

Report on Banks

February 2009



BANCO CENTRAL
DE LA REPÚBLICA ARGENTINA

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February 2009

Year VI, No. 6



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DE LA REPÚBLICA ARGENTINA

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Note | Information for February 2009 available by April 1, 2009 is included. This Report is focussed 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 information included corresponds to BCRA Information Regimes (end of month data).

Published on April 21, 2009

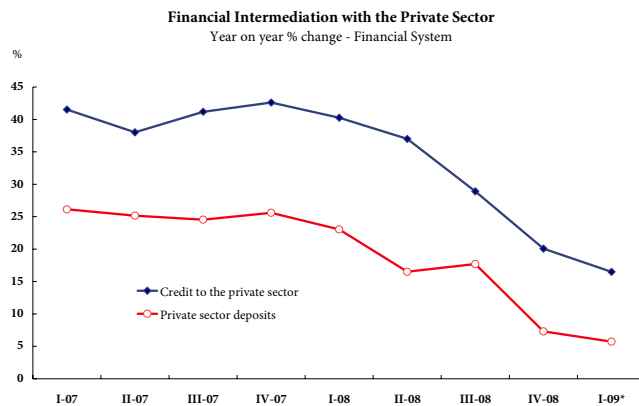
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Summary

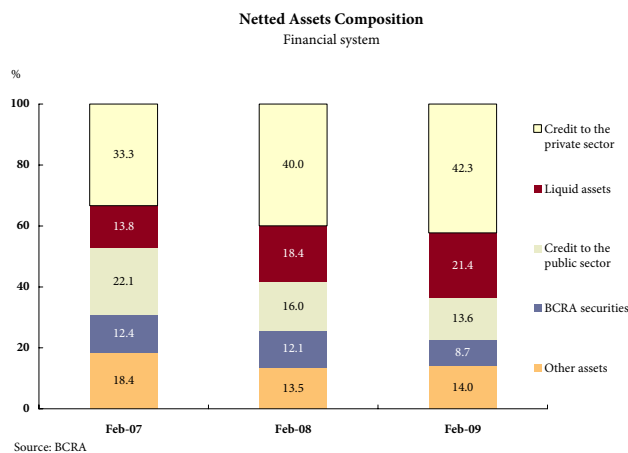
- **The financial system continues to post adequate liquidity and solvency levels, and this strength has been reinforced by the liquidity windows made available by the Central Bank. Banks are therefore still showing a significant ability to confront any additional tension episodes that may take place. In a context of high uncertainty provoked by the global crisis, growth in the volume of domestic financial intermediation continues to slow, affecting bank profitability.**
- **Total non-financial sector balance sheet deposits rose 10.2% y.o.y. in February, showing lower growth rates than in previous months.** In February, private sector deposits increased, whereas those of the public sector recorded a slight drop. Balance sheet stocks of private sector deposits received a boost mainly from time deposits (up \$2.58 billion, or 3.5%), while sight deposits were down for the month.
- **Financial entities are recording adequate liquidity levels.** Financial system liquid assets totaled 29.6% of deposits, a year-on-year increase of 4.7 p.p.. The broad liquidity indicator, which includes holdings of Lebac and Nobac not related to repo transactions, stood at 41.2% of deposits, in line with the level observed in the same month of 2008.
- **Balance sheet lending to the private sector stocks rose 1.1% (\$1.55 billion) in February** (\$1.7 billion if the stock is adjusted for the issue of financial trusts during the month), after a temporary drop in January. **The increase for the month was driven by lending to companies**, which have now reached 23.6% of bank netted assets, 1 p.p. higher than the level recorded in the same month of the previous year. In February foreign private banks recorded the greatest relative growth in private sector loan balances.
- **Non-performing loans to the private sector level increased in February**, accumulating a rise of 0.6 p.p. in the last 5 months, to a level of 3.4%. This deterioration has mainly been a reflection of the behavior of loans to households, and to a lesser extent to the performance of loans to companies. The decline in household loan quality has mainly taken place in consumer credit lines.
- **Consolidated net worth of the financial system increased 1.1% or 11.3% y.o.y. in February.** Capital compliance stands at 17.2% of assets at risk, 0.2 p.p. more than in the first month of the year. The excess of regulatory capital compliance recorded by banks over total requirements, has risen slightly during the month, reaching 86% of the latter.
- **In February the financial system saw a drop in its book profits compared with the previous month, as a result of a reduction in both net interest income and gains on securities. In the first two months of 2009, financial entities as a whole recorded lower book profits than in the same period of 2008, and in addition there was an increase in loan loss charges.** The decline in profits is expected to become sharper as delinquency in loans to the private sector grows, although this will not compromise banking solvency.

Chart 1



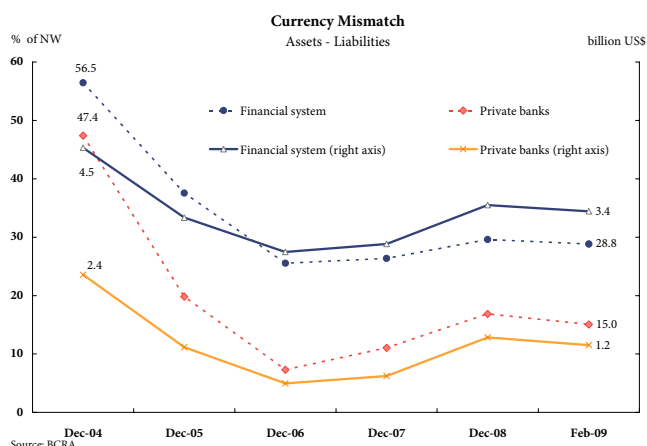
* at february-09
Source: BCRA

Chart 2



Source: BCRA

Chart 3



Source: BCRA

Activity

Slowdown in the rate of financial intermediation growth persists

The volume of bank financial intermediation with the private sector continues to show a gradual slowing in its rate of growth, reflecting the impact of a financial context that remains highly uncertain. Both credit to the private sector and deposits continue to grow at a declining rate (see Chart 1).

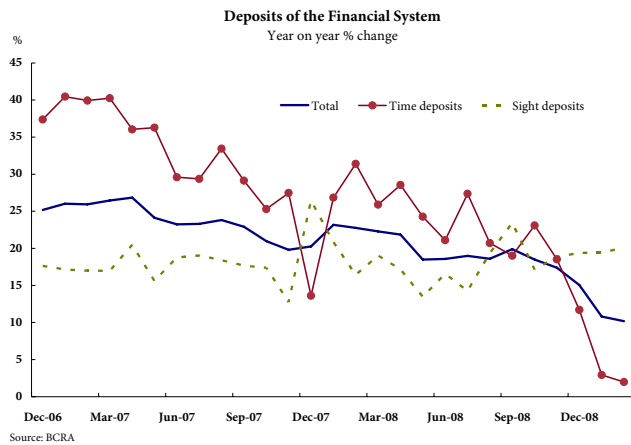
Increased lending to companies and households, added to the settlement of certain repo transactions, constituted the main uses of financial system resources in February. To a lesser extent, the decline in public sector deposits and a reduction in corporate bonds and credit lines from abroad also represented uses of funds by local financial entities as a whole. Resources were obtained by the financial system by reducing holdings of Lebac and Nobac, and less significantly, by reduced exposure to the public sector and the use of cash in banks and current account balances at the Central Bank.

Bank balance sheet composition has continued the process of improvement that has been seen in recent years. Private sector lending stood at 39.2% of total bank assets in February (42.3% of netted assets, almost 10 p.p. more than the level recorded two years earlier). The share accounted for by such assets was significantly higher than the portfolio of claims against the public sector, which stood at 12.6% for the month (13.6% of netted assets) (see Chart 2).

Financial system records a limited level of foreign currency mismatching. During February, the reduction in foreign currency assets was greater than the reduction in liabilities in that currency, causing a drop for the month in the mismatching to 28.8% of net worth (see Chart 3). It should be noted that net worth exposure to credit risk from variations in the exchange rate is low. This is because of the low weighting of loans in foreign currency in total lending, in particular as a result of Central Bank rules restricting the granting of loans in foreign currency to companies recording revenue in foreign currency.

Slowing growth in local financial intermediation is impacting on the structure of the sector. Employment levels in the financial system are falling, reflecting the impact of the international crisis. Payroll in banking entities dropped 1.6% in the second half of 2008, a

Chart 4



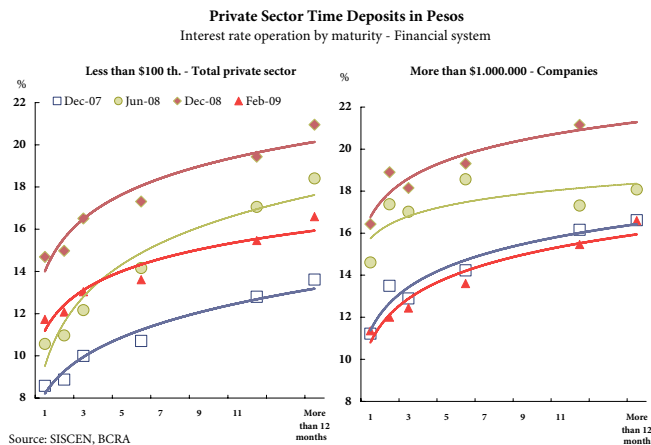
decline that was led by private banks (where the drop over the same period was 2.4%).

Deposits and liquidity

Banks continue to record high liquidity levels

Balance sheet total deposits held by the non-financial sector¹ dropped slightly in February (\$170 million or 0.1%), because of the reduction in public sector deposits, whereas deposits from the private sector rose (\$520 million or 0.3%). Private sector deposit growth in February was largely driven by time deposits (\$2.58 billion or 3.5%), whereas sight deposits posted a decline (\$1.86 billion or 2.1%)².

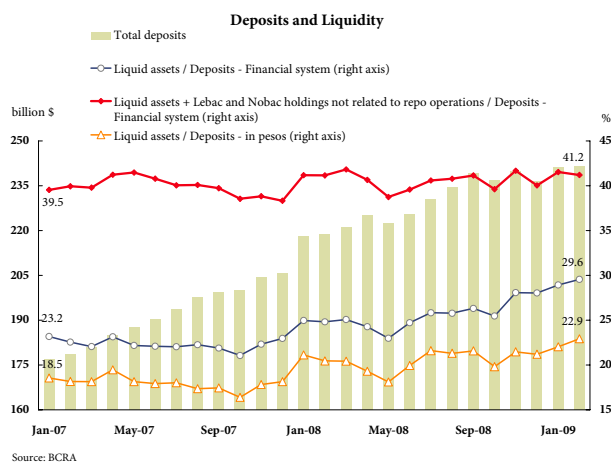
Chart 5



Total non-financial sector bank deposits are rising at a year-on-year rate of 10.2%, with a declining trend in recent months, mainly as a result of the lower growth rate for time deposits (see Chart 4). In 2009 to date there have been drops in deposit interest rates in the retail and wholesale segments (see Chart 5).

Financial entities continue to display high liquidity levels. During the month bank liquid assets increased by a little over \$1.55 billion as a result of the increase in net repos with this Institution (\$2.55 billion), compensated, in part, by the drop of cash holdings in banks and at the Central Bank (\$1.0 billion). As a result, in February the liquidity indicator rose slightly to 29.6% (see Chart 6), showing a year-on-year increase of 4.7 p.p. Holdings of Lebac and Nobac not related to repo transactions dropped by close to \$2.3 billion during the month, taking the broad liquidity indicator to a level of 41.2%, in line with the figure recorded in the same month of 2008.

Chart 6



Interbank call money interest rates continue to decline, averaging close to 11% in February, with a volume of operations that has remained relatively steady.

Financing

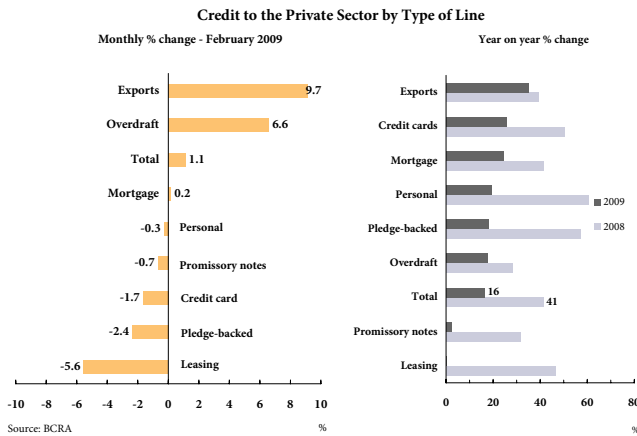
Commercial lines account for the increase in private sector lending

Balance sheet lending to the private sector rose 1.1% (\$1.55 billion) in February, after a temporary fall in January. If the balance is adjusted to reflect the issue of

¹ Includes deposits from the private and public sectors, accrued interest and CER adjustments.

² The difference corresponds to other deposits.

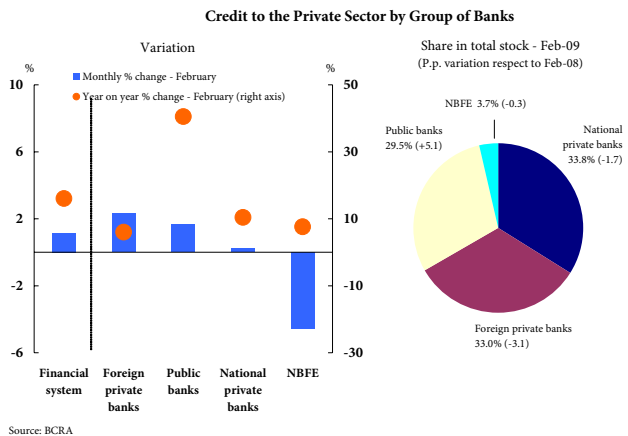
Chart 7



financial trusts during the month³, the monthly change totals almost 1.3% (\$1.7 billion). The year-on-year growth rate of lending to the private sector thus reached 16% in the second month of the year, slightly above the January level, although 25 p.p. less than in February 2008 (see Chart 7).

Commercial credit lines grew 3.3% during the month, driven by increases in export credits and current account overdrafts, which were partially offset by declines in promissory notes and leasing. Total personal loans and credit cards fell during the month. Collateralized loans also declined in February, with a drop in pledge-backed loans that was greater than the increase in mortgage loans.

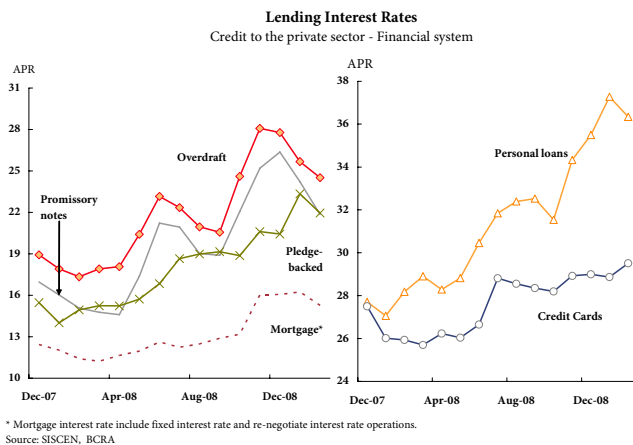
Chart 8



Growth for the month in balance sheet total loans to households and companies was mainly accounted for by private foreign banks, and, to a lesser extent, by national public and private banks, while non-bank financial entities (NBFE) recorded a drop in their total stocks (see Chart 8). Official banks have gained share of the total stock of lending to the private sector in the last year, to the detriment of private banks (both national and foreign) and the NBFEs.

The increase in lending to the private sector during February took place in a context of lower lending interest rates, to some extent reflecting the effects of the lower cost of funding by means of time deposits. The largest cuts in lending interest rates took place in commercial lines (overdrafts and promissory notes) and in collateralized loans (both mortgage and pledge-backed) (see Chart 9).

Chart 9



Lending to the corporate sector⁴ has risen by 15.4% in the last 12 months, reaching 23.6% of netted banking assets, 1 p.p. higher than in February 2008. In a context of widespread decline across all loan ranges⁵, those loans of a relatively greater size presented the most notable year-on-year growth, while only the micro range posted a slight decline (see Chart 10).

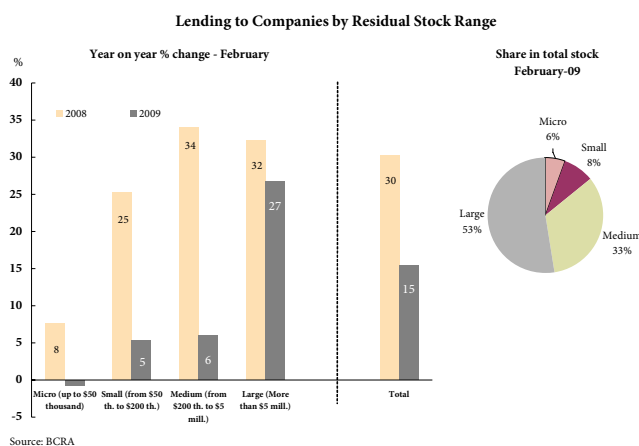
³ In February three financial trusts were issued for a total of \$159 million, of which \$100 million corresponded to securitization of pledge-backed loans, \$30 million to credit card coupons, and the rest to personal loans.

⁴ Loans to households are those granted to individuals, except for commercial loans. This latter heading is added to loans to legal persons and is included within the companies total.

⁵ Relative size by residual balance.

Portfolio quality

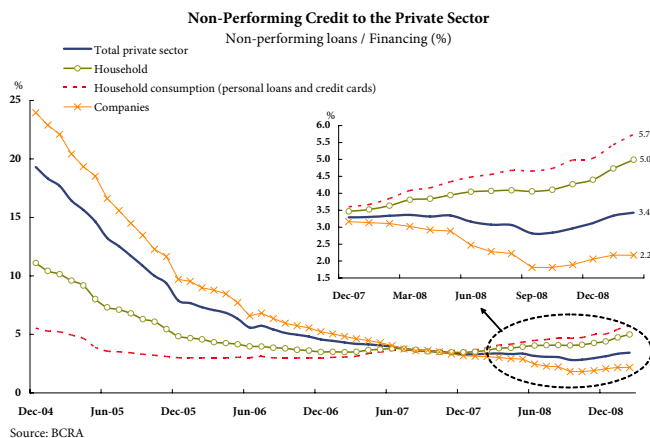
Chart 10



Non-performance levels of households consumer loans continue to rise

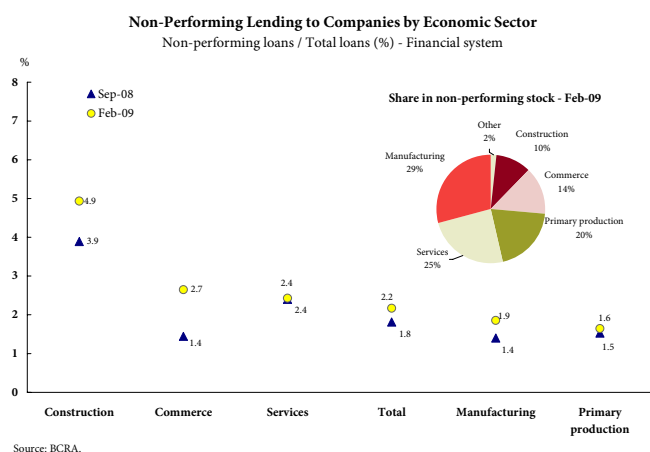
Loans to companies and households record a certain materialization of the credit risk they represent, although such risk remains limited. The non-performance of lending to the private sector has gone up 0.6 p.p. in the last 5 months, reaching a level of 3.4% in February. **This deterioration in credit quality is mainly being driven by loans to households, and to a lesser extent, also by those granted to companies** (see Chart 11).

Chart 11



Corporate sector delinquency remained at 2.2% in February, although it has registered an increase of 0.4 p.p. since September, when it reached an all-time low (1.8%). During this period, **there was a decline in credit performance by all productive sectors, and in particular by commerce and construction sector** (see Chart 12). Nevertheless, company non-performance continues to record a reduction year-on-year (0.9 p.p.). It is estimated that lines to companies with the greatest relative non-performance are those that were granted more than four years ago, while those granted since then show a better relative performance⁶.

Chart 12



Household lending non-performance went up 0.3 p.p. in February to 5%, its highest level since 2005. Household loan portfolio quality records a year-on-year deterioration of 1.4 p.p., mainly because of the behavior of consumer credit lines, with an increase of 1.9 p.p. in their delinquency in the last year (to 5.7%).

Consumer loans of a smaller relative size⁷ record the highest non-performance ratios. Nevertheless, in the last 12 months the greatest increase in delinquency has taken place in intermediate range (see Chart 13). In particular, loans of between \$5,000 and \$10,000 (23.6% of the total) record a non-performance rate that is 2.7 p.p. above that of one year earlier (reaching a level of 6.2%). Furthermore, it is estimated that non-performance in household consumer loans is relatively higher, and records greater deterioration, in the case of loans granted in recent years to borrowers that have more recently begun to participate in the financial system (see Chart 14).

⁶ For further details, see Financial Stability Bulletin, First Half 2009.

⁷ Relative size by residual balance.

Solvency

Financial system capital compliance rises

The financial system continues to show healthy solvency levels in the current international situation.

At consolidated level, financial entity net worth rose 1.1% in February, for total expansion of 11.3% (\$3.9 billion) in the last year. The annual net worth growth rate has been relatively larger in the case of private banks (see Chart 15).

Bank capital compliance levels continue to exceed domestic requirements as well as internationally-recommended levels. **Capital compliance in relation to risk-weighted assets rose slightly to 17.2% in February.** This rise is partly explained by some decline in assets at risk, combined with an increase in bank capital compliance. Excess capital compliance in terms of the total requirement (capital position) grew slightly during the month, to 86%.

February's book profits totaled 1.6%a. of assets, less than in January, a result of a drop in interest income and gains from securities, a trend that reflects the local impact of the high volatility at international level. In the first two months of the year financial system profits have been lower than those recorded in the first two months of the previous year (down by 0.3 p.p. of assets, or 0.6p.p. of assets in terms of the adjusted result⁸), in line with the greater weighting of loan loss charges and lower income from assets (see Chart 16).

It should be noted that although the financial system has been recording book profits annually since 2005, if the public sector asset portfolio were to be marked to market in this highly volatile context, the results of the last 2 years would be transformed into losses for the aggregated financial system.

In February bank financial margin dropped to 6.6%a. of assets (see Chart 17), given the decline in net interest income⁹ (although it continues to account for over half the margin) and in gains on securities. Foreign exchange price adjustments have increased within the context of a slight rise in the nominal peso-dollar exchange rate between month ends. The behavior by bank group was uniform, in line with that for the system as a whole.

Chart 13

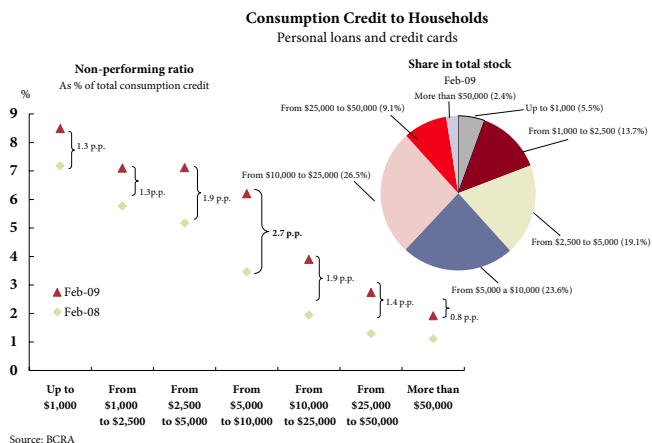


Chart 14

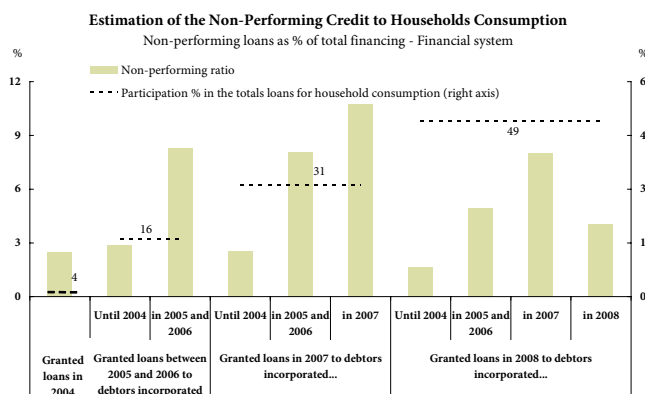
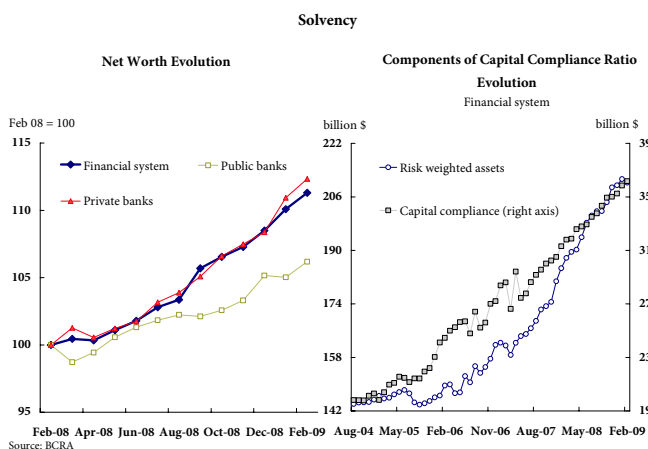


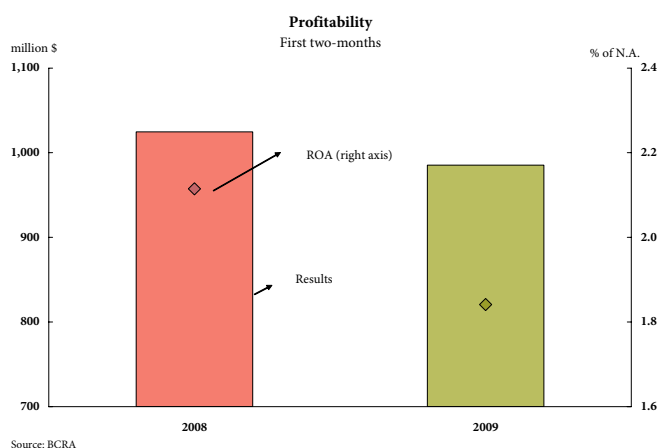
Chart 15



⁸ Overall result excluding the amortization payments of court-ordered releases.

⁹ Net interest income for January recorded an extraordinary increase from an adjustment made by one large financial entity within the context of the Guaranteed Loans swap.

Chart 16

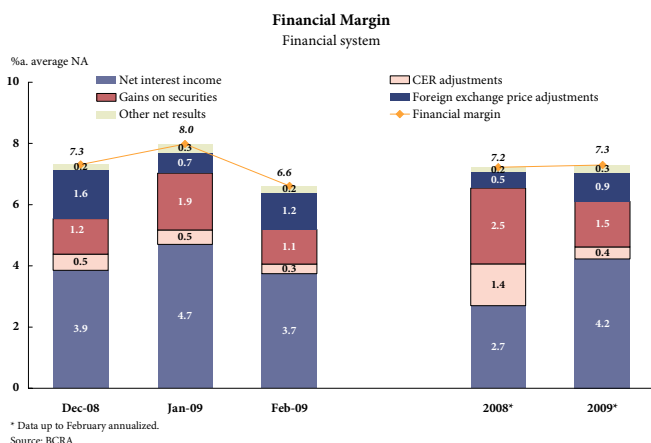


Service income margin dropped slightly to 3.5%a. of assets in February. Although revenue is down both from the receipt of deposits and the granting of loans, this latter item has mainly been responsible for the reduction for the month in services income margin.

Operating costs have shown a slight drop for the month to 6.1%a. of assets in February, although for the first two months of the year they have increased in comparison with the same period of the previous year. The ratio of coverage of operating costs by the more stable sources of revenue fell in February by 12 p.p. compared with the first month of the year, to stand at 118%.

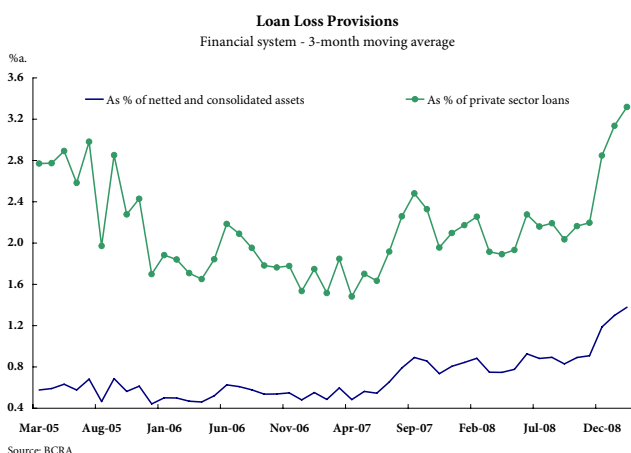
During the first two months of 2009 loan loss provisions increased by 0.5 p.p. of assets in relation to the same period of last year (see Chart 18). **Loan loss provisions are likely to continue growing gradually as a result of some degree of deterioration in loan portfolio credit quality.**

Chart 17



On the basis of the information available at the time this Report is being published, **it is estimated that at the end of the first quarter of 2009 financial entities will continue to consolidate their solvency levels. Book profits are likely to remain lower than those posted in previous periods.** Net interest income and service income margin will continue to represent the leading sources of revenue on bank statements of income, although probably showing lower dynamism, given the slight slowdown in the rate of financial intermediation growth and the reduction in lending interest rates. Leading expenditure items are expected to show a rising trend, with a gradual increase in loan loss provisions.

Chart 18



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” 4916 – 26/Feb/09**

Deposits and time investments. Rules have been issued in relation to the special non-transferrable deposits arising from the declaration and repatriation of capital in accordance with Law 26,476 effective as from March 1, 2009. Holders may be individuals or legal persons, and deposits can be set up in pesos or in foreign currency for a minimum term of two years at a interest rate to be freely negotiated. Early redemption, in full or in part, shall be allowed if the holder is to apply the funds to: i) subscription of government securities issued by the State; ii) purchases in Argentina of new homes built or certified as completed subsequent to the taking effect of the mentioned law; iii) construction of new buildings, completions of works in progress, real estate investments, investments in agriculture and livestock, manufacturing and tourism undertakings, etc. in Argentina. The financial entities that receive these deposits must allocate the resources to special credit lines for use by the productive sector.

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.- (Paid in liquidity at the BCRA + Other cash holding + Holdings of BCRA securities for repo transactions in cash) / Total deposits; 2.- (Position in government securities (not including Lebac nor Nobac) + Loans to the public sector + Compensations to be received) / Total assets; 3.- (Loans to the non-financial private sector + Leasing operations) / Total assets; 4.- Irregular portfolio with the non-financial private sector / Loans to the non-financial private sector; 5.- (Total irregular portfolio – Bad loan provisions) / Equity. The irregular portfolio includes loans classed in situations 3, 4, 5 and 6; 6.- Cumulative annual result / Average monthly netted assets - % annualized; 8.- (Financial margin (Net interest income + CER and CVS adjustments + Gains on securities + Foreign exchange price adjustments + Other financial income) + Service income margin) / Cumulative annual operating costs; 9.- Paid in capital (Calculated Equity Requirement) / Risk weighted assets, according to the BCRA rule on minimum capital; 10.- Total capital position (Paid in capital less requirement, including flexibilities) / 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	2007	Feb 2008	2008	Jan 2009	Feb 2009
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	24.8	28.0	28.9	29.6
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	14.8	12.7	12.5	12.6
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	37.0	39.4	38.0	39.2
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	3.3	3.1	3.3	3.4
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	-2.8	-3.3	-2.8	-2.7
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	2.1	1.6	2.1	1.8
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	17.9	13.4	17.8	15.6
8.- Efficiency	142	136	138	142	147	143	189	69	125	151	167	160	185	168	181	173
9.- Capital compliance	23.8	20.8	20.3	21.0	20.1	21.4	-	14.5	14.0	15.3	16.8	16.9	16.9	16.8	17.0	17.2
10.- Excess capital compliance	64	73	49	54	58	54	-	116	185	173	134	93	82	90	85	86

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	Dec 07	Feb 08	Dec 08	Jan 09	Feb 09	Change (in %)			
													Last month	2009	Last 12 months	
Assets	163,550	123,743	187,532	186,873	212,562	221,962	258,384	297,963	318,373	347,171	357,396	350,626	-1.9	1.0	10.1	
Liquid assets ¹	20,278	13,005	17,138	27,575	29,154	20,819	37,991	46,320	47,778	58,989	57,829	56,841	-1.7	-3.6	19.0	
Public bonds	10,474	3,694	31,418	45,062	55,382	66,733	64,592	62,678	71,665	65,322	74,829	75,581	1.0	15.7	5.5	
Lebac/Nobac	-	-	-	-	17,755	28,340	29,289	36,022	45,394	37,158	43,042	43,478	1.0	17.0	-4.2	
Portfolio	-	-	-	-	11,803	21,067	25,767	31,598	35,763	25,716	27,709	28,141	1.6	9.4	-21.3	
Repo ²	-	-	-	-	5,953	7,273	3,521	4,424	9,631	11,442	15,333	15,338	0.0	34.1	59.3	
Private bonds	633	543	332	198	387	389	813	382	345	203	212	188	-11.4	-7.2	-45.5	
Loans	83,277	77,351	84,792	68,042	73,617	84,171	103,668	132,157	136,553	154,727	150,669	150,598	0.0	-2.7	10.3	
Public sector	15,164	22,694	44,337	33,228	30,866	25,836	20,874	16,772	17,625	17,097	14,143	12,707	-10.2	-25.7	-27.9	
Private sector	64,464	52,039	38,470	33,398	41,054	55,885	77,832	110,355	114,140	132,837	132,059	133,791	1.3	0.7	17.2	
Financial sector	3,649	2,617	1,985	1,417	1,697	2,450	4,962	5,030	4,788	4,793	4,467	4,100	-8.2	-14.5	-14.4	
Provisions over loans	-6,907	-6,987	-11,952	-9,374	-7,500	-4,930	-3,728	-4,089	-4,205	-4,740	-4,879	-4,987	2.2	5.2	18.6	
Other netted credits due to financial intermediation	42,361	21,485	39,089	27,030	32,554	26,721	26,039	29,712	36,045	38,210	44,691	38,400	-14.1	0.5	6.5	
Corporate bonds and subordinated debt	794	751	1,708	1,569	1,018	873	773	606	624	912	901	1,044	15.9	14.5	67.2	
Unquoted trusts	2,053	2,065	6,698	4,133	3,145	3,883	4,881	5,023	5,246	5,722	5,794	6,060	4.6	5.9	15.5	
Compensation receivable	0	0	17,111	14,937	15,467	5,841	763	377	372	357	361	368	2.0	3.1	-1.2	
Other	39,514	18,669	13,572	6,392	12,924	16,124	19,622	23,706	29,802	31,219	37,636	30,929	-17.8	-0.9	3.8	
Leasing	786	771	567	397	611	1,384	2,262	3,469	3,623	3,935	3,850	3,636	-5.6	-7.6	0.4	
Shares in other companies	2,645	2,688	4,653	4,591	3,871	4,532	6,392	6,430	6,633	7,184	7,335	7,451	1.6	3.7	12.3	
Fixed assets and miscellaneous	4,939	4,804	8,636	8,164	7,782	7,546	7,619	7,643	7,700	7,905	7,932	7,971	0.5	0.8	3.5	
Foreign branches	1,115	1,057	3,522	3,144	3,524	3,647	2,782	2,912	2,958	3,154	3,181	3,243	2.0	2.8	9.6	
Other assets	3,950	5,334	9,338	12,043	13,180	10,950	9,953	10,347	9,278	12,283	11,749	11,704	-0.4	-4.7	26.1	
Liabilities	146,267	107,261	161,446	164,923	188,683	195,044	225,369	261,143	280,393	305,773	315,379	308,106	-2.3	0.8	9.9	
Deposits	86,506	66,458	75,001	94,635	116,655	136,492	170,898	205,550	218,876	236,482	241,317	241,471	0.1	2.1	10.3	
Public sector ³	7,204	950	8,381	16,040	31,649	34,019	45,410	48,340	54,602	67,421	67,718	67,060	-1.0	-0.5	22.8	
Private sector ³	78,397	43,270	59,698	74,951	83,000	100,809	123,431	155,048	161,841	166,373	170,583	171,107	0.3	2.8	5.7	
Current account	6,438	7,158	11,462	15,071	18,219	23,487	26,900	35,245	36,710	39,619	39,188	37,627	-4.0	-5.0	2.5	
Savings account	13,008	14,757	10,523	16,809	23,866	29,078	36,442	47,109	47,947	51,016	51,353	51,051	-0.6	0.1	6.5	
Time deposit	53,915	18,012	19,080	33,285	34,944	42,822	54,338	65,952	69,969	69,484	73,451	76,066	3.6	9.5	8.7	
CEDRO	0	0	12,328	3,217	1,046	17	13	0	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	46,225	52,203	57,714	62,722	55,627	-11.3	-3.6	6.6	
Interbanking obligations	3,545	2,550	1,649	1,317	1,461	2,164	4,578	4,310	4,046	3,895	3,572	3,311	-7.3	-15.0	-18.1	
BCRA lines	102	4,470	27,837	27,491	27,726	17,005	7,686	2,362	2,322	1,885	1,846	1,486	-19.5	-21.1	-36.0	
Outstanding bonds	4,954	3,777	9,096	6,675	7,922	6,548	6,603	6,938	6,919	5,984	5,808	5,764	-0.8	-3.7	-16.7	
Foreign lines of credit	8,813	7,927	25,199	15,196	8,884	4,684	4,240	3,864	4,324	4,541	4,340	4,170	-3.9	-8.2	-3.6	
Other	37,883	17,295	11,955	11,012	18,934	21,671	22,930	28,752	34,592	41,408	47,157	40,895	-13.3	-1.2	18.2	
Subordinated debts	2,255	2,260	3,712	2,028	1,415	1,381	1,642	1,672	1,637	1,763	1,744	1,794	2.9	1.7	9.6	
Other liabilities	2,210	2,524	6,997	6,569	5,685	5,099	6,792	7,695	7,678	9,814	9,995	9,214	-4.0	-6.1	20.0	
Net worth	17,283	16,483	26,086	21,950	23,879	26,918	33,014	36,819	37,979	41,398	42,017	42,520	1.2	2.7	12.0	
Memo																
Netted assets	129,815	110,275	185,356	184,371	202,447	208,275	244,791	280,336	294,693	321,483	325,406	325,268	0.0	1.2	10.4	
Consolidated netted assets	125,093	106,576	181,253	181,077	198,462	203,286	235,845	271,652	286,134	312,426	316,523	316,691	0.1	1.4	10.7	

(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 2 months		Monthly			Last
	2000	2001	2002 ¹	2003	2004	2005	2006	2007	2008	2008	2009	Dec-08	Jan-09	Feb-09	12 months
Financial margin	7,291	6,943	13,991	1,965	6,075	9,475	13,262	15,134	20,528	3,500	3,904	1,934	2,137	1,768	20,933
Net interest income	5,106	4,625	-3,624	-943	1,753	3,069	4,150	5,744	9,574	1,308	2,261	1,020	1,259	1,002	10,528
CER and CVS adjustments	0	0	8,298	2,315	1,944	3,051	3,012	2,624	2,822	661	209	139	125	84	2,370
Foreign exchange price adjustments	185	268	5,977	-890	866	751	944	1,357	2,304	250	499	422	181	319	2,553
Gains on securities	1,481	1,490	3,639	1,962	1,887	2,371	4,923	5,144	4,465	1,200	800	308	497	303	4,065
Other financial income	519	559	-299	-480	-375	233	235	264	1,363	81	135	44	75	60	1,417
Service income margin	3,582	3,604	4,011	3,415	3,904	4,781	6,243	8,248	10,868	1,623	1,947	1,083	1,001	946	11,193
Loan loss provisions	-3,056	-3,096	-10,007	-2,089	-1,511	-1,173	-1,198	-1,894	-2,832	-362	-616	-487	-315	-300	-3,086
Operating costs	-7,375	-7,362	-9,520	-7,760	-7,998	-9,437	-11,655	-14,634	-18,744	-2,763	-3,374	-1,779	-1,730	-1,644	-19,355
Tax charges	-528	-571	-691	-473	-584	-737	-1,090	-1,537	-2,315	-318	-467	-250	-237	-230	-2,464
Income tax	-446	-262	-509	-305	-275	-581	-595	-1,032	-1,342	-320	-432	65	-234	-198	-1,455
Adjust. to the valuation of gov. securities ²	0	0	0	-701	-320	-410	-752	-837	-1,757	-141	-132	-143	-116	-16	-1,747
Amort. payments for court-ordered releases	0	0	0	-1,124	-1,686	-1,867	-2,573	-1,922	-994	-244	-104	-77	-50	-54	-854
Other	535	702	-3,880	1,738	1,497	1,729	2,664	2,380	1,366	49	258	55	102	156	1,575
Monetary results	0	0	-12,558	69	0	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	4,778	1,025	985	401	557	428	4,739
Adjusted results ⁴	-	-	-	-3,440	1,337	4,057	7,631	6,665	7,529	1,410	1,221	621	724	497	7,341
<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	6.7	7.2	7.3	7.3	8.0	6.6	6.7
Net interest income	4.0	3.8	-1.7	-0.5	0.9	1.5	1.8	2.2	3.1	2.7	4.2	3.9	4.7	3.7	3.4
CER and CVS adjustments	0.0	0.0	3.9	1.3	1.0	1.5	1.3	1.0	0.9	1.4	0.4	0.5	0.5	0.3	0.8
Foreign exchange price adjustments	0.1	0.2	2.8	-0.5	0.4	0.4	0.4	0.5	0.8	0.5	0.9	1.6	0.7	1.2	0.8
Gains on securities	1.2	1.2	1.7	1.1	1.0	1.2	2.2	1.9	1.5	2.5	1.5	1.2	1.9	1.1	1.3
Other financial income	0.4	0.5	-0.1	-0.3	-0.2	0.1	0.1	0.1	0.4	0.2	0.3	0.2	0.3	0.2	0.5
Service income margin	2.8	3.0	1.9	1.9	2.0	2.3	2.7	3.1	3.6	3.3	3.6	4.1	3.7	3.5	3.6
Loan loss provisions	-2.4	-2.6	-4.7	-1.1	-0.8	-0.6	-0.5	-0.7	-0.9	-0.7	-1.2	-1.8	-1.2	-1.1	-1.0
Operating costs	-5.8	-6.1	-4.4	-4.2	-4.1	-4.6	-5.1	-5.5	-6.1	-5.7	-6.3	-6.7	-6.5	-6.1	-6.2
Tax charges	-0.4	-0.5	-0.3	-0.3	-0.3	-0.4	-0.5	-0.6	-0.8	-0.7	-0.9	-0.9	-0.9	-0.9	-0.8
Income tax	-0.3	-0.2	-0.2	-0.2	-0.1	-0.3	-0.3	-0.4	-0.4	-0.7	-0.8	0.2	-0.9	-0.7	-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	-0.6	-0.3	-0.2	-0.5	-0.4	-0.1	-0.6
Amort. payments for court-ordered releases	0.0	0.0	0.0	-0.6	-0.9	-0.9	-1.1	-0.7	-0.3	-0.5	-0.2	-0.3	-0.2	-0.2	-0.3
Other	0.4	0.6	-1.8	0.9	0.8	0.8	1.2	0.9	0.4	0.1	0.5	0.2	0.4	0.6	0.5
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	0.0
ROA³	0.0	0.0	-8.9	-2.9	-0.5	0.9	1.9	1.5	1.6	2.1	1.8	1.5	2.1	1.6	1.5
ROA adjusted ¹	0.0	0.0	-8.9	-1.9	0.7	2.0	3.4	2.5	2.5	2.9	2.3	2.3	2.7	1.9	2.4
ROE³	0.0	-0.2	-59.2	-22.7	-4.2	7.0	14.3	11.0	13.4	17.9	15.5	12.9	17.6	13.4	13.1

(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 00	Dec 01	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Feb 08	Dec 08	Jan 09	Feb 09
Non-performing loans (overall)	12.9	13.1	18.1	17.7	10.7	5.2	3.4	2.7	2.8	2.7	2.9	3.0
Non-performing loans to the non-financial private sector	16.0	19.1	38.6	33.5	18.6	7.6	4.5	3.2	3.3	3.1	3.3	3.4
Provisions / Non-performing loans	61.1	66.4	73.8	79.2	102.9	124.5	129.9	129.6	127.0	131.3	125.8	123.9
(Total non-performing - Provisions) / Overall financing	5.0	4.4	4.7	3.7	-0.3	-1.3	-1.0	-0.8	-0.7	-0.8	-0.8	-0.7
(Total non-performing - Provisions) / Net worth	26.2	21.6	17.2	11.9	-1.0	-4.1	-3.3	-3.0	-2.8	-3.3	-2.8	-2.7

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

Source: BCRA

Statistics Annex | Private Banks

Chart 5 | Financial Soundness Indicators (see Methodology)

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	Feb 2008	2008	Jan 2009	Feb 2009
As %																
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	26.0	34.1	33.9	34.4
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	9.0	6.3	6.3	6.2
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	45.4	44.0	41.6	42.8
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	2.5	2.8	3.1	3.2
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	-3.3	-3.4	-2.8	-2.6
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	2.4	1.9	3.3	2.5
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	18.5	15.1	26.8	20.2
8.- Efficiency	144	135	139	146	152	151	168	93	115	136	158	152	178	166	197	184
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	19.2	18.3	18.9	19.4
10.- Excess capital compliance	33	47	27	60	49	43	-	88	157	155	116	87	80	86	89	92

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	Dec 07	Feb 08	Dec 08	Jan 09	Feb 09	Change (in %)			
													Last month	2009	Last 12 months	
Assets	119,371	82,344	118,906	116,633	128,065	129,680	152,414	175,509	185,618	208,888	217,816	214,356	-1.6	2.6	15.5	
Liquid assets ¹	13,920	10,576	11,044	14,500	15,893	14,074	22,226	29,418	28,862	37,044	35,217	36,690	4.2	-1.0	27.1	
Public bonds	7,583	1,627	19,751	22,260	24,817	29,966	27,663	24,444	28,331	29,552	38,816	37,602	-3.1	27.2	32.7	
Lebac/Nobac	0	0	-	-	8,359	15,227	15,952	17,684	21,502	23,457	28,710	27,135	-5.5	15.7	26.2	
Portfolio	0	0	-	-	5,611	12,899	14,220	15,639	17,580	12,858	15,943	15,943	0.0	24.0	-9.3	
Repo ²	0	0	-	-	2,749	2,328	1,732	2,045	3,922	10,598	12,767	11,192	-12.3	5.6	185.3	
Private bonds	563	451	273	172	333	307	683	310	286	127	149	118	-20.9	-7.3	-59.0	
Loans	56,035	52,319	51,774	47,017	50,741	56,565	69,294	88,898	91,568	98,529	94,794	94,214	-0.6	-4.4	2.9	
Public sector	8,172	13,803	25,056	23,571	21,420	15,954	10,036	6,413	6,568	6,249	3,748	2,236	-40.3	-64.2	-66.0	
Private sector	45,103	36,636	26,074	22,816	28,213	39,031	55,632	78,587	81,036	88,426	87,319	88,613	1.5	0.2	9.4	
Financial sector	2,760	1,880	644	630	1,107	1,580	3,626	3,898	3,963	3,854	3,726	3,365	-9.7	-12.7	-15.1	
Provisions over loans	-3,248	-3,957	-7,463	-5,225	-3,717	-2,482	-2,227	-2,365	-2,438	-2,871	-2,961	-3,051	3.0	6.3	25.1	
Other netted credits due to financial intermediation	36,600	13,037	27,212	22,148	25,753	16,873	18,387	17,084	21,201	25,265	31,113	27,852	-10.5	10.2	31.4	
Corporate bonds and subordinated debt	724	665	1,514	1,394	829	675	618	430	452	699	686	762	11.0	9.0	68.6	
Unquoted trusts	1,609	1,637	6,205	3,571	2,362	2,444	2,982	3,456	3,774	3,869	3,942	4,149	5.2	7.2	9.9	
Compensation receivable	0	0	15,971	13,812	14,657	5,575	760	377	372	357	361	368	2.0	3.1	-1.1	
Other	34,267	10,735	3,523	3,370	7,905	8,179	14,027	12,822	16,603	20,339	26,124	22,573	-13.6	11.0	36.0	
Leasing	776	752	553	387	592	1,356	2,126	3,149	3,269	3,451	3,379	3,174	-6.1	-8.0	-2.9	
Shares in other companies	1,651	1,703	3,123	2,791	1,892	2,416	4,042	3,762	3,935	4,538	4,628	4,750	2.6	4.7	20.7	
Fixed assets and miscellaneous	3,225	3,150	5,198	4,902	4,678	4,575	4,677	4,685	4,735	4,926	4,940	4,939	0.0	0.2	4.3	
Foreign branches	75	112	-109	-136	-53	-148	-139	-154	-156	-178	-180	-184	2.3	3.6	18.5	
Other assets	2,190	2,574	7,549	7,816	7,137	6,178	5,682	6,277	6,023	8,505	7,922	8,253	4.2	-3.0	37.0	
Liabilities	107,193	70,829	103,079	101,732	113,285	112,600	131,476	152,153	161,360	182,596	190,904	187,106	-2.0	2.5	16.0	
Deposits	57,833	44,863	44,445	52,625	62,685	75,668	94,095	116,719	122,571	135,711	139,519	139,994	0.3	3.2	14.2	
Public sector ¹	1,276	950	1,636	3,077	6,039	6,946	7,029	7,564	8,125	19,600	20,829	21,150	1.5	7.9	160.3	
Private sector ³	55,917	43,270	38,289	47,097	55,384	67,859	85,714	107,671	112,866	114,176	116,582	116,490	-0.1	2.0	3.2	
Current account	4,960	7,158	8,905	11,588	13,966	17,946	20,604	27,132	27,624	30,188	29,594	28,046	-5.2	-7.1	1.5	
Savings account	9,409	14,757	6,309	10,547	14,842	18,362	23,165	30,169	31,115	32,778	32,784	32,763	-0.1	0.0	5.3	
Time deposit	39,030	18,012	11,083	18,710	22,729	27,736	38,043	45,770	49,070	46,990	49,632	51,324	3.4	9.2	4.6	
CEDRO	0	0	9,016	2,409	798	3	1	0	0	0	0	0	-	-	-	
Other netted liabilities due to financial intermediation	46,271	22,629	49,341	42,367	45,083	32,349	31,750	29,323	32,648	39,298	43,806	39,625	-9.5	0.8	21.4	
Interbanking obligations	2,293	1,514	836	726	1,070	1,488	3,383	1,979	1,505	1,160	1,094	1,011	-7.6	-12.9	-32.9	
BCRA lines	83	1,758	16,624	17,030	17,768	10,088	3,689	675	689	649	650	328	-49.5	-49.4	-52.4	
Outstanding bonds	4,939	3,703	9,073	6,674	7,922	6,548	6,413	6,686	6,668	5,672	5,496	5,449	-0.9	-3.9	-18.3	
Foreign lines of credit	5,491	4,644	15,434	9,998	5,444	2,696	2,249	1,833	2,277	2,261	2,053	1,850	-9.9	-18.2	-18.8	
Other	33,466	11,010	7,374	7,939	12,878	11,530	16,015	18,150	21,508	29,555	34,514	30,987	-10.2	4.8	44.1	
Subordinated debts	1,668	1,700	3,622	1,850	1,304	1,319	1,642	1,668	1,633	1,759	1,740	1,790	2.9	1.7	9.6	
Other liabilities	1,420	1,637	5,671	4,890	4,213	3,264	3,989	4,443	4,508	5,828	5,839	5,697	-2.4	-2.3	26.4	
Net worth	12,178	11,515	15,827	14,900	14,780	17,080	20,938	23,356	24,259	26,292	26,913	27,250	1.3	3.6	12.3	
Memo																
Netted assets	88,501	73,796	117,928	115,091	121,889	123,271	143,807	166,231	172,635	192,074	195,516	195,749	0.1	1.9	13.4	

(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 2 months		Monthly			Last
	2000	2001	2002 ¹	2003	2004	2005	2006	2007	2008	2008	2009	Dec-08	Jan-09	Feb-09	12 months
Financial margin	5,441	5,282	10,628	2,575	3,415	5,253	7,778	8,960	12,964	2,129	2,644	1,047	1,506	1,138	13,479
Net interest income	3,598	3,519	-304	107	1,214	2,069	2,826	4,191	7,727	1,030	1,754	795	991	763	8,451
CER and CVS adjustments	0	0	1,476	1,082	900	1,215	858	662	651	168	52	30	44	8	535
Foreign exchange price adjustments	160	256	6,189	-312	666	576	740	990	1,620	188	292	264	114	178	1,724
Gains on securities	1,232	962	3,464	1,892	959	1,259	3,154	2,888	1,637	673	404	-87	277	127	1,368
Other financial income	450	546	-197	-195	-322	134	199	229	1,329	70	142	46	79	63	1,400
Service income margin	2,554	2,598	2,782	2,341	2,774	3,350	4,459	5,881	7,632	1,157	1,380	753	709	671	7,855
Loan loss provisions	-2,173	-2,464	-6,923	-1,461	-1,036	-714	-737	-1,174	-1,863	-256	-395	-286	-205	-190	-2,002
Operating costs	-5,263	-5,224	-6,726	-5,310	-5,382	-6,303	-7,741	-9,735	-12,401	-1,844	-2,192	-1,207	-1,123	-1,069	-12,749
Tax charges	-379	-418	-512	-366	-393	-509	-769	-1,105	-1,715	-232	-347	-180	-178	-168	-1,830
Income tax	-393	-216	-337	-295	-202	-217	-365	-380	-1,168	-206	-285	-73	-165	-120	-1,247
Adjust. to the valuation of gov. securities ²	0	0	0	-665	-51	-201	-170	-100	-267	9	-17	5	-24	7	-293
Amort. payments for court-ordered releases	0	0	0	-791	-1,147	-1,168	-1,182	-1,466	-688	-159	-46	-47	-20	-26	-576
Other	307	615	-4,164	1,178	846	1,156	1,641	1,576	916	74	73	189	37	36	915
Monetary results	0	0	-10,531	-20	0	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	3,412	671	813	202	536	277	3,554
Adjusted results ⁴	-	-	-	-1,357	252	2,016	4,267	4,023	4,367	821	877	243	579	297	4,422
Annualized indicators - As % of netted assets															
Financial margin	6.2	6.4	7.6	2.3	2.9	4.3	5.9	5.8	7.3	7.5	8.2	6.6	9.4	7.1	7.5
Net interest income	4.1	4.3	-0.2	0.1	1.0	1.7	2.1	2.7	4.4	3.6	5.5	5.0	6.2	4.8	4.7
CER and CVS adjustments	0.0	0.0	1.1	0.9	0.8	1.0	0.6	0.4	0.4	0.6	0.2	0.2	0.3	0.0	0.3
Foreign exchange price adjustments	0.2	0.3	4.4	-0.3	0.6	0.5	0.6	0.6	0.9	0.7	0.9	1.7	0.7	1.1	1.0
Gains on securities	1.4	1.2	2.5	1.7	0.8	1.0	2.4	1.9	0.9	2.4	1.3	-0.6	1.7	0.8	0.8
Other financial income	0.5	0.7	-0.1	-0.2	-0.3	0.1	0.2	0.1	0.8	0.2	0.4	0.3	0.5	0.4	0.8
Service income margin	2.9	3.2	2.0	2.0	2.4	2.7	3.4	3.8	4.3	4.1	4.3	4.8	4.4	4.2	4.4
Loan loss provisions	-2.5	-3.0	-5.0	-1.3	-0.9	-0.6	-0.6	-0.8	-1.1	-0.9	-1.2	-1.8	-1.3	-1.2	-1.1
Operating costs	-6.0	-6.4	-4.8	-4.6	-4.6	-5.1	-5.9	-6.3	-7.0	-6.5	-6.8	-7.7	-7.0	-6.7	-7.1
Tax charges	-0.4	-0.5	-0.4	-0.3	-0.3	-0.4	-0.6	-0.7	-1.0	-0.8	-1.1	-1.1	-1.1	-1.0	-1.0
Income tax	-0.4	-0.3	-0.2	-0.3	-0.2	-0.2	-0.3	-0.2	-0.7	-0.7	-0.9	-0.5	-1.0	-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	-0.2	0.0	-0.1	0.0	-0.1	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	-0.4	-0.6	-0.1	-0.3	-0.1	-0.2	-0.3
Other	0.4	0.7	-3.0	1.0	0.7	0.9	1.2	1.0	0.5	0.3	0.2	1.2	0.2	0.2	0.5
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	0.0
ROA³	0.1	0.2	-11.3	-2.5	-1.0	0.5	2.2	1.6	1.9	2.4	2.5	1.3	3.3	1.7	2.0
ROA adjusted ⁴	0.1	0.2	-11.3	-1.2	0.2	1.6	3.2	2.6	2.5	2.9	2.7	1.5	3.6	1.9	2.5
ROE³	0.8	1.4	-79.0	-19.1	-8.1	4.1	15.3	10.9	15.2	18.5	20.2	10.3	26.8	13.7	15.5

(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	Dec 07	Feb 08	Dec 08	Jan 09	Feb 09
Non-performing loans (overall)	8.3	9.9	19.8	15.7	8.9	4.4	2.9	2.2	2.3	2.5	2.8	2.9
Non-performing loans to the non-financial private sector	9.8	14.0	37.4	30.4	15.3	6.3	3.6	2.5	2.5	2.8	3.1	3.2
Provisions / Non-performing loans	67.7	75.7	73.4	79.0	97.0	114.3	129.3	141.3	137.1	134.1	126.6	124.0
(Total non-performing - Provisions) / Overall financing	2.7	2.4	5.3	3.3	0.4	-0.6	-0.9	-0.9	-0.8	-0.9	-0.8	-0.7
(Total non-performing - Provisions) / Net worth	13.4	11.4	18.6	11.2	1.3	-2.2	-3.0	-3.6	-3.3	-3.4	-2.8	-2.6

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

Source: BCRA