

# Report on Banks

April 2012



BANCO CENTRAL  
DE LA REPÚBLICA ARGENTINA

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April 2012

Year IX, No. 8



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Note | Information for April 2012 available by May 29, 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).

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## Summary

- **Financial system lending to the private sector rose 1.2% in April (39.9% y.o.y.), driven by loans to companies.** Lending to this sector, up 1.3% during the month (totaling growth of 38.4% y.o.y.), reached 56.2% of the total stock of lending to the private sector. Most credit lines showed increases during the month, notably in the case of mortgage loans and overdrafts. **The increase for the month and year-on-year in lending to companies was mainly led by public banks,** which currently account for one third of the total stock of loans to companies made by the financial system.
- **Lending to households also rose during the month (1.1%), showing widespread improvement across all lines.** Pledge-backed loans and personal loans rose at above the average rate. In year-on-year terms, lending to households went up 41.6%.
- **In April the non-performing ratio for loans to the private sector rose slightly (0.1 p.p.) to 1.6%,** mainly as a consequence of the performance by private banks and non-bank financial entities. Nevertheless, **in year-on-year terms this indicator continues to show a drop of 0.2 p.p.** The financial system continues to maintain a high level of coverage by means of provisions (153.2% of the delinquent portfolio).
- **During the month total deposit stocks for the banking system (in domestic and foreign currency) rose 1.9% (or 21.4% y.o.y.), driven mainly by deposits from the private sector (2.1% or 26.5% y.o.y.)** and to a lesser extent by those from the public sector (1.2% or 9.2% y.o.y.). In April private sector deposits increased in the case of both sight accounts (2.6%) and time deposits (1.5%). **In both public and private banks, the year-on-year rate of increase of private sector time deposits exceeded that for sight deposits.**
- **The broad financial system liquidity indicator (in domestic and foreign currency and including holdings of Lebac and Nobac) went up during the month by 0.9 p.p. of deposits, to 41.1%.** As a result, this indicator has risen for the fifth consecutive month, while still below the level for April 2011 (45.1%). The liquidity indicator that excludes holdings of Lebac and Nobac also increased slightly during the month, to 27% of deposits.
- **Consolidated financial system net worth expanded by 2.1% during the month (30.5% y.o.y.) mainly as a result of the recording of book profits.** In the year to date the financial system has accumulated capitalization for almost \$600 million. **In the last 12 months** the increase in net worth has been relatively greater than that recorded by total assets, so that **leverage for the aggregate financial system has declined.**
- During the month the capital compliance ratio stood at 16.3% of risk-weighted assets (RWA), accumulating a rise of 0.7 p.p. over the course of the year. **In April the capital position remained in surplus, recording a capital excess equivalent to 59% of the regulatory requirement.** In relation to March 2012 this indicator has fallen 9 p.p., mainly as a result of the introduction of the procedure established for compliance with operational risk capital.
- Financial system profitability dropped in April compared with the previous month (to 2.5% a. of assets), mainly because of lower gains on securities. **In the first four months of the year the banking system accrued profits for 2.8% of assets, 0.2 p.p. more than one year earlier,** mainly because of increased interest income.
- **The aggregate financial system continued to expand its infrastructure, showing higher employment, and increased numbers of ATMs and branches.** At March 2012 bank staff numbers were up 0.4% compared with the end of 2011 and 2.6% y.o.y., a performance mainly driven by the private bank segment. **The rise in employment took place at the same time as improvements in productivity,** reflected in an increase of 10.4% y.o.y. in the number of accounts per employee. Branch and ATM numbers rose by 2.8% y.o.y. and 13.4% y.o.y., respectively.

## Activity

*Financial intermediation continued to grow at the start of the second quarter, and immediate transfers played a notable role within the payments system*

In April the volume of resources brokered between banks and their customers continued to rise: private sector deposits were up 2.1% (26.5% y.o.y.) and loans to this sector increased 1.2% (39.9% y.o.y.) (see Chart 1). Financial system netted assets rose 2.2% in April (24.2% y.o.y.), mainly driven by public banks.

The increase in private sector deposits (\$7.3 billion) was the most significant source of funds<sup>1</sup> for the financial system in this period. Financial entities also obtained resources from the taking of deposits from the public sector, net income from their operations, and the placing of financial trusts. These funds were used mainly to increase liquid assets (\$6.0 billion) and to expand private sector lending (\$4.1 billion). Although involving relatively lower volumes, increased holdings of Lebac bills were also a significant use of funds during the month.

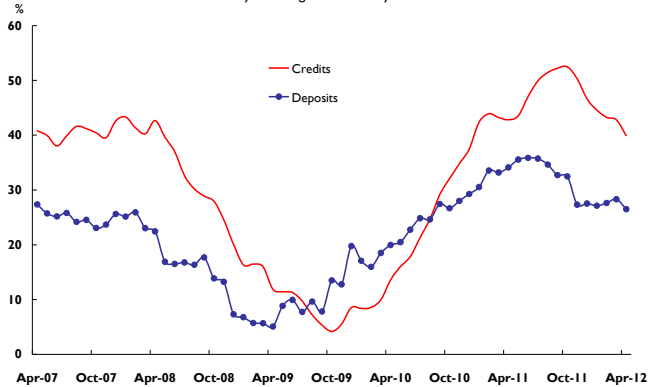
The financial system continued to expand its operating infrastructure, with increases in employees, ATMs and branches. By March 2012 (latest available information), bank staffing levels were up 0.4% compared with the 2011 close and 2.6% y.o.y., a performance mainly accounted for by private banks. This growth in employment in the sector has taken place together with improvements in productivity, as seen from an increase of 10.4% y.o.y. in the number of accounts per employee (see Chart 2). In addition, both branch and ATM numbers were higher in year-on-year terms, by 2.8% and 13.4%, respectively.

In 2012 to date the financial system has increased the availability of means of payment services as an alternative to the use of cash. Since the introduction of immediate value transfers in April 2011 such transactions have risen steadily, so that by May 2012 – the latest available information – amounts transferred had risen 23.8% compared with the average for the first four months of the year (17.5% in transaction numbers) (see Chart 3). The amount of deferred transfers processed through clearing houses<sup>2</sup> in May 2012 increased by 9.6% compared with the first four months of the year (10.5% in numbers). As a result, the volume of transfers processed (immediate and deferred) was equivalent to 15.8% of GDP, with a year-on-year increase of 3 p.p. (see Chart 4).

Chart 1

### Financial Intermediation with the Private Sector

Y.o.y. % change - Financial system

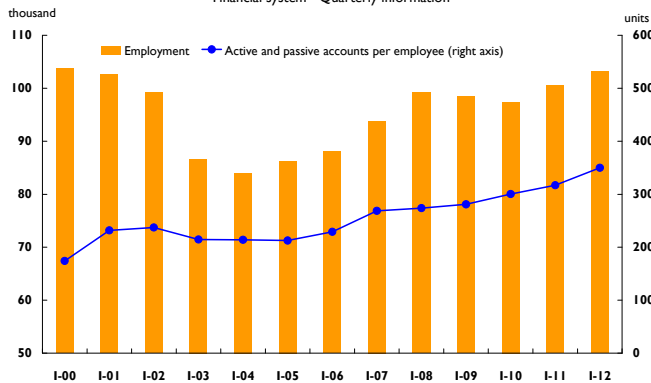


Source: BCRA

Chart 2

### Employment and Productivity

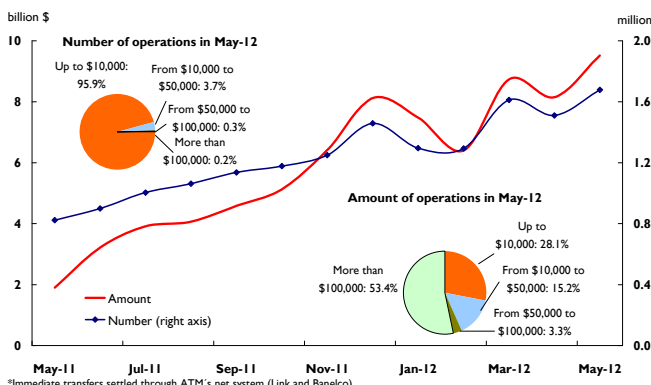
Financial system - Quarterly information



Source: BCRA

Chart 3

### Immediate Transfers\*

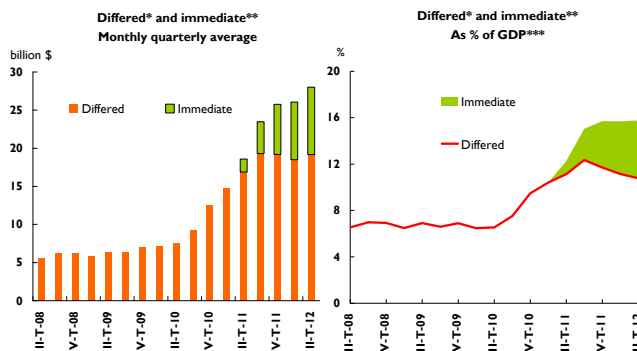


\*Immediate transfers settled through ATM's net system (Link and Banelco)  
Source: BCRA

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

<sup>2</sup> Also known as "retail" transfers.

**Chart 4**  
Amount of Transfers

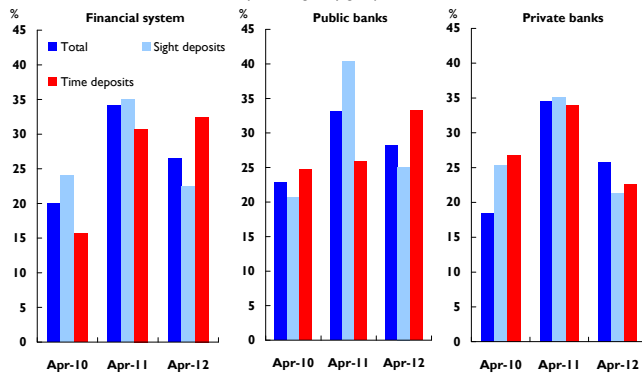


Note: last available information May of 2012.  
 \*Differed transfers between third-parties through COELSA and ACH (commonly referred to as retail). \*\*Immediate transfers settled through ATM's net system (Link and Banelco). \*\*\*Note: Transfers are annualized by quarterly volume to divide in GDP.  
 Source: BCRA and INDEC

There was also an increase in May in the value and number of checks cleared compared with volumes in the first four months of the year. There has been an increase of 16% in amounts handled, while numbers were up 15%. Checks returned for insufficient funds during the month of May remained steady in terms of the total amount cleared.

In mid-June the number of holders of Free Universal Bank Accounts (CGU) reached 111,600<sup>3</sup>. Transactions involving the use of settlement checks in pesos and dollars were carried out for a total value of \$172 million and US\$245 million respectively, since they were re-launched at the end of 2010.

**Chart 5**  
Deposits to Private Sector  
Y.o.y. % change - By group of banks



Source: BCRA

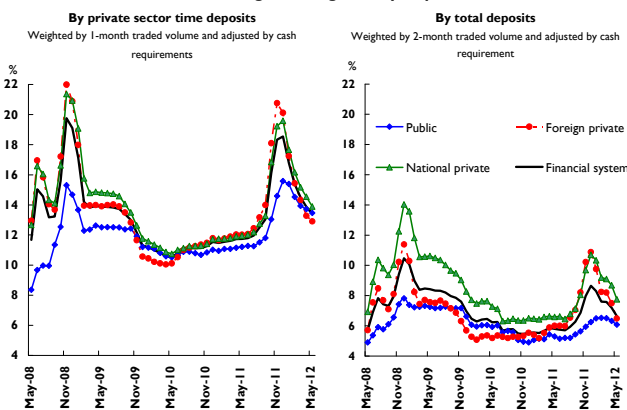
In April broad foreign currency mismatching<sup>4</sup> in the banking system increased by 3.1 p.p. of net worth, to 39%. This increase for the month was mainly explained by greater net forward purchases of foreign currency by foreign financial entities. Broad financial system mismatching rose by 6.4 p.p. of net worth in the year-on-year comparison.

## Deposits and liquidity

*Banking liquidity increased during the month in a context of rising private sector deposits*

In April total banking system deposit stocks (in domestic and foreign currency) rose 1.9%, driven mainly by private sector deposits (2.1%), and to a lesser extent by those of the public sector (1.2%). During the month private sector deposits rose in the case of both sight accounts (2.6%) and term deposits (1.5%).

**Chart 6**  
Estimation of Average Funding Cost by Deposits in Pesos



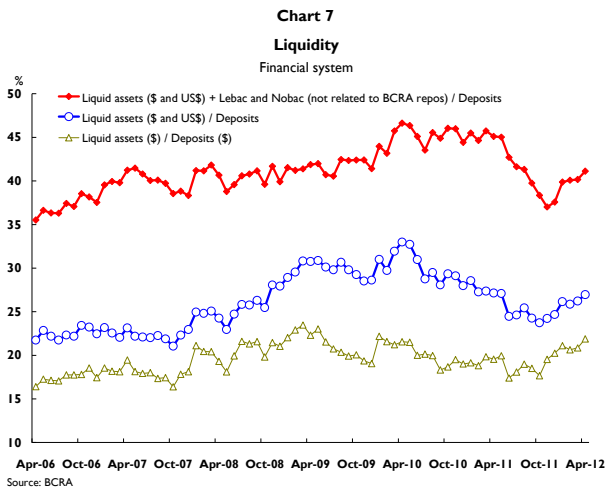
Source: BCRA

Total financial system deposit stocks posted a year-on-year rise of 21.4%, boosted mainly by deposits from the private sector (26.5% y.o.y.). In both public and private banks, the year-on-year growth rate for private sector term deposits exceeded that of sight deposits, reversing the trend seen 12 months earlier (see Chart 5).

The cost of funding by means of private sector term deposits in domestic currency continued to decline in the margin, accumulating a drop of 5.1 p.p. in 2012. This performance caused a reduction in the overall cost of funding for banks from deposits in pesos, so that it reached levels similar to those in September 2011 (see Chart 6).

<sup>3</sup> Of these, some 16,000 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 recorded in memorandum accounts.

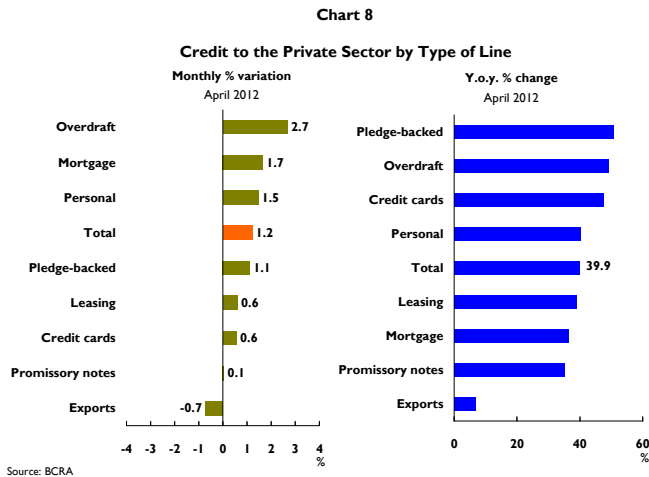


**In April the broad liquidity indicator** (in domestic and foreign currency, including holdings of Lebac and Nobac) **increased for the fifth month in succession to 41.1% of total deposits** (see Chart 7). The increase in liquidity levels in recent months took place mainly among private banks. At system level, the broad liquidity ratio was below that recorded in April 2011 (45.1%). The liquidity indicator that excludes Lebac and Nobac holdings also increased slightly during the month, to 27% of deposits.

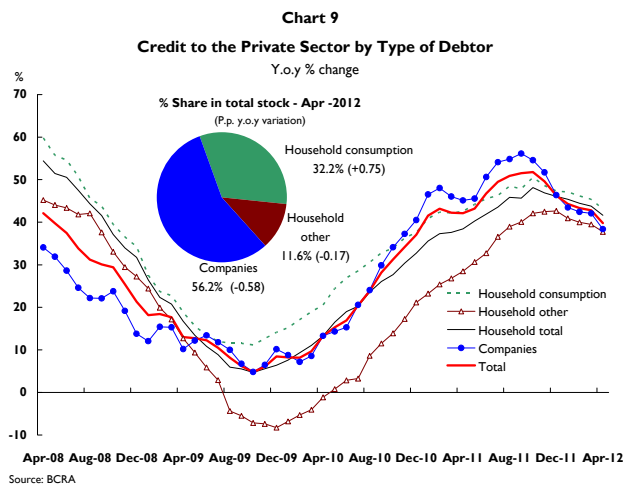
**In April and May call market interest rates declined from the levels of the first quarter of 2012 and the end of 2011**, to a level of 9.3%. In recent months the volumes traded on this market have also fallen slightly, reaching a daily average of \$1.18 billion in May.

## Financing

*Lending to the private sector increased in April, driven mainly by loans to companies*



**In April lending to the private sector went up 1.2%**<sup>5</sup>. Except for export credit, all loan lines increased during the month, with the greatest dynamism being shown by overdrafts, mortgage loans and personal loans (see Chart 8). The increase for the month took place mainly in public banks. **In year-on-year terms, lending to the private sector rose 39.9%**. Public banks, and to a lesser extent non-bank financial entities, gained share in the total stock of lending to the private sector compared with April 2011, accounting for 30.8% and 3.7% of the total, respectively.

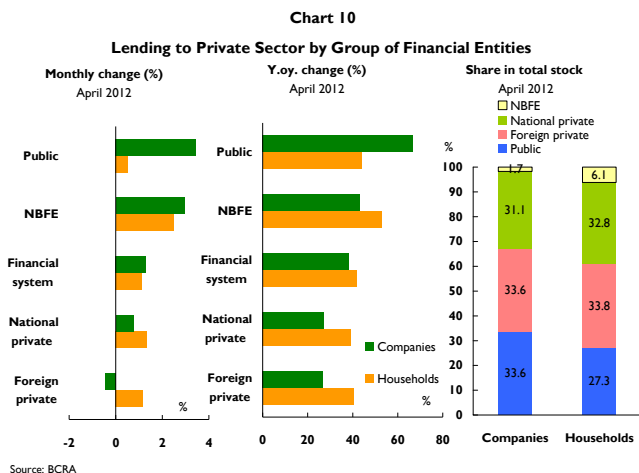


**Lending to companies was up 1.3% during the month, accumulating expansion of 38.4% y.o.y.** In April, lending to the productive sector reached 56.2% of total loans to the private sector (see Chart 9) and accounted for over half its year-on-year growth. Almost all credit lines for companies posted growth during the month, and in particular mortgage loans and overdrafts. Growth in lending to the companies for the month and year-on-year was driven mainly by public banks, which increased their share of the loan stock until accounting for over one third (see Chart 10).

**Analyzing loans to companies on the basis of residual balance segment, those with balances in excess of \$5 million and those with balances of between \$50 thousand and \$200 thousand (small segment) accounted for most of the rise for the month.** In year-on-year terms, loans for the relatively larger amounts posted the highest growth, well above average. Public banks

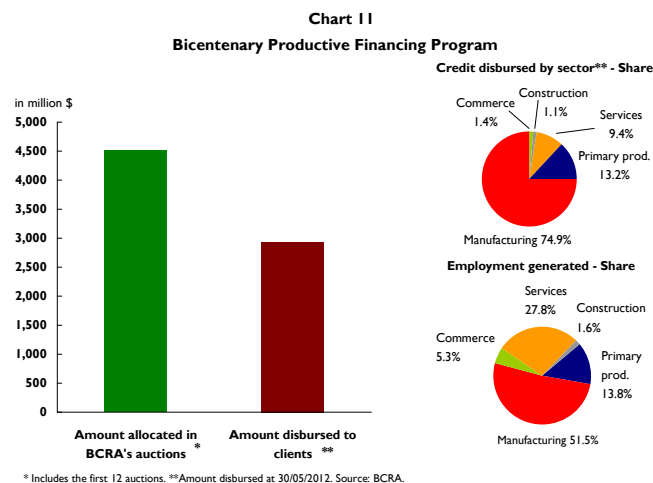
<sup>5</sup> If balance sheet totals are adjusted for the assets securitized during the month (using bank loans as underlying assets), the variation in lending to the private sector for the month would amount to 1.4%. Particularly in April 4 financial trusts were issued using bank personal loans as their underlying assets for a total of \$405 million. All these trust issues were based on the securitization of personal loans.

were behind the largest rise in the last 12 months in almost all residual balance segments.

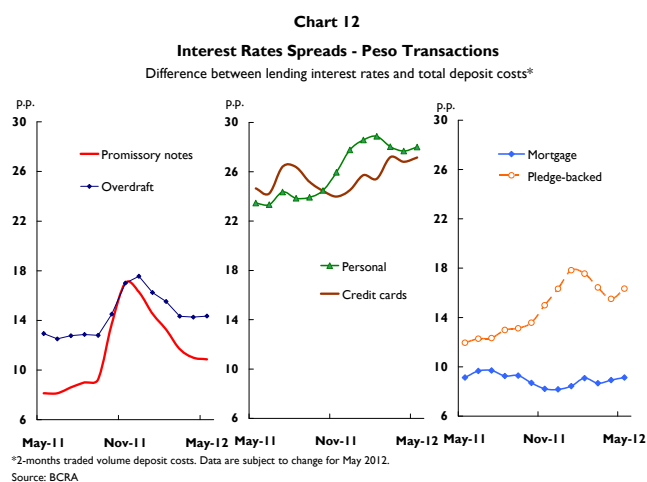


Since the start of the Bicentenary Productive Financing Program<sup>6</sup>, the Central Bank has awarded \$4.51 billion to 14 public and private financial entities by means of 12 auctions. By the end of May, participating banks had granted companies a total of \$2.932 billion (almost two-thirds of the total awarded). Approximately 90% of the total lent was directed to manufacturing industry and primary production. To date, this program has enabled the financing of projects involving the creation of more than 12,400 jobs, mainly in the manufacturing and service sectors (see Chart 11).

Lending to households was up 1.1% during the month, with widespread increases shown by all lines. Pledge-backed and personal loans in particular grew at above the average rate. In year-on-year terms, household lending has risen by 41.6%. Consumer credit lines accounted for over three-quarters of the year-on-year growth in lending to families, and such loans were largely made by private banks.



Lending rates in pesos continued to decline. In the year to date, all groups of banks have lowered their lending rates. Spreads in domestic currency on loan lines have shown a drop in margin, with the exception of pledge-backed loans (see Chart 12). As a result, in May (latest available information) rate differentials have evolved in a similar manner in the case of almost loan lines, with a notable performance in the case of credit cards, which posted a drop of 0.9 p.p. compared with the previous month.



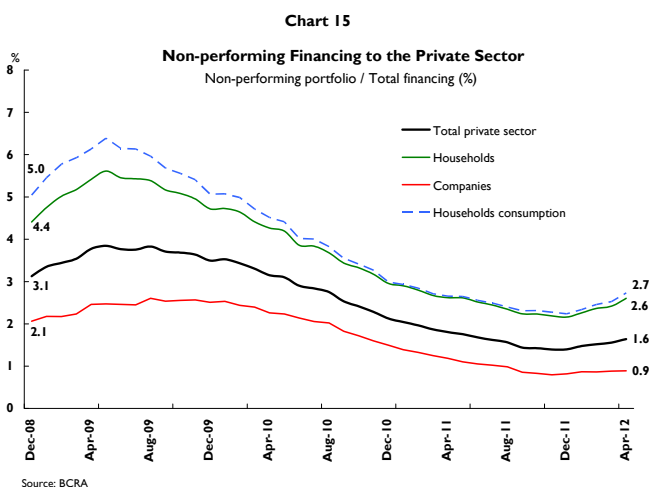
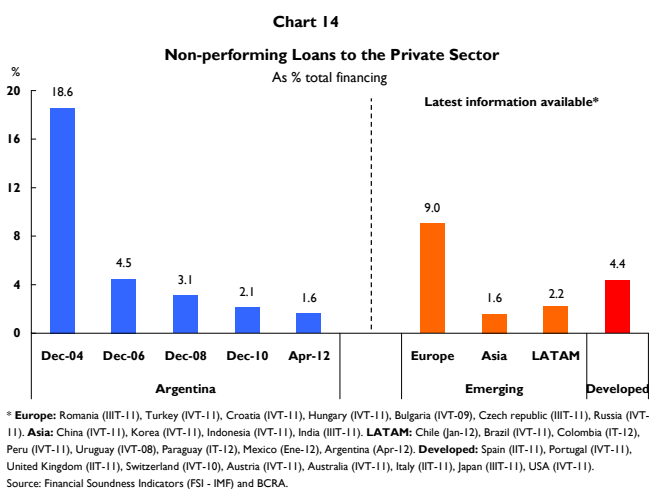
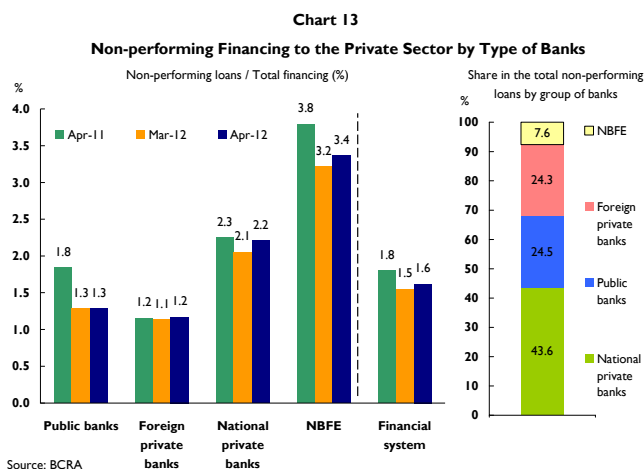
In April bank lending to the public sector stood at 9.3% of total assets, down slightly compared with the previous month and accumulating a year-on-year drop of 1.1 p.p. As a result, financial system exposure to the public sector is now equivalent to one fifth of exposure to the private sector, which amounted to 45.6% of total assets. Furthermore, taking into account the volume of public sector deposits, the latter has maintained its net creditor position in relation to the financial system in an amount equivalent to 10.5% of banking system assets.

## Portfolio quality

*From low levels, non-performance in lending to the private sector has risen slightly, while ample cover by provisions continues to be recorded*

<sup>6</sup> This program is intended to provide funding for up to 5 years to financial entities to be channeled towards lending for investment at a total annual financial cost of 9.9% .





In April the non-performance ratio for lending to the private sector increased slightly (0.1 p.p.) to a level of 1.6%. This indicator rose moderately in the case of private banks and non-bank financial entities, while remaining steady in the case of public banks. Nevertheless, in year-on-year terms the non-performance ratio records a drop 0.2 p.p., a performance seen among almost all groups of financial entities. Public banks in particular stood out, with a drop in this indicator of 0.5 p.p. y.o.y. (see Chart 13). As a result, delinquency levels for aggregate bank lending to the private sector remain low from both a historical perspective and in international comparison terms (see Chart 14).

From low levels, in April non-performance in the case of household lending recorded a slight increase for the month (0.2 p.p.) to 2.6%. Delinquency in household credit lines such as personal loans, credit card lending and pledge-backed loans has shown a moderate rise since the end of last year (see Chart 15). In the case of personal loans, the segment of loans with a residual balance of between \$10,000 and \$25,000 accounted for the largest share of the non-performing balance (30%), while the smallest residual balance segment (up to \$2,500) posted the highest non-performance rate (see Chart 16). Non-performance in the case of lending by means of credit cards has shown a more uniform spread across segments by residual balance, with the smaller loan balances recording the highest relative delinquency.

During the month the non-performance ratio for loans to companies remained low and stable at around 0.9%. Loans in the largest residual balance segments (medium segment –from \$200 thousand to \$5 million- and large - over \$5 million) recorded the lowest levels of non -performance, and account for the largest share of the stock of total loans (91%). Official financial entities showed lower levels of delinquency in the smaller segments (up to \$200,000) compared with private banks, while the latter showed lower rates in the larger segments.

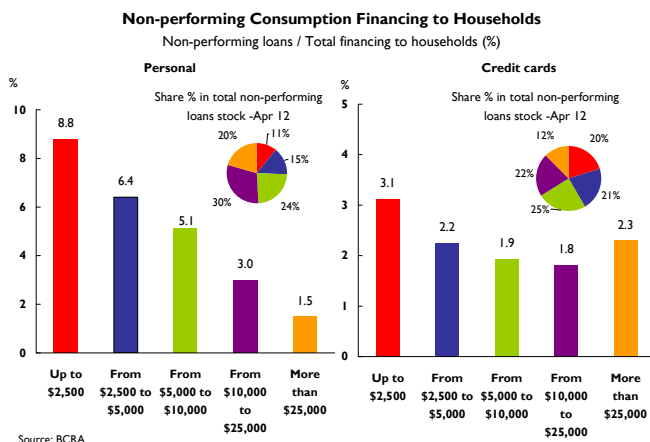
The proportion of loans to the private sector covered by preferred guarantees<sup>7</sup> remained steady in April at 15.7% of the total, a slight decline over the last 12 months.

During the month the financial system recorded a high level of provisions, comfortably exceeding the total of the non-performing portfolio (see Chart 17). The coverage for the non-performing portfolio by provisions stood at 153.2%. In the last 12 months public banks increased their level of coverage by provisions by

<sup>7</sup> These consist of the assignment or ceding of rights to securities or notes (Preferred class “A”) and real rights on assets or commitments of third parties (Preferred class “B”) that ensure that the bank will be able to avail itself of the funds to settle the obligation entered into by its customer. For further details, see Ordered Text on Guarantees, BCRA.

21 p.p. to a level of 186.3%, while private banks cut their levels by 9 p.p.

Chart 16

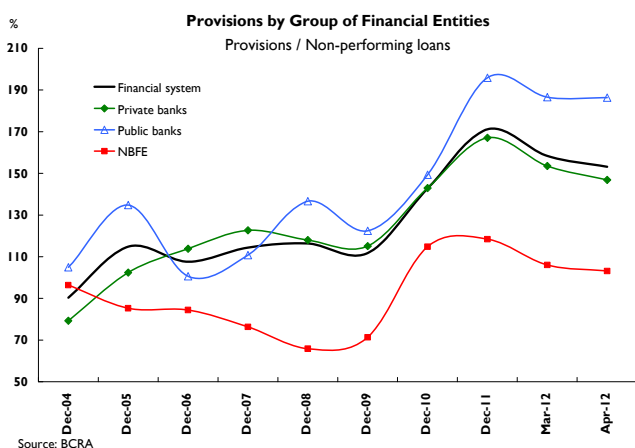


## Solvency

*All groups of banks continued to show high excess compliance with regulatory capital requirements*

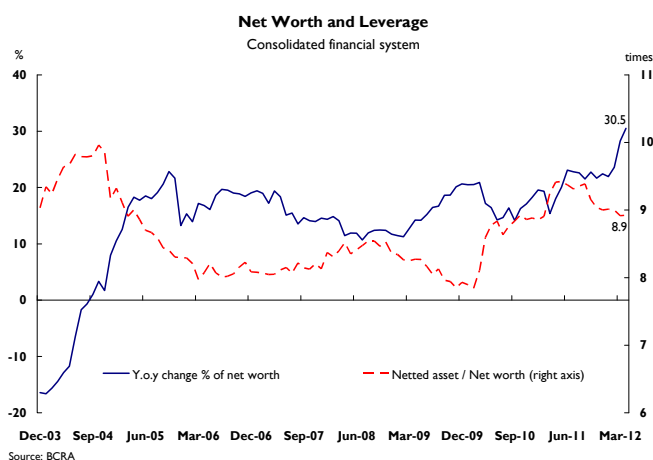
**Consolidated financial system net worth grew 2.1% in April, mainly from accrued book profits.** During the month one foreign private bank received a capital contribution for \$175 million. In the year to date accumulated capitalization for all banks has amounted to almost \$600 million and mainly took place in public financial entities (59%) and foreign private banks (37%). In April two financial entities paid dividends for a total amount of almost \$200 million. In year-on-year terms financial system net worth increased 30.5%, the greatest growth since the exit from the crisis in 2001-2002 (see Chart 18). This increase was relatively larger than the rise in total assets, as a result of which **in the last 12 months there has been a reduction in leverage in the financial system aggregate.** Assets totaled almost 9 times net worth, 0.5 p.p. less than in April 2011.

Chart 17



**During the month, financial system capital compliance rose to 16.3% of risk-weighted assets (RWA).** As a result, in the first 4 months of the year this indicator has recorded a rise of 0.7 p.p. of RWA, a behavior that differs from that of one year earlier, when the indicator fell 0.8 p.p. over the same period after certain financial entities paid out dividends. It should be noted that in order to strengthen the solvency of the sector, since the beginning of 2012 the Central Bank increased the capital buffer required before profit distribution can be made (raising it from 30% to 75%)<sup>8</sup>. **In April the capital compliance level was 59% above the regulatory requirement,** a reduction of 9 p.p. mainly as a result of the schedule introduced for meeting the capital requirement for operational risk<sup>9</sup>. Despite this reduction for the month, **all groups of banks recorded a surplus in their capital compliance** (see Chart 19).

Chart 18

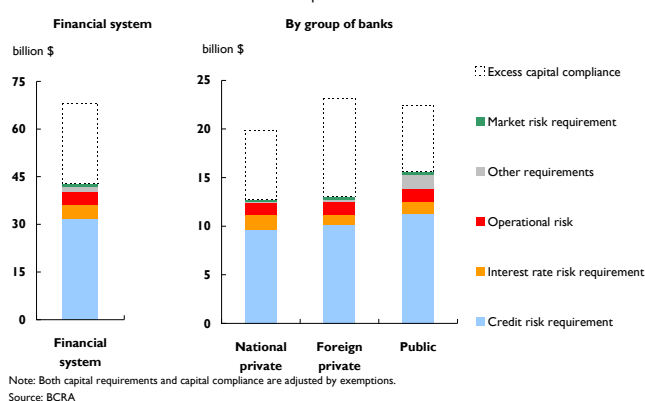


**In April the financial system accrued book profits equivalent to 2.5%a. of assets,** a drop in relation to the level recorded during the previous month (see Chart 20). All groups of banks saw a reduction in their monthly profitability levels. **In the first four months of the year the financial system recorded annualized ROA of 2.8%, 0.2 p.p. more than in the same period of 2011,**

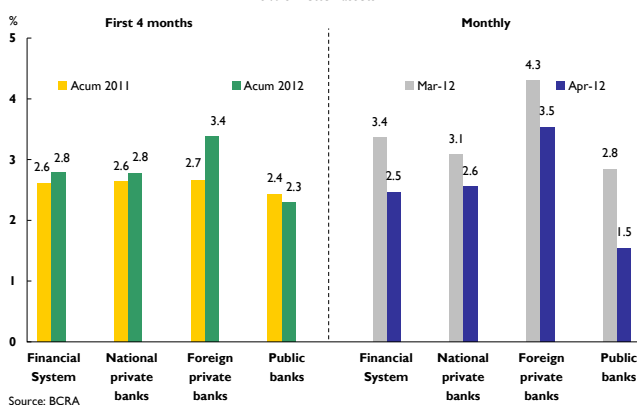
<sup>8</sup> Communication "A" 5273

<sup>9</sup> From February through December the requirement will be introduced gradually on the basis of a moving coefficient. From April to July the coefficient is 0.5; between August and November the coefficient rises to 0.75. In December the full amount of the new requirement must be complied with.

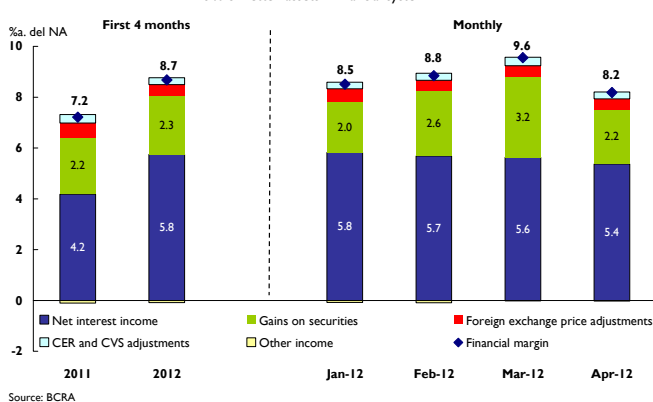
**Chart 19**  
Capital Requirements and Capital Compliance  
April 2012



**Chart 20**  
Profitability by Group of banks  
As % of netted assets



**Chart 21**  
Financial Margin  
As % of netted assets - Financial system



an increase mainly driven by private banks (domestic and foreign).

**Banking system financial margin stood at 8.2%a. of assets in April, 1.3 p.p. below that for the previous month** (see Chart 21). A decline in gains on securities (-1 p.p. of assets to 2.2%a.) was accompanied by a drop in net interest income (-0.2 p.p. of assets to 5.4%a.). **In the year to date, financial margin totals 8.8%a. of assets, 1.3 p.p. more than in the first 4 months of 2011, mainly from interest income.** All groups of banks increased their financial margin in the year-on-year comparison for the period.

**Financial system service revenue declined during the month to 4%a. of assets, a dynamic seen by both private and public banks. Over the course of the year this net income increased by 0.2 p.p. of assets when compared with the first four months of 2011, to a level of 3.9%a., with a notable contribution from private banks.**

In April operating costs showed a modest drop to 6.7%a. of assets, with a greater relative decline being posted by private banks. Nevertheless, **in the first four months of the year this expenditure has been 0.4 p.p. of assets higher than in the first four months of 2011, at 6.8%a.,** with rises for all groups of banks. Loan loss charges were down slightly at 0.7%a. of assets in April, explained by the behavior of private banks. However, in the total for the year to date these costs **have posted a moderate year-on-year increase to 0.8%a. of assets, mainly accounted for by private domestic banks.**

**The ratio for coverage of operating costs by the more stable forms of net revenue (net of loan loss charges) stood at 129% in the first four months of the year, 16 p.p. above the level of one year earlier.** This improvement took place in both public and private banks.

## 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).

**Note:** In April 2012 there were no new regulations to highlight related to the financial intermediation activity.

# 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 ,.
- (e) 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.
- (f) 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 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:** 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	Apr 2012	2011	Mar 2012	Apr 2012
1.- Liquidity	22.8	29.1	29.6	20.1	22.5	23.0	27.9	28.6	28.0	27.1	24.7	26.2	27.0
2.- Credit to the public sector	48.9	47.0	40.9	31.5	22.5	16.3	12.7	14.4	12.2	10.4	10.2	9.5	9.3
3.- Credit to the private sector	20.8	18.1	19.6	25.8	31.0	38.2	39.4	38.3	39.8	40.4	47.4	46.5	45.6
4.- Private non-performing loans	38.6	33.5	18.6	7.6	4.5	3.2	3.1	3.5	2.1	1.8	1.4	1.5	1.6
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	-3.9	-4.3	-3.8	-3.6
6.- ROA	-8.9	-2.9	-0.5	0.9	1.9	1.5	1.6	2.3	2.8	2.6	2.7	2.9	2.8
7.- ROE	-59.2	-22.7	-4.2	7.0	14.3	11.0	13.4	19.2	24.4	24.0	25.3	26.4	25.3
8.- Efficiency	189	69	125	151	167	160	167	185	179	176	179	188	186
9.- Capital compliance	-	14.5	14.0	15.3	16.9	16.9	16.9	18.8	17.7	16.9	15.6	15.9	16.3
10.- Capital compliance Tier 1	-	-	13.5	14.1	14.1	14.6	14.2	14.5	13.1	12.9	10.9	13.1	12.9
11.- Excess capital compliance	-	116	185	173	134	93	90	100	86	79	63	68	59

Source: BCRA

## Chart 2 | Balance Sheet

In million of current pesos	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Dic 07	Dec 08	Dec 09	Dec 10	Apr 11	Dec 11	Mar 12	Apr 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>556,432</b>	<b>628,381</b>	<b>668,920</b>	<b>690,563</b>	<b>3.2</b>	<b>9.9</b>	<b>24.1</b>
Cash disposal <sup>1</sup>	17,138	27,575	29,154	20,819	37,991	46,320	58,676	71,067	93,085	97,786	104,389	109,959	110,427	0.4	5.8	12.9
Public bonds	31,418	45,062	55,382	66,733	64,592	62,678	65,255	86,318	117,951	128,888	112,906	125,664	133,855	6.5	18.6	3.9
Lebac/Nobac	-	-	17,755	28,340	29,289	36,022	37,093	43,867	76,948	90,961	71,050	89,005	96,794	8.8	36.2	6.4
Portfolio	-	-	11,803	21,067	25,767	31,598	25,652	34,748	61,855	73,785	59,664	68,255	70,658	3.5	18.4	-4.2
Repo <sup>2</sup>	-	-	5,953	7,273	3,521	4,424	11,442	9,119	15,093	17,176	11,386	20,750	26,136	26.0	129.5	52.2
Private bonds	332	198	387	389	813	382	203	209	229	212	190	168	168	-11.6	-20.6	-26.7
Loans	84,792	68,042	73,617	84,171	103,668	132,157	154,719	169,868	230,127	252,067	332,317	347,070	351,451	1.3	5.8	39.4
Public sector	44,337	33,228	30,866	25,836	20,874	16,772	17,083	20,570	25,907	25,969	31,346	32,813	33,437	1.9	6.7	28.8
Private sector	38,470	33,398	41,054	55,885	77,832	110,355	132,844	145,247	199,202	220,328	291,708	304,901	308,770	1.3	5.8	40.1
Financial sector	1,985	1,417	1,697	2,450	4,962	5,030	4,793	4,052	5,018	5,769	9,263	9,356	9,244	-1.2	-0.2	60.2
Provisions over loans	-11,952	-9,374	-7,500	-4,930	-3,728	-4,089	-4,744	-5,824	-6,232	-7,173	-7,683	-7,865	-7,865	2.4	9.6	23.6
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	44,509	40,805	46,064	54,019	17.3	32.4	21.4
Corporate bonds and subordinated debt	1,708	1,569	1,018	873	773	606	912	1,146	1,433	1,692	1,657	1,506	1,540	2.2	-7.1	-9.0
Unquoted trusts	6,698	4,133	3,145	3,883	4,881	5,023	5,714	5,942	6,824	7,967	8,079	7,903	7,903	-2.2	-0.8	12.2
Compensation receivable	17,111	14,937	15,467	5,841	763	377	357	16	0	0	0	0	0	-28.6	-28.6	-41.2
Other	13,572	6,392	12,924	16,124	19,622	23,706	31,169	26,395	30,752	35,775	31,182	36,479	44,577	22.2	43.0	24.6
Leasing	567	397	611	1,384	2,262	3,469	3,935	2,933	3,936	4,530	6,222	6,263	6,301	0.6	1.3	39.1
Shares in other companies	4,653	4,591	3,871	4,532	6,392	6,430	7,236	6,711	7,921	8,066	9,123	9,688	9,737	0.5	6.7	20.7
Fixed assets and miscellaneous	8,636	8,164	7,782	7,546	7,619	7,643	7,903	8,239	9,071	9,346	10,111	10,169	10,243	0.7	1.3	9.6
Foreign branches	3,522	3,144	3,524	3,647	2,782	2,912	3,153	3,926	3,283	3,465	3,525	3,878	3,899	0.5	10.6	12.5
Other assets	9,338	12,043	13,180	10,950	9,953	10,347	12,275	10,337	11,943	13,908	15,944	17,659	18,327	3.8	14.9	31.8
<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>497,733</b>	<b>558,264</b>	<b>593,972</b>	<b>614,211</b>	<b>3.4</b>	<b>10.0</b>	<b>23.4</b>
Deposits	75,001	94,635	116,655	136,492	170,898	205,550	236,217	271,853	376,344	410,840	462,517	489,845	498,959	1.9	7.9	21.4
Public sector <sup>3</sup>	8,381	16,040	31,649	34,019	45,410	48,340	67,151	69,143	115,954	125,276	129,885	135,238	136,827	1.2	5.3	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	282,369	328,463	349,899	357,190	2.1	8.7	26.5
Current account	11,462	15,071	18,219	23,487	26,900	35,245	39,619	45,752	61,306	67,660	76,804	81,649	82,845	1.5	7.9	22.4
Savings account	10,523	16,809	23,866	29,078	36,442	47,109	50,966	62,807	82,575	87,679	103,636	103,791	107,393	3.5	3.6	22.5
Time deposits	19,080	33,285	34,944	42,822	54,338	65,952	69,484	83,967	104,492	116,194	135,082	151,904	154,230	1.5	14.2	32.7
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	67,597	76,038	81,594	90,959	11.5	19.6	34.6
Interbanking obligations	1,649	1,317	1,461	2,164	4,578	4,310	3,895	3,251	4,201	4,819	7,947	7,956	7,798	-2.0	-1.9	61.8
BCRA lines	27,837	27,491	27,726	17,005	7,686	2,362	1,885	270	262	413	1,920	2,348	2,490	6.0	29.7	503.0
Outstanding bonds	9,096	6,675	7,922	6,548	6,603	6,938	5,984	5,033	3,432	4,292	6,856	7,459	7,708	3.3	12.4	79.6
Foreign lines of credit	25,199	15,196	8,884	4,684	4,240	3,864	4,541	3,369	3,897	4,355	6,467	6,223	6,174	-0.8	-4.5	41.8
Other	11,955	11,012	18,934	21,671	22,930	28,752	41,357	40,191	48,236	53,719	52,848	57,608	66,789	15.9	26.4	24.3
Subordinated debts	3,712	2,028	1,415	1,381	1,642	1,672	1,763	1,922	2,165	1,888	2,065	2,411	2,441	1.2	18.2	29.3
Other liabilities	6,997	6,569	5,685	5,099	6,792	7,695	9,740	13,159	14,213	17,408	17,644	20,121	21,851	8.6	23.8	25.5
<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>58,699</b>	<b>70,117</b>	<b>74,948</b>	<b>76,352</b>	<b>1.9</b>	<b>8.9</b>	<b>30.1</b>
<b>Memo</b>																
Netted assets	185,356	184,371	202,447	208,275	244,791	280,336	321,075	364,726	482,532	523,968	601,380	636,870	650,621	2.2	8.2	24.2
Consolidated netted assets	181,253	181,077	198,462	203,286	235,845	271,652	312,002	357,118	472,934	513,795	586,805	621,953	635,811	2.2	8.4	23.7

(<sup>1</sup>) Includes margin accounts with the BCRA. (<sup>2</sup>) Booked value from balance sheet (it includes all the counterparts). (<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 4 months		Monthly			Last
	2002 <sup>1</sup>	2003	2004	2005	2006	2007	2008	2009	2010	2011	2011	2012	Feb-12	Mar-12	Apr-12	12 months
Financial margin	13,991	1,965	6,075	9,475	13,262	15,134	20,462	28,937	35,490	43,670	12,644	18,330	4,585	5,019	4,403	49,356
Net interest income	-3,624	-943	1,753	3,069	4,150	5,744	9,573	14,488	17,963	24,903	6,988	11,755	2,945	2,963	2,888	29,671
CER and CVS adjustments	8,298	2,315	1,944	3,051	3,012	2,624	2,822	1,196	2,434	1,725	581	595	143	177	145	1,739
Foreign exchange price adjustments	5,977	-890	866	751	944	1,357	2,307	2,588	2,100	3,025	983	904	204	226	222	2,947
Gains on securities	3,639	1,962	1,887	2,371	4,923	5,144	4,398	11,004	13,449	14,228	4,282	5,182	1,342	1,661	1,159	15,128
Other financial income	-299	-480	-375	233	235	264	1,362	-339	-457	-211	-189	-106	-48	-9	-11	-128
Service income margin	4,011	3,415	3,904	4,781	6,243	8,248	10,870	13,052	16,089	21,391	6,230	8,252	1,887	2,230	2,133	23,414
Loan loss provisions	-10,007	-2,089	-1,511	-1,173	-1,198	-1,894	-2,839	-3,814	-3,267	-3,736	-1,126	-1,610	-355	-448	-381	-4,219
Operating costs	-9,520	-7,760	-7,998	-9,437	-11,655	-14,634	-18,767	-22,710	-28,756	-36,365	-10,726	-14,265	-3,480	-3,634	-3,615	-39,904
Tax charges	-691	-473	-584	-737	-1,090	-1,537	-2,318	-3,272	-4,120	-6,047	-1,691	-2,581	-658	-669	-644	-6,936
Adjust. to the valuation of gov. securities <sup>2</sup>	0	-701	-320	-410	-752	-837	-1,757	-262	-214	-336	-141	-105	-27	-29	-26	-300
Amort. payments for court-ordered releases	0	-1,124	-1,686	-1,867	-2,573	-1,922	-994	-703	-635	-290	-85	-57	-12	-17	-16	-262
Other	-3,880	1,738	1,497	1,729	2,644	2,380	1,441	918	2,079	2,963	905	748	126	242	53	2,807
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	6,009	8,713	2,065	2,694	1,906	23,955
Income tax	-509	-305	-275	-581	-595	-1,032	-1,342	-4,226	-4,904	-6,531	-1,622	-2,889	-648	-924	-580	-7,798
<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>4,387</b>	<b>5,824</b>	<b>1,417</b>	<b>1,770</b>	<b>1,327</b>	<b>16,156</b>
Adjusted results <sup>4</sup>	-	-3,440	1,337	4,057	7,631	6,665	7,508	8,885	12,610	15,345	4,613	5,987	1,457	1,816	1,369	16,719
<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	8.8	8.8	9.5	8.2	8.4
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	5.7	5.6	5.4	5.1
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	0.4	0.4	0.4	0.4	0.5
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	2.5	2.6	3.2	2.2	2.6
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	-0.1	-0.1	0.0	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	3.7	3.9	3.6	4.2	4.0	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	-0.7	-0.9	-0.7	-0.7
Operating costs	-4.4	-4.2	-4.1	-4.6	-5.1	-5.5	-6.1	-6.7	-6.9	-6.7	-6.4	-6.8	-6.7	-6.9	-6.7	-6.8
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	-1.3	-1.3	-1.2	-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	-0.1	-0.1	0.0	-0.1
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	0.2	0.5	0.1	0.5
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	3.6	4.2	4.0	5.1	3.5	4.1
Income tax	-0.2	-0.2	-0.1	-0.3	-0.3	-0.4	-0.4	-1.3	-1.2	-1.2	-1.0	-1.4	-1.3	-1.8	-1.1	-1.3
<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>2.6</b>	<b>2.8</b>	<b>2.7</b>	<b>3.4</b>	<b>2.5</b>	<b>2.8</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	2.7	2.9	2.8	3.4	2.5	2.9
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	32.9	37.9	36.4	46.3	32.1	38.0
ROE <sup>3</sup>	-59.2	-22.7	-4.2	7.0	14.3	11.0	13.4	19.2	24.4	25.3	24.0	25.3	24.9	30.4	22.3	25.6

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

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

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

Source: BCRA

## Chart 4 | Portfolio Quality

As percentage	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Dec 08	Dec 09	Dec 10	Abr 11	Dec 11	Mar 12	Apr 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>1.4</b>	<b>1.4</b>
Provisions / Non-performing loans	72	77	98	115	108	115	117	115	148	161	176	163	158
(Total non-performing - Provisions) / Overall financing	5.0	4.1	0.2	-0.8	-0.3	-0.4	-0.5	-0.5	-0.9	-1.0	-0.9	-0.9	-0.8
(Total non-performing - Provisions) / Net worth	18.2	13.3	0.8	-2.6	-0.9	-1.6	-1.8	-1.7	-3.6	-4.3	-4.6	-4.1	-3.9
<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>1.8</b>	<b>1.4</b>	<b>1.5</b>	<b>1.6</b>
Provisions / Non-performing loans	74	79	97	115	108	114	116	112	143	156	171	158	153
(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	-3.9	-4.3	-3.8	-3.6

Source: BCRA



# Statistics annex | Private banks

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

As %	2002	2003	2004	2005	2006	2007	2008	2009	2010	Apr 2011	2011	Mar 2012	Apr 2012
1.- Liquidity	24.8	27.6	29.2	21.5	23.7	25.7	34.1	29.8	26.0	26.2	26.7	29.2	30.2
2.- Credit to the public sector	50.0	47.7	41.6	28.5	16.3	9.5	6.3	6.1	4.4	3.3	2.8	2.3	2.2
3.- Credit to the private sector	22.4	19.9	22.5	31.1	37.9	46.6	44.0	43.3	50.3	50.4	54.5	53.9	52.5
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	1.7
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	-4.2	-4.4	-3.8	-3.5
6.- ROA	-11.3	-2.5	-1.0	0.5	2.2	1.6	1.9	3.0	3.2	2.7	3.0	3.1	3.1
7.- ROE	-79.0	-19.1	-8.1	4.1	15.3	10.9	15.2	22.9	24.5	22.0	25.6	26.6	26.4
8.- Efficiency	168	93	115	136	158	152	166	195	176	171	178	184	184
9.- Capital compliance	-	14.0	15.1	17.8	18.6	19.2	18.3	22.6	20.4	18.3	16.8	17.4	17.9
10.- Capital compliance Tier I	-	-	14.7	16.1	15.3	16.7	14.9	17.2	15.2	15.7	12.5	15.4	15.2
11.- Excess capital compliance	-	88	157	155	116	87	86	121	100	81	70	79	66

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	Abr 11	Dec 11	Mar 12	Apr 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>309,380</b>	<b>364,122</b>	<b>381,060</b>	<b>393,257</b>	<b>3.2</b>	<b>8.0</b>	<b>27.1</b>
Cash disposal <sup>1</sup>	11,044	14,500	15,893	14,074	22,226	29,418	37,044	43,562	49,730	51,423	58,877	70,278	69,025	-1.8	17.2	34.2
Public bonds	19,751	22,260	24,817	29,966	27,663	24,444	29,552	47,949	48,903	52,367	50,055	50,357	55,578	10.4	11.0	6.1
Lebac/Nobac	-	-	8,359	15,227	15,952	17,684	23,457	31,575	34,422	39,261	34,246	40,343	45,445	12.6	32.7	15.8
Portfolio	-	-	5,611	12,899	14,220	15,639	12,858	27,413	31,148	31,941	23,908	30,645	31,344	2.3	31.1	-1.9
Repo <sup>2</sup>	-	-	2,749	2,328	1,732	2,045	10,598	4,161	3,274	7,320	10,338	9,698	14,101	45.4	36.4	92.6
Private bonds	273	172	333	307	683	310	127	233	184	169	164	144	122	-15.3	-25.6	-28.0
Loans	51,774	47,017	50,741	56,565	69,294	88,898	98,529	101,722	143,202	158,174	202,117	208,962	210,178	0.6	4.0	32.9
Public sector	25,056	23,571	21,420	15,954	10,036	6,413	6,249	1,694	1,625	1,556	1,215	1,300	1,281	-1.4	5.5	-17.6
Private sector	26,074	22,816	28,213	39,031	55,632	78,587	88,426	96,790	137,308	151,850	193,126	199,799	201,146	0.7	4.2	32.5
Financial sector	644	630	1,107	1,580	3,626	3,898	3,854	3,238	4,270	4,768	7,777	7,863	7,751	-1.4	-0.3	62.6
Provisions over loans	-7,463	-5,225	-3,717	-2,482	-2,227	-2,365	-2,871	-3,653	-3,926	-4,002	-4,574	-4,926	-5,041	2.3	10.2	25.9
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	27,808	29,338	26,459	33,015	24.8	12.5	18.7
Corporate bonds and subordinated debt	1,514	1,394	829	675	618	430	699	734	757	908	796	644	678	5.4	-14.8	-25.3
Unquoted trusts	6,205	3,571	2,362	2,444	2,982	3,456	3,869	4,198	4,500	4,480	5,268	5,398	5,095	-5.6	-3.3	13.7
Compensation receivable	15,971	13,812	14,657	5,575	760	377	16	0	0	0	0	0	0	-	-	-
Other	3,523	3,370	7,905	8,179	14,027	12,822	20,339	16,311	14,984	22,420	23,273	20,417	27,241	33.4	17.0	21.5
Leasing	553	387	592	1,356	2,126	3,149	3,451	2,569	3,519	4,057	5,452	5,437	5,462	0.5	0.2	34.7
Shares in other companies	3,123	2,791	1,892	2,416	4,042	3,762	4,538	4,067	4,934	4,988	5,998	6,415	6,371	-0.7	6.2	27.7
Fixed assets and miscellaneous	5,198	4,902	4,678	4,575	4,677	4,685	4,926	5,096	5,808	6,079	6,663	6,668	6,709	0.6	0.7	10.4
Foreign branches	-109	-136	-53	-148	-139	-154	-178	-202	-215	-222	-240	0	0	-	-	-
Other assets	7,549	7,816	7,137	6,178	5,682	6,277	8,505	6,946	7,646	8,540	10,271	11,266	11,838	5.1	15.3	38.6
<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>243,766</b>	<b>273,872</b>	<b>321,123</b>	<b>335,143</b>	<b>346,185</b>	<b>3.3</b>	<b>7.8</b>	<b>26.4</b>
Deposits	44,445	52,625	62,685	75,668	94,095	116,719	135,711	154,387	198,662	217,655	253,705	268,524	271,009	0.9	6.8	24.5
Public sector <sup>3</sup>	1,636	3,077	6,039	6,946	7,029	7,564	19,600	17,757	23,598	26,106	27,664	29,535	29,659	0.4	7.2	13.6
Private sector <sup>3</sup>	38,289	47,097	55,384	67,859	85,714	107,671	114,176	134,426	173,203	189,444	223,141	235,997	238,194	0.9	6.7	25.7
Current account	8,905	11,588	13,966	17,946	20,604	27,132	30,188	35,127	46,297	50,275	57,586	61,780	61,687	-0.1	7.1	22.7
Savings account	6,309	10,547	14,842	18,362	23,165	30,169	32,778	40,999	53,085	57,073	66,891	66,939	68,597	2.5	2.6	20.2
Time deposit	11,083	18,710	22,729	27,736	38,043	45,770	46,990	54,058	67,568	74,740	89,924	98,883	99,474	0.6	10.6	33.1
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	29,323	39,298	34,235	34,427	43,982	53,973	51,750	59,669	15.3	10.6	35.7
Interbanking obligations	836	726	1,070	1,488	3,383	1,979	1,160	1,668	1,903	2,133	3,524	3,576	3,634	1.6	3.1	70.4
BCRA lines	16,624	17,030	17,768	10,088	3,689	675	649	41	57	125	456	567	554	-2.3	21.6	343.3
Outstanding bonds	9,073	6,674	7,922	6,548	6,413	6,686	5,672	4,626	2,802	3,176	5,119	5,486	5,404	-1.5	5.6	70.1
Foreign lines of credit	15,434	9,998	5,444	2,696	2,249	1,833	2,261	1,262	1,716	2,167	4,252	3,992	3,930	-1.0	-7.6	81.4
Other	7,374	7,939	12,878	11,530	16,015	18,150	29,555	26,638	27,949	36,381	40,622	38,129	46,147	21.0	13.6	26.8
Subordinated debts	3,622	1,850	1,304	1,319	1,642	1,668	1,759	1,918	2,148	1,870	1,948	1,998	2,031	1.6	4.2	8.6
Other liabilities	5,671	4,890	4,213	3,264	3,989	4,443	5,828	7,897	8,528	10,365	11,497	12,871	13,476	4.7	17.2	30.0
<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>35,508</b>	<b>42,999</b>	<b>45,918</b>	<b>47,072</b>	<b>2.5</b>	<b>9.5</b>	<b>32.6</b>
<b>Memo</b>																
Netted assets	117,928	115,091	121,889	123,271	143,807	166,231	192,074	216,100	267,364	289,599	344,101	364,186	369,754	1.5	7.5	27.7

(<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 4 months		Monthly			Last
	2002 <sup>1</sup>	2003	2004	2005	2006	2007	2008	2009	2010	2011	2011	2012	Feb-12	Mar-12	Apr-12	12 months
Financial margin	10,628	2,575	3,415	5,253	7,778	8,960	12,964	19,724	21,837	27,234	7,851	11,540	2,818	3,182	2,911	30,923
Net interest income	-304	107	1,214	2,069	2,826	4,191	7,727	10,572	12,842	18,518	5,205	8,405	1,988	2,235	2,170	21,718
CER and CVS adjustments	1,476	1,082	900	1,215	858	662	651	185	244	288	91	104	25	30	26	300
Foreign exchange price adjustments	6,189	-312	666	576	740	990	1,620	1,646	1,493	2,064	635	569	122	171	133	1,997
Gains on securities	3,464	1,892	959	1,259	3,154	2,888	1,637	7,343	7,464	6,358	2,030	2,492	709	734	570	6,819
Other financial income	-197	-195	-322	134	199	229	1,329	-22	-205	6	-110	-29	-26	13	12	88
Service income margin	2,782	2,341	2,774	3,350	4,459	5,881	7,632	9,198	11,345	15,243	4,438	6,005	1,380	1,597	1,546	16,810
Loan loss provisions	-6,923	-1,461	-1,036	-714	-737	-1,174	-1,863	-2,751	-2,253	-2,633	-782	-1,115	-232	-344	-262	-2,966
Operating costs	-6,726	-5,310	-5,382	-6,303	-7,741	-9,735	-12,401	-14,807	-18,819	-23,821	-7,194	-9,512	-2,303	-2,441	-2,414	-26,139
Tax charges	-512	-366	-393	-509	-769	-1,105	-1,715	-2,380	-2,927	-4,300	-1,205	-1,845	-460	-476	-476	-4,940
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	-37	-31	-7	-9	-9	-127
Other	-4,164	1,178	846	1,156	1,641	1,576	916	398	1,382	1,723	549	562	118	173	92	1,736
Monetary results	-10,531	-20	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total results before tax <sup>3</sup>	-15,447	-2,518	-973	865	3,279	2,836	4,579	9,014	10,171	13,272	3,580	5,605	1,314	1,681	1,388	15,297
Income tax	-337	-295	-202	-217	-365	-380	-1,168	-3,001	-2,733	-4,293	-1,125	-1,951	-468	-570	-456	-5,119
<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>2,455</b>	<b>3,653</b>	<b>846</b>	<b>1,111</b>	<b>932</b>	<b>10,178</b>
Adjusted results <sup>4</sup>	-	-1,357	252	2,016	4,267	4,023	4,367	6,381	7,832	9,153	2,532	3,684	853	1,121	941	10,305
<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	8.5	9.8	9.7	10.6	9.5	9.4
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	7.1	6.8	7.4	7.1	6.6
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	0.4	0.6	0.4	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	2.2	2.1	2.4	2.4	1.9	2.1
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	0.0	-0.1	0.0	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	4.8	5.1	4.7	5.3	5.1	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	-0.9	-0.8	-1.1	-0.9	-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	-8.0	-7.9	-8.1	-7.9	-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	-1.6	-1.6	-1.6	-1.5
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	0.4	0.6	0.3	0.5
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>3</sup>	-11.1	-2.2	-0.8	0.7	2.5	1.8	2.6	4.5	4.3	4.4	3.9	4.7	4.5	5.6	4.6	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	-1.9	-1.5	-1.6
<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>2.7</b>	<b>3.1</b>	<b>2.9</b>	<b>3.7</b>	<b>3.1</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	2.9	3.7	3.1	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	32.1	40.5	38.5	48.1	38.5	40.5
ROE <sup>3</sup>	-79.0	-19.1	-8.1	4.1	15.3	10.9	15.2	22.9	24.5	25.6	22.0	26.4	24.8	31.8	25.9	26.9

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

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

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

Source: BCRA

## Chart 8 | Portfolio Quality

As percentage	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Dec 08	Dec 09	Dec 10	Apr 11	Dec 11	Mar 12	Apr 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>1.6</b>	<b>1.3</b>	<b>1.5</b>	<b>1.6</b>
Provisions / Non-performing loans	71	73	89	103	114	123	119	116	144	157	168	155	148
(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	-4.2	-4.4	-3.9	-3.6
<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>1.7</b>
Provisions / Non-performing loans	72	75	88	102	114	123	118	115	143	156	167	153	147
(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	-4.2	-4.4	-3.8	-3.5

Source: BCRA