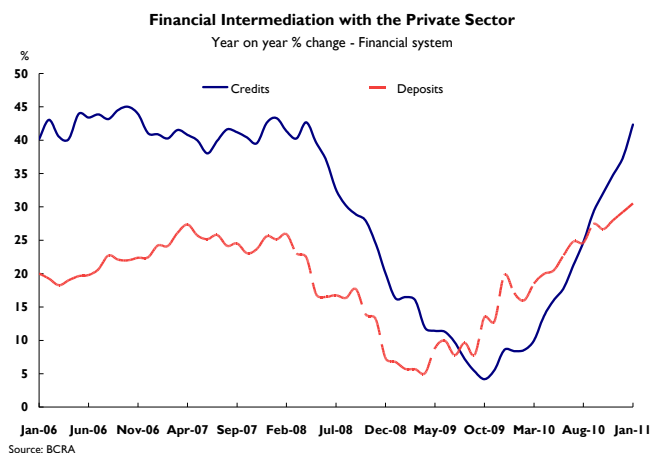


Chart 2

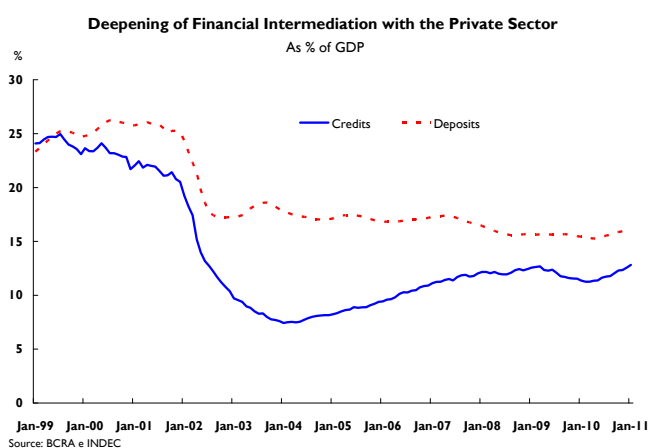
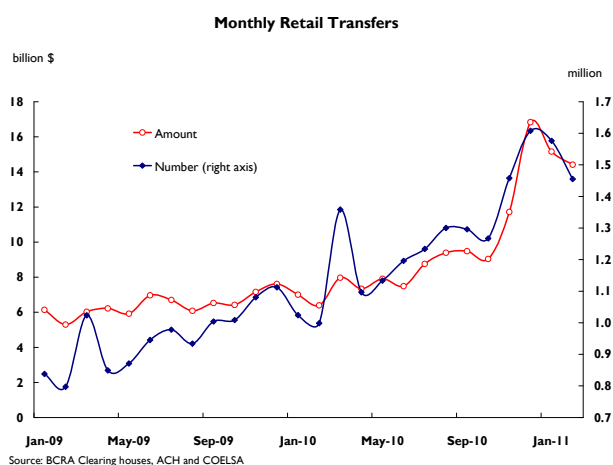


Chart 3

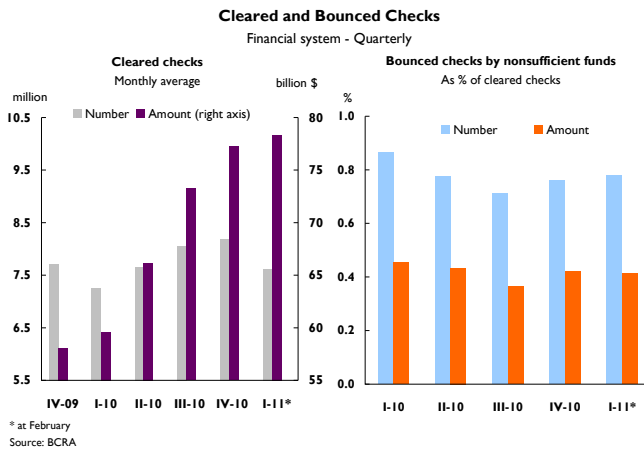


¹ Mainly as a result of repos by one public bank.

² Communication "A" 5127.

³ Communication "A" 5194.

Chart 4



In line with the normal pattern at the start of the year, **the number of cleared checks was down slightly compared with the end of 2010, although it has continued to increase in year on year terms (+11% y.o.y.)**. Bounced checks for nonsufficient funds remained relatively steady in recent months at around 0.8% of cleared checks (0.4% in term of amounts). Nevertheless, **compared with the same period of the previous year, there has been a drop in bounced checks by nonsufficient funds in terms of the total clearing** (see Chart 4).

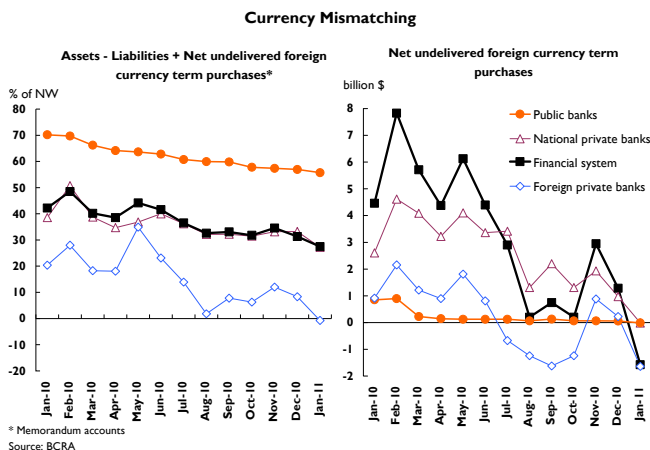
Table 1
Employment
In thousands

	Financial system				31 agglomerates EPH
	Total	Banks		NBE	Employees - Under Empl.
		Private	Public		
QIV 09	97.5	56.0	38.0	3.4	9,312
QIII 10	98.9	58.2	37.6	3.1	9,576
QIV 10*	99.7	59.0	37.7	3.1	9,638
Variaciones - En %					
QIV 10 vs QIII 10	0.8	1.3	0.1	1.4	0.6
QIV 10 vs QIV 09	2.3	5.3	-1.0	-9.8	3.5

* 10 financial entities with data at Sep-10
Source: BCRA and INDEC.

Sustained expansion in intermediation activities and the providing of means of payment has continued to encourage a gradual spread of local banking system operating structure. The number of financial system employees increased 0.8% in the fourth quarter of 2010, accumulating growth of 2.3% y.o.y.. Private banks led the recovery in bank's payroll, although in the latter part of the year there was an increase across all groups of banks. **The dynamism of employment in the financial sector was greater than that for employment in the economy as a whole.** (net of the under-employed) (see Table 1). The annual growth rate for private bank payroll was greater than that recorded at national level. In addition, the number of ATMs rose by 4.9% in the last quarter of 2010 (15% y.o.y.), while the number of branches went up 0.5% in the period (0.7% y.o.y.).

Chart 5



Despite the gradual expansion of bank operating structure, there is still a concentration of financial services at regional level, and some inequality in access at different social levels. Faced by this situation, **the Central Bank is developing instruments for promoting use of banking services by the population.** By the end of March 2011 the number of **Universal Free Account (CGU)** openings was already in excess of 49,300⁴ units. Furthermore, 2,800 **Settlement Checks**⁵ have been issued, these being another recent tool developed by this Institution to spread the use of financial instruments and discourage the use of cash transactions.

Broad foreign currency mismatching for the financial system, including forward purchases and sales in memorandum accounts, dropped by 4 p.p. of net worth in January, to 27.5%. This change for the month was mainly explained by foreign private banks, which switched from an overbought to an oversold forward foreign currency position (see Chart 5).

⁴ Of these, some 9,300 are still undergoing validation..

⁵ A quantity divided equally between those denominated in local currency (\$87 million in value) and those in foreign currency (US\$77 million in value).

Compared with 12 months earlier, all bank groups reduced their active foreign currency mismatching.

Deposits and Liquidity

Total financial system deposit stocks rose in January, in a framework of general increase in liquidity levels.

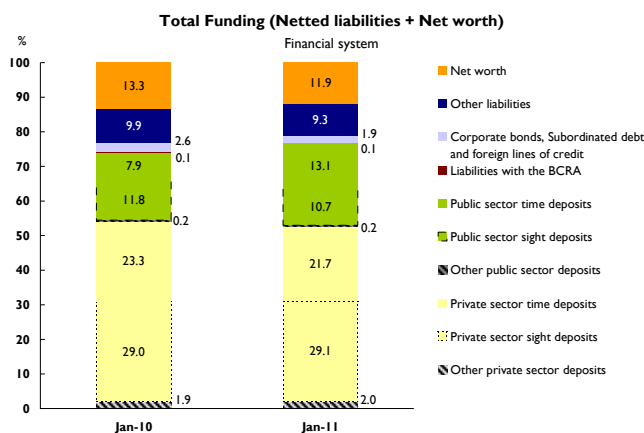
Total financial system deposit stocks rose 1.6% in January, mainly from the increase in deposits from public sector (2.3%) as well as from the private sector (1.2%). The monthly increase by the latter was explained by the growth in time deposits, which was partly compensated for by a slight drop in sight accounts. **During the month, borrowing interest rates on peso transactions for private sector did not record significant variation.**

In the last 12 months, total deposits financial system stocks rose by 38.2%. Public sector deposits (considering both peso and foreign currency) recorded the greatest year-on-year dynamism (62.2%), driven mainly by time deposits, and to a lesser extent by sight accounts. This movement led to an annual change in the composition of total public sector: whereas in January 2010 sight accounts accounted for almost 60% of total, and time accounts accounted for the remaining 40%, in January 2011 the proportions were 45% and 55%, respectively. Furthermore **public sector time deposits increased their share of bank funding by over 5 p.p., to 13.1% of the total** (see Chart 6).

Private sector deposits went up 30,5% y.o.y. in January, led mainly by those in local currency (see Chart 7). Sight and time deposits in pesos increased by 34.2% y.o.y. and 28.5% y.o.y. respectively. These nominal year on year growth rates are slightly higher than those seen in the years prior to the recent international financial crisis. Foreign currency deposits increased 22.8% in the last 12 months, 11 p.p. less than in the same period of the previous year⁶. The year-on-year growth rate for private sector deposits was similar across all groups of banks (see Chart 8).

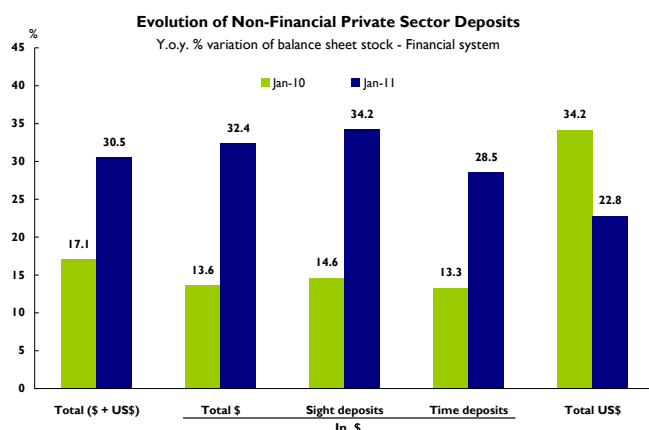
The financial system liquidity indicator that includes items denominated in both local and foreign currency rose by 0.6 p.p. of deposits in the month to 28.6%⁷ (within the framework of the quarterly December-February minimum cash position

Chart 6



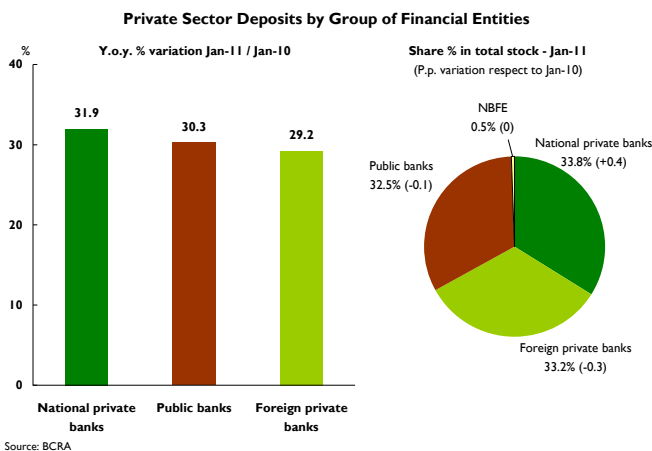
Source: BCRA

Chart 7



Source: BCRA

Chart 8



Source: BCRA

⁶ The variation in currency of origin of deposits in foreign currency reached 17.3% y.o.y. in January, 5 p.p. less than in the same month of 2010. The increase in deposits in foreign currency until the beginning of last year was partly the result of the effects of the international financial crisis.

⁷ Liquidity in pesos remained steady at 19.1% of total deposits in local currency, lower than in January 2010.

Chart 9

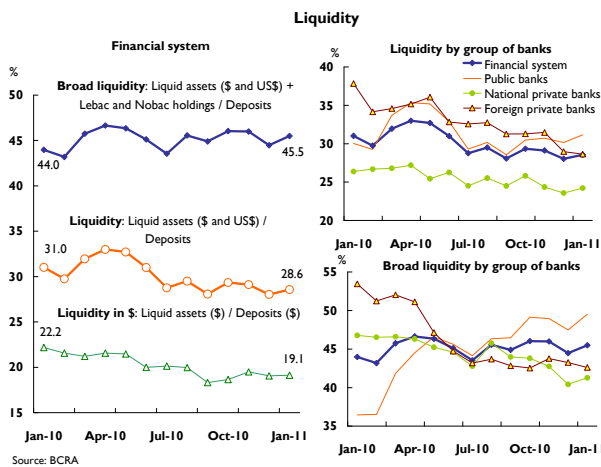


Chart 10

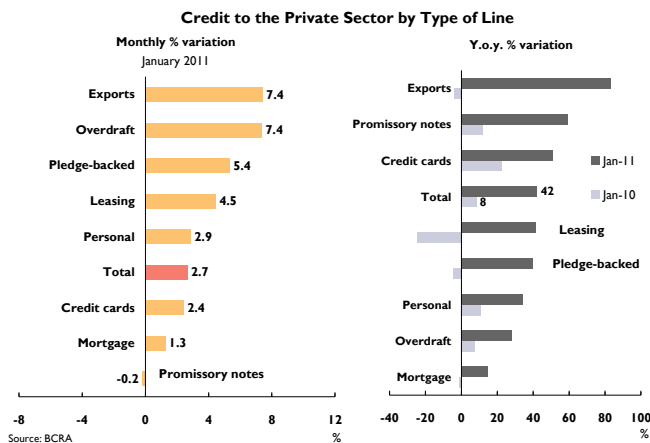
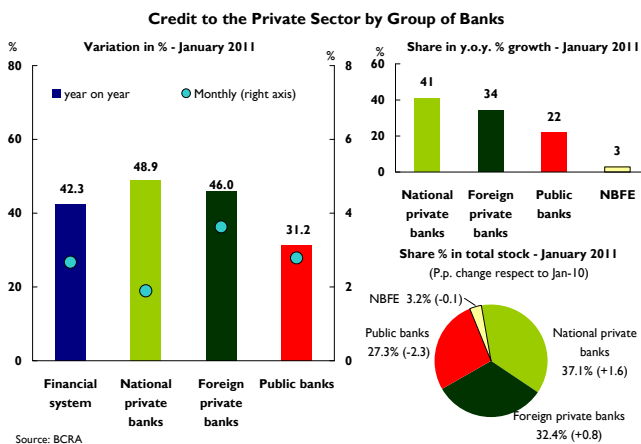


Chart 11



calculation), mainly because of the increase in minimum cash reserves set up by banks. The broad liquidity indicator for all banks (which includes bills and notes not related to repos with the Central Bank) went up by 1 p.p. of deposits in January to 45.5%. The monthly development of both these indicators was largely influenced by banks in the public sector (see Chart 9). In year on year terms, the broad liquidity ratio recorded a rise at system level, driven by public banks, whereas this indicator declined slightly in the case of private banks (both national and foreign).

The Central Bank issued Communication “A” 5179 to extend the validity of the temporary reduction in daily minimum cash compliance through to April 30, 2011⁸. Until that date, the daily value of the current accounts of banks with the Central Bank should not be less than 30% of the average requirement in the previous period for calculation (compared with 50% until December 5, 2010).

Daily average trading amounts in the call market increased moderately in January, while interest rates in this market remained steady. The average daily trading amount was \$806 million (3.2% more than in the previous month) while the rate rose to 9.8% (just about 0.1 p.p. higher than in December).

Financing

Lending to the private sector continued to increase in January, while portfolio non-performance rates declined further

The stock of lending to the private sector went up 2.7%⁹ in January. With the exception of promissory notes, all credit lines rose during the month, with a notable performance by export finance, overdrafts, and pledge-backed loans (see Chart 10). In year-on-year terms, loans to the private sector rose 42%, 34 p.p. more than the level recorded 12 months earlier, thus reaching almost 42% of banking system netted assets. Export credit, promissory notes, and credit card borrowing rose at above average rates during this period, gaining share in the total stock of loans.

Private foreign banks recorded the greatest dynamism for the month in lending to the private sector, at a time when all groups of financial institution exhibited increases in their loan stocks (see Chart 11). In the last 12 months national and

⁸ Communication “A” 5152 had established a reduction in daily minimum cash compliance from December 6, 2010 to January 31, 2011.

⁹ In January banks did not issue any financial trusts using loans to the private non-financial sector as underlying assets.

Chart 12

Share in Y.o.Y. % Growth of Credit to the Private Sector
By type of line and by group of financial entities - January 2011 / January 2010

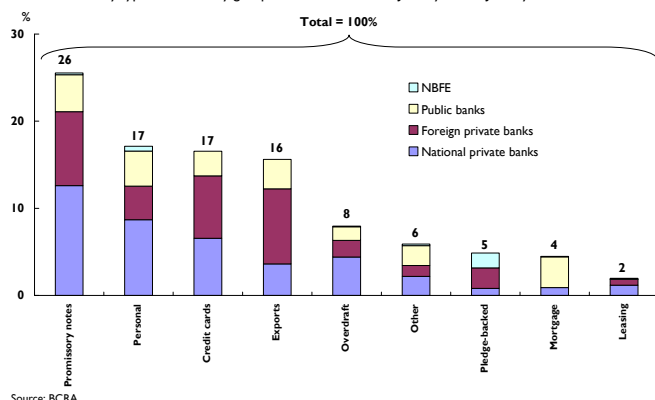
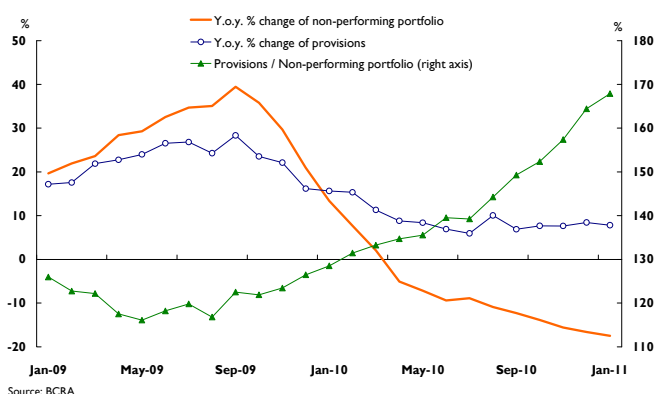


Chart 13

Non-Performing Credit to the Private Sector and Provisions Coverage
Financial system



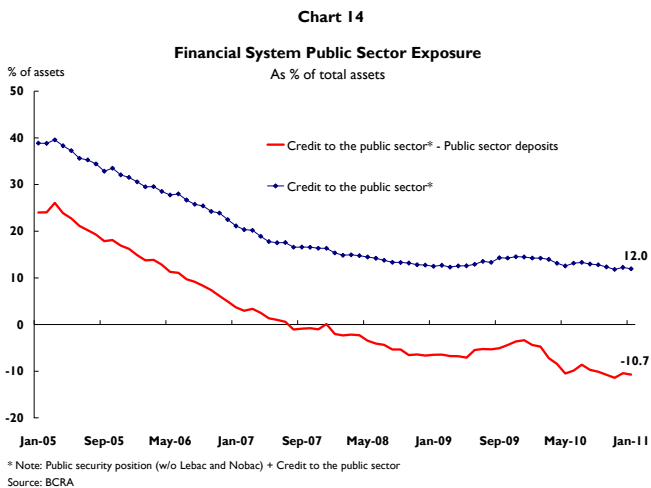
foreign private banks showed the fastest growth rates, at the same time as they made the largest contribution to the increase in lending to companies and households (41% and 34% of the total increase, respectively). National banks in particular accounted for a notable rise in promissory notes, overdraft and leasing lines, while foreign private banks contributed the largest share of the growth in credit card lending, export finance and pledge-backed loans (see Chart 12). In the last year public banks played an active role in almost all credit lines, and particularly in the case of longer-term mortgage lending. Taking a longer-term view, it can be seen that public banks increased their stock of lending to the private sector by almost 28% y.o.y. on average in the 2008-2010 period, while private banks did so by approximately 21%.

Further developing the Bicentenary Productive Financing Program (“Programa de Financiamiento Productivo del Bicentenario”),¹⁰ which is intended to encourage the availability of longer-term financing in local currency for the productive sector, the Central Bank recently held its fourth auction of funds for the funding of financial institutions. On this occasion, of the \$260 million auctioned, \$231 million was awarded to six banks. The interest rate payable by each financial entity was set at a nominal annual 9%, while the total financial cost for the borrowers will be up to 9.9%. Loans must be denominated in pesos and have an average maturity of at least two and a half years. In total, the four Central Bank auctions awarded 9 banks a total of almost \$1.26 billion from the \$8.0 billion available under the program, with public banks accounting for two-thirds of the total. Currently there are some 100 projects that have been approved by the evaluation units at the Ministries of Industry, Economy, and Agriculture, notable for companies in the auto and auto-parts sectors, biofuels and poultry products, among others¹¹.

Increased lending to the private sector has taken place within the context of limited credit risk. One indication of this is the fact that **the non-performance ratio for private sector lending fell 0.1 p.p. in January, reaching a new historical minimum of 2%.** In the last 12 months the level of delinquency has dropped by 1.5 p.p., a situation seen in across all types of financial institution, although more strongly in the case of non-bank financial entities and private banks (in view of the fact that non-performance rates in the case of public banks have been running below the rates for the remaining groups of banks). This change has been explained by both the reduction in the non-performing

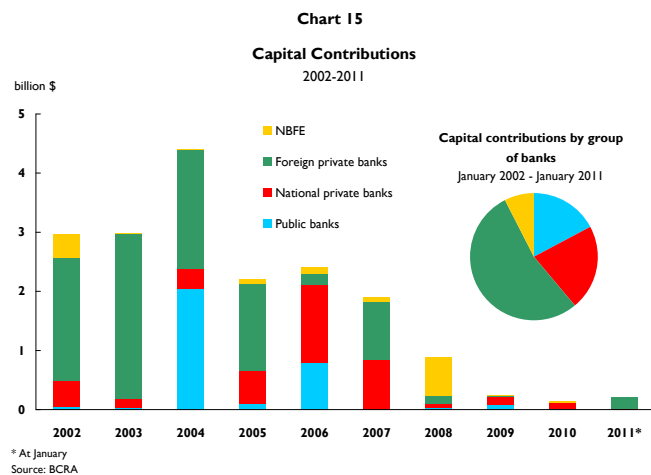
¹⁰ See Communication “A” 5089.

¹¹ Information provided by the Ministry for Industry.



balance stock and the increased dynamism shown by the total stock of lending. Accounting provisions by the financial system continued to rise gradually in the same period, so that **the level of coverage of the non-performing portfolio reached 168% in January, 39 p.p. above the value recorded in the same month of the previous year** (see Chart 13).

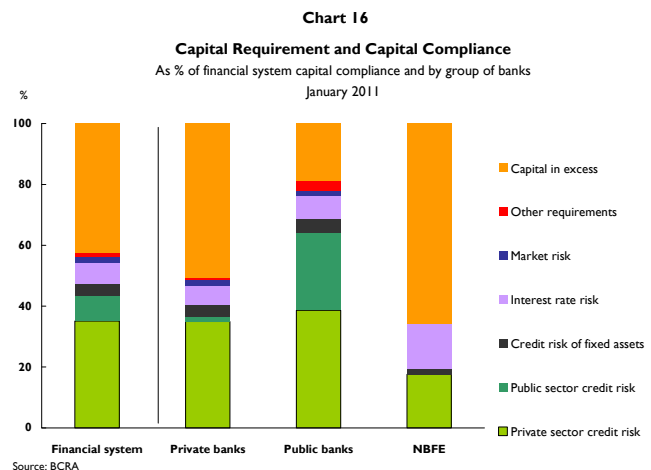
This development by lending to the private sector took place together with a slight reduction in financial system lending to the public sector, which reached 12% of total assets in January, 0.2 p.p. less than in December (see Chart 14). In year-on-year terms the drop in this exposure faced by the banking system as a whole has been 2.2 p.p. of total assets. **Taking into account the stock of public sector deposits in the banking system, at consolidated level the public sector remains a creditor of the financial system as a whole in an amount equivalent to 10.7% of total bank assets.**



Solvency

Book profits and new capital contributions were behind further improvements to the financial system solvency at the beginning of 2011

Consolidated financial system net worth rose 2.6% in the first month of the year, accumulating an increase of 19.5% y.o.y.. All groups of banks increased their net worth in January, a notable contribution to the aggregate having been made by foreign private banks. **The monthly increase in net worth has mainly been explained by book profits, and to a lesser extent, by new capital contributions that were received.** Two private banks received capitalization for approximately \$215 million at the beginning of the year, the largest capital inflow being made for a foreign entity. As a result, capital contributions for the financial system since 2002 have totaled \$18.35 billion, with a participation by foreign private banks of slightly over 50% (see Chart 15).



The capital compliance ratio for the financial system remained steady compared with the end of 2010 at around 17.7% of risk-weighted assets (RWA). This ratio posted a slight year on year decline at a time when lending to the private sector has increased at a faster rate than 12 months earlier, a situation combined with the effect of dividend distributions during 2010 that were higher than in previous years. **Financial system excess capital compliance rose slightly in terms of the regulatory requirements during January, to 88%,**

with all groups of financial institution recording a excess position (see Chart 16).

Local banks began 2011 with book profits equivalent to 3%a. of assets (see Chart 17), slightly under the results at the end of last year, but higher than those of 12 months earlier. In relation to December 2010, the drop in profits has mainly been due to a reduction in gains on securities (following the high results obtained in the second half of 2010), and lower service income margin, which were partly offset by a drop in operating costs and loan loss provisions. **All groups of banks obtained book profits in the first month of the year.** In total, 66 financial entities, accounting for 98% of total financial system assets, started the year with an accrual of profits.

Banks financial margin fell by 1.2 p.p. of assets in January to 8.1%a., a change for the month explained mainly by the effect of lower gains on securities and a slight drop in net interest income (see Chart 18). It should be noted that as from March 2011 a new series of alternatives will come into effect for banks to value their holdings of government securities and Central Bank monetary regulation instruments¹², introduced by this Institution in order to simplify accounting criteria and improve the transparency of their bank balance sheet disclosure.

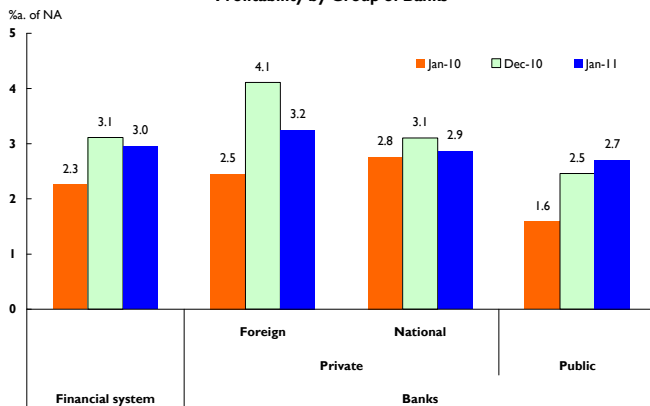
The remaining components of bank financial margin recorded rises compared with December 2010, with increased foreign exchange price adjustments during a period when there was a slight increase for the month in the nominal exchange rate. The drop for the month in financial margin was similar for all groups of banks. **Despite this drop, in January 2011 the financial margin level for the system as a whole has been the highest recorded for this month in recent years.**

Service income margin dropped 0.3 p.p. of assets in the month to 3.7%a., a change mainly related with the seasonal behavior at the beginning of the year. All financial entities recorded a slight drop in service income margin in the first month of 2011.

There was a moderate drop for the month in the main expenditure headings in financial system results (see Chart 19), following the increase usually recorded in these items at the end of the year. Operating costs fell 0.9 p.p. of assets to 6.5%a. in January. As a result, these costs were slightly below those for January 2010, although the trend in recent months for these costs has been following a gradually upward path. At the beginning of the year loan loss charges contracted 0.3

Chart 17

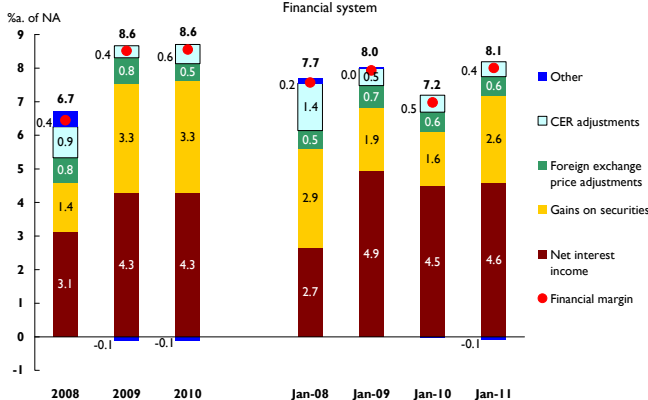
Profitability by Group of Banks



Source: BCRA

Chart 18

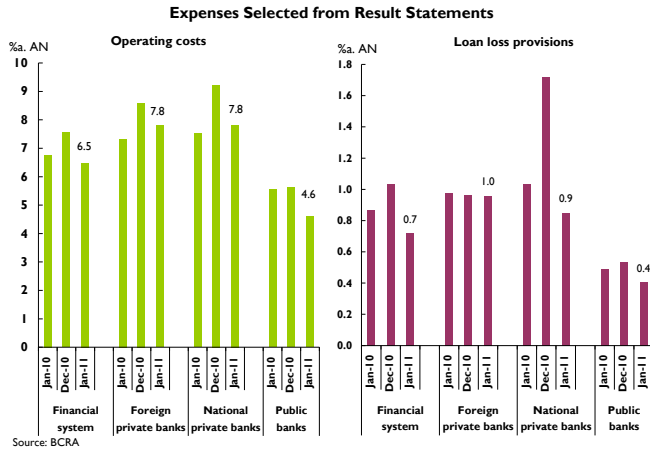
Financial Margin
Financial system



Source: BCRA

¹² Communication "A" 5180 dated February 11, 2011.

Chart 19



p.p. of assets to 0.7%a. Consequently, these results have posted a drop of 0.2 p.p. of assets compared with the same month of 2010.

In February the financial system will continue to increase its intermediation of resources with the private sector, an activity that will again provide support to the obtaining of book profits. It is expected that the less volatile components of the income statement (net interest income and service revenue) will lead sector income, with positive results also from securities, although these will probably be lower than those recorded in the second half of 2010.

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” 5170 – 11/Jan/11

Application of the Deposit Guarantee Insurance. The cap for the guarantee on deposits has been raised from \$30,000 to \$120,000.

Communication “A” 5173 – 20/Jan/11

Lending to the public non-financial sector. There is no objection to financial entities purchasing Treasury Bills to be issued under the Global Program for the Issue of Treasury Bills by the Province of Buenos Aires for Fiscal 2011 “*Programa Global de Emision de Letras del Tesoro de la Provincia de Buenos Aires para el Ejercicio 2011*” for a nominal value of up to \$2.0 billion, as long as the maximum limits applicable to credit assistance to the non-financial public sector are not exceeded.

Communication “A” 5179– 28/Jan/11

Minimum cash. The regulation establishing that the minimum daily cash compliance in pesos according to the regulations is to be 30% of the respective requirement has been extended until April 30, 2011.

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.- $(\text{Minimum cash compliance at the BCRA} + \text{Other cash holding} + \text{Holdings of BCRA securities for repo transactions}) / \text{Total deposits}$; 2.- $(\text{Position in government securities (with out Lebac and Nobac)} + \text{Loans to the public sector} + \text{Compensations receivable}) / \text{Total assets}$; 3.- $(\text{Loans to the non-financial private sector} + \text{Leasing}) / \text{Total assets}$; 4.- $\text{Non-performing portfolio with the non-financial private sector} / \text{Loans to the non-financial private sector}$; 5.- $(\text{Total non-performing portfolio} - \text{Loan loss provisions}) / \text{Net worth}$. Non-performing portfolio includes loans classified into situations 3, 4, 5 and 6; 6.- $\text{Cumulated annual result} / \text{Average monthly netted assets} - \% \text{ annualized}$; 8.- $(\text{Financial margin (Net interest income} + \text{CER and CVS adjustments} + \text{Gains on securities} + \text{Foreign exchange price adjustments} + \text{Other financial income}) + \text{Service income margin}) / \text{Cumulated annual operating costs}$; 9.- $\text{Capital compliance (Capital requirement)} / \text{Risk weighted assets, according to the BCRA rule on minimum capital}$; 10.- $\text{Total capital position (Capital compliance)} / \text{Capital requirement}$.

Glossary

%a.: annualized percentage.

%i.a.: interannual percentage.

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

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

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

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

CEDRO: Certificado de Depósito Reprogramado. 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.

Lebac and Nobac: Bills and notes of the BCRA.

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

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

mill.: million.

NBFE: Non-banking financial entity.

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

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

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

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

ON: Corporate bonds (Obligaciones Negociables).

OS: Subordinated debt (Obligaciones Subordinadas).

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

PN: Net worth (Patrimonio Neto).

p.p.: percentage points.

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

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

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

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

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

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

RWA: Risk weighted assets.

SME: Small and Medium Enterprises.

US\$: United States dollars

Statistics annex | Financial system

Chart 1 | Financial Soundness Indicators (see Methodology)

As %	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Jan 2010	2010	Jan 2011
1.- Liquidity	22.3	26.1	23.1	25.0	23.4	19.6	22.8	29.1	29.6	20.1	22.5	23.0	27.9	28.6	31.0	28.0	28.6
2.- Credit to the public sector	16.9	16.2	16.2	18.0	17.3	23.0	48.9	47.0	40.9	31.5	22.5	16.3	12.7	14.5	14.2	12.2	12.0
3.- Credit to the private sector	50.8	47.7	48.4	44.9	39.9	42.7	20.8	18.1	19.6	25.8	31.0	38.2	39.4	38.3	37.4	39.8	39.9
4.- Private non-performing loans	16.2	13.8	12.2	14.0	16.0	19.1	38.6	33.5	18.6	7.6	4.5	3.2	3.1	3.5	3.5	2.1	2.0
5.- Net worth exposure to the private sector	24.9	22.5	20.6	24.7	26.2	21.9	17.3	12.4	-1.0	-4.1	-3.3	-3.0	-3.3	-2.8	-3.0	-4.9	-4.9
6.- ROA	0.6	1.0	0.5	0.2	0.0	0.0	-8.9	-2.9	-0.5	0.9	1.9	1.5	1.6	2.3	2.3	2.8	3.0
7.- ROE	4.1	6.3	3.9	1.7	0.0	-0.2	-59.2	-22.7	-4.2	7.0	14.3	11.0	13.4	19.2	18.0	24.4	26.5
8.- Efficiency	142	136	138	142	147	143	189	69	125	151	167	160	167	185	162	182	182
9.- Capital compliance	23.8	20.8	20.3	21.0	20.1	21.4	-	14.5	14.0	15.3	16.9	16.9	16.9	18.8	18.8	17.7	17.7
10.- Excess capital compliance	64	73	49	54	58	54	-	116	185	173	134	93	90	100	99	86	88

Source: BCRA

Chart 2 | Balance Sheet

In million of current pesos	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Dec 08	Dec 09	Jan 10	Dec 10	Jan 11	Change (in %)	
												Last month	Last 12 months
Assets	187,532	186,873	212,562	221,962	258,384	297,963	346,762	387,381	392,711	511,038	522,822	2.3	33.1
Liquid assets ¹	17,138	27,575	29,154	20,819	37,991	46,320	58,676	71,067	72,447	93,079	95,689	2.8	32.1
Public bonds	31,418	45,062	55,382	66,733	64,592	62,678	65,255	86,318	89,307	119,849	121,397	1.3	35.9
Lebac/Nobac	-	-	17,755	28,340	29,289	36,022	37,093	43,867	50,443	76,948	80,524	4.6	59.6
Portfolio	-	-	11,803	21,067	25,767	31,598	25,652	34,748	35,831	61,855	64,711	4.6	80.6
Repo ²	-	-	5,953	7,273	3,521	4,424	11,442	9,119	14,612	15,093	15,813	4.8	8.2
Private bonds	332	198	387	389	813	382	203	307	246	209	222	6.1	-9.9
Loans	84,792	68,042	73,617	84,171	103,668	132,157	154,719	169,868	168,846	230,098	235,852	2.5	39.7
Public sector	44,337	33,228	30,866	25,836	20,874	16,772	17,083	20,570	20,879	25,878	25,979	0.4	24.4
Private sector	38,470	33,398	41,054	55,885	77,832	110,355	132,844	145,247	144,153	199,202	204,452	2.6	41.8
Financial sector	1,985	1,417	1,697	2,450	4,962	5,030	4,793	4,052	3,814	5,018	5,421	8.0	42.2
Provisions over loans	-11,952	-9,374	-7,500	-4,930	-3,728	-4,089	-4,744	-5,824	-5,828	-6,254	-6,289	0.6	7.9
Other netted credits due to financial intermediation	39,089	27,030	32,554	26,721	26,039	29,712	38,152	33,498	35,581	39,006	40,168	3.0	12.9
Corporate bonds and subordinated debt	1,708	1,569	1,018	873	773	606	912	1,146	1,210	1,433	1,396	-2.6	15.4
Unquoted trusts	6,698	4,133	3,145	3,883	4,881	5,023	5,714	5,942	5,870	6,824	6,838	0.2	16.5
Compensation receivable	17,111	14,937	15,467	5,841	763	377	357	16	16	0	0	0.0	-99.9
Other	13,572	6,392	12,924	16,124	19,622	23,706	31,169	26,395	28,485	30,749	31,934	3.9	12.1
Leasing	567	397	611	1,384	2,262	3,469	3,935	2,933	2,904	3,936	4,112	4.5	41.6
Shares in other companies	4,653	4,591	3,871	4,532	6,392	6,430	7,236	6,711	6,800	7,917	8,111	2.5	19.3
Fixed assets and miscellaneous	8,636	8,164	7,782	7,546	7,619	7,643	7,903	8,239	8,273	9,071	9,112	0.4	10.1
Foreign branches	3,522	3,144	3,524	3,647	2,782	2,912	3,153	3,926	3,931	3,285	3,301	0.5	-16.0
Other assets	9,338	12,043	13,180	10,950	9,953	10,347	12,275	10,337	10,203	10,841	11,146	2.8	9.2
Liabilities	161,446	164,923	188,683	195,044	225,369	261,143	305,382	339,047	343,669	453,486	463,830	2.3	35.0
Deposits	75,001	94,635	116,655	136,492	170,898	205,550	236,217	271,853	276,510	376,344	382,252	1.6	38.2
Public sector ³	8,381	16,040	31,649	34,019	45,410	48,340	67,151	69,143	73,120	115,951	118,621	2.3	62.2
Private sector ³	59,698	74,951	83,000	100,809	123,431	155,048	166,378	199,278	199,743	257,599	260,709	1.2	30.5
Current account	11,462	15,071	18,219	23,487	26,900	35,245	39,619	45,752	45,542	61,306	61,999	1.1	36.1
Savings account	10,523	16,809	23,866	29,078	36,442	47,109	50,966	62,807	61,411	82,575	81,579	-1.2	32.8
Time deposit	19,080	33,285	34,944	42,822	54,338	65,952	69,484	83,967	85,684	104,492	107,141	2.5	25.0
CEDRO	12,328	3,217	1,046	17	13	0	0	0	0	0	0	-	-
Other netted liabilities due to financial intermediation	75,737	61,690	64,928	52,072	46,037	46,225	52,114	52,776	52,076	60,052	64,264	7.0	22.9
Interbanking obligations	1,649	1,317	1,461	2,164	4,578	4,310	3,895	3,251	3,011	4,201	4,601	9.5	52.8
BCRA lines	27,837	27,491	27,726	17,005	7,686	2,362	1,885	270	261	262	283	7.7	8.5
Outstanding bonds	9,096	6,675	7,922	6,548	6,603	6,938	5,984	5,033	4,652	3,432	3,487	1.6	-25.0
Foreign lines of credit	25,199	15,196	8,884	4,684	4,240	3,864	4,541	3,369	3,139	3,897	3,966	1.8	26.3
Other	11,955	11,012	18,934	21,671	22,930	28,752	41,357	40,191	41,214	48,259	51,927	7.6	26.0
Subordinated debts	3,712	2,028	1,415	1,381	1,642	1,672	1,763	1,922	1,894	2,165	2,156	-0.4	13.9
Other liabilities	6,997	6,569	5,685	5,099	6,792	7,695	9,740	13,159	12,990	14,925	15,157	1.6	16.7
Net worth	26,086	21,950	23,879	26,918	33,014	36,819	41,380	48,335	49,042	57,552	58,992	2.5	20.3
Memo													
Netted assets	185,356	184,371	202,447	208,275	244,791	280,336	321,075	364,726	368,293	483,266	494,038	2.2	34.1
Consolidated netted assets	181,253	181,077	198,462	203,286	235,845	271,652	312,002	357,118	360,872	473,668	483,991	2.2	34.1

(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 month		Monthly			Last
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2010	2011	Nov-10	Dec-10	Jan-11	12 months	
Financial margin	13,991	1,965	6,075	9,475	13,262	15,134	20,462	28,937	36,006	2,184	3,295	3,318	3,703	3,295	37,117	
Net interest income	-3,624	-943	1,753	3,069	4,150	5,744	9,573	14,488	17,964	1,362	1,862	1,537	1,900	1,862	18,465	
CER and CVS adjustments	8,298	2,315	1,944	3,051	3,012	2,624	2,822	1,196	2,405	155	180	214	104	180	2,430	
Foreign exchange price adjustments	5,977	-890	866	751	944	1,357	2,307	2,588	2,101	174	227	198	160	227	2,153	
Gains on securities	3,639	1,962	1,887	2,371	4,923	5,144	4,398	11,004	13,990	497	1,060	1,381	1,585	1,060	14,553	
Other financial income	-299	-480	-375	233	235	264	1,362	-339	-454	-5	-35	-13	-46	-35	-484	
Service income margin	4,011	3,415	3,904	4,781	6,243	8,248	10,870	13,052	16,102	1,154	1,494	1,505	1,593	1,494	16,442	
Loan loss provisions	-10,007	-2,089	-1,511	-1,173	-1,198	-1,894	-2,839	-3,814	-3,291	-264	-291	-239	-412	-291	-3,318	
Operating costs	-9,520	-7,760	-7,998	-9,437	-11,655	-14,634	-18,767	-22,710	-28,692	-2,056	-2,638	-2,508	-3,015	-2,638	-29,275	
Tax charges	-691	-473	-584	-737	-1,090	-1,537	-2,318	-3,272	-4,125	-297	-402	-388	-442	-402	-4,230	
Income tax	-509	-305	-275	-581	-595	-1,032	-1,342	-4,226	-5,033	-182	-478	-293	-478	-478	-5,330	
Adjust. to the valuation of gov. securities ²	0	-701	-320	-410	-752	-837	-1,757	-262	-214	-24	-18	-14	-13	-18	-209	
Amort. payments for court-ordered releases	0	-1,124	-1,686	-1,867	-2,573	-1,922	-994	-703	-635	-31	-17	-29	-35	-17	-621	
Other	-3,880	1,738	1,497	1,729	2,664	2,380	1,441	918	1,645	201	258	-5	340	258	1,702	
Monetary results	-12,558	69	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total results³	-19,162	-5,265	-898	1,780	4,306	3,905	4,757	7,920	11,763	686	1,201	1,347	1,242	1,201	12,278	
Adjusted results ⁴	-	-3,440	1,337	4,057	7,631	6,665	7,508	8,885	12,613	741	1,236	1,390	1,290	1,236	13,108	
Annualized indicators - As % of netted assets																
Financial margin	6.5	1.1	3.1	4.6	5.8	5.7	6.7	8.6	8.6	7.2	8.1	8.5	9.3	8.1	8.7	
Net interest income	-1.7	-0.5	0.9	1.5	1.8	2.2	3.1	4.3	4.3	4.5	4.6	4.0	4.8	4.6	4.3	
CER and CVS adjustments	3.9	1.3	1.0	1.5	1.3	1.0	0.9	0.4	0.6	0.5	0.4	0.6	0.3	0.4	0.6	
Foreign exchange price adjustments	2.8	-0.5	0.4	0.4	0.4	0.5	0.8	0.8	0.5	0.6	0.6	0.5	0.4	0.6	0.5	
Gains on securities	1.7	1.1	1.0	1.2	2.2	1.9	1.4	3.3	3.3	1.6	2.6	3.6	4.0	2.6	3.4	
Other financial income	-0.1	-0.3	-0.2	0.1	0.1	0.1	0.4	-0.1	-0.1	0.0	-0.1	0.0	-0.1	-0.1	-0.1	
Service income margin	1.9	1.9	2.0	2.3	2.7	3.1	3.6	3.9	3.8	3.8	3.7	3.9	4.0	3.7	3.8	
Loan loss provisions	-4.7	-1.1	-0.8	-0.6	-0.5	-0.7	-0.9	-1.1	-0.8	-0.9	-0.7	-0.6	-1.0	-0.7	-0.8	
Operating costs	-4.4	-4.2	-4.1	-4.6	-5.1	-5.5	-6.1	-6.7	-6.9	-6.8	-6.5	-6.5	-7.6	-6.5	-6.8	
Tax charges	-0.3	-0.3	-0.3	-0.4	-0.5	-0.6	-0.8	-1.0	-1.0	-1.0	-1.0	-1.0	-1.1	-1.0	-1.0	
Income tax	-0.2	-0.2	-0.1	-0.3	-0.3	-0.4	-0.4	-1.3	-1.2	-0.6	-1.2	-0.8	-1.2	-1.2	-1.2	
Adjust. to the valuation of gov. securities ²	0.0	-0.4	-0.2	-0.2	-0.3	-0.3	-0.6	-0.1	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	
Amort. payments for court-ordered releases	0.0	-0.6	-0.9	-0.9	-1.1	-0.7	-0.3	-0.2	-0.2	-0.1	0.0	-0.1	-0.1	0.0	-0.1	
Other	-1.8	0.9	0.8	0.8	1.2	0.9	0.5	0.3	0.4	0.7	0.6	0.0	0.9	0.6	0.4	
Monetary results	-5.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
ROA³	-8.9	-2.9	-0.5	0.9	1.9	1.5	1.6	2.3	2.8	2.3	3.0	3.5	3.1	3.0	2.9	
ROA adjusted ⁴	-8.9	-1.9	0.7	2.0	3.4	2.5	2.5	2.6	3.0	2.4	3.0	3.6	3.2	3.0	3.1	
ROE³	-59.2	-22.7	-4.2	7.0	14.3	11.0	13.4	19.2	24.4	18.0	26.5	31.1	28.0	26.5	25.1	

(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.

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

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

Source: BCRA

Chart 4 | Portfolio Quality

As percentage	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Dec 08	Dec 09	Jan 10	Dec 10	Jan 11
Non-performing loans (overall)	18.1	17.7	10.7	5.2	3.4	2.7	2.7	3.0	3.0	1.9	1.8
Non-performing loans to the non-financial private sector	38.6	33.5	18.6	7.6	4.5	3.2	3.1	3.5	3.5	2.1	2.0
Provisions / Non-performing loans	73.8	79.2	102.9	124.5	129.9	129.6	131.4	126.2	128.2	164.2	167.7
(Total non-performing - Provisions) / Overall financing	4.7	3.7	-0.3	-1.3	-1.0	-0.8	-0.8	-0.8	-0.8	-1.2	-1.2
(Total non-performing - Provisions) / Net worth	17.2	11.9	-1.0	-4.1	-3.3	-3.0	-3.3	-2.9	-3.0	-4.9	-5.0

(*) 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	2007	2008	2009	Jan 2010	2010	Jan 2011
1.- Liquidity	23.6	26.9	22.8	24.3	24.1	23.6	24.8	27.6	29.2	21.5	23.7	25.7	34.1	29.8	31.8	26.0	26.2
2.- Credit to the public sector	13.5	13.7	13.6	16.1	14.7	20.8	50.0	47.7	41.6	28.5	16.3	9.5	6.3	6.2	6.2	4.5	4.5
3.- Credit to the private sector	51.0	46.7	47.6	44.6	38.4	45.4	22.4	19.9	22.5	31.1	37.9	46.6	44.0	43.3	42.9	50.3	50.3
4.- Private non-performing loans	11.1	8.5	7.7	8.9	9.8	14.0	37.4	30.4	15.3	6.3	3.6	2.5	2.8	3.3	3.3	2.0	1.9
5.- Net worth exposure to the private sector	21.6	14.3	13.2	11.5	13.4	11.4	18.6	11.2	1.9	-2.2	-3.0	-3.6	-3.4	-3.1	-3.1	-4.9	-4.9
6.- ROA	0.6	0.7	0.5	0.3	0.1	0.2	-11.3	-2.5	-1.0	0.5	2.2	1.6	1.9	3.0	2.6	3.2	3.0
7.- ROE	4.1	6.3	4.3	2.3	0.8	1.4	-79.0	-19.1	-8.1	4.1	15.3	10.9	15.2	22.9	18.9	24.5	24.1
8.- Efficiency	144	135	139	146	152	151	168	93	115	136	158	152	166	195	172	176	173
9.- Capital compliance	15.9	15.4	14.6	18.9	18.0	17.6	-	14.0	15.1	17.8	18.6	19.2	18.3	22.6	22.6	20.4	20.4
10.- Excess capital compliance	33	47	27	60	49	43	-	88	157	155	116	87	86	121	123	100	103

Source: BCRA

Chart 6 | Balance Sheet

In million of current pesos	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Dec 08	Dec 09	Jan 10	Dec 10	Jan 11	Change (in %)					
												Last month	Last 12 months				
Assets	118,906	116,633	128,065	129,680	152,414	175,509	208,888	229,549	229,260	280,025	287,651	2.7	25.5				
Liquid assets ¹	11,044	14,500	15,893	14,074	22,226	29,418	37,044	43,562	41,686	49,730	50,444	1.4	21.0				
Public bonds	19,751	22,260	24,817	29,966	27,663	24,444	29,552	47,949	50,162	48,903	49,487	1.2	-1.3				
Lebac/Nobac	-	-	8,359	15,227	15,952	17,684	23,457	31,575	35,937	34,422	35,216	2.3	-2.0				
Portfolio	-	-	5,611	12,899	14,220	15,639	12,858	27,413	27,961	31,148	31,679	1.7	13.3				
Repo ²	-	-	2,749	2,328	1,732	2,045	10,598	4,161	7,976	3,274	3,537	8.0	-55.7				
Private bonds	273	172	333	307	683	310	127	233	176	184	196	6.4	11.2				
Loans	51,774	47,017	50,741	56,565	69,294	88,898	98,529	101,722	100,621	143,202	147,095	2.7	46.2				
Public sector	25,056	23,571	21,420	15,954	10,036	6,413	6,249	1,694	1,962	1,625	1,661	2.2	-15.3				
Private sector	26,074	22,816	28,213	39,031	55,632	78,587	88,426	96,790	95,737	137,308	140,952	2.7	47.2				
Financial sector	644	630	1,107	1,580	3,626	3,898	3,854	3,238	2,921	4,270	4,482	5.0	53.5				
Provisions over loans	-7,463	-5,225	-3,717	-2,482	-2,227	-2,365	-2,871	-3,653	-3,670	-3,926	-3,932	0.1	7.1				
Other netted credits due to financial intermediation	27,212	22,148	25,753	16,873	18,387	17,084	25,265	21,258	21,883	20,241	21,989	8.6	0.5				
Corporate bonds and subordinated debt	1,514	1,394	829	675	618	430	699	734	797	757	719	-5.0	-9.8				
Unquoted trusts	6,205	3,571	2,362	2,444	2,982	3,456	3,869	4,198	4,233	4,500	4,459	-0.9	5.4				
Compensation receivable	15,971	13,812	14,657	5,575	760	377	357	16	16	0	0	-	-				
Other	3,523	3,370	7,905	8,179	14,027	12,822	20,339	16,311	16,837	14,984	16,811	12.2	-0.2				
Leasing	553	387	592	1,356	2,126	3,149	3,451	2,569	2,546	3,519	3,674	4.4	44.3				
Shares in other companies	3,123	2,791	1,892	2,416	4,042	3,762	4,538	4,067	4,139	4,934	5,096	3.3	23.1				
Fixed assets and miscellaneous	5,198	4,902	4,678	4,575	4,677	4,685	4,926	5,096	5,151	5,808	5,845	0.6	13.5				
Foreign branches	-109	-136	-53	-148	-139	-154	-178	-202	-204	-215	-216	0.9	6.0				
Other assets	7,549	7,816	7,137	6,178	5,682	6,277	8,505	6,946	6,771	7,646	7,972	4.3	17.7				
Liabilities	103,079	101,732	113,285	112,600	131,476	152,153	182,596	198,438	197,637	243,766	250,457	2.7	26.7				
Deposits	44,445	52,625	62,685	75,668	94,095	116,719	135,711	154,387	154,037	198,662	202,322	1.8	31.3				
Public sector ³	1,636	3,077	6,039	6,946	7,029	7,564	19,600	17,757	18,007	23,598	25,806	9.4	43.3				
Private sector ³	38,289	47,097	55,384	67,859	85,714	107,671	114,176	134,426	133,775	173,203	174,662	0.8	30.6				
Current account	8,905	11,588	13,966	17,946	20,604	27,132	30,188	35,127	34,645	46,297	46,059	-0.5	32.9				
Savings account	6,309	10,547	14,842	18,362	23,165	30,169	32,778	40,999	39,557	53,085	52,535	-1.0	32.8				
Time deposit	11,083	18,710	22,729	27,736	38,043	45,770	46,990	54,058	54,985	67,568	69,195	2.4	25.8				
CEDRO	9,016	2,409	798	3	1	0	0	0	0	0	0	-	-				
Other netted liabilities due to financial intermediation	49,341	42,367	45,083	32,349	31,750	29,323	39,298	34,235	33,844	34,427	37,256	8.2	10.1				
Interbanking obligations	836	726	1,070	1,488	3,383	1,979	1,160	1,668	1,434	1,903	2,211	16.2	54.2				
BCRA lines	16,624	17,030	17,768	10,088	3,689	675	649	41	40	57	68	19.3	70.4				
Outstanding bonds	9,073	6,674	7,922	6,548	6,413	6,686	5,672	4,626	4,269	2,802	2,857	1.9	-33.1				
Foreign lines of credit	15,434	9,998	5,444	2,696	2,249	1,833	2,261	1,262	1,071	1,716	1,804	5.1	68.4				
Other	7,374	7,939	12,878	11,530	16,015	18,150	29,555	26,638	27,030	27,949	30,316	8.5	12.2				
Subordinated debts	3,622	1,850	1,304	1,319	1,642	1,668	1,759	1,918	1,891	2,148	2,139	-0.5	13.1				
Other liabilities	5,671	4,890	4,213	3,264	3,989	4,443	5,828	7,897	7,866	8,528	8,741	2.4	11.1				
Net worth	15,827	14,900	14,780	17,080	20,938	23,356	26,292	31,111	31,623	36,259	37,193	2.6	17.6				
Memo																	
Netted assets	117,928	115,091	121,889	123,271	143,807	166,231	192,074	216,100	215,491	267,364	273,292	2.2	26.8				

(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 | Private banks (cont.)

Chart 7 | Profitability Structure

Amount in million of pesos	Annual									First month		Monthly			Last
	2002 ¹	2003	2004	2005	2006	2007	2008	2009	2010	2010	2011	Nov-10	Dec-10	Jan-11	12 months
Financial margin	10,628	2,575	3,415	5,253	7,778	8,960	12,964	19,724	21,837	1,443	1,980	1,881	2,198	1,980	22,374
Net interest income	-304	107	1,214	2,069	2,826	4,191	7,727	10,572	12,842	907	1,259	1,136	1,435	1,259	13,194
CER and CVS adjustments	1,476	1,082	900	1,215	858	662	651	185	244	16	14	25	-66	14	242
Foreign exchange price adjustments	6,189	-312	666	576	740	990	1,620	1,646	1,493	128	147	128	140	147	1,511
Gains on securities	3,464	1,892	959	1,259	3,154	2,888	1,637	7,343	7,464	379	578	587	716	578	7,663
Other financial income	-197	-195	-322	134	199	229	1,329	-22	-205	13	-18	5	-27	-18	-236
Service income margin	2,782	2,341	2,774	3,350	4,459	5,881	7,632	9,198	11,345	834	1,063	1,027	1,121	1,063	11,574
Loan loss provisions	-6,923	-1,461	-1,036	-714	-737	-1,174	-1,863	-2,751	-2,253	-179	-202	-192	-301	-202	-2,277
Operating costs	-6,726	-5,310	-5,382	-6,303	-7,741	-9,735	-12,401	-14,807	-18,819	-1,321	-1,755	-1,608	-1,968	-1,755	-19,253
Tax charges	-512	-366	-393	-509	-769	-1,105	-1,715	-2,380	-2,927	-210	-285	-271	-308	-285	-3,002
Income tax	-337	-295	-202	-217	-365	-380	-1,168	-3,001	-2,733	-163	-288	-189	-161	-288	-2,857
Adjust. to the valuation of gov. securities ²	0	-665	-51	-201	-170	-100	-267	0	47	-1	3	4	7	3	51
Amort. payments for court-ordered releases	0	-791	-1,147	-1,168	-1,182	-1,466	-688	-367	-441	-19	-6	-14	-18	-6	-428
Other	-4,164	1,178	846	1,156	1,641	1,576	916	398	1,382	82	173	135	217	173	1,473
Monetary results	-10,531	-20	0	0	0	0	0	0	0	0	0	0	0	0	0
Total results³	-15,784	-2,813	-1,176	648	2,915	2,457	3,412	6,014	7,438	465	683	774	786	683	7,655
Adjusted results ⁴	-	-1,357	252	2,016	4,267	4,023	4,367	6,381	7,832	486	686	784	797	686	8,032
Annualized indicators - As % of netted assets															
Financial margin	7.6	2.3	2.9	4.3	5.9	5.8	7.3	9.8	9.3	8.1	8.8	8.8	10.0	8.8	9.4
Net interest income	-0.2	0.1	1.0	1.7	2.1	2.7	4.4	5.3	5.5	5.1	5.6	5.3	6.5	5.6	5.5
CER and CVS adjustments	1.1	0.9	0.8	1.0	0.6	0.4	0.4	0.1	0.1	0.1	0.1	0.1	-0.3	0.1	0.1
Foreign exchange price adjustments	4.4	-0.3	0.6	0.5	0.6	0.6	0.9	0.8	0.6	0.7	0.7	0.6	0.6	0.7	0.6
Gains on securities	2.5	1.7	0.8	1.0	2.4	1.9	0.9	3.7	3.2	2.1	2.6	2.7	3.3	2.6	3.2
Other financial income	-0.1	-0.2	-0.3	0.1	0.2	0.1	0.8	0.0	-0.1	0.1	-0.1	0.0	-0.1	-0.1	-0.1
Service income margin	2.0	2.0	2.4	2.7	3.4	3.8	4.3	4.6	4.8	4.7	4.7	4.8	5.1	4.7	4.8
Loan loss provisions	-5.0	-1.3	-0.9	-0.6	-0.6	-0.8	-1.1	-1.4	-1.0	-1.0	-0.9	-0.9	-1.4	-0.9	-1.0
Operating costs	-4.8	-4.6	-4.6	-5.1	-5.9	-6.3	-7.0	-7.4	-8.0	-7.4	-7.8	-7.5	-8.9	-7.8	-8.0
Tax charges	-0.4	-0.3	-0.3	-0.4	-0.6	-0.7	-1.0	-1.2	-1.2	-1.2	-1.3	-1.3	-1.4	-1.3	-1.3
Income tax	-0.2	-0.3	-0.2	-0.2	-0.3	-0.2	-0.7	-1.5	-1.2	-0.9	-1.3	-0.9	-0.7	-1.3	-1.2
Adjust. to the valuation of gov. securities ²	0.0	-0.6	0.0	-0.2	-0.1	-0.1	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amort. payments for court-ordered releases	0.0	-0.7	-1.0	-1.0	-0.9	-0.9	-0.4	-0.2	-0.2	-0.1	0.0	-0.1	-0.1	0.0	-0.2
Other	-3.0	1.0	0.7	0.9	1.2	1.0	0.5	0.2	0.6	0.5	0.8	0.6	1.0	0.8	0.6
Monetary results	-7.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ROA³	-11.3	-2.5	-1.0	0.5	2.2	1.6	1.9	3.0	3.2	2.6	3.0	3.6	3.6	3.0	3.2
ROA adjusted ⁴	-11.3	-1.2	0.2	1.6	3.2	2.6	2.5	3.2	3.3	2.7	3.1	3.7	3.6	3.1	3.4
ROE ³	-79.0	-19.1	-8.1	4.1	15.3	10.9	15.2	22.9	24.5	18.9	24.1	28.7	28.4	24.1	24.9

(1) Data at December 2002 currency (2) Com. "A" 391 I. Adjustments to the valuation of government unlisted securities according to Com. "A" 4084 are included under the "gains from securities" heading.

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

(4) Excluding amortization of payments for court-ordered releases and the effects of Com. "A" 391 I and 4084.

Source: BCRA

Chart 8 | Portfolio Quality

As percentage	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Dec 08	Dec 09	Jan 10	Dec 10	Jan 11
Non-performing loans (overall)	19.8	15.7	8.9	4.4	2.9	2.2	2.5	3.1	3.2	1.9	1.8
Non-performing loans to the non-financial private sector	37.4	30.4	15.3	6.3	3.6	2.5	2.8	3.3	3.3	2.0	1.9
Provisions / Non-performing loans	73.4	79.0	97.0	114.3	129.3	141.3	134.1	128.9	129.4	162.1	166.1
(Total non-performing - Provisions) / Overall financing	5.3	3.3	0.4	-0.6	-0.9	-0.9	-0.9	-0.9	-0.9	-1.2	-1.2
(Total non-performing - Provisions) / Net worth	18.6	11.2	1.3	-2.2	-3.0	-3.6	-3.4	-3.1	-3.1	-4.9	-4.9

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