

# Report on Banks

March 2012



BANCO CENTRAL  
DE LA REPÚBLICA ARGENTINA

# Report on Banks

March 2012

Year IX, No. 7



BANCO CENTRAL  
DE LA REPÚBLICA ARGENTINA

# Contents

**Page 3 | Summary**

**Page 4 | Activity**

*In March bank financial intermediation with the private sector expanded (42.8% y.o.y. in the case of lending and 28.3% y.o.y. in the case of deposits), with growth showing a more moderate rate than in 2011*

**Page 5 | Deposits and liquidity**

*Private sector time deposits continued to rise at a rate in line with the trend seen in recent months*

**Page 6 | Financing**

*Lending to the private sector increased in March in the context of reduced levels of delinquency, with significant dynamism being shown by public bank lending to companies*

**Page 8 | Solvency**

*Public and private banks concluded the first three months of 2012 showing profit levels above those recorded in the same period of the previous year*

**Page 11 | Latest regulations**

**Page 12 | Methodology and glossary**

**Page 14 | Statistics annex**

Note | Information for March 2012 available by April 25, 2012 is included. This Report is focused on the performance of the financial system, including breakdowns by homogeneous sub-sectors. The data reported (particularly, those referring to profitability) are provisional and are subject to changes later. Except the opposite was indicated the data included corresponds to BCRA Information Regimes (end of month data).

*Published on 23 May, 2012*

For comments, enquiries or electronic subscriptions: [analisis.financiero@bcra.gov.ar](mailto:analisis.financiero@bcra.gov.ar)

The content of this publication may be freely reproduced, provided reference is made to the: "Report on Banks - BCRA"

## Summary

- **In March total private sector loan and deposit stocks rose 42.8% y.o.y. and 28.3% y.o.y. respectively**, evidencing slightly more restrained growth compared with that seen in 2011. **Liquidity levels have increased in 2012 to date**, reflecting the impact of increases in the position held in repos with the Central Bank and in financial entities' own portfolio of LEBAC. **Financial system capital compliance remained high**, with an increase in book profits in the year-on-year comparison.
- **Lending to the private sector expanded by 1.6% in March (42.8% y.o.y.)**, driven by public banks and foreign private banks. Lending to households increased by 2.1% (43.8% y.o.y.) during the month, while lending to companies was up 1.1 % (42.1% y.o.y.). Growth in lending to the corporate sector was mainly accounted for by public banks. **Lending rates were lower for all groups of financial entities, leading to a gradual reduction in spreads.**
- **Increased lending to the private sector was reflected in higher indebtedness levels, although they remain below those recorded in other emerging and developed economies.** Specifically, it is estimated that total company borrowing (from both the local financial system and lenders abroad) at the end of 2011 reached 23% of GDP. In recent periods there has been a gradual increase in the weighting of resources derived from local banks, at the expense of foreign borrowing.
- **The private sector loan non-performance ratio remained at a low and stable level in March**, at around 1.5%. This indicator has accumulated a decline of 0.3 p.p. year-on-year. **The financial system shows a high level of provisioning**, at 158% of the non-performing portfolio, 5.4 p.p. up on one year earlier.
- **In March total financial system deposits were higher (1.6%), a change accounted for by private sector deposits (3.5%), and particularly time deposits (5.1%),** while public sector deposits were down (-3% for the month). Year-on-year deposit growth was driven mainly by the performance of private sector deposits. **Since the end of 2011 private sector time deposits have shown greater dynamism than sight deposits.**
- **In the first quarter of the year the liquidity indicator** that takes into account items in domestic and foreign currency, excluding holdings of LEBAC and NOBAC **increased by 0.4 p.p. of deposits to 26.3%.** In March bank holdings of LEBAC and NOBAC remained practically unchanged, so that the broad liquidity indicator went up by just 0.1 p.p. of deposits, to 40.2%.
- **Consolidated financial system net worth expanded by 2.5% in March, mainly from the accrual of bank profits. Financial system net worth has grown by 28.3% in the last 12 months,** recording the largest year-on-year variation since the end of the 2001-2002 crisis. **Bank leverage continued to decline in March**, accumulating a drop of 0.3 p.p. compared with the same month of 2011. The capital compliance ratio reached 15.9% of risk-weighted assets (RWA), up 0.4 p.p. in the year to date.
- The banking system recorded profits for the month equivalent to 3.4%a. of assets (ROA), 0.7 p.p. higher than the figure for February. **In the first quarter financial system profitability reached ROA of 2.9%a., 0.3 p.p. more than one year earlier.** Both private and public banks improved their accumulated year-on-year profitability. **Interest income has accounted for most of the year-on-year increase in quarterly results.**

## Activity

*In March bank financial intermediation with the private sector expanded (42.8% y.o.y. in the case of lending and 28.3% y.o.y. in the case of deposits), with growth showing a more moderate rate than in 2011*

During March private sector deposits continued to rise, as did lending to companies and households. Bank lending to the private sector expanded at a year-on-year (y.o.y.) rate of 42.8% for the month (see Chart 1), while deposits from that sector rose 28.3% y.o.y. Financial system netted assets increased 24.2% y.o.y. at the end of the first quarter, slightly above the performance in the same period of the previous year.

In March the increase in private sector deposits (\$11.7 billion) was the most significant source of funds for the financial system in the aggregate<sup>1</sup>. These resources were used mainly to increase lending to the private sector (\$5 billion). The drop in public sector deposit totals and an increase in portfolios of liquid assets were the other lesser uses of funds recorded for the month.

In the first quarter of the year banks increased their holdings of assets of relatively greater liquidity (see Chart 2), mainly through repos with the Central Bank and LEBAC holdings. As in the same period of 2011, the net granting of credit to the private sector was one of the main uses made of funds. Sources of funds continued to be led by increased private sector deposits, followed by the rise in public sector deposits.

In April, the latest period for which information is available, the value and volume of checks cleared declined compared with first quarter monthly averages. In year-on-year terms, volumes of cleared documents were up 18%, while the amount dropped 1.7%. Bounced checks for nonsufficient funds in terms of the total amount cleared rose slightly at the beginning of the second quarter of the year.

With the aim of fostering an increase in the number of transactions carried out through banks, since April 2011 it has been possible to make immediate credit inter-bank transfers for \$10,000 or less per transaction at no cost. Although the total amount transferred in such a manner declined in April compared with the previous month (-6.7%), the level for the month was 8.1% higher than the average for the first quarter of the year, and 52% higher than in the second half of 2011 (see Chart 3). In the case of these immediate transfers, the largest number of transactions continues to be made

Chart 1  
Financial Intermediation with the Private Sector  
Y.o.y. % change - Financial system

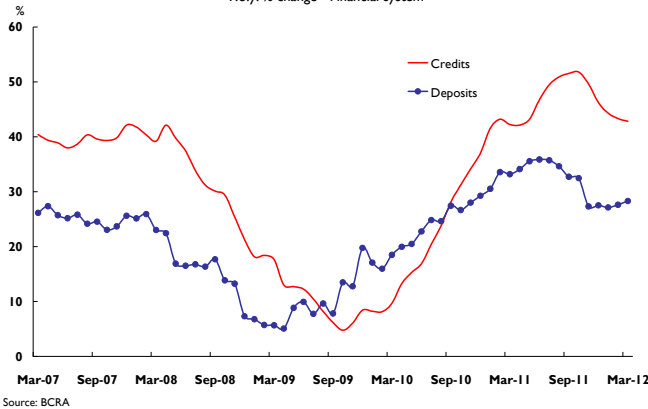


Chart 2  
Estimation of Sources and Uses of Funds  
First quarter - Financial system

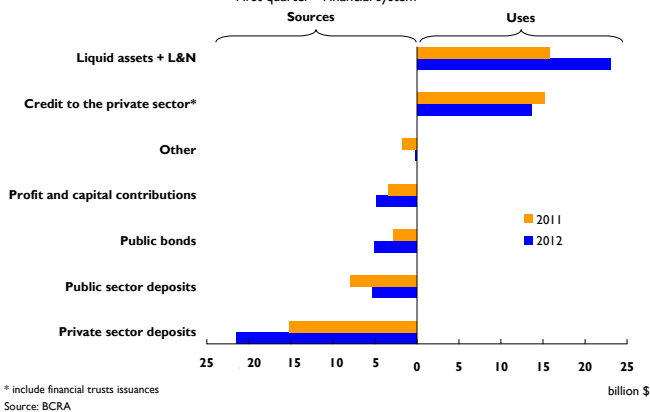
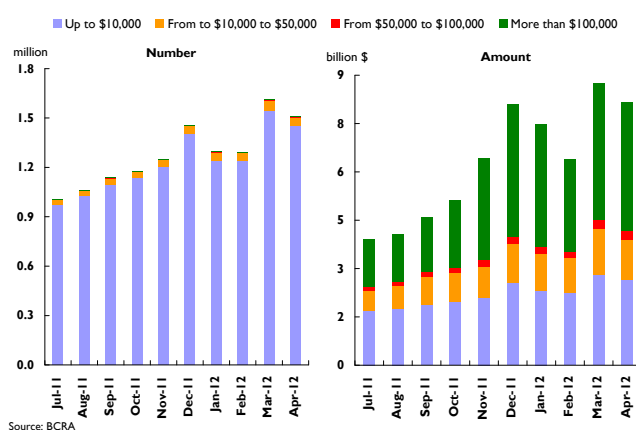
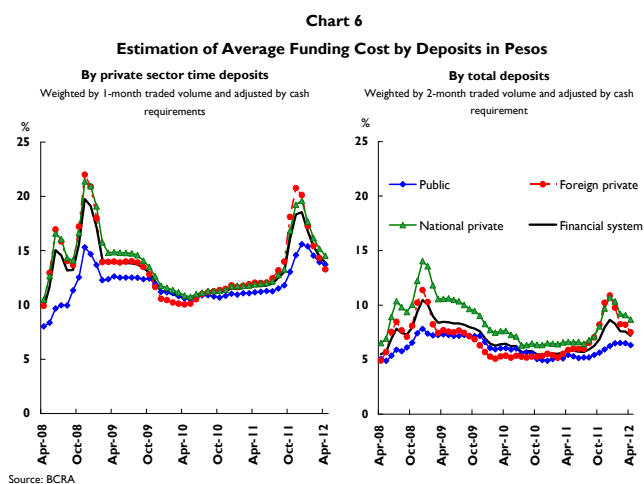
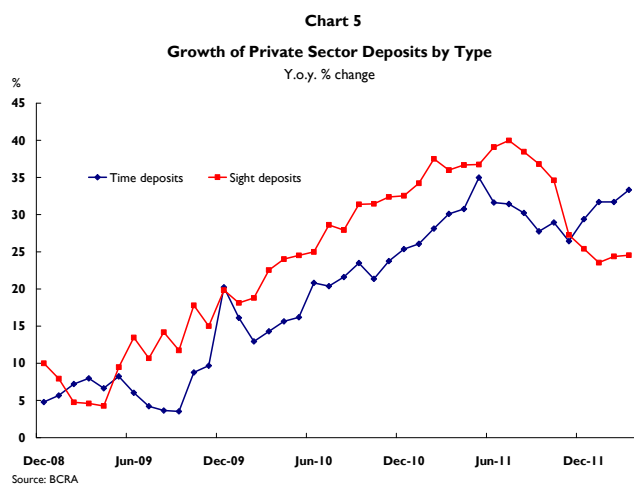
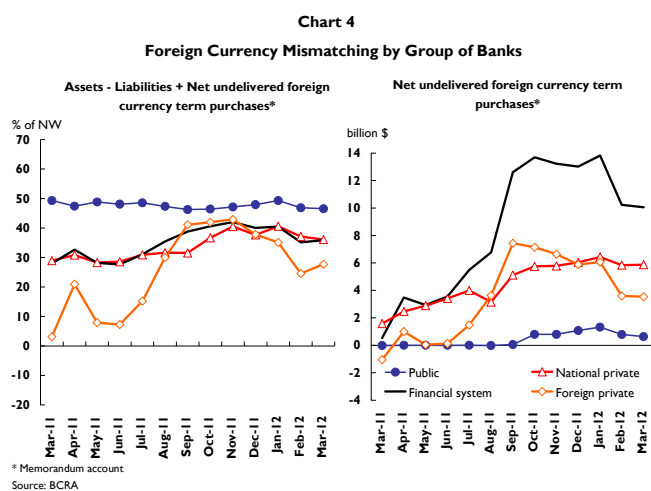


Chart 3  
Monthly Immediate Transfers by Amount Range



<sup>1</sup> Estimated on the basis of variations in balance sheet stocks.



in the segment of amounts of less than \$10,000. The volume of transfers without immediate credit (and processed through the clearing system)<sup>2</sup> processed in April 2012 accumulated a rise of 16.5% y.o.y.

**At the end of May the number of holders of Free Universal Bank Accounts (CGU) reached 109,075<sup>3</sup>. Public banks again opened a majority of such accounts.** Since they were reintroduced in November 2010 through to April 2012, transactions have been performed using Settlement Checks (ChC) in pesos for \$168 million, while ChC denominated in foreign currency were issued for a total of US\$240 million.

**In March broad financial system foreign currency mismatching<sup>4</sup> went up by 0.7 p.p. of net worth to 35.9%**, driven mainly by foreign private banks (see Chart 4). Growth for the month was mainly a consequence of an increase in assets in foreign currency, and to a lesser extent, a reduction in liabilities in that same currency. In the last 12 months, this indicator has accumulated a rise of 7.9 p.p. of net worth.

## Deposits and liquidity

*Private sector time deposits continued to rise at a rate in line with the trend seen in recent months*

**In March total banking system deposit stocks (domestic and foreign) rose 1.6%. This variation was explained by private sector deposits (3.5%),** and in particular time deposits, as public sector deposits declined during the month (-3%).

**In year-on-year terms, financial system deposit stocks rose by 22.5%.** It should be noted that **since the end of 2011 greater dynamism has been recorded by private sector time deposits than by sight deposits,** therefore reversing a trend that had been observed since the end of 2009 (see Chart 5). Public sector time deposits have continued to grow at a slowing rate in year-on-year terms.

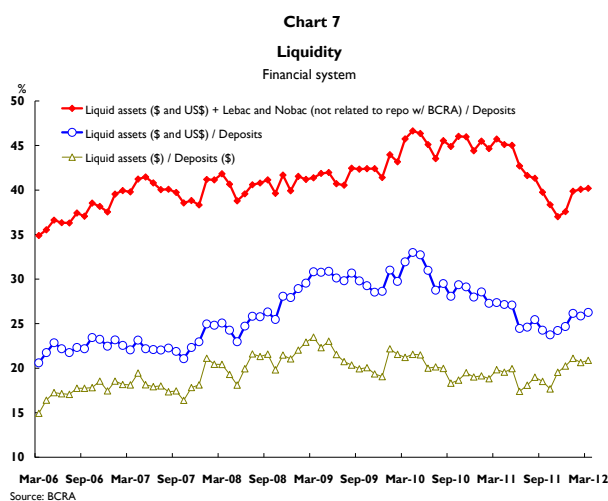
**In the year to date, the funding cost from peso deposits in the financial system declined for all groups of banks, reaching the level seen in October 2011 (see Chart 6).** Specifically in April, the interest rate for private sector peso time deposits stood at levels similar to those of September 2011.

**At the end of the first quarter of the year, the liquidity indicator that includes items in domestic and**

<sup>2</sup> Also known as “retail” transfers.

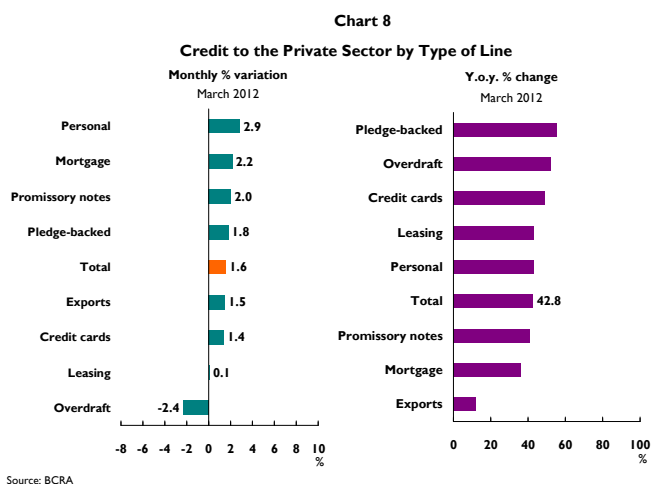
<sup>3</sup> Of these, some 15,466 accounts are in the process of being validated, pending completion of the process of verification of the requirements for applicants.

<sup>4</sup> Including the difference between assets and liabilities, as well as forward purchases and sales of foreign currency.



foreign currency and excludes LEBAC and NOBAC holdings **stood at 26.3% of deposits, a rise of 0.4 p.p. compared with February** (see Chart 7). During the month there was a change in the composition of bank liquid assets, following an increase in reserves held in current accounts at the Central Bank at the expense of reverse repos with that institution<sup>5</sup>. **Holdings of LEBAC and NOBAC remained practically unchanged for the month**, as a result of which the broad liquidity indicator rose by just 0.1 p.p. of deposits to 40.2%. In the year-on-year comparison, this indicator dropped by 5.5 p.p. of deposits, a trend that was seen among all groups of banks.

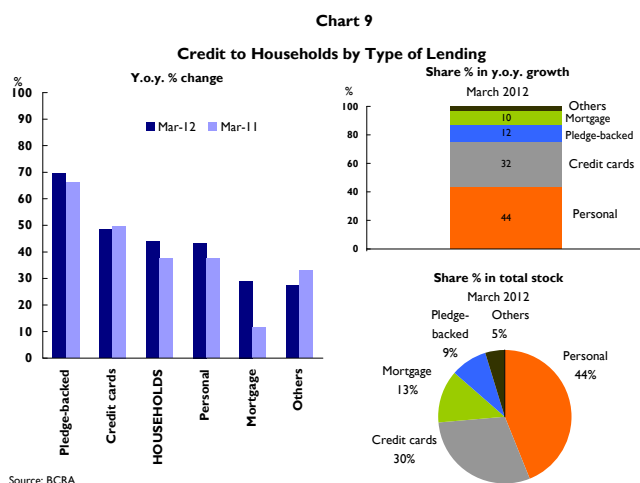
**In March the call money rate recorded an increase for the month that offset the drop seen during April.** In the last two months a fall has taken place in the amount traded, which in April averaged a daily \$1.18 billion.



## Financing

*Lending to the private sector increased in March in the context of reduced levels of delinquency, with significant dynamism being shown by public bank lending to companies*

**In March lending to the private sector went up 1.6%<sup>6</sup> compared with February.** All credit lines posted growth for the month except overdrafts (see Chart 8), which partly reversed the rise recorded in the previous month. This performance for the month in lending to the private sector was led mainly by public banks and foreign private banks. In year-on-year terms, lending to the private sector rose 42.8%, slightly slowing the rate of growth recorded in recent months. Pledge-backed loans, overdrafts and credit cards posted the largest year-on-year growth rates.

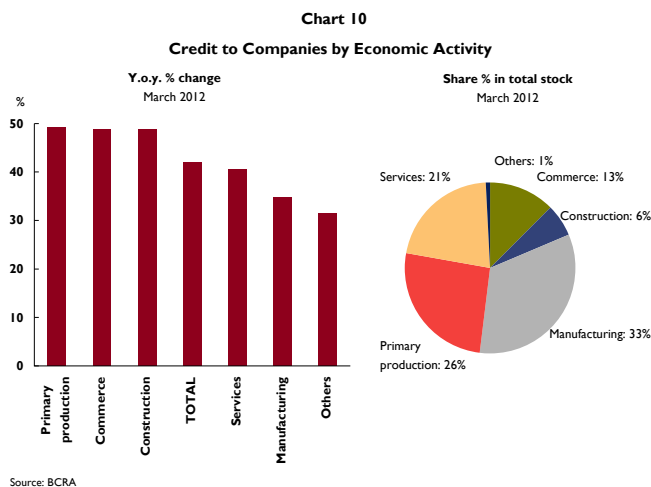


**Lending to households was up 2.1% in March, showing notable dynamism in the case of personal and pledge-backed loans, although all lines improved during the period.** In the last 12 months lending to households has risen by 43.8%, led mainly by consumer credit (credit card and personal loans), which contributed more than three-quarters of the year-on-year increase (see Chart 9). Pledge-backed household loans posted the largest growth, above 69% y.o.y.

**Lending to companies was up 1.1% for the month, accumulating growth of 42.1% y.o.y. (see Chart 10).**

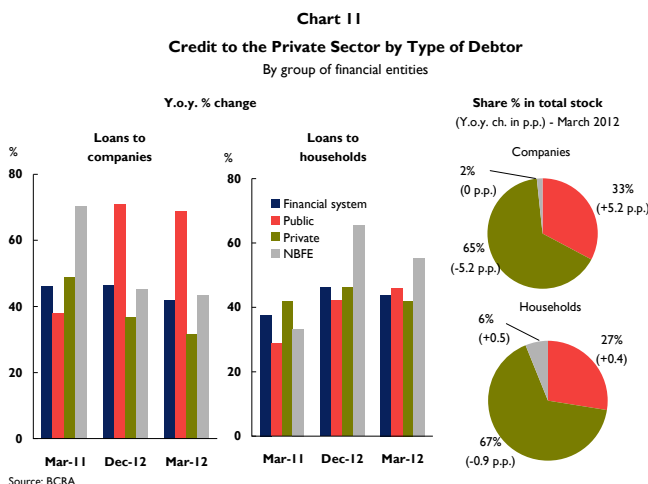
<sup>5</sup> This took place in the context of the start of a monthly period for minimum cash requirement compliance, after the conclusion of the quarterly calculation period corresponding to December 2011-February 2012. In the final month of this period the financial system recorded a significant increase in its repo position with the Central Bank associated with the excess accumulated in the minimum cash position.

<sup>6</sup> If balance sheet totals are adjusted for the assets securitized during the month (using bank loans as underlying assets), the variation in lending to the private sector for the month would amount to 1.7%. Specifically in March three financial trusts were issued using bank personal loans as their underlying assets for a total of \$245 million.



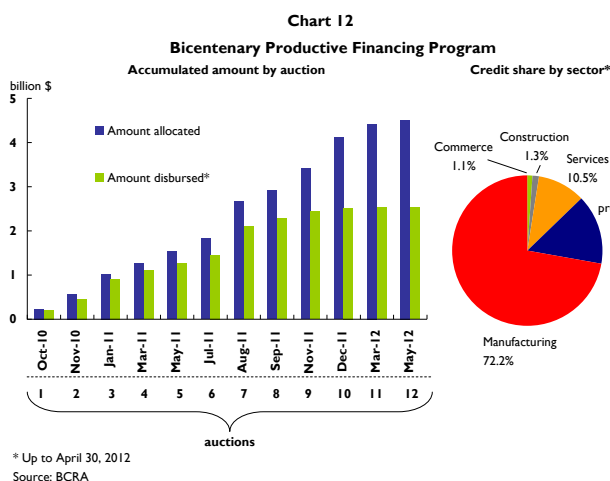
All productive sectors recorded a rise in credit growth rate compared with March 2011. Loans to primary production, construction and retail and wholesale trade were the most dynamic, with increases in excess of 48% y.o.y. The sectors having the greatest share of year-on-year credit growth were primary production and manufacturing industry.

In recent months **the rise lending to the productive sector has been stronger in public banks**, where it increased 69% y.o.y. (see Chart 11). As a result, in March one third of total lending to companies was provided by this group of entities. In the case of households, non-bank financial entities and public banks achieved a slight increase in their share of total stocks, also as a result of an improved performance in the development of their lending.



**Through the Bicentenary Productive Financing Program<sup>7</sup>, the Central Bank has awarded 14 financial entities a total of \$4.51 billion by means of 12 auctions.** Through to the end of April, participating banks had credited companies an amount of over \$2.5 billion. Manufacturing industry and primary production were the sectors gaining greatest share of the total amount credited (72.2% and 14.9% respectively) (see Chart 12).

**This growth in lending to the private sector in a positive macroeconomic context was reflected in slightly higher levels of indebtedness for both companies and households** (see Chart 13). In the case of **companies, total borrowing reached approximately 23.3% of GDP at the end of 2011**, almost 0.4 p.p. more than one year earlier, although significantly below the levels of the years following the end of the crisis in 2001-2002<sup>8</sup>. In recent years there has been a gradual increase in the weighting of resources derived from the local financial system at the expense of borrowing abroad: currently local financing represents 39% of total indebtedness, whereas at the end of 2005 its weighting was only 21%. In the case of families, **household debt reached 8.2% of GDP in March 2012**, almost 1 p.p. above the level at the end of 2010<sup>9</sup>. Notwithstanding these recent developments, **it should be noted that borrowing levels for both companies and households are still well below those observed in other emerging and developed economies<sup>10</sup>.**



**At the start of the second quarter of the year, peso lending rates continued to decline in all groups of financial entities.** The behavior was particularly evident

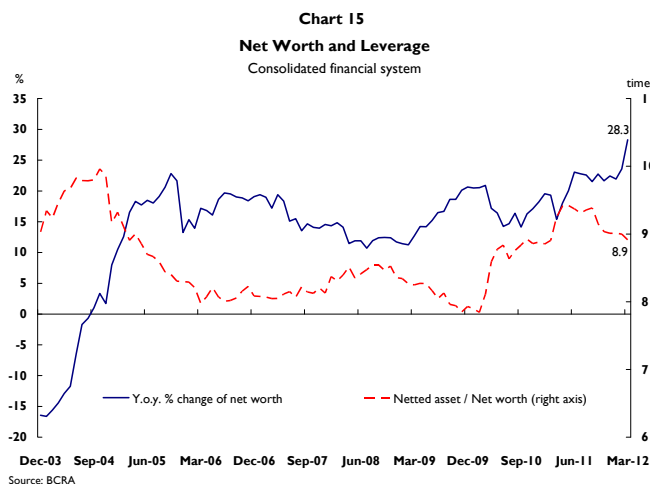
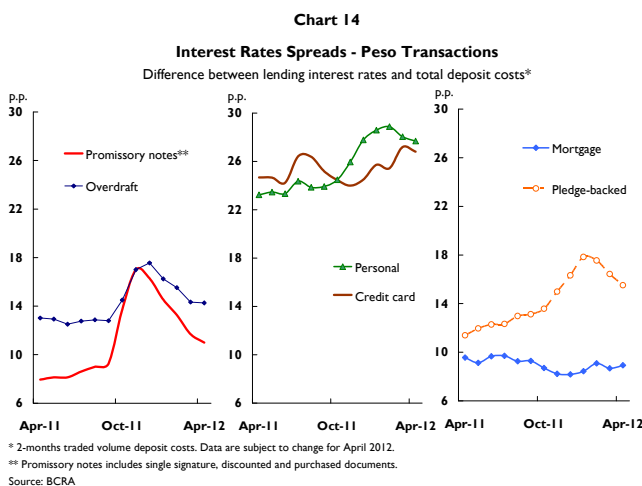
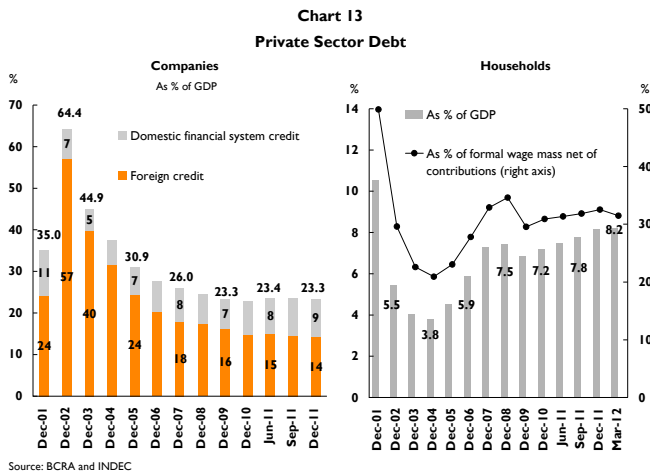
<sup>7</sup> This program is intended to provide funding for up to 5 years to financial entities to be channeled towards lending for investment.

<sup>8</sup> Company indebtedness abroad includes financial debt (securities, loans and other financial debt) export advances and pre-finance, debt from the import of goods, and debt for services.

<sup>9</sup> Household debt includes loans from the financial system, financial trusts that use consumer credit as their underlying assets (credit card and personal loans), and the stock of loans on non-bank credit cards.

<sup>10</sup> For an international comparison, see Charts III.6 and III.18 in Financial Stability Report I-12 dated April 2012.





in the case of pledge-backed loans, with reductions in excess of 1 p.p. compared with March, while promissory notes and overdrafts posted the largest drops in relation to last December (6.7 p.p. and 4.6 p.p. respectively). This downward trend was more significant than the drop in the estimated cost of deposits, so that spreads on domestic currency transactions fell for all groups of financial entities compared with the end of 2011. Furthermore, rate differentials have shown a similar behavior in almost all credit lines (see Chart 14).

**In March the non-performance ratio for private sector borrowing held steady at around 1.5%.** In the last 12 months this indicator dropped 0.3 p.p. with a similar behavior in all groups of financial entities. Public banks posted the largest year-on-year drop in delinquency (0.6 p.p.). The financial system exhibited a high level of provisioning in March, well in excess of the total non-performing portfolio. As a result, the coverage ratio for loans to the private sector in an irregular situation by means of provision stood at 158% for the month, 5.4 p.p. higher than the level recorded one year earlier.

**Financial system exposure to the public sector stood at 9.5% of total assets in March, accumulating a drop of 1.1 p.p. year-on-year.** Taking into account the funding that banks obtain from public sector deposits, the financial system has continued to record a net debtor position in relation to this sector in an amount equivalent to 10.7% of total assets, 0.6 p.p. below the figure recorded in February.

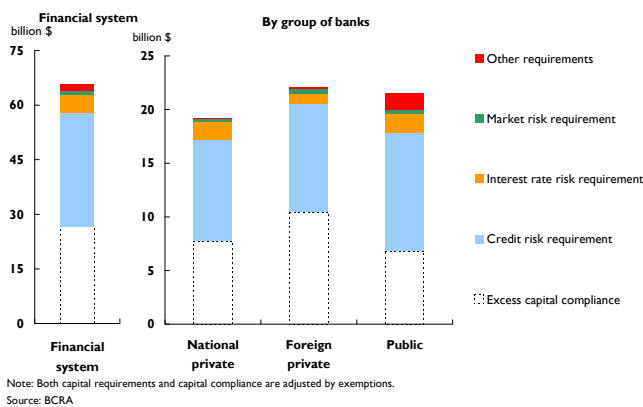
## Solvency

**Public and private banks concluded the first three months of 2012 showing profit levels above those recorded in the same period of the previous year**

**Consolidated financial system net worth grew 2.5% for the month, mainly from accrued book profits.** Both private and public banks posted gains for the month, accumulating similar year-on-year expansion. **In the last 12 months, financial system net worth has grown by 28.3%, reaching its highest point since the exit from the crisis in 2001-2002 (see Chart 15).** Banking assets amounted almost 9 times net worth, showing a slight drop for the month and accumulating a decline of 0.3 p.p. compared with March 2011. As a result, the local financial system continued to record leverage below the average for the region and other emerging and developed economies.

**Financial system capital compliance amounted to 15.9% of risk-weighted assets (RWA) in March, slightly under the level recorded in the previous month, although accumulating an increase of 0.4 p.p.**

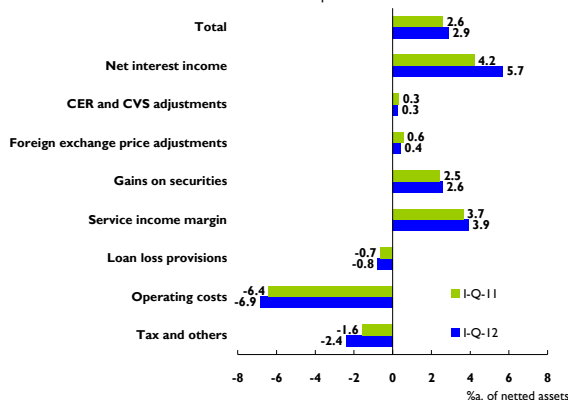
**Chart 16**  
**Capital Requirements and Capital Compliance**  
 March 2012



**in the year to date.** Excess capital compliance for the banking system reached 68% of the regulatory requirement for the month, showing a surplus for all groups of banks (see Chart 16).

**In March, the financial system accrued book profits equivalent to 3.4%a. of assets (ROA), 0.7 p.p. higher than the profits accrued in the previous month.** All groups of banks posted increased profits for the month, with a notable performance by foreign private banks, which accrued ROA of an annualized (a.) 4.4% (1.3 p.p. more than in February). National private banks recorded a ROA of 3.1%a. (0.4 p.p. higher than the previous month), while public banks achieved ROA of 2.9%a. (0.5 p.p. above the February level).

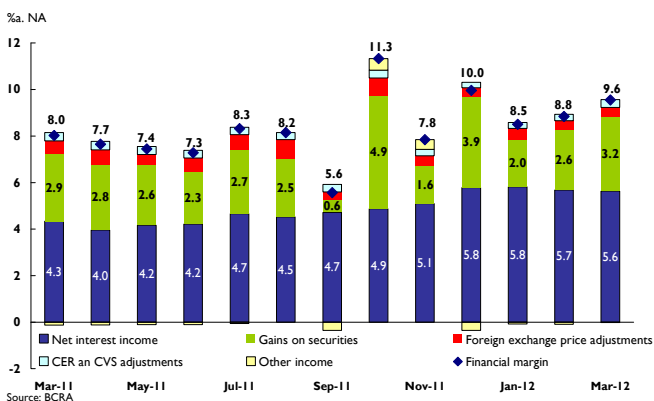
**Chart 17**  
**Financial System Profitability**  
 First quarter



**The banking system ended the first quarter of the year with ROA of 2.9%a., 0.3 p.p. up on the figure recorded in the same period of 2011 (see Chart 17).** Both private and public banks improved their accumulated profit in year-on-year terms, with foreign private banks showing the greatest dynamism, achieving ROA of 3.4%a. (0.8 p.p. more than one year earlier), followed by national private banks, with ROA of 2.8%a. (+0.2 p.p.) and public banks, with ROA of 2.6%a. (+0.1 p.p.).

**Bank financial margin rose by 0.8 p.p. of assets for the month to 9.6%a.** The increase for the month has mainly been due to greater gains on securities (see Chart 18), recorded mainly by public banks. The rest of the components making up financial margin did not record significant change for the month. **In year-on-year terms, accumulated financial margin during the quarter rose by 1.5 p.p. of assets to 9%a.,** a change driven by net interest income. Stronger year-on-year interest results were recorded by all groups of banks (see Chart 19).

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

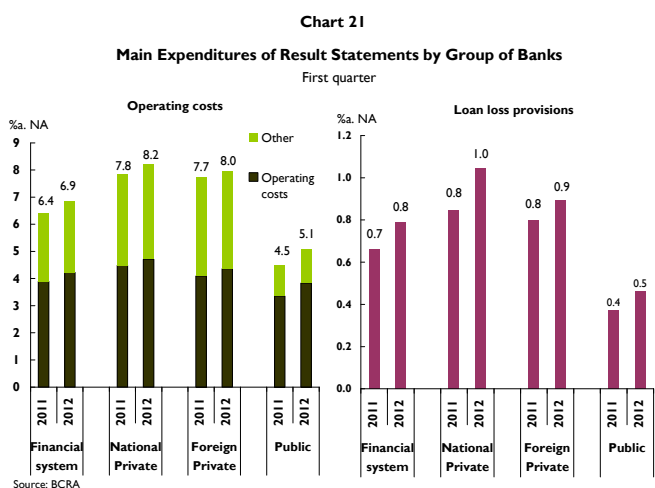
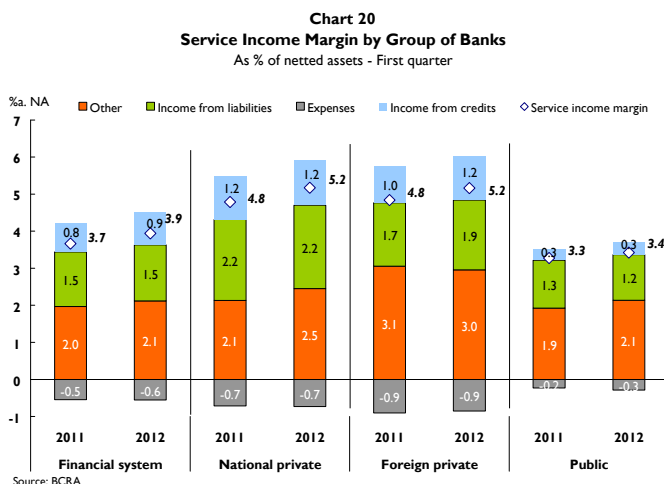
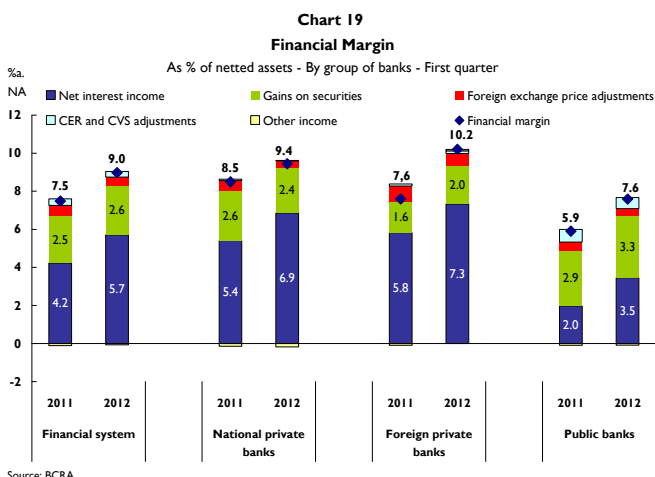


**Financial system service revenue grew by a strong 0.4 p.p. of assets during the month to an annualized 4.2%.** This increase for the month was widespread across all groups of financial entities. As a result, the financial system ended the first quarter of the year with profits from financial services equivalent to 3.9%a. of assets, 0.2 p.p. above the level recorded in the first three months of 2011 (see Chart 20), with a notable year-on-year performance by private banks, both national and foreign. **The year-on-year increase in service revenue was led by loan-related income, and headings covering insurance commissions and card issuance.**

**Financial system operating costs rose by 0.2 p.p. of assets to 6.9%a.,** an increase seen mainly among private banks. In the year to date, these costs have amounted to 6.9%a. of assets, 0.5 p.p. higher than in the first quarter of the previous year. **Loan loss provisions rose slightly**

for the month to 0.8%a. of assets, a performance accounted for by private banks. In the year to date, loan loss provisions have registered a slight increase in relation to the same period of 2011 to 0.8%a. of assets, an increase that was again seen mainly in private banks (see Chart 21).

The ratio for coverage of operating costs by the more stable forms of net revenue<sup>11</sup> (net of loan loss charges) increased moderately for the month. As a result, in the year to date this indicator has reached 129% for the system as a whole, 16 p.p. higher than one year earlier, with a similar performance by all groups of banks.



<sup>11</sup> Interest and service income.

## 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” 5288 – Mar/02/12**

Financing to the public non-financial sector. No objections have been made to the acquisition by financial entities of Treasury Bills to be issued by the Province of Chaco under the “Program for the Issue of Treasury Bills by the Province of Chaco”, for a nominal value of up to \$225 million, as long as the applicable maximum limits on credit assistance to the non-financial public sector are not exceeded.

### **Communication “A” 5298 – Mar/29/12**

Financing to the public non-financial sector. No objections have been made to the acquisition by financial entities of Treasury Bills to be issued by the Province of Buenos Aires under the “Global Program for the Issue of Province of Buenos Aires Treasury Bills for Fiscal 2012” for a nominal value of up to \$500 million, as long as the applicable maximum limits on credit assistance to the non-financial public sector are not exceeded.

### **Communication “A” 5299 – Mar/30/12**

Minimum cash. In line with the changes to the Central Bank Charter, financial entities liquidity requirement compliance may only be made by means of sight deposits in this Institution. As from April 1, 2012, financial entities shall not be able to comply with minimum cash using notes and coins held in the financial entities itself, in custody in other financial entities, in transit, or in the hands of value carriers. In this context, it has temporarily been established that as from April the financial entities shall be able to deduct from the requirement an amount equivalent to the cash holdings calculated as part of the compliance in March 2012. In other words, the deduction consists only of that portion of cash which once all other items admitted for compliance have been considered, would have balanced the cash reserve requirement for the month of March.

# 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. Profit ratios are annualized with the exception of those. Initially, the breakdown by group of banks was determined by the majority of decision making role -in terms of voting rights at shareholder meetings- distinguishing between private sector financial entities (national or foreign depending on their residence) and public banks. In order to increase depth of the analysis, private sector entities were also classed according to the geographic coverage and business scope of their operations. Investment banking is defined as those specializing in large corporations and investor sector, which in general do not rely on deposits from the private sector for their funding. On the other hand, retail banks were divided into those carrying out business nationwide, those located in certain geographic regions -municipalities, provinces, or regions- and entities specialized 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.
- (e) Indicators exhibited in Tables 1 and 5 of Statistical Appendix: 1.- (Minimum cash compliance at the BCRA in pesos and foreign currency + Other cash holding in pesos and foreign currency + Creditor net balance for BCRA repo transactions with LEBAC and NOBAC) / Total deposits; 2.- (Position in government securities (with out LEBAC and NOBAC) + Loans to the public sector + Compensations receivable) / Total assets; 3.- (Loans to the non-financial private sector + Leasing) / Total assets; 4.- Non-performing portfolio with the non-financial private sector / Loans to the non-financial private sector; 5.- (Total non-performing portfolio – Loan loss provisions) / Net worth. Non-performing portfolio includes loans classified into situations 3, 4, 5 and 6; 6.- Cumulated annual result / Average monthly netted assets - % annualized; 7.- Cumulated annual result / Average monthly net worth - % annualized; 8.- (Financial margin (Net interest income + CER and CVS adjustments + Gains on securities + Foreign exchange price adjustments + Other financial income) + Service income margin) / Cumulated annual operating costs; 9.- Capital compliance (Responsabilidad Patrimonial Computable) / Risk -adjusted assets according to the regulation of BCRA about Minimum Capital Compliance; 10.- Capital compliance Tier 1 / Risk weighted assets, according to the BCRA rule on minimum capital; 11.- (Capital compliance minus requirements, included forbearances) / Capital requirements.

# 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 net 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.

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

**LEBAC and NOBAC:** Bills and notes of the BCRA.

**Liquid assets:** Cash disposal (Minimum cash compliance – cash, current account at BCRA and special accounts in guarantee – and other liquid items mainly correspondent accounts) plus Creditor net balance for BCRA repo transactions with LEBAC and NOBAC.

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

**mill.:** million.

**NBFE:** Non-banking financial entity.

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

**Net worth exposure to 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 Methodology)

As %	2002	2003	2004	2005	2006	2007	2008	2009	2010	Mar 2011	2011	Feb 2012	Mar 2012
1.- Liquidity	22.8	29.1	29.6	20.1	22.5	23.0	27.9	28.6	28.0	27.4	24.7	25.9	26.3
2.- Credit to the public sector	48.9	47.0	40.9	31.5	22.5	16.3	12.7	14.4	12.2	10.6	10.2	9.6	9.5
3.- Credit to the private sector	20.8	18.1	19.6	25.8	31.0	38.2	39.4	38.3	39.8	39.7	47.4	45.8	46.5
4.- Private non-performing loans	38.6	33.5	18.6	7.6	4.5	3.2	3.1	3.5	2.1	1.9	1.4	1.5	1.5
5.- Net worth exposure to the private sector	16.6	11.5	1.1	-2.5	-0.8	-1.5	-1.7	-1.3	-3.2	-3.7	-4.3	-3.8	-3.8
6.- ROA	-8.9	-2.9	-0.5	0.9	1.9	1.5	1.6	2.3	2.8	2.6	2.7	2.7	2.9
7.- ROE	-59.2	-22.7	-4.2	7.0	14.3	11.0	13.4	19.2	24.4	23.8	25.3	24.3	26.5
8.- Efficiency	189	69	125	151	167	160	167	185	179	174	179	182	188
9.- Capital compliance	-	14.5	14.0	15.3	16.9	16.9	16.9	18.8	17.7	16.6	15.5	16.0	15.9
10.- Capital compliance Tier I	-	-	13.5	14.1	14.1	14.6	14.2	14.5	13.1	14.2	10.9	13.2	13.1
11.- Excess capital compliance	-	116	185	173	134	93	90	100	86	76	62	67	68

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	Dec 10	Mar 11	Dec 11	Feb 12	Mar 12	Change (in %)		
														Last month	2012	Last 12 months
<b>Assets</b>	<b>187,532</b>	<b>186,873</b>	<b>212,562</b>	<b>221,962</b>	<b>258,384</b>	<b>297,963</b>	<b>346,762</b>	<b>387,381</b>	<b>510,304</b>	<b>548,642</b>	<b>628,994</b>	<b>668,993</b>	<b>669,060</b>	<b>0.0</b>	<b>6.4</b>	<b>21.9</b>
Cash disposal <sup>1</sup>	17,138	27,575	29,154	20,819	37,991	46,320	58,676	71,067	93,085	90,598	104,389	96,428	110,086	14.2	5.5	21.5
Public bonds	31,418	45,062	55,382	66,733	64,592	62,678	65,255	86,318	117,951	133,101	112,906	135,533	125,673	-7.3	11.3	-5.6
Lebac/Nobac	-	-	17,755	28,340	29,289	36,022	37,093	43,867	76,948	94,856	71,050	98,721	88,856	-10.0	25.1	-6.3
Portfolio	-	-	11,803	21,067	25,767	31,598	25,652	34,748	61,855	73,463	59,664	68,606	68,255	-0.5	14.4	-7.1
Repo <sup>2</sup>	-	-	5,953	7,273	3,521	4,424	11,442	9,119	15,093	21,393	11,386	30,115	20,601	-31.6	80.9	-3.7
Private bonds	332	198	387	389	813	382	203	307	209	234	212	199	190	-4.4	-10.2	-18.6
Loans	84,792	68,042	73,617	84,171	103,668	132,157	154,719	169,868	230,127	244,586	332,317	341,692	347,071	1.6	4.4	41.9
Public sector	44,337	33,228	30,866	25,836	20,874	16,772	17,083	20,570	25,907	25,906	31,346	32,683	32,814	0.4	4.7	26.7
Private sector	38,470	33,398	41,054	55,885	77,832	110,355	132,844	145,247	199,202	213,294	291,708	300,079	304,901	1.6	4.5	42.9
Financial sector	1,985	1,417	1,697	2,450	4,962	5,030	4,793	4,052	5,018	5,386	9,263	8,929	9,356	-4.8	1.0	73.7
Provisions over loans	-11,952	-9,374	-7,500	-4,930	-3,728	-4,089	-4,744	-5,824	-6,232	-6,268	-7,173	-7,495	-7,682	2.5	7.1	22.5
Other netted credits due to financial intermediation	39,089	27,030	32,554	26,721	26,039	29,712	38,152	33,498	39,009	47,598	40,806	55,944	46,062	-17.7	12.9	-3.2
Corporate bonds and subordinated debt	1,708	1,569	1,018	873	773	606	912	1,146	1,433	1,571	1,658	1,543	1,506	-2.4	-9.1	-4.1
Unquoted trusts	6,698	4,133	3,145	3,883	4,881	5,023	5,714	5,942	6,824	6,970	7,967	8,097	8,079	-0.2	1.4	15.9
Compensation receivable	17,111	14,937	15,467	5,841	763	377	357	16	0	0	0	0	0	0.0	0.0	-33.3
Other	13,572	6,392	12,924	16,124	19,622	23,706	31,169	26,395	39,057	31,182	46,304	36,477	21,202	-17.0	-6.6	-6.6
Leasing	567	397	611	1,384	2,262	3,469	3,935	2,933	3,936	4,375	6,222	6,258	6,263	0.1	0.7	43.1
Shares in other companies	4,653	4,591	3,871	4,532	6,392	6,430	7,236	6,711	7,921	7,982	9,134	9,446	9,688	2.6	6.1	21.4
Fixed assets and miscellaneous	8,636	8,164	7,782	7,546	7,619	7,643	7,903	8,239	9,071	9,259	10,110	10,186	10,168	-0.2	0.6	9.8
Foreign branches	3,522	3,144	3,524	3,647	2,782	2,912	3,153	3,926	3,283	3,407	3,541	3,635	3,878	6.7	9.5	13.8
Other assets	9,338	12,043	13,180	10,950	9,953	10,347	12,275	10,337	11,943	13,771	16,530	17,167	17,663	2.9	6.9	28.3
<b>Liabilities</b>	<b>161,446</b>	<b>164,923</b>	<b>188,683</b>	<b>195,044</b>	<b>225,369</b>	<b>261,143</b>	<b>305,382</b>	<b>339,047</b>	<b>452,752</b>	<b>490,153</b>	<b>558,877</b>	<b>595,807</b>	<b>594,086</b>	<b>-0.3</b>	<b>6.3</b>	<b>21.2</b>
Deposits	75,001	94,635	116,655	136,492	170,898	205,550	236,217	271,853	376,344	399,844	462,537	482,272	489,845	1.6	5.9	22.5
Public sector <sup>3</sup>	8,381	16,040	31,649	34,019	45,410	48,340	67,151	69,143	115,954	123,862	129,905	139,373	135,238	-3.0	4.1	9.2
Private sector <sup>3</sup>	59,698	74,951	83,000	100,809	123,431	155,048	166,378	199,278	257,595	272,712	328,463	338,213	349,899	3.5	6.5	28.3
Current account	11,462	15,071	18,219	23,487	26,900	35,245	39,619	45,752	61,306	64,696	76,804	78,223	81,649	4.4	6.3	26.2
Savings account	10,523	16,809	23,866	29,078	36,442	47,109	50,966	62,807	82,575	84,184	103,636	101,943	103,791	1.8	0.1	23.3
Time deposits	19,080	33,285	34,944	42,822	54,338	65,952	69,484	83,967	104,492	113,888	135,082	144,365	151,904	5.2	12.5	33.4
CEDRO	12,328	3,217	1,046	17	13	0	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	60,029	70,345	76,038	92,099	81,718	-11.3	7.5	16.2
Interbanking obligations	1,649	1,317	1,461	2,164	4,578	4,310	3,895	3,251	4,201	4,479	7,947	7,598	7,956	4.7	0.1	77.6
BCRA lines	27,837	27,491	27,726	17,005	7,686	2,362	1,885	270	262	351	1,920	2,248	2,348	4.4	22.3	569.4
Outstanding bonds	9,096	6,675	7,922	6,548	6,603	6,938	5,984	5,033	3,432	3,789	6,856	7,277	7,459	2.5	8.8	96.9
Foreign lines of credit	25,199	15,196	8,884	4,684	4,240	3,864	4,541	3,369	3,897	4,203	6,467	6,335	6,223	-1.8	-3.8	48.1
Other	11,955	11,012	18,934	21,671	22,930	28,752	41,357	40,191	48,236	57,523	52,849	68,640	57,732	-15.9	9.2	0.4
Subordinated debts	3,712	2,028	1,415	1,381	1,642	1,672	1,763	1,922	2,165	1,859	2,065	2,394	2,411	0.7	16.7	29.7
Other liabilities	6,997	6,569	5,685	5,099	6,792	7,695	9,740	13,159	14,213	18,105	18,236	19,042	20,111	5.6	10.3	11.1
<b>Net worth</b>	<b>26,086</b>	<b>21,950</b>	<b>23,879</b>	<b>26,918</b>	<b>33,014</b>	<b>36,819</b>	<b>41,380</b>	<b>48,335</b>	<b>57,552</b>	<b>58,490</b>	<b>70,117</b>	<b>73,186</b>	<b>74,975</b>	<b>2.4</b>	<b>6.9</b>	<b>28.2</b>
<b>Memo</b>																
Netted assets	185,356	184,371	202,447	208,275	244,791	280,336	321,075	364,726	482,532	512,942	601,992	627,172	637,011	1.6	5.8	24.2
Consolidated netted assets	181,253	181,077	198,462	203,286	235,845	271,652	312,002	357,118	472,934	503,118	587,418	612,737	621,968	1.5	5.9	23.6

(<sup>1</sup>) Includes margin accounts with the BCRA. (<sup>2</sup>) Booked value from balance sheet (it includes all the counterparties). (<sup>3</sup>) 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 3 months		Monthly			Last
	2002 <sup>1</sup>	2003	2004	2005	2006	2007	2008	2009	2010	2011	2011	2012	Jan-12	Feb-12	Mar-12	
Financial margin	13,991	1,965	6,075	9,475	13,262	15,134	20,462	28,937	35,490	43,670	15,931	22,797	4,323	4,585	5,019	4,403
Net interest income	-3,624	-943	1,753	3,069	4,150	5,744	9,573	14,488	17,963	24,903	8,828	14,861	2,958	2,945	2,963	2,888
CER and CVS adjustments	8,298	2,315	1,944	3,051	3,012	2,624	2,822	1,196	2,434	1,725	733	755	130	143	177	145
Foreign exchange price adjustments	5,977	-890	866	751	944	1,357	2,307	2,588	2,100	3,025	1,178	1,187	252	204	226	222
Gains on securities	3,639	1,962	1,887	2,371	4,923	5,144	4,398	11,004	13,449	14,228	5,429	5,966	1,021	1,342	1,661	1,159
Other financial income	-299	-480	-375	233	235	264	1,362	-339	-457	-211	-236	27	-39	-48	-9	-11
Service income margin	4,011	3,415	3,904	4,781	6,243	8,248	10,870	13,052	16,089	21,391	8,036	10,614	2,003	1,887	2,230	2,133
Loan loss provisions	-10,007	-2,089	-1,511	-1,173	-1,198	-1,894	-2,839	-3,814	-3,267	-3,736	-1,421	-2,079	-426	-355	-448	-383
Operating costs	-9,520	-7,760	-7,998	-9,437	-11,655	-14,634	-18,767	-22,710	-28,756	-36,365	-13,859	-18,277	-3,535	-3,480	-3,634	-3,615
Tax charges	-691	-473	-584	-737	-1,090	-1,537	-2,318	-3,272	-4,120	-6,047	-2,157	-3,274	-610	-658	-669	-644
Adjust. to the valuation of gov. securities <sup>2</sup>	0	-701	-320	-410	-752	-837	-1,757	-262	-214	-336	-167	-136	-23	-27	-29	-26
Amort. payments for court-ordered releases	0	-1,124	-1,686	-1,867	-2,573	-1,922	-994	-703	-635	-290	-109	-72	-12	-12	-17	-16
Other	-3,880	1,738	1,497	1,729	2,664	2,380	1,441	918	2,079	2,963	1,053	942	328	126	242	53
Monetary results	-12,558	69	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total results before tax <sup>3</sup>	-18,653	-4,960	-623	2,360	4,901	4,938	6,100	12,145	16,665	21,251	7,307	10,514	2,047	2,065	2,694	1,905
Income tax	-509	-305	-275	-581	-595	-1,032	-1,342	-4,226	-4,904	-6,531	-2,019	-3,509	-737	-648	-924	-580
<b>Total results<sup>3</sup></b>	<b>-19,162</b>	<b>-5,265</b>	<b>-898</b>	<b>1,780</b>	<b>4,306</b>	<b>3,905</b>	<b>4,757</b>	<b>7,920</b>	<b>11,761</b>	<b>14,720</b>	<b>5,288</b>	<b>7,006</b>	<b>1,310</b>	<b>1,417</b>	<b>1,770</b>	<b>1,325</b>
Adjusted results <sup>4</sup>	-	-3,440	1,337	4,057	7,631	6,665	7,508	8,885	12,610	15,345	5,564	7,213	1,345	1,457	1,816	1,367
<b>Annualized indicators - As % of netted assets</b>																
Financial margin	6.5	1.1	3.1	4.6	5.8	5.7	6.7	8.6	8.5	8.0	7.5	8.7	8.5	8.8	9.5	8.2
Net interest income	-1.7	-0.5	0.9	1.5	1.8	2.2	3.1	4.3	4.3	4.6	4.2	5.6	5.8	5.7	5.6	5.4
CER and CVS adjustments	3.9	1.3	1.0	1.5	1.3	1.0	0.9	0.4	0.6	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Foreign exchange price adjustments	2.8	-0.5	0.4	0.4	0.4	0.5	0.8	0.8	0.5	0.6	0.6	0.5	0.5	0.4	0.4	0.4
Gains on securities	1.7	1.1	1.0	1.2	2.2	1.9	1.4	3.3	3.2	2.6	2.6	2.3	2.0	2.6	3.2	2.2
Other financial income	-0.1	-0.3	-0.2	0.1	0.1	0.1	0.4	-0.1	-0.1	0.0	-0.1	0.0	-0.1	-0.1	0.0	0.0
Service income margin	1.9	1.9	2.0	2.3	2.7	3.1	3.6	3.9	3.8	3.9	3.8	4.0	3.9	3.6	4.2	4.0
Loan loss provisions	-4.7	-1.1	-0.8	-0.6	-0.5	-0.7	-0.9	-1.1	-0.8	-0.7	-0.7	-0.8	-0.8	-0.7	-0.9	-0.7
Operating costs	-4.4	-4.2	-4.1	-4.6	-5.1	-5.5	-6.1	-6.7	-6.9	-6.7	-6.5	-6.9	-7.0	-6.7	-6.9	-6.7
Tax charges	-0.3	-0.3	-0.3	-0.4	-0.5	-0.6	-0.8	-1.0	-1.0	-1.1	-1.0	-1.2	-1.2	-1.3	-1.3	-1.2
Adjust. to the valuation of gov. securities <sup>2</sup>	0.0	-0.4	-0.2	-0.2	-0.3	-0.3	-0.6	-0.1	-0.1	-0.1	-0.1	-0.1	0.0	-0.1	-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	-0.1	0.0	0.0	0.0	0.0	0.0
Other	-1.8	0.9	0.8	0.8	1.2	0.9	0.5	0.3	0.5	0.5	0.5	0.4	0.6	0.2	0.5	0.1
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	0.0
Total results before tax <sup>3</sup>	-8.7	-2.7	-0.3	1.1	2.2	1.9	2.0	3.6	4.0	3.9	3.4	4.0	4.0	4.0	5.1	3.5
Income tax	-0.2	-0.2	-0.1	0.3	-0.3	-0.4	-0.4	-1.3	-1.2	-1.2	-1.0	-1.3	-1.5	-1.3	-1.8	-1.1
<b>ROA<sup>3</sup></b>	<b>-8.9</b>	<b>-2.9</b>	<b>-0.5</b>	<b>0.9</b>	<b>1.9</b>	<b>1.5</b>	<b>1.6</b>	<b>2.3</b>	<b>2.8</b>	<b>2.7</b>	<b>2.5</b>	<b>2.7</b>	<b>2.6</b>	<b>2.7</b>	<b>3.4</b>	<b>2.5</b>
ROA adjusted <sup>4</sup>	-8.9	-1.9	0.7	2.0	3.4	2.5	2.5	2.6	3.0	2.8	2.6	2.7	2.6	2.8	3.4	2.5
ROE before tax <sup>3</sup>	-57.6	-21.4	-2.9	9.3	16.2	13.9	17.2	29.5	34.5	36.5	53.2	60.4	36.8	36.4	46.3	2.7
ROE <sup>3</sup>	-59.2	-22.7	-4.2	7.0	14.3	11.0	13.4	19.2	24.4	25.3	23.1	24.1	23.6	24.9	30.4	22.3

(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	Dec 10	Mar 11	Dec 11	Feb 12	Mar 12
<b>Non-performing loans (overall)</b>	<b>18.1</b>	<b>17.7</b>	<b>10.7</b>	<b>5.2</b>	<b>3.4</b>	<b>2.7</b>	<b>2.7</b>	<b>3.0</b>	<b>1.8</b>	<b>1.6</b>	<b>1.2</b>	<b>1.3</b>	<b>1.4</b>
Provisions / Non-performing loans	72	77	98	115	108	115	117	115	148	158	176	165	163
(Total non-performing - Provisions) / Overall financing	5.0	4.1	0.2	-0.8	-0.3	-0.4	-0.5	-0.5	-0.9	-0.9	-0.9	-0.9	-0.9
(Total non-performing - Provisions) / Net worth	18.2	13.3	0.8	-2.6	-0.9	-1.6	-1.8	-1.7	-3.6	-4.1	-4.6	-4.1	-4.1
<b>Non-performing loans to the non-financial private sector</b>	<b>38.6</b>	<b>33.5</b>	<b>18.6</b>	<b>7.6</b>	<b>4.5</b>	<b>3.2</b>	<b>3.1</b>	<b>3.5</b>	<b>2.1</b>	<b>1.9</b>	<b>1.4</b>	<b>1.5</b>	<b>1.5</b>
Provisions / Non-performing loans	74	79	97	115	108	114	116	112	143	153	171	159	158
(Total non-performing - Provisions) / Overall financing	10.1	7.0	0.6	-1.1	-0.3	-0.5	-0.5	-0.4	-0.9	-1.0	-1.0	-0.9	-0.9
(Total non-performing - Provisions) / Net worth	16.6	11.5	1.1	-2.5	-0.8	-1.5	-1.7	-1.3	-3.2	-3.7	-4.3	-3.8	-3.8

Source: BCRA



# Statistics annex | Private banks

## Chart 5 | Financial Soundness Indicators (see Metodology)

As %	2002	2003	2004	2005	2006	2007	2008	2009	2010	Mar 2011	2011	Feb 2012	Mar 2012
1.- Liquidity	24.8	27.6	29.2	21.5	23.7	25.7	34.1	29.8	26.0	26.8	26.7	27.3	29.2
2.- Credit to the public sector	50.0	47.7	41.6	28.5	16.3	9.5	6.3	6.1	4.4	3.6	2.8	2.4	2.3
3.- Credit to the private sector	22.4	19.9	22.5	31.1	37.9	46.6	44.0	43.3	50.3	49.2	54.5	54.3	53.8
4.- Private non-performing loans	37.4	30.4	15.3	6.3	3.6	2.5	2.8	3.3	2.0	1.7	1.4	1.6	1.6
5.- Net worth exposure to the private sector	19.0	12.9	3.6	-0.4	-1.4	-2.0	-1.8	-1.6	-3.4	-3.9	-4.4	-3.8	-3.8
6.- ROA	-11.3	-2.5	-1.0	0.5	2.2	1.6	1.9	3.0	3.2	2.6	3.0	2.8	3.1
7.- ROE	-79.0	-19.1	-8.1	4.1	15.3	10.9	15.2	22.9	24.5	21.3	25.6	23.8	26.7
8.- Efficiency	168	93	115	136	158	152	166	195	176	169	178	178	184
9.- Capital compliance	-	14.0	15.1	17.8	18.6	19.2	18.3	22.6	20.4	18.4	16.8	17.4	17.4
10.- Capital compliance Tier I	-	-	14.7	16.1	15.3	16.7	14.9	17.2	15.2	16.5	12.5	15.7	15.4
11.- Excess capital compliance	-	88	157	155	116	87	86	121	100	83	70	76	79

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	Dec 10	Mar 11	Dec 11	Feb 12	Mar 12	Change (in %)		
														Last month	2012	Last 12 months
<b>Assets</b>	<b>118,906</b>	<b>116,633</b>	<b>128,065</b>	<b>129,680</b>	<b>152,414</b>	<b>175,509</b>	<b>208,888</b>	<b>229,549</b>	<b>280,025</b>	<b>306,678</b>	<b>364,122</b>	<b>372,462</b>	<b>381,196</b>	<b>2.3</b>	<b>4.7</b>	<b>24.3</b>
Cash disposal <sup>1</sup>	11,044	14,500	15,893	14,074	22,226	29,418	37,044	43,562	49,730	47,379	58,877	61,137	70,405	15.2	19.6	48.6
Public bonds	19,751	22,260	24,817	29,966	27,663	24,444	29,552	47,949	48,903	56,256	50,055	52,781	50,366	-4.6	0.6	-10.5
Lebac/Nobac	-	-	8,359	15,227	15,952	17,684	23,457	31,575	34,422	42,890	34,246	42,460	40,195	-5.3	17.4	-6.3
Portfolio	-	-	5,611	12,899	14,220	15,639	12,858	27,413	31,148	32,000	23,908	31,033	30,645	-1.2	28.2	-4.2
Repo <sup>2</sup>	-	-	2,749	2,328	1,732	2,045	10,598	4,161	3,274	10,890	10,338	11,427	9,550	-16.4	-7.6	-12.3
Private bonds	273	172	333	307	683	310	127	233	184	172	164	153	144	-5.6	-12.2	-16.4
Loans	51,774	47,017	50,741	56,565	69,294	88,898	98,529	101,722	143,202	153,095	202,117	205,758	208,962	1.6	3.4	36.5
Public sector	25,056	23,571	21,420	15,954	10,036	6,413	6,249	1,694	1,625	1,535	1,215	1,190	1,300	9.2	7.0	-15.3
Private sector	26,074	22,816	28,213	39,031	55,632	78,587	88,426	96,790	137,308	146,980	193,126	196,870	199,799	1.5	3.5	35.9
Financial sector	644	630	1,107	1,580	3,626	3,898	3,854	3,238	4,270	4,580	7,777	7,697	7,863	2.2	1.1	71.7
Provisions over loans	-7,463	-5,225	-3,717	-2,482	-2,227	-2,365	-2,871	-3,653	-3,926	-3,924	-4,574	-4,787	-4,924	2.9	7.7	25.5
Other netted credits due to financial intermediation	27,212	22,148	25,753	16,873	18,387	17,084	25,265	21,258	20,241	30,476	29,338	28,113	26,457	-5.9	-9.8	-13.2
Corporate bonds and subordinated debt	1,514	1,394	829	675	618	430	699	734	757	851	796	684	644	-5.9	-19.2	-24.3
Unquoted trusts	6,205	3,571	2,362	2,444	2,982	3,456	3,869	4,198	4,500	4,439	5,268	5,347	5,398	0.9	2.5	21.6
Compensation receivable	15,971	13,812	14,657	5,575	760	377	357	16	0	0	0	0	0	-	-	-
Other	3,523	3,370	7,905	8,179	14,027	12,822	20,339	16,311	14,984	25,186	23,273	22,082	20,416	-7.5	-12.3	-18.9
Leasing	553	387	592	1,356	2,126	3,149	3,451	2,569	3,519	3,918	5,452	5,466	5,437	-0.5	-0.3	38.8
Shares in other companies	3,123	2,791	1,892	2,416	4,042	3,762	4,538	4,067	4,934	4,924	5,998	6,288	6,415	2.0	7.0	30.3
Fixed assets and miscellaneous	5,198	4,902	4,678	4,575	4,677	4,685	4,926	5,096	5,808	6,003	6,663	6,694	6,668	-0.4	0.1	11.1
Foreign branches	-109	-136	-53	-148	-139	-154	-178	-202	-215	-220	-240	-244	0	-	-	-
Other assets	7,549	7,816	7,137	6,178	5,682	6,277	8,505	6,946	7,646	8,599	10,271	11,104	11,266	1.5	9.7	31.0
<b>Liabilities</b>	<b>103,079</b>	<b>101,732</b>	<b>113,285</b>	<b>112,600</b>	<b>131,476</b>	<b>152,153</b>	<b>182,596</b>	<b>198,438</b>	<b>243,746</b>	<b>271,001</b>	<b>321,123</b>	<b>327,640</b>	<b>335,261</b>	<b>2.3</b>	<b>4.4</b>	<b>23.7</b>
Deposits	44,445	52,625	62,685	75,668	94,095	116,719	135,711	154,387	198,662	211,072	253,705	260,036	268,524	3.3	5.8	27.2
Public sector <sup>3</sup>	1,636	3,077	6,039	6,946	7,029	7,564	19,600	17,757	23,598	25,860	27,664	30,151	29,535	-2.0	6.8	14.2
Private sector <sup>3</sup>	38,289	47,097	55,384	67,859	85,714	107,671	114,176	134,426	173,203	183,274	223,141	226,834	235,996	4.0	5.8	28.8
Current account	8,905	11,588	13,966	17,946	20,604	27,132	30,188	35,127	46,297	48,322	57,586	58,777	61,779	5.1	7.3	27.9
Savings account	6,309	10,547	14,842	18,362	23,165	30,169	32,778	40,999	53,085	55,179	66,891	65,003	66,939	3.0	0.1	21.3
Time deposit	11,083	18,710	22,729	27,736	38,043	45,770	46,990	54,058	67,568	72,953	89,924	94,153	98,883	5.0	10.0	35.5
CEDRO	9,016	2,409	798	3	1	0	0	0	0	0	0	0	0	-	-	-
Other netted liabilities due to financial intermediation	49,341	42,367	45,083	32,349	31,750	29,233	39,298	34,235	34,427	46,565	53,973	53,363	51,874	-2.8	-3.9	11.4
Interbanking obligations	836	726	1,070	1,488	3,383	1,979	1,160	1,668	1,903	1,814	3,524	3,179	3,576	12.5	1.5	97.2
BCRA lines	16,624	17,030	17,768	10,088	3,689	675	649	41	57	75	456	547	567	3.7	24.4	658.1
Outstanding bonds	9,073	6,674	7,922	6,548	6,413	6,686	5,672	4,626	2,802	2,892	5,119	5,494	5,486	-0.1	7.2	89.7
Foreign lines of credit	15,434	9,998	5,444	2,696	2,249	1,833	2,261	1,262	1,716	2,026	4,252	4,093	3,992	-2.5	-6.1	97.0
Other	7,374	7,939	12,878	11,530	16,015	18,150	29,555	26,638	27,949	39,759	40,622	40,050	38,253	-4.5	-5.8	-3.8
Subordinated debts	3,622	1,850	1,304	1,319	1,642	1,668	1,759	1,918	2,148	1,842	1,948	1,977	1,998	1.0	2.6	8.5
Other liabilities	5,671	4,890	4,213	3,264	3,989	4,443	5,828	7,897	8,528	11,522	11,497	12,263	12,865	4.9	11.9	11.7
<b>Net worth</b>	<b>15,827</b>	<b>14,900</b>	<b>14,780</b>	<b>17,080</b>	<b>20,938</b>	<b>23,356</b>	<b>26,292</b>	<b>31,111</b>	<b>36,259</b>	<b>35,677</b>	<b>42,999</b>	<b>44,823</b>	<b>45,935</b>	<b>2.5</b>	<b>6.8</b>	<b>28.8</b>
<b>Memo</b>																
<b>Netted assets</b>	<b>117,928</b>	<b>115,091</b>	<b>121,889</b>	<b>123,271</b>	<b>143,807</b>	<b>166,231</b>	<b>192,074</b>	<b>216,100</b>	<b>267,364</b>	<b>284,177</b>	<b>344,101</b>	<b>354,005</b>	<b>364,322</b>	<b>2.9</b>	<b>5.9</b>	<b>28.2</b>

(<sup>1</sup>) Includes margin accounts with the BCRA. (<sup>2</sup>) Booked value from balance sheet (it includes all the counterpart). (<sup>3</sup>) 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 3 months		Monthly			Last
	2002 <sup>1</sup>	2003	2004	2005	2006	2007	2008	2009	2010	2011	2011	2012	Jan-12	Feb-12	Mar-12	12months	
Financial margin	10,628	2,575	3,415	5,253	7,778	8,960	12,964	19,724	21,837	27,234	9,848	14,529	2,630	2,818	3,182	2,911	
Net interest income	-304	107	1,214	2,069	2,826	4,191	7,727	10,572	12,842	18,518	6,622	10,744	2,012	1,988	2,235	2,170	
CER and CVS adjustments	1,476	1,082	900	1,215	858	662	651	185	244	288	119	132	24	25	30	26	
Foreign exchange price adjustments	6,189	-312	666	576	740	990	1,620	1,646	1,493	2,064	796	747	142	122	171	133	
Gains on securities	3,464	1,892	959	1,259	3,154	2,888	1,637	7,343	7,464	6,358	2,448	2,786	478	709	734	570	
Other financial income	-197	-195	-322	134	199	229	1,329	-22	-205	6	-138	120	-27	-26	13	12	
Service income margin	2,782	2,341	2,774	3,350	4,459	5,881	7,632	9,198	11,345	15,243	5,689	7,666	1,481	1,380	1,597	1,546	
Loan loss provisions	-6,923	-1,461	-1,036	-714	-737	-1,174	-1,863	-2,751	-2,253	-2,633	-990	-1,469	-277	-232	-344	-262	
Operating costs	-6,726	-5,310	-5,382	-6,303	-7,741	-9,735	-12,401	-14,807	-18,819	-23,821	-9,197	-12,089	-2,353	-2,303	-2,441	-2,414	
Tax charges	-512	-366	-393	-509	-769	-1,105	-1,715	-2,380	-2,927	-4,300	-1,538	-2,347	-433	-460	-476	-476	
Adjust. to the valuation of gov. securities <sup>2</sup>	0	-665	-51	-201	-170	-100	-267	0	47	-40	-40	0	0	0	0	0	
Amort. payments for court-ordered releases	0	-791	-1,147	-1,168	-1,182	-1,466	-688	-367	-441	-133	-49	-39	-6	-7	-9	-9	
Other	-4,164	1,178	846	1,156	1,641	1,576	916	398	1,382	1,723	677	706	179	118	173	92	
Monetary results	-10,531	-20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total results before tax <sup>1</sup>	-15,447	-2,518	-973	865	3,279	2,836	4,579	9,014	10,171	13,272	4,400	6,957	1,222	1,314	1,681	1,388	
Income tax	-337	-295	-202	-217	-365	-380	-1,168	-3,001	-2,733	-4,293	-1,380	-2,429	-457	-468	-570	-456	
<b>Total results<sup>3</sup></b>	<b>-15,784</b>	<b>-2,813</b>	<b>-1,176</b>	<b>648</b>	<b>2,915</b>	<b>2,457</b>	<b>3,412</b>	<b>6,014</b>	<b>7,438</b>	<b>8,980</b>	<b>3,020</b>	<b>4,528</b>	<b>764</b>	<b>846</b>	<b>1,111</b>	<b>932</b>	
Adjusted results <sup>4</sup>	-	-1,357	252	2,016	4,267	4,023	4,367	6,381	7,832	9,153	3,109	4,567	770	853	1,121	941	
<b>Annualized indicators - As % of netted assets</b>																	
Financial margin	7.6	2.3	2.9	4.3	5.9	5.8	7.3	9.8	9.3	9.0	8.4	9.8	9.2	9.7	10.6	9.5	
Net interest income	-0.2	0.1	1.0	1.7	2.1	2.7	4.4	5.3	5.5	6.1	5.6	7.2	7.0	6.8	7.4	7.1	
CER and CVS adjustments	1.1	0.9	0.8	1.0	0.6	0.4	0.4	0.1	0.1	0.1	0.1	0.1	0.1	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	0.5	0.5	0.4	0.6	0.4	
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	1.9	1.7	2.4	2.4	1.9	
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	0.0	0.0	
Service income margin	2.0	2.0	2.4	2.7	3.4	3.8	4.3	4.6	4.8	5.0	4.9	5.2	5.2	4.7	5.3	5.1	
Loan loss provisions	-5.0	-1.3	-0.9	-0.6	-0.6	-0.8	-1.1	-1.4	-1.0	-0.9	-0.8	-1.0	-1.0	-0.8	-1.1	-0.9	
Operating costs	-4.8	-4.6	-4.6	-5.1	-5.9	-6.3	-7.0	-7.4	-8.0	-7.8	-7.8	-8.1	-8.2	-7.9	-8.1	-7.9	
Tax charges	-0.4	-0.3	-0.3	-0.4	-0.6	-0.7	-1.0	-1.2	-1.2	-1.4	-1.3	-1.6	-1.5	-1.6	-1.6	-1.6	
Adjust. to the valuation of gov. securities <sup>2</sup>	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	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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Other	-3.0	1.0	0.7	0.9	1.2	1.0	0.5	0.2	0.6	0.6	0.6	0.5	0.6	0.4	0.6	0.3	
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	0.0	
Total results before tax <sup>1</sup>	-11.1	-2.2	-0.8	0.7	2.5	1.8	2.6	4.5	4.3	4.4	3.8	4.7	4.3	4.5	5.6	4.6	
Income tax	-0.2	-0.3	-0.2	-0.2	-0.3	-0.2	-0.7	-1.5	-1.2	-1.4	-1.2	-1.6	-1.6	-1.6	-1.9	-1.5	
<b>ROA<sup>3</sup></b>	<b>-11.3</b>	<b>-2.5</b>	<b>-1.0</b>	<b>0.5</b>	<b>2.2</b>	<b>1.6</b>	<b>1.9</b>	<b>3.0</b>	<b>3.2</b>	<b>3.0</b>	<b>2.6</b>	<b>3.0</b>	<b>2.7</b>	<b>2.9</b>	<b>3.7</b>	<b>3.1</b>	
ROA adjusted <sup>4</sup>	-11.3	-1.2	0.2	1.6	3.2	2.6	2.5	3.2	3.3	3.0	2.7	3.1	2.7	2.9	3.7	3.1	
ROE before tax <sup>3</sup>	-77.3	-17.1	-6.7	5.5	17.2	12.6	20.4	34.4	33.5	37.8	52.7	66.2	36.6	38.5	48.1	3.2	
ROE <sup>3</sup>	-79.0	-19.1	-8.1	4.1	15.3	10.9	15.2	22.9	24.5	25.6	21.7	25.8	22.9	24.8	31.8	25.9	

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

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

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

Source: BCRA

## Chart 8 | Portfolio Quality

As percentage	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Dec 08	Dec 09	Dec 10	Mar 11	Dec 11	Feb 12	Mar 12
<b>Non-performing loans (overall)</b>	<b>19.8</b>	<b>15.7</b>	<b>8.9</b>	<b>4.4</b>	<b>2.9</b>	<b>2.2</b>	<b>2.5</b>	<b>3.1</b>	<b>1.9</b>	<b>1.7</b>	<b>1.3</b>	<b>1.5</b>	<b>1.5</b>
Provisions / Non-performing loans	71	73	89	103	114	123	119	116	144	154	168	155	155
(Total non-performing - Provisions) / Overall financing	5.7	4.2	1.0	-0.1	-0.4	-0.5	-0.5	-0.5	-0.8	-0.9	-0.9	-0.8	-0.8
(Total non-performing - Provisions) / Net worth	20.0	14.4	3.4	-0.4	-1.4	-2.1	-1.9	-1.7	-3.4	-4.0	-4.4	-3.9	-3.9
<b>Non-performing loans to the non-financial private sector</b>	<b>37.4</b>	<b>30.4</b>	<b>15.3</b>	<b>6.3</b>	<b>3.6</b>	<b>2.5</b>	<b>2.8</b>	<b>3.3</b>	<b>2.0</b>	<b>1.7</b>	<b>1.4</b>	<b>1.6</b>	<b>1.6</b>
Provisions / Non-performing loans	72	75	88	102	114	123	118	115	143	153	167	153	154
(Total non-performing - Provisions) / Overall financing	10.3	7.6	1.8	-0.1	-0.5	-0.6	-0.5	-0.5	-0.9	-0.9	-0.9	-0.8	-0.8
(Total non-performing - Provisions) / Net worth	19.0	12.9	3.6	-0.4	-1.4	-2.0	-1.8	-1.6	-3.4	-3.9	-4.4	-3.8	-3.8

Source: BCRA