

Report on Banks

February 2011



BANCO CENTRAL
DE LA REPÚBLICA ARGENTINA

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February 2011

Year VIII, No. 6



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DE LA REPÚBLICA ARGENTINA

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Note | Information for February 2011 available by March 29, 2011 is included. This Report is focused on the performance of the financial system, including breakdowns by homogeneous sub-sectors. The data reported (particularly, those referring to profitability) are provisional and are subject to changes later. Except the opposite was indicated the data included corresponds to BCRA Information Regimes (end of month data).

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Summary

- **During February financial intermediation with the private sector continued to follow their upward trend.** Both the stock of loans to the private sector and private sector deposits posted their highest year-on-year growth rates for the last 4 years.
- **In February lending to the private sector increased 2.4%. All credit lines rose during the month, with a notable increase of overdrafts, pledge-backed, leasing and export loans.** As a result, in the last 12 months lending to the private sector has risen by 44%, reaching almost 43% of financial system assets. This increase was driven mainly by lending to companies, which registered a year-on-year expansion rate of 48%.
- **The positive performance of lending to the private sector took place in a context of low credit risk levels.** This can be seen from the ratio of non-performing loans to the private sector, which remained at an all-time low of 2% in February, a drop of 1.4 p.p. in the last 12 months. **The financial system non-performing portfolio continues to show a high level of provision coverage (174%).**
- **Total financial system deposits stock rose 2% in February. Private sector deposits recorded an increase for the month of 1.7%, driven mainly by time deposits, and to a lesser extent by sight deposits.** Public sector deposits increased 2.6% in the month, explained by the rise in time deposits. **In the last 12 months financial system deposit stocks have accumulated a growth of 40.3%.**
- As a consequence of the reduction in minimum cash reserves, given the quarterly regulatory calculation period (December-February), **in February the banking system liquidity indicator which includes items denominated in local and foreign currency fell by 1.3 p.p. of deposits to 27.3% .** The broad financial system liquidity indicator (which includes Lebac and Nobac not related to repos with the Central Bank) fell by 0.9 p.p. of deposits in the month, to 44.6%, with declines for all groups of financial entities.
- **Financial system foreign currency mismatching (which includes sales and foreign currency term purchases) rose slightly in terms of net worth in February to 29.4%. Nevertheless, in year-on-year terms this mismatching dropped 19 p.p. of net worth.**
- **Financial system consolidated net worth increased 0.8% in February, accumulating a growth of 19.3% year-on-year (y.o.y.).** This net worth rise was mainly explained by book profits, and to a lesser extent, by new capital contributions. These changes were partly offset by the use of profits for dividend distributions to shareholders by one institution. Book profits totaled an annualized (a.) 1.9% of assets in February, lower than those for January. In the first two-month period of the year the banking system recorded positive results equivalent to 2.4% a. of assets, 0.4 p.p. above those recorded in the same period of 2010.
- **Financial system capital compliance ratio reached 17.4% of risk-weighted assets (RWA) in February, 87% in excess of regulatory requirements.**

Activity

Lending to the private sector continues to increase its share of total financial system assets

The trend for expansion in financial intermediation with the private sector was maintained in February. Financial system netted assets rose 1.4% in the month, accumulating year-on-year (y.o.y.) growth of 35.4%. Public banks showed greater monthly asset dynamism. **During the month both the stocks of private sector loans and deposits recorded their greatest y.o.y. growth rate in the last 4 years** (see Chart 1).

Bank lending to the private sector increased its share of financial system netted assets during the month. Banking system exposure to the private sector reached 42.7% in February, 2.4 p.p. above the weighting recorded 12 months earlier. **This improvement was mainly driven by lending to companies** (see Chart 2). In recent months the most liquid assets saw a lowering of their relative significance within financial system netted assets. In the case of overall bank funding, **public sector deposits** (taking into account both domestic and foreign currency) **increased their relative share.**

In the case of estimated financial system flow of funds (based on changes in balance sheet stocks), there has been a **notable increase in February in private sector deposits** (\$4.3 billion) **and in those of the public sector** (\$3.0 billion), making them **the main sources of funds.** Other source of funds during the month was the reduction in liquid assets in current accounts at the Central Bank, and in repos with this Institution. The rise for the month in lending to the private sector (\$5.2 billion) was the most significant use of funds, followed by the increase in holdings of Lebac and Nobac (\$3.0 billion).

Within the context of increased intermediation activity, **the Central Bank has been developing instruments for use in promoting greater access to banking services among the different socio-economic segments of the population¹ and in all the various regions of the country.** By mid-April the number of **Universal Free Account (CGU) openings** totaled almost 58,200², with a notable participation by public banks among the 34 entities offering the CGU, responsible for 54% of the total number of such accounts opened (see Chart 3).

Chart 1

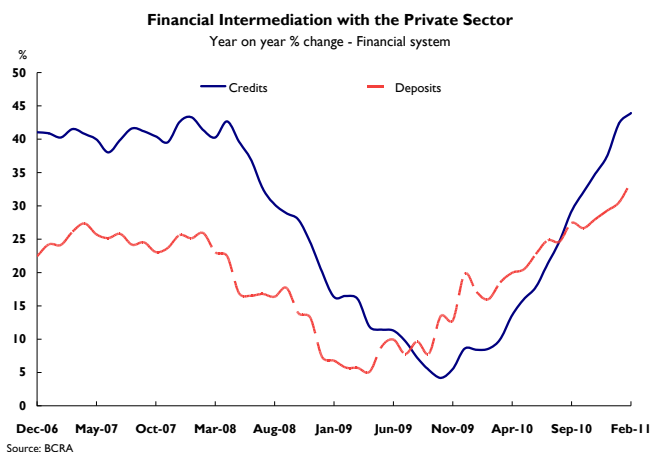


Chart 2

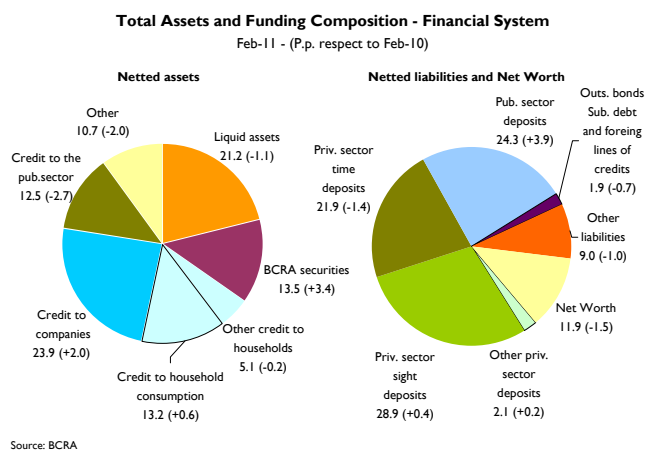
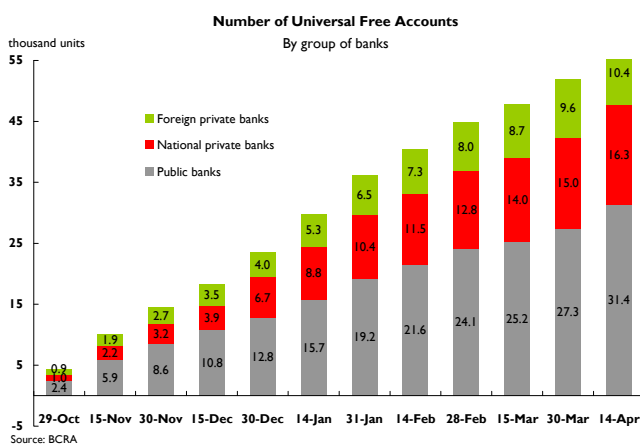


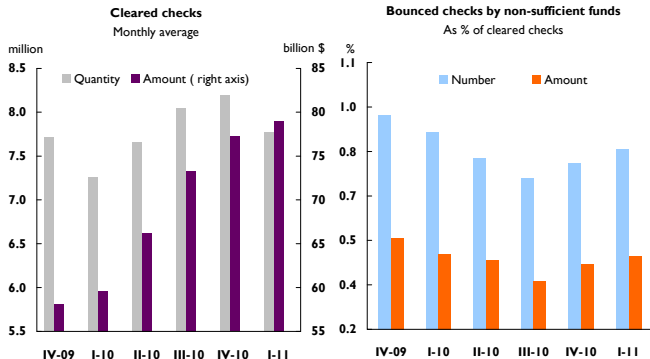
Chart 3



¹ For further detail, see Box 5 (Banking Services Strategy of the BCRA) in the latest issue of the Central Bank's Financial Stability Report (FSR).

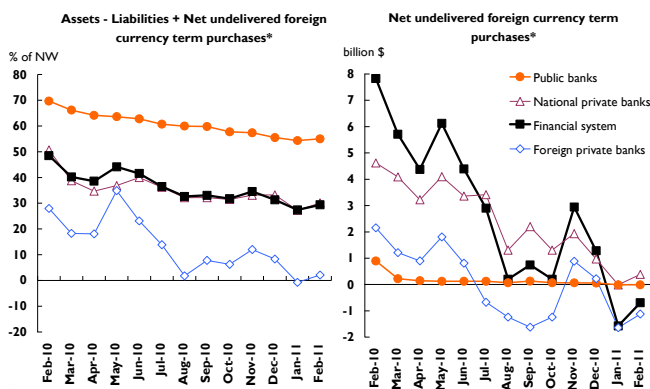
² Of which 11,550 are in the process of being validated.

Chart 4
Cleared and Bounced Checks
Financial system - Quarterly



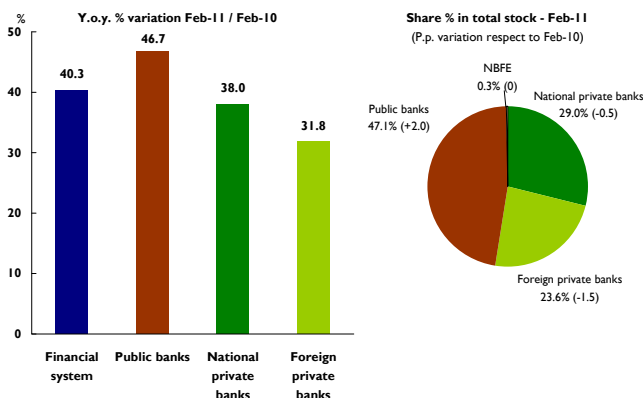
Source: BCRA

Chart 5
Currency Mismatching



* Memorandum accounts
Source: BCRA

Chart 6
Deposits Balance Sheet Stocks by Group of Financial Entities



Source: BCRA

Complementing this action, to assist in the carrying out of larger amount transactions (such as the purchase of homes and vehicles) and discourage the use and movement of cash, the Central Bank has made changes to the Settlement Check instrument. Since they have been introduced, they have been used in transactions for a total of \$94 million (almost 1,500 checks in local currency) and US\$89 million (some 1,700 checks in foreign currency). Furthermore, at the end of 2010 the Central Bank established measures to lower the cost of transfers (using ATMs, Internet or by bank cashiers), and more recently it has introduced rules on immediate credit for transfers³.

Partly for seasonal reasons, there was a slight drop in the number of checks cleared in the first quarter of the year compared with the levels at the end of 2010. Both the number and the amount of bounced checks by nonsufficient funds in terms of the total cleared increased in the last two quarters, although they remain at levels slightly below those recorded in the same period of 2010 (see Chart 4).

Broad foreign currency mismatching for the financial system (which includes net undelivered foreign currency term purchases) increased slightly in terms of net worth in February to 29.4%, mainly because of the foreign private banks that reduced their net undelivered foreign currency term sells (see Chart 5). Annual comparison shows that all groups of banks record a reduction in their active foreign currency mismatching.

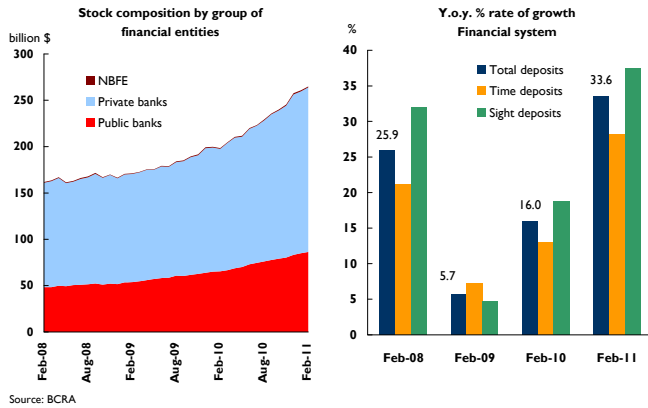
Deposits and liquidity

Financial system deposits stock increased during the month, in a context of a slight decline in liquidity levels

Total financial system deposits stock rose 2% in February. Private sector placements recorded a rise for the month of 1.7%, driven mainly by time deposits (+2.3%) and to a lesser extent, by sight deposits (+0.9%). In this context, deposit interest rates for pesos transactions in the private sector remained at levels similar to those of January. Public sector deposits increased by 2.6% during the month, explained by higher time deposits, a variation that was moderately offset by a drop in sight deposits.

³ Instant credit will be in effect as from 25/04/11 for transactions in pesos (for amounts per day and per account of up to \$10,000 for those originated at ATMs and up to \$50,000 via Internet), and as from 31/05/11 for transactions in dollar (for amounts per day and per account of up to US\$2,500 for those originating at ATMs and US\$12,500 for transfers made via Internet).

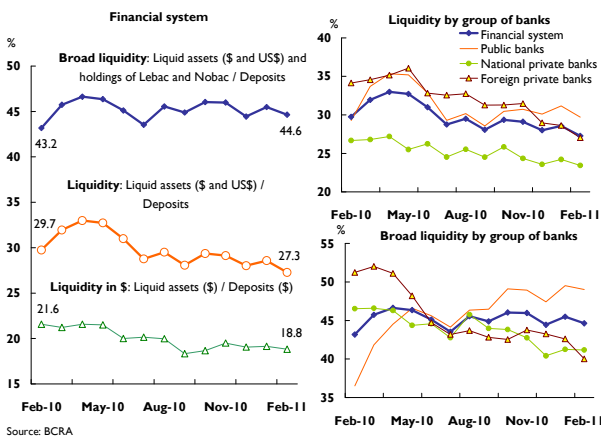
Chart 7
Non-Financial Private Sector Deposits
National and foreign currency



Over the last 12 months financial system deposit stocks have recorded a growth of 40.3% (25 p.p. more than the increase recorded in the same month of the previous year), with public banks showing the highest growth rate (see Chart 6). Public sector deposits in banks (in both local and foreign currency) recorded greater dynamism (61.6% y.o.y.), mainly by time deposits, which explained 86% of the year-on-year growth.

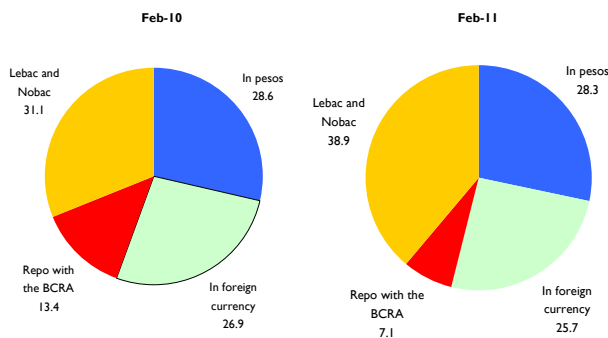
Private sector deposits were up 33.6% y.o.y. in February, almost 18 p.p. more than the figure recorded one year earlier. This increase was mainly led by sight accounts (37.5% y.o.y.) and to a lesser extent, by time deposits (28.1% y.o.y.) (see Chart 7). The year-on-year private sector deposits growth rate was similar for all groups of banks.

Chart 8
Liquidity



In February the financial system liquidity indicator that includes items denominated in both local and foreign currency declined by 1.3 p.p. of deposits to 27.3%. This can be explained by the reduction in minimum cash reserves setup by banks because of the establishing of a three-month calculation period for the regulatory requirement covering the December-February period, within the context of the increase in deposits mentioned above. The broad liquidity indicator for all banks (which includes Central Bank bills and notes not related to repos with the Central Bank), fell by 0.9 p.p. of deposits during the month to 44.6%, as a result of declines for all groups of financial entities (see Chart 8). In year-on-year terms, there has been an increase in Lebac and Nobac participation in the total of the most liquid assets, offsetting a reduction in the rest of the components, particularly repos with the Central Bank (see Chart 9).

Chart 9
Composition of Total Liquid Assets
Financial system



Within a framework of steady interest rates, the daily average traded amount on the call markets increased 14% in February. The daily average trading amount was \$920 million, while the interest rate reached 9.7% (0.1 p.p. below January).

Financing

There were increments in all private sector credit lines during February

In February private sector lending went up 2.4%⁴. All credit lines increased during the month, with a notable performance by the overdraft, pledge-backed, leasing and export credits (see Chart 10). In the first two months of the year the growth rate for loans to the private sector reached 35.2% y.o.y., well above the 2.7%a. recorded in the same period of 2010. As a result, in the last 12 months lending to the private sector has increased by 44%. Exports, promissory notes, credit cards, leasing and pledge-backed loans grew at above average rate for the period.

During February, all groups of financial entities recorded an increase in their stock of private sector lending, with a particularly notable performance by foreign capital banks (see Chart 11). Nevertheless, in terms of the last 12 months, national private banks made the largest contribution to the increase in lending to companies and households (40% of the total increase). Year-on-year growth was slightly more homogeneous by size of entities than in the same period of the previous year, given that the ten largest private banks reduced their contribution to the growth of the stock of loans to the private sector (see Chart 12). In view of the dynamic of the last three years, public banks increased their share in the total stock of loans to the private sector over 3 p.p. (see Chart 13), mainly because of the relative increase in growth rate in lending during the worst months of the recent international financial crisis.

The dynamism for the month in bank lending to companies⁵ was slightly greater than that of household lending. Loans to productive sectors continued to increase their rate of y.o.y. growth (48%), exceeding the rate recorded by household loans by 6 p.p. (see Chart 14). Lending to commerce and manufacturing have been the most dynamic in the last 12 months, a period during which all productive sectors posted improvement with regard to the same month of 2010.

At the same time as lending to the private sector was rising, in February there was a slight reduction in financial system exposure to the public sector, to

Chart 10

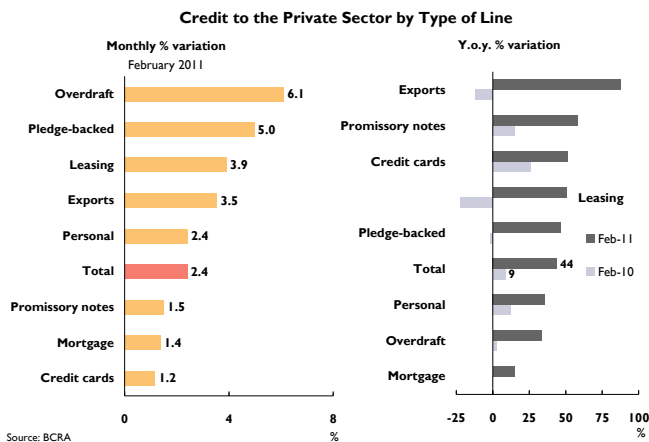


Chart 11

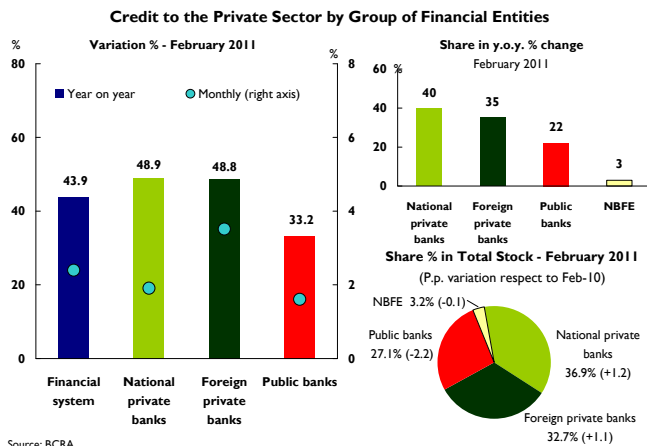
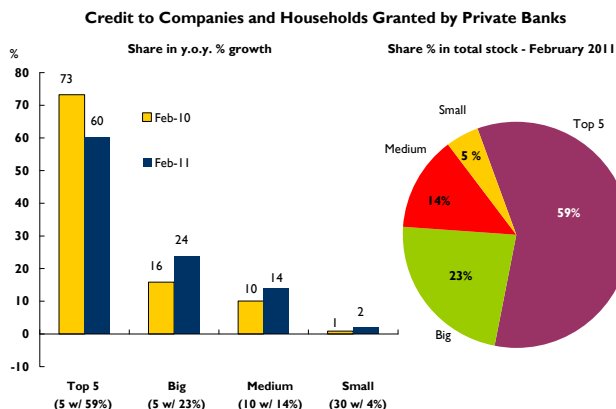


Chart 12



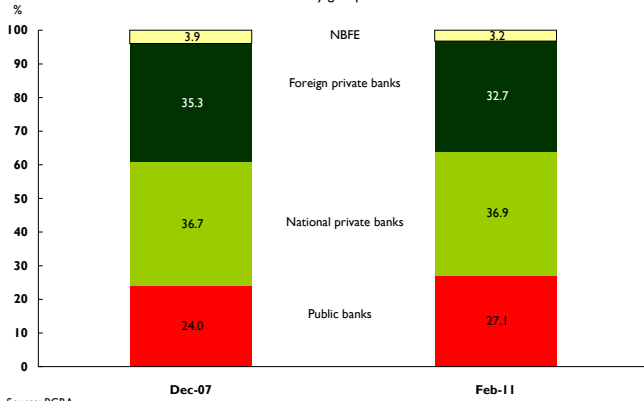
⁴ If balance sheet stocks are adjusted for the assets securitized during the month (using bank loans as underlying assets), the variation in lending to the private sector would amount to 2.6%. During February 4 financial trusts were issued using bank personal loans as underlying assets for a total of \$293 million.

⁵ Loans to companies are those granted to legal persons and commercial loans to individuals. The remaining loans to individuals are considered within the households headings.

Chart 13

Credit to the Private Sector

Share % in total stock by group of financial entities



Source: BCRA

11.8% of as sets (mainly accounted for by official banks), **with a drop of 2.4 p.p. in year-on-year terms.** Taking into account the funding obtained by the banking system from public sector deposits, at consolidated level the various areas of the public sector continue to record a net creditor position with regard to the financial system for amount equivalent to 11.1% of total bank assets as at February 2011.

Portfolio quality

Non-performing portfolio ratio remained steady

The positive performance of bank lending to the private sector took place in a context of low levels of credit risk. One indication of this is the fact that the non-performance ratio for private sector lending remained at a historical minimum of 2% in February, having fallen 1.4 p.p. in the last 12 months (see Chart 15). The reduction in delinquency was widespread across all bank groups, and in all cases was explained by lower non-performing loan stocks and greater dynamism in the total loan stock. In the case of the private bank group, the improvement recorded over the last 12 months in loan quality was relatively more significant in banks of a relatively larger size (see Chart 16).

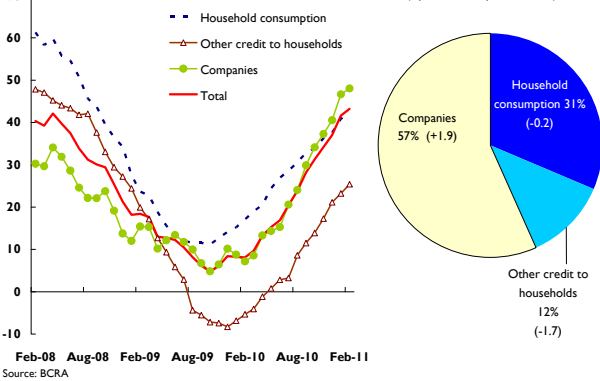
Chart 14

Credit to the Private Sector

Y.o.y. % variation - Financial system

Share % in total stock - Feb-2011

(P.p. variation respect to Feb-10)



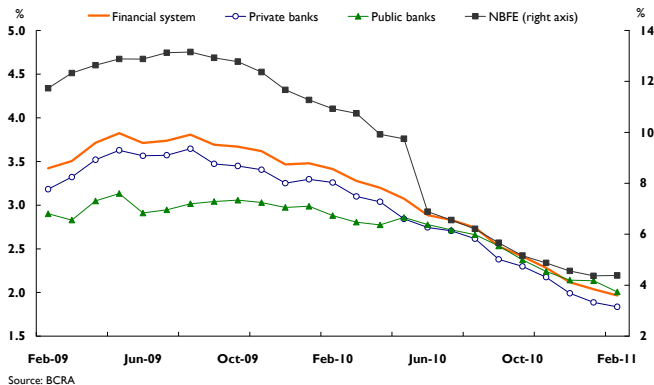
Source: BCRA

The year-on-year decline in private sector loan portfolio delinquency took place in the household consumer loan segment (see Chart 17). The non-performance ratio for these loans stood at 2.8% in February, 2.1 p.p. below the level recorded in the same month of 2010. Corporate loan delinquency totaled 1.3% for the month, 1.1 p.p. less than one year earlier, with reductions having taken place in all productive sectors except construction.

Chart 15

Non-Performing Credit to the Private Sector by Group of Banks

Non-performing portfolio / Total financing



Source: BCRA

Within this framework, the financial system continues to show a high level of provisions. Accounting provisions for the banking system increased in February, as a result of which coverage of the non-performing portfolio reached 174% for the month, 43 p.p. higher than the level recorded one year earlier (see Chart 18).

Solvency

Banking system capital position have remained at a high level

Consolidated financial system net worth rose 0.8% in February, accumulating an increase of 19.3% y.o.y. The monthly rise took place mainly in public banks and national private banks. The growth in aggregate net worth recorded for the month was mainly a result of book profits, and to a lesser extent, new capital contributions. These variations were partly offset by the allocation of profits from previous years to the payment of shareholder dividends carried out by one foreign private bank.

Financial system capital compliance stood at 17.4% of risk-weighted assets (RWA) in February, down 0.4 p.p. during the month in view of the sustained increase in lending to the private sector. Financial system excess capital compliance declined slightly in terms of the regulatory requirement in February to 87%, with all groups of financial entities recording an excess position.

Financial system book profits reached 1.9%a. of assets in February, 1.1 p.p. less than in the previous year. This drop for the month in profitability was mainly accounted for by the reduction in financial margin. **In the first two months of the year, the banking system obtained book profits equivalent to 2.4%a. of assets, more than in the same period of 2010** (see Chart 19). All groups of banks increased their profits compared with one year earlier, with a notable improvement in the case of public banks. **This latter group of banks accounted for 39% of the aggregate book profits for the system at the beginning of 2011, increasing its share by 10 p.p. compared with the same period of the previous year** (see Chart 20).

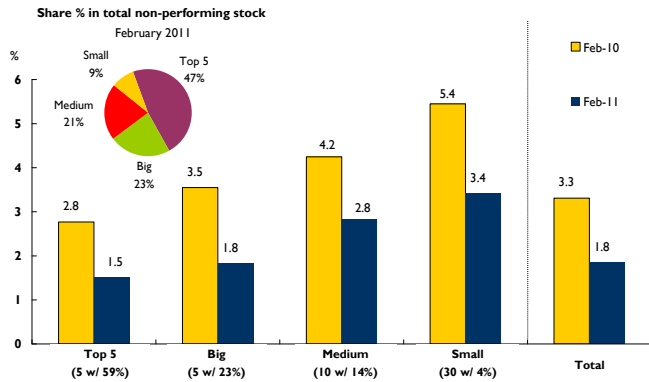
Bank financial margin fell by 1.5 p.p. of assets in February, to 6.6%a. This drop for the month was mainly explained by the reduction in net interest income and gains on securities (see Chart 21). In the first two months of 2011 financial margin stood at 7.4%a. of assets, up 0.3 p.p. compared with the previous year, largely as a result of higher gains on securities, which were partly offset by slight reductions in net interest income and gains from CER adjustments.

Services income margin stood at 3.5%a. of assets in February, slightly under the previous month's level. All financial entities posted a moderate decline in their service income margin for the month. Therefore, in the first two month of 2011 these results were equivalent to

Chart 16

Private Banks Credit to the Private Sector Non-Performing Ratio

By loan portfolio size

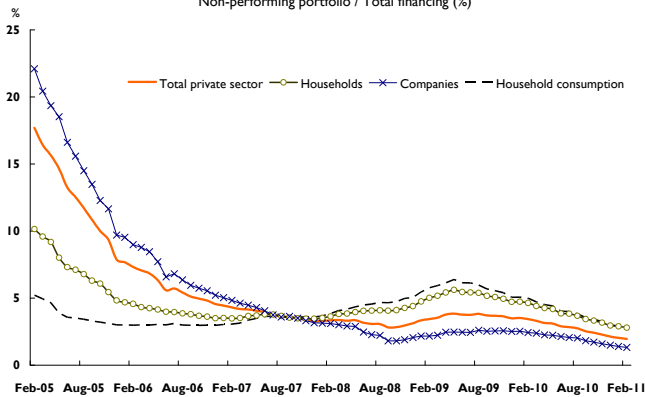


Source: BCRA

Chart 17

Non-Performing Credit to the Private Sector

Non-performing portfolio / Total financing (%)

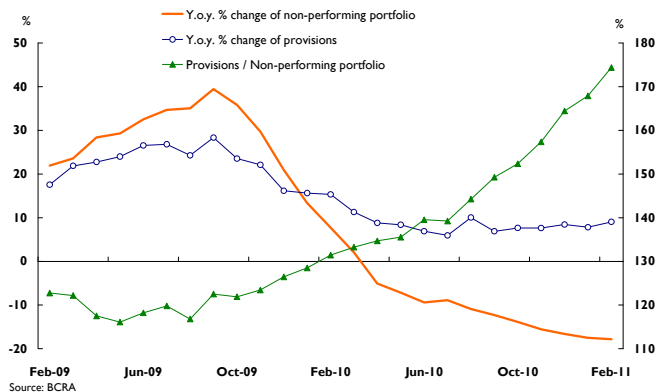


Source: BCRA

Chart 18

Non-Performing Credit to the Private Sector and Provisions Coverage

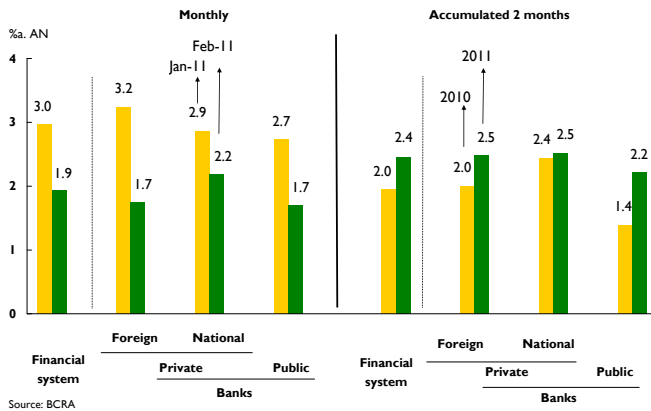
Financial system



Source: BCRA

Chart 19

Profitability by Group of Banks



Source: BCRA

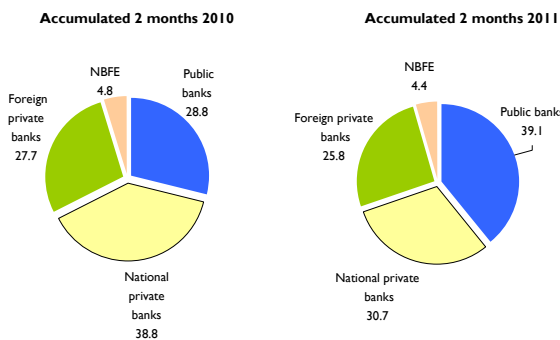
3.6% a. of assets, 0.1 p.p. less than in the same period of the previous year.

The main expenditure headings, expressed in terms of assets, fell slightly in February. Operating costs (6.3% a. of assets for the month) and loan loss provisions (0.6% a. of assets in February) were down 0.2 p.p. and 0.1 p.p. of assets, respectively compared with January. As a result, operating costs for the first two months of 2011 reached 6.4% a. of assets, while loan loss provisions stood at 0.7% a.

Given the development of the main income and expenditure headings on the statement of income, **in the first months of 2011 the financial system efficiency indicator⁶ has held steady compared with the levels recorded in the same period of the previous year.** In year-on-year terms, there has been a notable improvement in the indicator for national private financial entities.

Chart 20

Share % of Accrued Profits



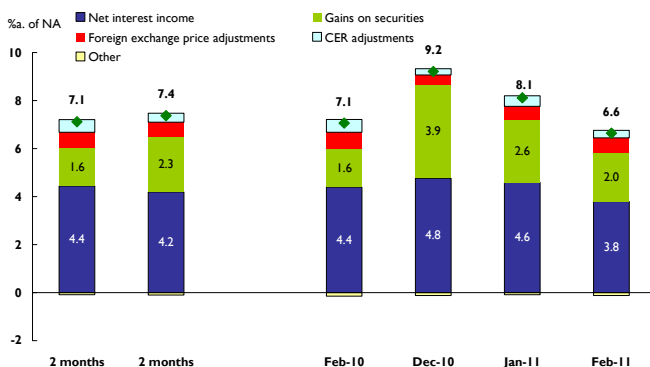
Source: BCRA

By the end of the first quarter of the year it is expected that the banking system will have continued to gradually increase its financial intermediation with the private sector, while maintaining high solvency indicators. In addition, it is expected that both financial margin and service revenues will continue to drive bank profitability.

Chart 21

Financial Margin

As % of netted assets - Financial system



Source: BCRA

⁶ Coefficient defined as (net interest income + net service income – loan loss provisions) / Operating costs.

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” 5180 – 11/02/11

Valuation of non-financial public sector debt instruments and Central Bank monetary regulation instruments will take effect as from 1 March 2011, and are intended to simplify the regulatory system and improve the transparency of bank accounting information, to facilitate their control and comparison.

Two criteria have been established for accounting registration, in line with international standards on financial information: a) fair market value: to include government securities and monetary regulation instruments figuring on the list of volatilities or present values published by this Central Bank; such instruments shall be booked at their market value or their present value, as the case may be; such assets are intended for use to provide liquidity cover for banks, and represent their trading portfolio; and b) cost plus yield: this method is mainly for use for securities not included on those lists, Guaranteed Loans, and loans to the non-financial public sector, which should be recorded and value at incorporation increased monthly on the basis of the internal rate of return; the aim of these assets is to earn the contractual flow of cash.

It shall be possible to reclassify government securities included in the first criterion to the cost plus yield segment as long as the banks have a given level of liquid assets in relation to their deposits, and as long as the Board of the institution, or equivalent body, has a policy in that regards. To that end, rules on “profit distribution” have been adapted to contemplate net balances from the capitalization of losses that might arise from the application of these regulations in determination of the profits to be distributed. In a similar manner, rules on Minimum Capital for financial entities have also been adapted.

Communication “A” 5183 – 16/2/11

In view of the setting up of the Guarantee and Sustainability Fund (FGS) for the Argentine Integrated Social Security System (SIPA) administered by the National Social Security Administration (ANSES), the rules issued by this Central Bank have been adapted to the current legal framework. Changes have been made to the rules on “Performance of Roles of Custodian and Registering Agent” and the rules on “Investments Using Pension and Retirement Fund Resources- Asset Grading” have been repealed.

Communication “A” 5188 – 25/2/11

This communication clarifies rules on the valuation of non-financial public sector debt instruments and Central Bank monetary regulation instruments regarding the valuation of certain kinds of securities under the cost plus yield registration criterion.

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.- $\text{Cumulated annual result} / \text{Average monthly netted assets} - \% \text{ annualized}$; 7.- $\text{Cumulated annual result} / \text{Average monthly net worth} - \% \text{ annualized}$; 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. Scheduled Stabilization Coefficient.

Financial margin: Income less outlays of a financial nature. Include interest income, gains from securities, CER/CVS adjustments, exchange rate differences and other financial results. Does not include the items affected by Com. A 3911.

Gains from securities: Includes income from government securities, short-term investments, corporate bonds, subordinated debt, options and from other income from financial intermediation. In the case of government securities, it includes the results accrued from income, quotation differences, exponential increase on the basis of the internal rate of return (IRR), and from sales, as well as the charge for impairment to value.

Income from services: Commissions collected less commissions paid. Includes commissions on liabilities, credits, securities, guarantees granted, rental of safe deposits boxes and foreign trade and exchange transactions, excluding in the case of the latter results from the trading of foreign currency, which are recorded in the "Exchange difference" accounts (here included under the heading "Other financial results"). Outflows include commissions paid, contributions to the Banking Social Services Institute (ISSB), other contributions on service income and charges accrued for gross income tax.

Interest income (interest margin): Interest collected less interest paid on financial intermediation, on an accrual basis – taken from balance sheet – rather than on a cash basis. Include interest on loans of government securities and premiums on repos and reverse repos.

Lebac and Nobac: Bills and notes of the BCRA.

Liquid assets: 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 counterparty risk: Non-performing portfolio net of allowances in terms of net worth.

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

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

ON: Corporate bonds (Obligaciones Negociables).

OS: Subordinated debt (Obligaciones Subordinadas).

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

PN: Net worth (Patrimonio Neto).

p.p.: percentage points.

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

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

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

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

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

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

RWA: Risk weighted assets.

SME: Small and Medium Enterprises.

US\$: United States dollars

Statistics annex | Financial system

Chart 1 | Financial Soundness Indicators (see Metodology)

As %	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Feb 2010	2010	Jan 2011	Feb 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	29.7	28.0	28.6	27.3
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	14.4	14.2	12.2	11.9	11.8
3.- Credit to the private sector	50.8	47.7	48.4	44.9	39.9	42.7	20.8	18.1	19.6	25.8	31.0	38.2	39.4	38.3	37.5	39.8	39.9	40.2
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	3.1	3.5	3.4	2.1	2.0	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	-3.2	-5.0	-5.1	-5.3
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	2.0	2.8	3.0	2.4
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	15.5	24.4	26.5	22.0
8.- Efficiency	142	136	138	142	147	143	189	69	125	151	167	160	167	185	166	182	182	172
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	19.0	17.7	17.8	17.4
10.- Excess capital compliance	64	73	49	54	58	54	-	116	185	173	134	93	90	100	101	86	92	87

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	Feb 10	Dec 10	Jan 11	Feb 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	397,117	510,776	522,653	530,761	1.6	33.7					
Liquid assets ¹	17,138	27,575	29,154	20,819	37,991	46,320	58,676	71,067	66,518	93,082	95,720	93,992	-1.8	41.3					
Public bonds	31,418	45,062	55,382	66,733	64,592	62,678	65,255	86,318	92,883	119,583	121,155	123,527	2.0	33.0					
Lebac/Nobac	-	-	17,755	28,340	29,289	36,022	37,093	43,867	55,253	76,948	80,549	83,638	3.8	51.4					
Portfolio	-	-	11,803	21,067	25,767	31,598	25,652	34,748	37,324	61,855	64,710	67,720	4.7	81.4					
Repo ²	-	-	5,953	7,273	3,521	4,424	11,442	9,119	17,930	15,093	15,839	15,917	0.5	-11.2					
Private bonds	332	198	387	389	813	382	203	307	220	209	222	211	-5.1	-4.1					
Loans	84,792	68,042	73,617	84,171	103,668	132,157	154,719	169,868	172,426	230,098	235,891	240,830	2.1	39.7					
Public sector	44,337	33,228	30,866	25,836	20,874	16,772	17,083	20,570	22,556	25,878	25,977	26,138	0.6	15.9					
Private sector	38,470	33,398	41,054	55,885	77,832	110,355	132,844	145,247	146,027	199,202	204,493	209,315	2.4	43.3					
Financial sector	1,985	1,417	1,697	2,450	4,962	5,030	4,793	4,052	3,842	5,018	5,421	5,377	-0.8	39.9					
Provisions over loans	-11,952	-9,374	-7,500	-4,930	-3,728	-4,089	-4,744	-5,824	-5,863	-6,229	-6,263	-6,327	1.0	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	38,264	39,006	40,192	41,819	4.0	9.3					
Corporate bonds and subordinated debt	1,708	1,569	1,018	873	773	606	912	1,146	1,124	1,433	1,396	1,418	1.6	26.2					
Unquoted trusts	6,698	4,133	3,145	3,883	4,881	5,023	5,714	5,942	6,057	6,824	6,837	6,958	1.8	14.9					
Compensation receivable	17,111	14,937	15,467	5,841	763	377	357	16	16	0	0	0	0.0	-99.9					
Other	13,572	6,392	12,924	16,124	19,622	23,706	31,169	26,395	31,067	30,749	31,959	33,443	4.6	7.6					
Leasing	567	397	611	1,384	2,262	3,469	3,935	2,933	2,835	3,936	4,112	4,273	3.9	50.7					
Shares in other companies	4,653	4,591	3,871	4,532	6,392	6,430	7,236	6,711	6,885	7,917	8,111	8,225	1.4	19.5					
Fixed assets and miscellaneous	8,636	8,164	7,782	7,546	7,619	7,643	7,903	8,239	8,353	9,071	9,112	9,272	1.8	11.0					
Foreign branches	3,522	3,144	3,524	3,647	2,782	2,912	3,153	3,926	3,272	3,284	3,301	3,331	0.9	-16.1					
Other assets	9,338	12,043	13,180	10,950	9,953	10,347	12,275	10,337	10,623	10,818	11,099	11,608	4.6	9.3					
Liabilities	161,446	164,923	188,683	195,044	225,369	261,143	305,382	339,047	347,559	453,227	463,629	471,218	1.6	35.6					
Deposits	75,001	94,635	116,655	136,492	170,898	205,550	236,217	271,853	277,862	376,341	382,290	389,971	2.0	40.3					
Public sector ³	8,381	16,040	31,649	34,019	45,410	48,340	67,151	69,143	75,316	115,951	118,646	121,681	2.6	61.6					
Private sector ³	59,698	74,951	83,000	100,809	123,431	155,048	166,378	199,278	198,444	257,595	260,714	265,043	1.7	33.6					
Current account	11,462	15,071	18,219	23,487	26,900	35,245	39,619	45,752	44,737	61,306	62,017	62,535	0.8	39.8					
Savings account	10,523	16,809	23,866	29,078	36,442	47,109	50,966	62,807	60,605	82,575	81,551	82,329	1.0	35.8					
Time deposit	19,080	33,285	34,944	42,822	54,338	65,952	69,484	83,967	86,169	104,492	107,159	109,582	2.3	27.2					
CEDRO	12,328	3,217	1,046	17	13	0	0	0	0	0	0	0	-	-					
Other netted liabilities due to financial intermediation	75,737	61,690	64,928	52,072	46,037	46,225	57,662	52,114	54,547	60,052	64,293	64,071	-0.3	17.5					
Interbanking obligations	1,649	1,317	1,461	2,164	4,578	4,310	3,895	3,251	3,060	4,201	4,601	4,532	-1.5	48.1					
BCRA lines	27,837	27,491	27,726	17,005	7,686	2,362	1,885	270	261	262	283	311	10.1	19.2					
Outstanding bonds	9,096	6,675	7,922	6,548	6,603	6,938	5,984	5,033	4,516	3,432	3,487	3,601	3.3	-20.3					
Foreign lines of credit	25,199	15,196	8,884	4,684	4,240	3,864	4,541	3,369	3,143	3,897	3,966	3,990	0.6	27.0					
Other	11,955	11,012	18,934	21,671	22,930	28,752	41,357	40,191	43,566	48,259	51,957	51,636	-0.6	18.5					
Subordinated debts	3,712	2,028	1,415	1,381	1,642	1,672	1,763	1,922	1,919	2,165	2,156	1,821	-15.6	-5.1					
Other liabilities	6,997	6,569	5,685	5,099	6,792	7,695	9,740	13,159	13,231	14,669	14,890	15,355	3.1	16.1					
Net worth	26,086	21,950	23,879	26,918	33,014	36,819	41,380	48,335	49,557	57,549	59,024	59,543	0.9	20.2					
Memo																			
Netted assets	185,356	184,371	202,447	208,275	244,791	280,336	321,075	364,726	369,776	483,004	493,844	500,737	1.4	35.4					
Consolidated netted assets	181,253	181,077	198,462	203,286	235,845	271,652	312,002	357,118	362,237	473,406	483,795	490,644	1.4	35.4					

(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 | Financial system (cont.)

Chart 3 | Profitability Structure

Amount in million of pesos	Annual									First 2 months		Monthly			Last 12 months
	2002 ¹	2003	2004	2005	2006	2007	2008	2009	2010	2010	2011	Dec-10	Jan-11	Feb-11	
Financial margin	13,991	1,965	6,075	9,475	13,262	15,134	20,462	28,937	35,982	4,340	6,052	3,676	3,311	2,741	37,694
Net interest income	-3,624	-943	1,753	3,069	4,150	5,744	9,573	14,488	17,963	2,704	3,440	1,899	1,874	1,567	18,700
CER and CVS adjustments	8,298	2,315	1,944	3,051	3,012	2,624	2,822	1,196	2,404	318	308	104	180	127	2,394
Foreign exchange price adjustments	5,977	-890	866	751	944	1,357	2,307	2,588	2,100	389	486	160	227	259	2,198
Gains on securities	3,639	1,962	1,887	2,371	4,923	5,144	4,398	11,004	13,968	980	1,901	1,559	1,064	836	14,889
Other financial income	-299	-480	-375	233	235	264	1,362	-339	-454	-51	-83	-46	-35	-48	-486
Service income margin	4,011	3,415	3,904	4,781	6,243	8,248	10,870	13,052	16,102	2,271	2,960	1,593	1,499	1,462	16,791
Loan loss provisions	-10,007	-2,089	-1,511	-1,173	-1,198	-1,894	-2,839	-3,814	-3,266	-514	-546	-387	-293	-253	-3,298
Operating costs	-9,520	-7,760	-7,998	-9,437	-11,655	-14,634	-18,767	-22,710	-28,693	-3,988	-5,254	-3,016	-2,648	-2,606	-29,959
Tax charges	-691	-473	-584	-737	-1,090	-1,537	-2,318	-3,272	-4,124	-573	-809	-442	-403	-407	-4,361
Income tax	-509	-305	-275	-581	-595	-1,032	-1,342	-4,226	-5,033	-423	-712	-478	-479	-233	-5,323
Adjust. to the valuation of gov. securities ²	0	-701	-320	-410	-752	-837	-1,757	-262	-214	-49	-49	-13	-18	-30	-214
Amort. payments for court-ordered releases	0	-1,124	-1,686	-1,867	-2,573	-1,922	-994	-703	-635	-69	-37	-35	-17	-20	-603
Other	-3,880	1,738	1,497	1,729	2,664	2,380	1,441	918	1,642	195	403	337	258	145	1,850
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	11,761	1,190	2,008	1,236	1,210	798	12,578
Adjusted results ⁴	-	-3,440	1,337	4,057	7,631	6,665	7,508	8,885	12,610	1,308	2,093	1,284	1,245	848	13,395
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	7.1	7.4	9.2	8.1	6.6	8.6
Net interest income	-1.7	-0.5	0.9	1.5	1.8	2.2	3.1	4.3	4.3	4.4	4.2	4.8	4.6	3.8	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	0.3	0.4	0.3	0.5
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	0.4	0.6	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	2.3	3.9	2.6	2.0	3.4
Other financial income	-0.1	-0.3	-0.2	0.1	0.1	0.1	0.4	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Service income margin	1.9	1.9	2.0	2.3	2.7	3.1	3.6	3.9	3.8	3.7	3.6	4.0	3.7	3.5	3.8
Loan loss provisions	-4.7	-1.1	-0.8	-0.6	-0.5	-0.7	-0.9	-1.1	-0.8	-0.8	-0.7	-1.0	-0.7	-0.6	-0.7
Operating costs	-4.4	-4.2	-4.1	-4.6	-5.1	-5.5	-6.1	-6.7	-6.9	-6.5	-6.4	-7.6	-6.5	-6.3	-6.8
Tax charges	-0.3	-0.3	-0.3	-0.4	-0.5	-0.6	-0.8	-1.0	-1.0	-0.9	-1.0	-1.1	-1.0	-1.0	-1.0
Income tax	-0.2	-0.2	-0.1	-0.3	-0.3	-0.4	-0.4	-1.3	-1.2	-0.7	-0.9	-1.2	-1.2	-0.6	-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	-0.1	0.0	0.0	-0.1	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	0.0	0.0	-0.1
Other	-1.8	0.9	0.8	0.8	1.2	0.9	0.5	0.3	0.4	0.3	0.5	0.8	0.6	0.4	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	2.0	2.4	3.1	3.0	1.9	2.9
ROA adjusted ⁴	-8.9	-1.9	0.7	2.0	3.4	2.5	2.5	2.6	3.0	2.1	2.6	3.2	3.1	2.1	3.0
ROE ³	-59.2	-22.7	-4.2	7.0	14.3	11.0	13.4	19.2	24.4	15.5	22.0	27.8	26.5	17.4	25.3

(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 4 | Portfolio Quality

As percentage	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Dec 08	Dec 09	Feb 10	Dec 10	Jan 11	Feb 11
Non-performing loans (overall)	18.1	17.7	10.7	5.2	3.4	2.7	2.7	3.0	2.9	1.8	1.8	1.7
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	3.4	2.1	2.0	2.0
Provisions / Non-performing loans	73.8	79.2	102.9	124.5	129.9	129.6	131.4	126.2	131.1	165.8	169.7	174.1
(Total non-performing - Provisions) / Overall financing	4.7	3.7	-0.3	-1.3	-1.0	-0.8	-0.8	-0.8	-0.9	-1.2	-1.2	-1.3
(Total non-performing - Provisions) / Net worth	17.2	11.9	-1.0	-4.1	-3.3	-3.0	-3.3	-2.9	-3.2	-5.0	-5.1	-5.3

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

Source: BCRA

Statistics annex | Private banks

Chart 5 | Financial Soundness Indicators (see Metodology)

As %	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Feb 2010	2010	Jan 2011	Feb 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	30.1	26.0	26.2	25.1
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	6.1	5.7	4.4	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	44.2	50.3	50.3	50.8
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	2.8	3.3	3.3	2.0	1.9	1.8
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	-3.2	-5.1	-5.2	-5.3
6.- ROA	0.6	0.7	0.5	0.3	0.1	0.2	-11.3	-2.5	-1.0	0.5	2.2	1.6	1.9	3.0	2.2	3.2	3.0	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	15.2	22.9	16.0	24.5	24.1	19.9
8.- Efficiency	144	135	139	146	152	151	168	93	115	136	158	152	166	195	171	176	173	166
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	19.9
10.- Excess capital compliance	33	47	27	60	49	43	-	88	157	155	116	87	86	121	123	100	104	99

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	Feb 10	Dec 10	Jan 11	Feb 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	226,021	280,025	287,698	291,974	1.5	29.2					
Liquid assets ¹	11,044	14,500	15,893	14,074	22,226	29,418	37,044	43,562	39,993	49,730	50,448	48,267	-4.3	20.7					
Public bonds	19,751	22,260	24,817	29,966	27,663	24,444	29,552	47,949	48,028	48,903	49,487	50,275	1.6	4.7					
Lebac/Nobac	-	-	8,359	15,227	15,952	17,684	23,457	31,575	34,657	34,422	35,216	36,714	4.3	5.9					
Portfolio	-	-	5,611	12,899	14,220	15,639	12,858	27,413	28,198	31,148	31,679	32,000	1.0	13.5					
Repo ²	-	-	2,749	2,328	1,732	2,045	10,598	4,161	6,459	3,274	3,537	4,714	33.3	-27.0					
Private bonds	273	172	333	307	683	310	127	233	147	184	196	185	-5.5	25.8					
Loans	51,774	47,017	50,741	56,565	69,294	88,898	98,529	101,722	102,423	143,202	147,137	150,707	2.4	47.1					
Public sector	25,056	23,571	21,420	15,954	10,036	6,413	6,249	1,694	1,957	1,625	1,661	1,638	-1.4	-16.3					
Private sector	26,074	22,816	28,213	39,031	55,632	78,587	88,426	96,790	97,508	137,308	140,993	144,622	2.6	48.3					
Financial sector	644	630	1,107	1,580	3,626	3,898	3,854	2,959	4,270	4,482	4,447	4,447	-0.8	50.3					
Provisions over loans	-7,463	-5,225	-3,717	-2,482	-2,227	-2,365	-2,871	-3,653	-3,699	-3,926	-3,931	-3,973	1.1	7.4					
Other netted credits due to financial intermediation	27,212	22,148	25,753	16,873	18,387	17,084	25,265	21,258	20,302	20,241	21,989	23,689	7.7	16.7					
Corporate bonds and subordinated debt	1,514	1,394	829	675	618	430	699	734	709	757	719	723	0.5	1.9					
Unquoted trusts	6,205	3,571	2,362	2,444	2,982	3,456	3,869	4,198	4,293	4,500	4,459	4,472	0.3	4.2					
Compensation receivable	15,971	13,812	14,657	5,575	760	377	357	16	16	0	0	0	-	-					
Other	3,523	3,370	7,905	8,179	14,027	12,822	20,339	16,311	15,284	14,984	16,810	18,494	10.0	21.0					
Leasing	553	387	592	1,356	2,126	3,149	3,451	2,569	2,482	3,519	3,674	3,829	4.2	54.3					
Shares in other companies	3,123	2,791	1,892	2,416	4,042	3,762	4,538	4,067	4,211	4,934	5,096	5,195	1.9	23.4					
Fixed assets and miscellaneous	5,198	4,902	4,678	4,575	4,677	4,685	4,926	5,096	5,183	5,808	5,845	5,958	1.9	15.0					
Foreign branches	-109	-136	-53	-148	-139	-154	-178	-202	-207	-215	-216	-219	1.0	5.8					
Other assets	7,549	7,816	7,137	6,178	5,682	6,277	8,505	6,946	7,159	7,646	7,974	8,060	1.1	12.6					
Liabilities	103,079	101,732	113,285	112,600	131,476	152,153	182,596	198,438	194,056	243,766	250,478	254,570	1.6	31.2					
Deposits	44,445	52,625	62,685	75,668	94,095	116,719	135,711	154,387	151,715	198,662	202,337	205,059	1.3	35.2					
Public sector ³	1,636	3,077	6,039	6,946	7,029	7,564	19,600	17,757	17,270	23,598	25,806	25,570	-0.9	48.1					
Private sector ³	38,289	47,097	55,384	67,859	85,714	107,671	114,176	134,426	132,161	173,203	174,677	177,514	1.6	34.3					
Current account	8,905	11,588	13,966	17,946	20,604	27,132	30,188	35,127	33,838	46,297	46,059	46,407	0.8	37.1					
Savings account	6,309	10,547	14,842	18,362	23,165	30,169	32,778	40,999	39,005	53,085	52,535	53,460	1.8	37.1					
Time deposit	11,083	18,710	22,729	27,736	38,043	45,770	46,990	54,058	54,923	67,568	69,209	70,440	1.8	28.3					
CEDRO	9,016	2,409	798	3	1	0	0	0	0	0	0	0	-	-					
Other netted liabilities due to financial intermediation	49,341	42,367	45,083	32,349	31,750	29,323	39,298	34,235	32,514	34,427	37,258	38,524	3.4	18.5					
Interbanking obligations	836	726	1,070	1,488	3,383	1,979	1,160	1,668	1,488	1,903	2,211	1,971	-10.9	32.5					
BCRA lines	16,624	17,030	17,768	10,088	3,689	675	649	41	39	57	68	68	0.2	74.6					
Outstanding bonds	9,073	6,674	7,922	6,548	6,413	6,686	5,672	4,626	4,155	2,802	2,857	2,874	0.6	-30.8					
Foreign lines of credit	15,434	9,998	5,444	2,696	2,249	1,833	2,261	1,262	1,057	1,716	1,804	1,824	1.1	72.5					
Other	7,374	7,939	12,878	11,530	16,015	18,150	29,555	26,638	25,776	27,949	30,318	31,786	4.8	23.3					
Subordinated debts	3,622	1,850	1,304	1,319	1,642	1,668	1,759	1,918	1,916	2,148	2,139	1,803	-15.7	-5.9					
Other liabilities	5,671	4,890	4,213	3,264	3,989	4,443	5,828	7,897	7,910	8,528	8,744	9,185	5.0	16.1					
Net worth	15,827	14,900	14,780	17,080	20,938	23,356	26,292	31,111	31,965	36,259	37,220	37,404	0.5	17.0					
Memo																			
Netted assets	117,928	115,091	121,889	123,271	143,807	166,231	192,074	216,100	213,635	267,364	273,339	276,180	1.0	29.3					

(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
	2002 ¹	2003	2004	2005	2006	2007	2008	2009	2010	2010	2011	Dec-10	Jan-11	Feb-11	12 months
Financial margin	10,628	2,575	3,415	5,253	7,778	8,960	12,964	19,724	21,837	2,800	3,693	2,194	1,986	1,707	22,730
Net interest income	-304	107	1,214	2,069	2,826	4,191	7,727	10,572	12,842	1,793	2,459	1,435	1,265	1,194	13,508
CER and CVS adjustments	1,476	1,082	900	1,215	858	662	651	185	244	37	27	-66	14	13	234
Foreign exchange price adjustments	6,189	-312	666	576	740	990	1,620	1,646	1,493	255	314	140	147	167	1,551
Gains on securities	3,464	1,892	959	1,259	3,154	2,888	1,637	7,343	7,464	732	941	713	578	363	7,673
Other financial income	-197	-195	-322	134	199	229	1,329	-22	-205	-17	-47	-27	-19	-29	-235
Service income margin	2,782	2,341	2,774	3,350	4,459	5,881	7,632	9,198	11,345	1,632	2,104	1,121	1,065	1,039	11,816
Loan loss provisions	-6,923	-1,461	-1,036	-714	-737	-1,174	-1,863	-2,751	-2,253	-349	-380	-301	-203	-176	-2,284
Operating costs	-6,726	-5,310	-5,382	-6,303	-7,741	-9,735	-12,401	-14,807	-18,819	-2,596	-3,500	-1,968	-1,759	-1,741	-19,723
Tax charges	-512	-366	-393	-509	-769	-1,105	-1,715	-2,380	-2,927	-411	-576	-308	-285	-291	-3,093
Income tax	-337	-295	-202	-217	-365	-380	-1,168	-3,001	-2,733	-388	-493	-161	-289	-205	-2,838
Adjust. to the valuation of gov. securities ²	0	-665	-51	-201	-170	-100	-267	0	47	-2	-4	7	3	-8	44
Amort. payments for court-ordered releases	0	-791	-1,147	-1,168	-1,182	-1,466	-688	-367	-441	-44	-16	-18	-6	-9	-412
Other	-4,164	1,178	846	1,156	1,641	1,576	916	398	1,382	147	306	217	173	133	1,541
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	791	1,135	782	684	450	7,782
Adjusted results ⁴	-	-1,357	252	2,016	4,267	4,023	4,367	6,381	7,832	837	1,154	793	687	467	8,150
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	7.9	8.2	10.0	8.8	7.5	9.3
Net interest income	-0.2	0.1	1.0	1.7	2.1	2.7	4.4	5.3	5.5	5.1	5.4	6.5	5.6	5.2	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	-0.3	0.1	0.1	0.1
Foreign exchange price adjustments	4.4	-0.3	0.6	0.5	0.6	0.6	0.9	0.8	0.6	0.7	0.7	0.6	0.7	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	2.1	3.2	2.6	1.6	3.1
Other financial income	-0.1	-0.2	-0.3	0.1	0.2	0.1	0.8	0.0	-0.1	0.0	-0.1	-0.1	-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	4.6	4.6	5.1	4.7	4.6	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	-0.8	-1.4	-0.9	-0.8	-0.9
Operating costs	-4.8	-4.6	-4.6	-5.1	-5.9	-6.3	-7.0	-7.4	-8.0	-7.3	-7.7	-8.9	-7.8	-7.7	-8.1
Tax charges	-0.4	-0.3	-0.3	-0.4	-0.6	-0.7	-1.0	-1.2	-1.2	-1.2	-1.3	-1.4	-1.3	-1.3	-1.3
Income tax	-0.2	-0.3	-0.2	-0.2	-0.3	-0.2	-0.7	-1.5	-1.2	-1.1	-1.1	-0.7	-1.3	-0.9	-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	0.0	0.0	-0.2
Other	-3.0	1.0	0.7	0.9	1.2	1.0	0.5	0.2	0.6	0.4	0.7	1.0	0.8	0.6	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	2.2	2.5	3.6	3.0	2.0	3.2
ROA adjusted ⁴	-11.3	-1.2	0.2	1.6	3.2	2.6	2.5	3.2	3.3	2.4	2.6	3.6	3.1	2.1	3.3
ROE ²	-79.0	-19.1	-8.1	4.1	15.3	10.9	15.2	22.9	24.5	16.0	19.9	28.3	24.1	15.8	25.0

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

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

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

Source: BCRA

Chart 8 | Portfolio Quality

As percentage	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Dec 08	Dec 09	Feb 10	Dec 10	Jan 11	Feb 11
Non-performing loans (overall)	19.8	15.7	8.9	4.4	2.9	2.2	2.5	3.1	3.1	1.9	1.8	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	1.8
Provisions / Non-performing loans	73.4	79.0	97.0	114.3	129.3	141.3	134.1	128.9	131.4	165.2	169.7	172.2
(Total non-performing - Provisions) / Overall financing	5.3	3.3	0.4	-0.6	-0.9	-0.9	-0.9	-0.9	-1.0	-1.2	-1.3	-1.3
(Total non-performing - Provisions) / Net worth	18.6	11.2	1.3	-2.2	-3.0	-3.6	-3.4	-3.1	-3.2	-5.1	-5.2	-5.3

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

Source: BCRA