

Report on Banks

May 2010



BANCO CENTRAL
DE LA REPÚBLICA ARGENTINA

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May 2010

Year VII, No. 9



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Note | Information for May 2010 available by June 23, 2010 is included. This Report is focussed on the performance of the financial system, including breakdowns by homogeneous sub-sectors. The data reported (particularly, those referring to profitability) are provisional and are subject to changes later. Except the opposite was indicated the data included corresponds to BCRA Information Regimes (end of month data)

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Summary

- **In May, financial entities kept their momentum developing financial intermediation with companies and households and the provision of means of payment for the economy.** In concordance with the purpose of achieving a regional deepening of the financial system, the BCRA started promoting the setting up of special service offices in localities having a population below 30,000 inhabitants, providing additional facilities to financial entities that may decide to increase the scope of their operations.
- **The financial system's balance sheet total deposits rose 3.4% in May (26.8% year-on-year, y.o.y.), mainly reflecting the effect of the increase in public sector deposits within a period of tax maturities.** Private sector deposit stock grew 0.5% over the month mainly driven by a rise of sight deposits which was partially offset by the decrease of time deposits. Private sector deposits expanded 20.5% over the last 12 months with national private banks and public banks recording the greatest relative momentum.
- **In May, financial system's liquidity ratio** (both local and foreign currency items) **fell slightly down to 32.7% of deposits**, while the broad liquidity indicator (with Lebac and Nobac not related to repos with the BCRA) remained practically unchanged, at 46.3% of total deposits.
- **Loans to households and companies stock grew 3.3% over the month**, driven mainly by overdrafts within a framework of greater demand for liquidity by companies (which is common during periods of tax maturities). Therefore, lending to the private sector increased at a 25.8% a. pace during the first 5 months of the year, and it more than trebled the value recorded over the same period a year ago. **Loans to manufacturing and service companies accounted for almost two thirds of the growth exhibited by the financing granted to the corporate sector so far this year.** The renewed impulse shown by bank lending to the private sector has been mainly boosted by short term commercial credit lines and consumption loans.
- **Within the purpose of monetary regulation, the Central Bank boosted a measure aimed at extending the terms with which the financial system operates thereby promoting financing to the productive sector.** In this regard, this Institution implemented a line of overdrafts of up to 5 years at a fixed interest rate in pesos which is subject to compliance with the targets of the Monetary Program. Financial entities that obtain these overdrafts through auctions have to apply them to finance investment projects at a fixed interest rate in pesos, creating a guarantee with instruments issued by the National Government valued at market prices, at least 125% of the balance owed.
- **Non-performing loans to the private sector amounted to 3.1% of lending in May, 0.1 p.p. and 0.7 p.p. below the value recorded last month and in May of 2009, respectively.** This improvement in the quality of loans observed during the last months was primarily boosted by non-banking financial entities (NBF) and private banks, especially considering a better performance exhibited by their credit portfolios to household consumption. **The financial system continues showing a high level of coverage by provisions** (136% of non-performing loans).
- **Financial system foreign currency mismatching** (which includes net undelivered forward purchases of foreign currency) **remained below the levels recorded a year ago.** Particularly, such mismatching increased slightly in May up to 45.1% of net worth, mainly due to more net forward purchases of foreign currencies by private banks.
- Financial system net worth remained stable in May within a context where book profits over the month were offset by the allocation of dividends of some private banks. In year-on-year terms, **net worth rose by 16.3%. The financial system continued recording high solvency indicators:** capital compliance in relation to risk-weighted assets was at 18.2% in May, almost doubling the regulatory requirement. **Financial system book profits reached 1.6% a. of assets in the month**, 1.1 p.p. less than in April, mainly due to the drop of the financial margin. The results obtained by **financial entities accumulated 2.2% a. of assets over the first 5 months of the year.**

Activity

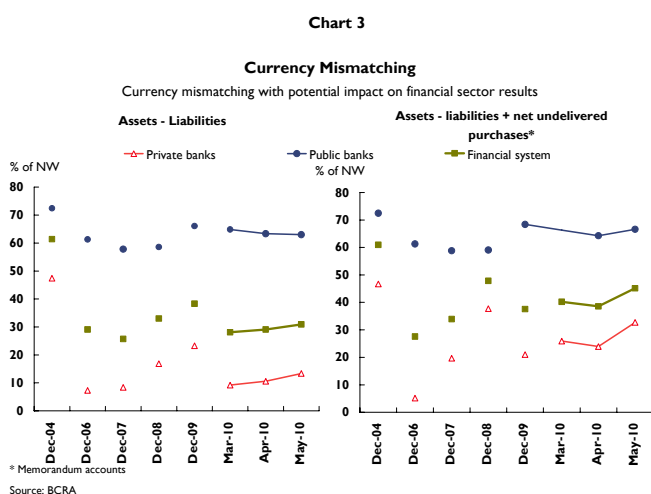
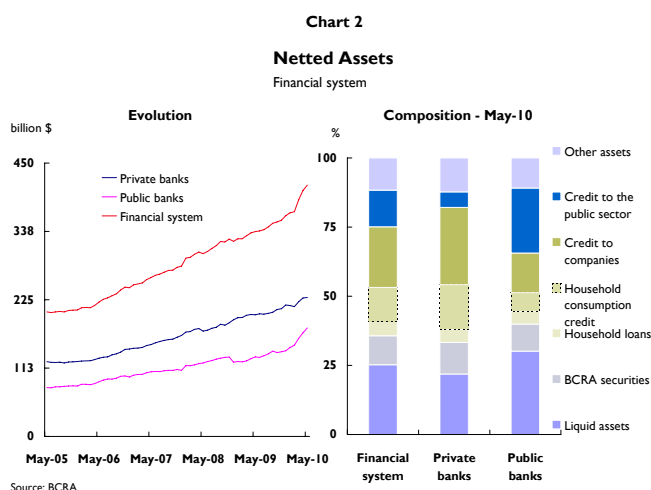
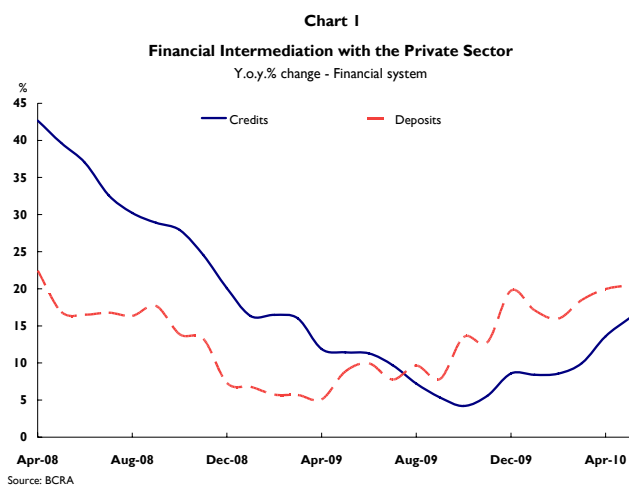
Year-on-year growth pace of financial intermediation with the private sector continued improving

In May the financial system continued expanding its financial intermediation activity with the private sector. Financial entities' netted assets grew 2.1% over the month accumulating a 22.6% year-on-year (y.o.y.) expansion and doubling the figure recorded 12 months ago. This monthly increase was mainly boosted by public banks. The growth pace exhibited by lending to the private sector amounted 16% y.o.y., while deposits' expansion in the case of households and companies stood at 20.5% y.o.y. (see Chart 1).

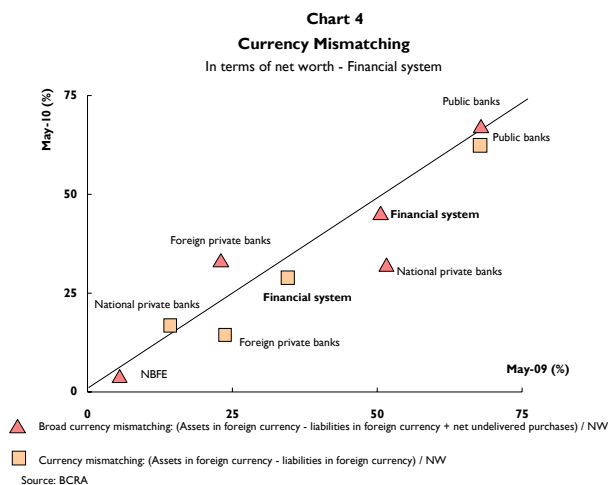
Liquidity increased its netted assets weighting against May 2009, and this trend was mainly evidenced by public banks. Lending to households and companies raised its share by 0.4 p.p. of netted assets in May amounting to 39.4%, recording an upward movement for the first time since February 2009 (see Chart 2). The holding of Central Bank securities grew for the fourth consecutive month reaching 10.5% of financial entities' netted assets. This movement was accounted for by public banks.

The main financial system source of funds during May (based on the variation of balance sheet stocks) was the rise recorded by deposits, particularly those of the public sector (\$9.6 billion) and, to a lesser extent, by households and companies (\$1.1 billion). Regarding the uses, the increases of lending to the private sector (\$5.4 billion), of liquid assets (\$2.6 billion) and Lebac and Nobac holdings not related to repos with the BCRA (\$1.4 billion) are to be highlighted. While private banks accounted mainly for the monthly growth of loans to companies and households, the rise of deposits (both by the public and private sector) and of liquidity were observed in the case of public banks.

Financial system foreign currency mismatching¹ (including net undelivered forward purchases of foreign currency) rose by US\$730 million in May amounting to US\$5.32 billion, equivalent to 45.1% of net worth (see Chart 3). This monthly change was primarily boosted by a hike of net undelivered purchases of foreign currency (mainly at private banks) in a context where the increase of assets in foreign currency (due to liquid assets and loans to the private sector) was slightly above that of liabilities in the same currency. In spite of

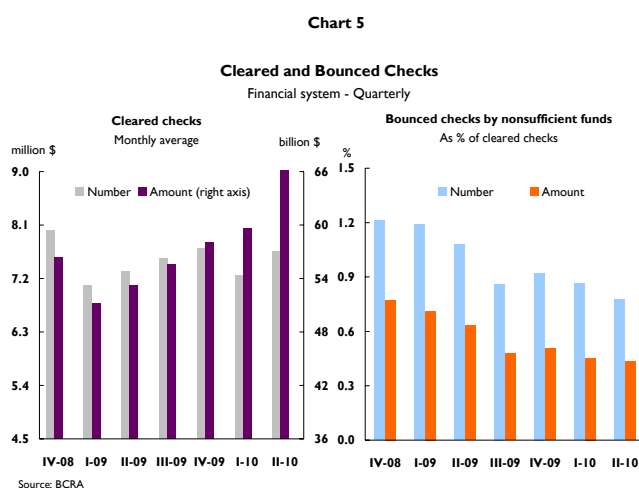


¹ Balance sheet mismatching that entails a potential effect on financial system profits when the peso-dollar exchange rate is modified.



the monthly variation, the foreign currency mismatching was below the one recorded a year ago, evidencing a 6.2 p.p. y.o.y. reduction. This evolution resulted mainly from the fall observed at national private banks, which was partially offset by the increase seen in foreign private banks (see Chart 4).

The amount and quantity of checks cleared increased over the second quarter of 2010 against the same period in 2009 (see Chart 5), recording a lower proportion of bounced checks by non-sufficient funds. The amount of bounced checks was 0.4% of the total for the financial system during the second quarter of the year (-0.2 p.p. against the same period last year).



The BCRA continues promoting the expansion of financial system operating infrastructure. Particularly, the setting up of special service offices in localities having less than 30,000 inhabitants with additional facilities to those entities that adhere to the regulation² was authorized. It is estimated that while inhabitants living in areas with no branches or automatic teller machines in all the country would represent 10% of the urban population, such proportion would amount to 25% in localities with less than 30,000 inhabitants (see Table 1).

Deposits and liquidity

Total deposits increased over the month boosted by public sector deposits while liquidity fell slightly

Total balance sheet deposit stocks went up 3.4% (26.8% y.o.y.) in May. The monthly increase was mainly driven by public sector deposits (10.2%) in a context of significant tax maturities and, to a lesser extent, by those of the private sector (0.5%). The raise shown by private sector deposits was based on sight deposits (1.4%), and was partially offset by the reduction of time deposits (-1.1%). Nominal interest rates on time deposits in pesos increased slightly over the month for transactions exceeding 60 days both in the retail and wholesale segment even though they were below the levels observed a year ago.

Private sector deposits grew 20.5% over the last twelve months. These deposits were primarily channeled to public financial entities (23.2% y.o.y.) and to national private banks (21.1% y.o.y), thereby gaining share in the total balance (see Chart 6). During this period, 88% of financial entities that receive

Table 1

Banking services access of urban jurisdictions

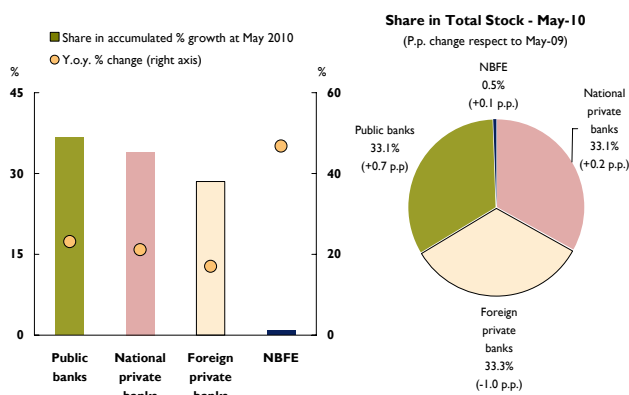
Description	Localities		Urban population	
	With branches and/or ATM	Without access to banking services (nor branches neither ATM)	With branches and/or ATM	Without access to banking services (nor branches neither ATM)
Total	35%	65%	90%	10%
Localities with less than 30,000 inhabitants	30%	70%	75%	25%

Note: Considering a total estimated population of 37 million of inhabitants over 3600 urban localities
 Source: BCRA from INDEC data at March 2010

² Communication "A" 5079.

Chart 6

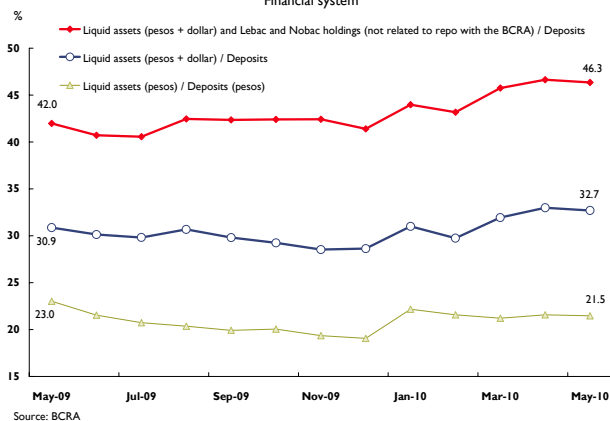
Private Sector Deposits by Group of Banks



Source: BCRA

Chart 7

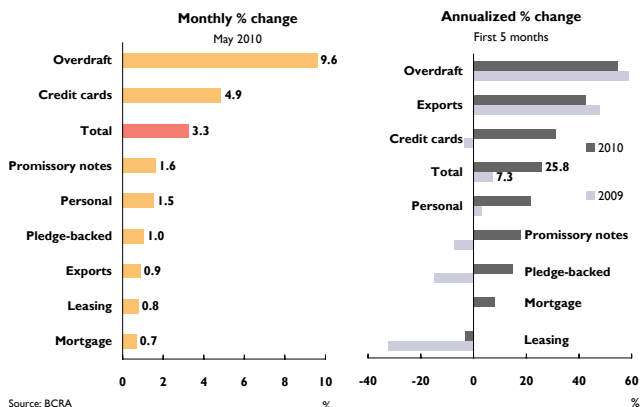
Liquidity
Financial system



Source: BCRA

Chart 8

Credit to the Private Sector by Type of Line



Source: BCRA

deposits recorded funding increases through deposits made by companies and households (16 banks concentrated almost 95% of this variation).

The financial system's liquidity ratio, including items in pesos and in foreign currency, fell slightly (0.3 p.p.) over the month down to 32.7% of total deposits given that the raise of deposits was relative higher than that of liquid assets. These movements in liquidity indicators resulted from the performance of both private and public banks. The broad liquidity indicator (with Lebac and Nobac not related to repos with the BCRA) remained practically unchanged, at 46.3% of total deposits for the group of financial entities (see Chart 7).

In this context, the call market daily average traded amount grew in June, amounting to \$860 million pesos. The weighted average interest rate traded was at 8.9%, and stayed below the value recorded in June 2009.

Financing

Overdrafts and credit cards accounted for the greater monthly momentum exhibited by lending to the private sector

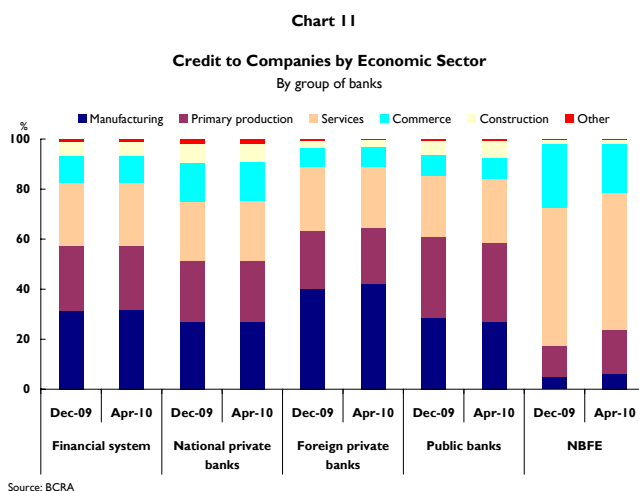
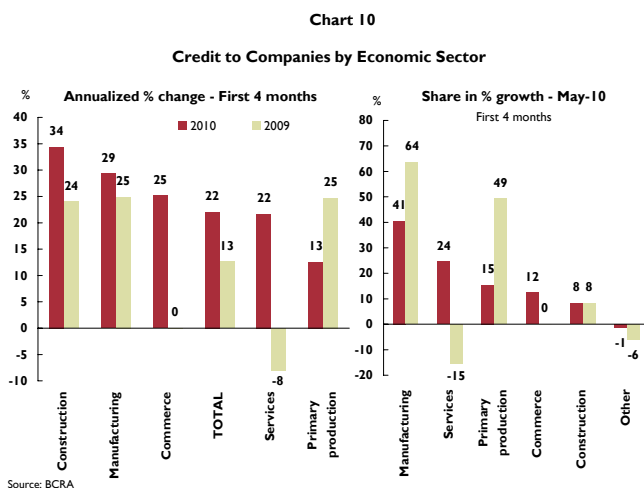
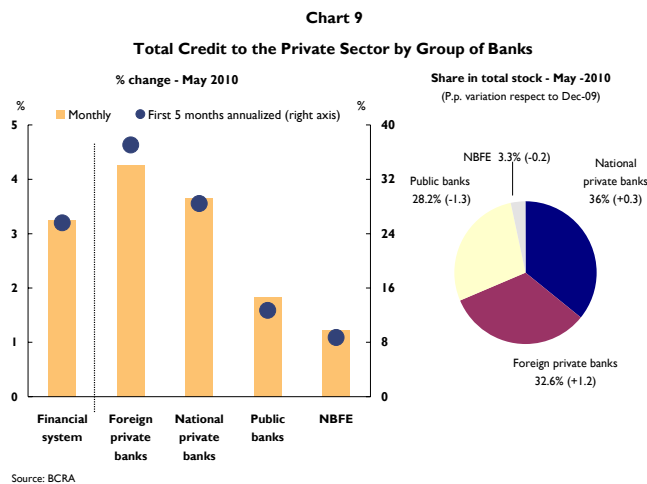
Balance sheet lending to households and companies rose 3.3%³ in May. Overdrafts were the most dynamic loans, partly resulting from greater liquidity demand by companies, which is a typical characteristic of periods with tax maturities, followed by credit cards. These lines, together with credit to exports, continued boosting total lending to the private sector so far this year, which grew at a 25.8% a. pace, and it more than trebled the amount recorded a year ago (see Chart 8).

All financial entity groups exhibited a positive performance regarding the growth of lending to the private sector, and foreign private banks were the ones that primarily boosted the monthly and cumulative increase in 2010 (see Chart 9). Therefore, this group of banks continued gaining share in the stock of lending to the private sector.

Lending to companies⁴ continued increasing over the year (22% a. according to information available as of April) and the relative momentum exhibited by credit to the construction, the manufacturing and the commercial sector should be highlighted. Manufacturing, service

³ If the loan stock is adjusted due to the issuance of financial trusts, the lending variation to the private sector would amount to 3.4%. During May, three issues of financial trusts with a portfolio of bank loans as underlying assets for a total of \$152 million were recorded. All issues corresponded to securitizations of personal loans.

⁴ Financing granted to companies includes loans given to legal persons and commercial loans granted to individuals, the remaining financing granted to individuals falls within the household concept.



companies and the primary sector accounted for almost 80% of the growth shown by corporate lending so far in 2010 (see Chart 10). These sectors receive, as a group, at least three quarters of finance granted to companies in all bank groups (see Chart 11).

Breaking down credit to the corporate sector by residual stock, it may be seen that it was the largest segment (over \$5 million) that showed the greatest momentum (growing 28%a) during the first four months of 2010 and it was also the segment that contributed the most to the expansion of lending to the sector (accounting for almost 65% of it). On the other hand, smaller segments (less than \$5 million) grew 16%a. and contributed with 35% of the increase shown by lending to companies over the same period.

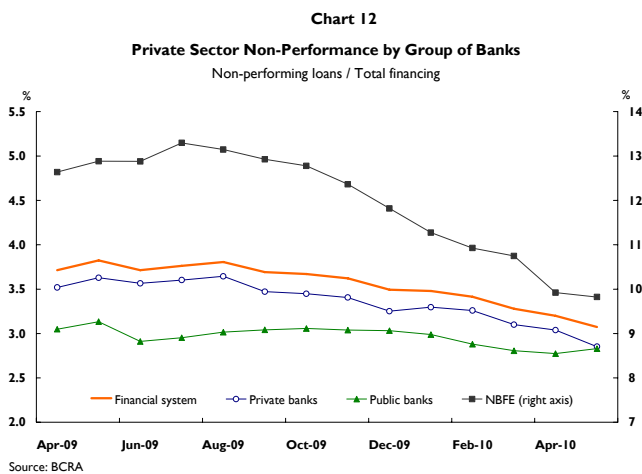
The greater momentum exhibited by bank lending to the private sector that has been recorded in 2010 was mainly boosted by short term commercial credit lines and consumption-related loans. Within this framework, and following a policy aimed at extending the terms with which the financial system works and at promoting lending to the productive sector, and considering the monetary regulation purpose, the Central Bank decided in early June to implement a set of overdrafts for financial entities for a maximum period of five years at a fixed interest rate to be determined based on the interest rate on reverse repo⁵ transactions. These funds shall be applied by banks to investment projects of the productive sector with an average period equal to or exceeding two and a half years and a fixed interest rate to be set every time there is a call to allocate resources⁶. Financial entities shall create a guarantee with National Government instruments valued at the market price at least 125% of the balance owed for this kind of overdrafts.

Lending to households continued improving its performance over the first months of the year driven by consumption lines. Particularly, credit cards grew 22%a. (according to information available as of April) and personal loans did so by 19%a., accounting for almost 80% of the hike during 2010. A renewed momentum in the case of pledge-backed loans was observed among lines with real guarantee, while the mortgage loans stock remained at levels similar to those of late 2009.

Non-performance loans to the private sector was at 3.1% of lending over the month, 0.1 p.p and 0.7 p.p. below the figure recorded in April and May of 2009,

⁵ Overnight reverse repos in pesos with the Central.

⁶ See Communication "A" 5089.



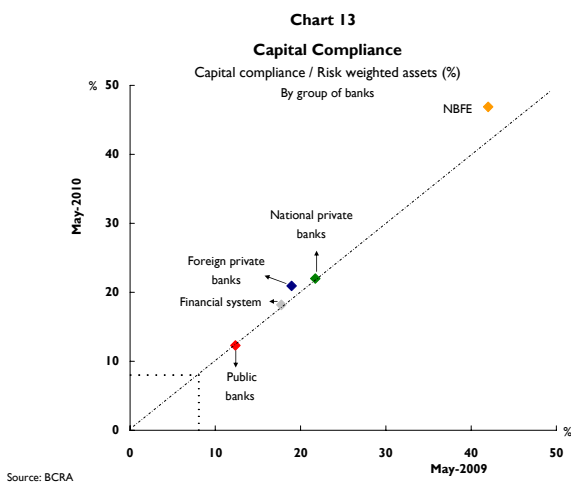
respectively (see Chart 12). This improvement of loans' quality over the last months was primarily driven by NBFE and private banks, taking into account a better performance exhibited by their consumption loan portfolios. On the other hand, the coverage ratio of non-performing loans by provision reached 136% in May, 20 p.p. above that observed 12 months ago.

The financial system's exposure to the public sector remained at low levels. Bank lending to the Government increased to 12.2% of total assets in May 2010, recording levels similar to those seen 12 months ago. Considering the balance of official deposits, the public sector continued being net creditor of the financial system (11% of total assets).

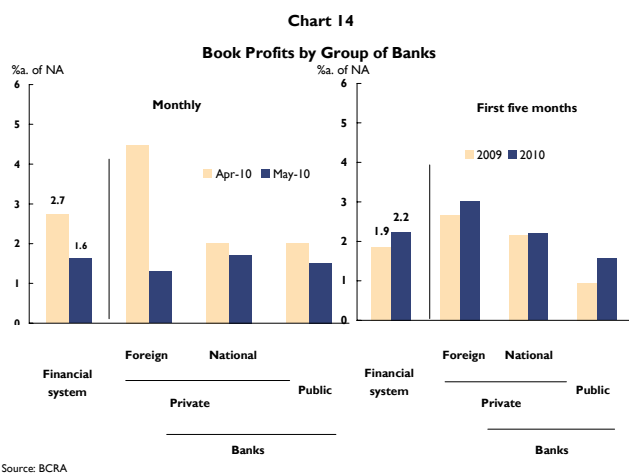
Solvency

In a context of financial intermediation expansion, banks' solvency indicators remained high

The consolidated net worth of the financial system remained stable in May, in a context where accounting profits over the month were offset by a drop of accumulated gains from previous fiscal years as a result of the payment of dividends by certain private banks. **In year-on-year terms, the consolidated net worth rose 16.3%.**

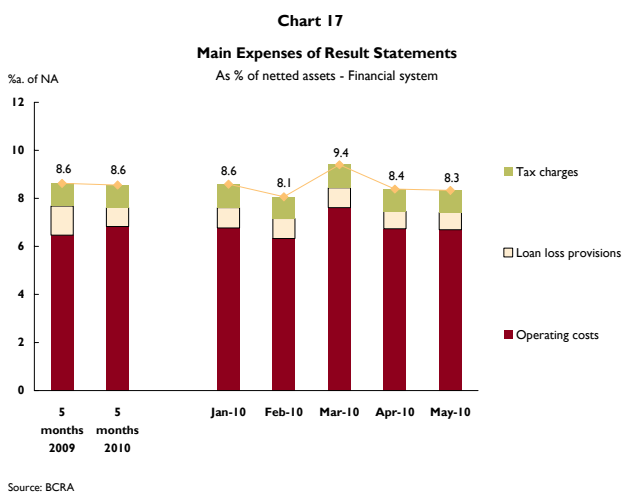
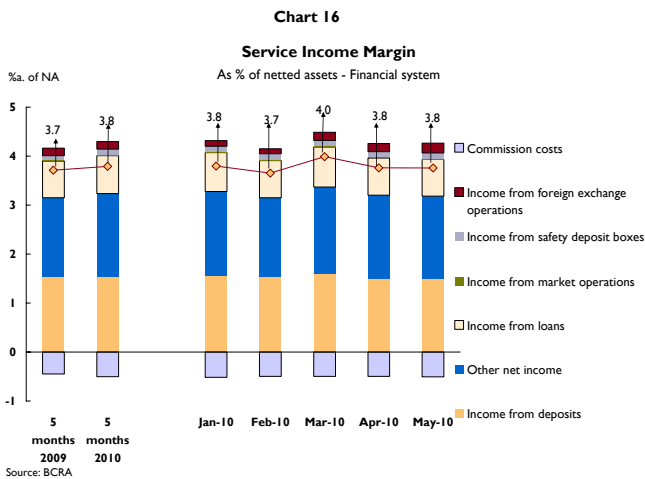
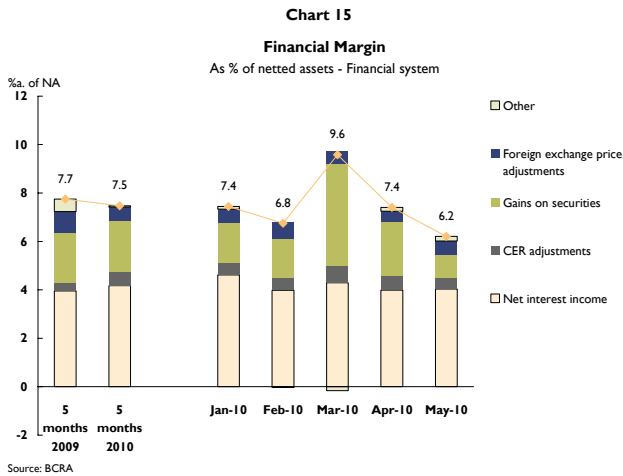


Capital compliance by banks regarding risk-weighted assets (RWA) fell 0.2 p.p. over the month to 18.2%. This indicator stood at 0.5 p.p. above its level recorded a year ago, driven by private banks (both national and foreign) and by NBFE (see Chart 13). In May excess in capital compliance accounted for 89% of the regulatory requirement.



Financial system book profits reached 1.6%a. of assets over the month, 1.1 p.p. less than in April, mainly resulting from the drop of the financial margin. **The results of financial entities accumulated 2.2%a. of assets over the first 5 months of the year**, exceeding by 0.3 p.p. the amount recorded over the same period in 2009. This better relative performance shown by profitability was observed in all groups of financial entities (see Chart 14).

Financial margin amounted to 6.2%a. of assets in May, recording a 1.2 p.p. fall against April, which was primarily accounted for lower gains on securities (see Chart 15). The accumulated financial margin over the first five months of the year stood at 7.5%a. of assets, 0.2 p.p. below the amount recorded over the same period



last year. This movement resulted from lower profits due to foreign exchange price adjustments and other financial results (in a framework of reduction of foreign currency mismatching and lower exchange rate volatility); this movement was partially offset by increases in results derived from CER-linked adjustment and results due to interest.

Service income margin remained stable, at 3.8%a. of assets in May. Therefore, over the first five months of the year, these results were at 3.8%a. of assets, 0.1 p.p. more than in the same period a year before, mainly as a consequence of the rise of income from credits and other service income margin (see Chart 16).

The main expense items in the balance statement headings did not record relevant variations over the month, and were, in asset terms, at levels similar to those of April (see Chart 17). Over the first five months of 2010, these cost items accounted for 8.6%a. of assets, the same value recorded over the same period a year ago even though a change in the structure was observed: **a fall in loan loss provisions** (partly due to the improvement shown in the credit portfolio quality) **which was offset by an increase of operating costs** (in a context of employment level restructuring in the sector and of salary adjustments) while tax burdens remained stable. **These movements were recorded in a generalized fashion in all homogeneous groups of entities.**

It is anticipated that in June banks will continue increasing their financial intermediation activity with the private sector, in a context where they would remain to receive accounting benefits thereby keeping high solvency indicators. In addition, certain variations in some items of the income statement headings may arise considering adjustments that are usually carried out on the closing of a quarterly fiscal period.

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” 5072 – 06/05/10

Profit allocation. Under no circumstances shall profit allocation be admitted while: i) the average minimum reserve compliance (in pesos, foreign currency, or sovereign securities) were below the regulatory requirement corresponding to the last position closed or forecasted considering the effect of profit allocation, and/or ii) minimum capital compliance were below the regulatory requirement previously recalculated and increased by 30%, and/or iii) the entity receives financial aid by the BCRA due to illiquidity reasons according to section 17 of the BCRA Charter.

Communication “A” 5073 – 10/05/10

Lending to the non-financial public sector. No remarks were made to the fact that financial entities, within the framework of provisions on financing trusts created for specific purposes, may purchase debt securities (VDF) (“*Fideicomiso Financiero Chubut Regalías Hidrocarburiíferas*” financial trust) for a face value of up to US\$ 150 million, without exceeding the maximum lending aid limits to the non-financial public sector that would be applicable to them.

Communication “A” 5079 – 27/05/10

Financial entities having a minimum 3 rating given by the Superintendency of Financial and Exchange Institutions (SEFyC) are authorized to set up special service offices. Agencies and offices in localities having less than 30,000 inhabitants may be set up and they shall depend, in operation terms, on a single branch or, if applicable, on the head offices of the financial entity. Different transactions with a maximum ceiling in cash amounting to \$10,000 may be conducted in such offices while only those transactions that do not entail the movement of cash may be conducted in the offices. Entities requesting the setting up of agencies will have the exclusive right to set up such facilities within a 30-km radius from their location for an 18-month term as from the publication date of this Communication, or 12 months as from the month following that one when the opening may take place, of both terms, the longest shall prevail. New minimum security devices shall be included in special service offices. In the cases where services are rendered only in a tourist season, the periods of the year when the office shall work must be informed apart from the information mentioned before.

Communication “A” 5082 – 31/05/10

Regulations on the installation of automatic teller machines, cash dispensers and self-consultation terminals are adjusted.

Methodology

- (a) Aggregate balance sheet information is taken from the monthly accounting information system (unconsolidated balance sheets). In order to calculate aggregate data for the financial system, for financial entities that have not provided data for the month reviewed, the most recent information available is repeated in the aggregate balance sheet. On the other hand, for profitability analysis only the banks providing data for that month are considered.
- (b) Due to possible lack of data for some banks at the time this Report was drafted, and due to possible corrections to the data provided by financial entities later, the data included is of a preliminary nature –particularly for the last month included-. Therefore, and due to the fact that the most recent data available always used, data in connection with earlier periods may not match what was mentioned in earlier issues of the Report. In such cases, the latter release should be regarded as being of better quality.
- (c) Unless otherwise indicated, data about deposits and loans refer to balance sheet information, and do not necessarily agree with those compiled by the Centralized Information Requirement System (SISCEN). Reasons for discrepancies include the precise date considered in order to calculate monthly changes and the items included in the definition adopted in either case.
- (d) Profit ratio calculations are based on monthly results estimated from changes in the aggregate result amounts during the current fiscal year. Unless otherwise specified, profit ratios are annualized.
- (e) Initially, the breakdown by group of banks was determined based on majority decision making role –in terms of voting rights at shareholder meetings - distinguishing between private sector financial entities and public sector banks. In order to increase depth of the analysis, private sector entities were also classed according to the geographic and business scope of their operations. Wholesale banks were therefore defined as those specializing in the large corporations and investor sector, which in general do not rely on deposits from the private sector for their funding. On the other hand, retail banks were divided into those carrying out business nationwide, those located in certain geographic regions –municipalities, provinces, or regions- and entities that specialize in a financial sector niche market –usually smaller entities-. Finally, it is worth noting that the classifications defined above are solely for analytical purposes and does not mean it is the only methodology criteria by which to group them; while on the other hand, the listing of features for each financial entity group has been established in a general manner.
- (f) Indicators exhibited in Tables 1 and 5 of Statistical Appendix: 1.- $(\text{Paid in liquidity at the BCRA} + \text{Other cash holding} + \text{Holdings of BCRA securities for repo transactions in cash}) / \text{Total deposits}$; 2.- $(\text{Position in government securities (not including Lebac nor Nobac)} + \text{Loans to the public sector} + \text{Compensations to be received}) / \text{Total assets}$; 3.- $(\text{Loans to the non-financial private sector} + \text{Leasing operations}) / \text{Total assets}$; 4.- $\text{Irregular portfolio with the non-financial private sector} / \text{Loans to the non-financial private sector}$; 5.- $(\text{Total irregular portfolio} - \text{Bad loan provisions}) / \text{Equity}$. The irregular portfolio includes loans classed in situations 3, 4, 5 and 6; 6.- $\text{Cumulative annual result} / \text{Average monthly netted assets} - \% \text{ annualized}$; 8.- $(\text{Financial margin (Net interest income} + \text{CER and CVS adjustments} + \text{Gains on securities} + \text{Foreign exchange price adjustments} + \text{Other financial income}) + \text{Service income margin}) / \text{Cumulative annual operating costs}$; 9.- $\text{Paid in capital (Calculated Equity Requirement)} / \text{Risk weighted assets, according to the BCRA rule on minimum capital}$; 10.- $\text{Total capital position (Paid in capital less requirement, including flexibilities)} / \text{Capital requirement}$.

Glossary

%a.: annualized percentage.

%i.a.: interannual percentage.

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

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

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

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

CEDRO: Certificado de Depósito Reprogramado. Rescheduled Stabilization Coefficient.

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

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

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

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

Lebac and Nobac: Bills and notes of the BCRA.

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

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

mill.: million.

NBFE: Non-banking financial entity.

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

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

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

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

ON: Corporate bonds (Obligaciones Negociables).

OS: Subordinated debt (Obligaciones Subordinadas).

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

PN: Net worth (Patrimonio Neto).

p.p.: percentage points.

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

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

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

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

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

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

RWA: Risk weighted assets.

SME: Small and Medium Enterprises.

US\$: United States dollars

Statistics annex | Financial system

Chart 1 | Financial Soundness Indicators (see Methodology)

As %	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	May 2009	2009	Apr 2010	May 2010
1.- Liquidity	22.3	26.1	23.1	25.0	23.4	19.6	22.8	29.1	29.6	20.1	22.5	23.0	27.9	30.9	28.6	33.0	32.7
2.- Credit to the public sector	16.9	16.2	16.2	18.0	17.3	23.0	48.9	47.0	40.9	31.5	22.5	16.3	12.7	12.3	14.4	12.7	12.2
3.- Credit to the private sector	50.8	47.7	48.4	44.9	39.9	42.7	20.8	18.1	19.6	25.8	31.0	38.2	39.4	38.5	38.3	36.2	36.3
4.- Private non-performing loans	16.2	13.8	12.2	14.0	16.0	19.1	38.6	33.5	18.6	7.6	4.5	3.2	3.1	3.8	3.5	3.2	3.1
5.- Net worth exposure to the private sector	24.9	22.5	20.6	24.7	26.2	21.9	17.3	12.4	-1.0	-4.1	-3.3	-3.0	-3.3	-2.0	-2.8	-3.5	-3.6
6.- ROA	0.6	1.0	0.5	0.2	0.0	0.0	-8.9	-2.9	-0.5	0.9	1.9	1.5	1.6	1.9	2.3	2.4	2.2
7.- ROE	4.1	6.3	3.9	1.7	0.0	-0.2	-59.2	-22.7	-4.2	7.0	14.3	11.0	13.4	15.6	19.2	19.7	18.6
8.- Efficiency	142	136	138	142	147	143	189	69	125	151	167	160	167	177	185	169	165
9.- Capital compliance	23.8	20.8	20.3	21.0	20.1	21.4	-	14.5	14.0	15.3	16.9	16.9	16.9	17.7	18.8	18.4	18.2
10.- Excess capital compliance	64	73	49	54	58	54	-	116	185	173	134	93	90	89	100	92	89

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	May 09	Dec 09	Apr 10	May 10	Change (in %)					
												Last month	2010	Last 12 months			
Assets	187,532	186,873	212,562	221,962	258,384	297,963	346,762	366,047	387,381	435,436	449,282	3.2	16.0	22.7			
Liquid assets ¹	17,138	27,575	29,154	20,819	37,991	46,320	58,676	61,237	71,067	86,103	87,564	1.7	23.2	43.0			
Public assets	31,418	45,062	55,382	66,733	64,592	62,678	65,255	79,125	86,318	98,710	101,428	2.8	17.5	28.2			
Lebac/Nobac	-	-	17,755	28,340	29,289	36,022	37,093	45,700	43,867	59,537	62,345	4.7	42.1	36.4			
Portfolio	-	-	11,803	21,067	25,767	31,598	25,652	27,934	34,748	42,104	43,501	3.3	25.2	55.7			
Repo ²	-	-	5,953	7,273	3,521	4,424	11,442	17,766	9,119	17,433	18,844	8.1	106.6	6.1			
Private bonds	332	198	387	389	813	382	203	277	307	253	268	5.8	-13.0	-3.4			
Loans	84,792	68,042	73,617	84,171	103,668	132,157	154,719	155,306	169,868	181,481	186,808	2.9	10.0	20.3			
Public sector	44,337	33,228	30,866	25,836	20,874	16,772	17,083	13,877	20,570	22,619	22,502	-0.5	9.4	62.1			
Private sector	38,470	33,398	41,054	55,885	77,832	110,355	132,844	137,546	145,247	154,934	160,038	3.3	10.2	16.4			
Financial sector	1,985	1,417	1,697	2,450	4,962	5,030	4,793	3,883	4,052	3,928	4,268	8.7	5.3	9.9			
Provisions over loans	-11,952	-9,374	-7,500	-4,930	-3,728	-4,089	-4,744	-5,473	-5,824	-5,881	-5,967	1.5	2.5	9.0			
Other netted credits due to financial intermediation	39,089	27,030	32,554	26,721	26,039	29,712	38,152	41,456	33,498	41,680	47,243	13.3	41.0	14.0			
Corporate bonds and subordinated debt	1,708	1,569	1,018	873	773	606	912	1,136	1,146	1,434	1,401	-2.3	22.3	23.4			
Unquoted trusts	6,698	4,133	3,145	3,883	4,881	5,023	5,714	6,153	5,942	6,131	6,115	-0.3	2.9	-0.6			
Compensation receivable	17,111	14,937	15,467	5,841	763	377	357	387	16	15	15	0.0	-3.9	-96.1			
Other	13,572	6,392	12,924	16,124	19,622	23,706	31,169	33,780	26,395	34,100	39,712	16.5	50.5	17.6			
Leasing	567	397	611	1,384	2,262	3,469	3,935	3,339	2,933	2,872	2,895	0.8	-1.3	-13.3			
Shares in other companies	4,653	4,591	3,871	4,532	6,392	6,430	7,236	7,657	6,711	7,151	6,701	-6.3	-0.2	-12.5			
Fixed assets and miscellaneous	8,636	8,164	7,782	7,546	7,619	7,643	7,903	8,121	8,239	8,403	8,432	0.3	2.3	3.8			
Foreign branches	3,522	3,144	3,524	3,647	2,912	3,153	3,552	3,926	4,029	4,059	4,037	0.7	3.4	14.3			
Other assets	9,338	12,043	13,180	10,950	9,953	10,347	12,275	11,449	10,337	10,634	9,853	-7.3	-4.7	-13.9			
Liabilities	161,446	164,923	188,683	195,044	225,369	261,143	305,382	321,919	339,047	385,749	400,029	3.7	18.0	24.3			
Deposits	75,001	94,635	116,655	136,492	170,898	205,550	236,217	251,531	271,853	308,488	319,016	3.4	17.3	26.8			
Public sector ³	8,381	16,040	31,649	34,019	45,410	48,340	67,151	72,033	69,143	93,898	103,461	10.2	49.6	43.6			
Private sector ³	59,698	74,951	83,000	100,809	123,431	155,048	166,378	175,674	199,278	210,525	211,655	0.5	6.2	20.5			
Current account	11,462	15,071	18,219	23,487	26,900	35,245	39,619	39,507	45,752	49,258	50,755	3.0	10.9	28.5			
Savings account	10,523	16,809	23,866	29,078	36,442	47,109	50,966	53,036	62,807	64,392	64,492	0.2	2.7	21.6			
Time deposit	19,080	33,285	34,944	42,822	54,338	65,952	69,484	76,012	83,967	89,688	88,535	-1.3	5.4	16.5			
CEDRO	12,328	3,217	1,046	17	13	0	0	0	0	0	0	-	-	-			
Other netted liabilities due to financial intermediation	75,737	61,690	64,928	52,072	46,037	46,225	57,662	58,888	52,114	59,516	65,860	10.7	26.4	11.8			
Interbanking obligations	1,649	1,317	1,461	2,164	4,578	4,310	3,895	3,142	3,251	3,156	3,472	10.0	6.8	10.5			
BCRA lines	27,837	27,491	27,726	17,005	7,686	2,362	1,885	1,340	270	261	485	85.5	79.9	-63.8			
Outstanding bonds	9,096	6,675	7,922	6,548	6,603	6,938	5,984	5,752	5,033	4,657	4,258	-8.6	-15.4	-26.0			
Foreign lines of credit	25,199	15,196	8,884	4,684	4,240	3,864	4,541	3,741	3,369	3,271	3,339	2.1	-0.9	-10.7			
Other	11,955	11,012	18,934	21,671	22,930	28,752	41,357	44,913	40,191	48,171	54,306	12.7	35.1	20.9			
Subordinated debts	3,712	2,028	1,415	1,381	1,642	1,672	1,763	1,929	1,922	1,963	1,986	1.2	3.4	3.0			
Other liabilities	6,997	6,569	5,685	5,099	6,792	7,695	9,740	9,571	13,159	15,782	13,167	-16.6	0.1	37.6			
Net worth	26,086	21,950	23,879	26,918	33,014	36,819	41,380	44,128	48,335	49,688	49,252	-0.9	1.9	11.6			
Memo																	
Netted assets	185,356	184,371	202,447	208,275	244,791	280,336	321,075	337,329	364,726	405,023	413,673	2.1	13.4	22.6			
Consolidated netted assets	181,253	181,077	198,462	203,286	235,845	271,652	312,002	328,799	357,118	397,379	406,133	2.2	13.7	23.5			

(¹) Includes margin accounts with the BCRA and excludes financial entities repos against BCRA. (²) Booked value from balance sheet. (³) Does not include accrual on interest or CER.

Source: BCRA

Statistics annex | Financial system (cont.)

Chart 3 | Profitability Structure

Amount in million of pesos	Annual								First 5 months		Monthly			Last 12 months
	2002 ¹	2003	2004	2005	2006	2007	2008	2009	2009	2010	Mar-10	Apr-10	May-10	
Financial margin	13,991	1,965	6,075	9,475	13,262	15,134	20,528	28,858	10,533	12,005	3,083	2,478	2,120	30,331
Net interest income	-3,624	-943	1,753	3,069	4,150	5,744	9,574	13,917	5,375	6,711	1,381	1,334	1,378	15,253
CER and CVS adjustments	8,298	2,315	1,944	3,051	3,012	2,624	2,822	1,196	455	902	224	201	159	1,643
Foreign exchange price adjustments	5,977	-890	866	751	944	1,357	2,307	2,278	1,210	891	173	141	193	1,959
Gains on securities	3,639	1,962	1,887	2,371	4,923	5,144	4,462	11,004	2,799	3,412	1,358	748	327	11,617
Other financial income	-299	-480	-375	233	235	264	1,362	463	694	88	-53	53	64	-142
Service income margin	4,011	3,415	3,904	4,781	6,243	8,248	10,868	13,052	5,049	6,095	1,283	1,258	1,284	14,098
Loan loss provisions	-10,007	-2,089	-1,511	-1,173	-1,198	-1,894	-2,839	-3,814	-1,650	-1,268	-267	-243	-246	-3,433
Operating costs	-9,520	-7,760	-7,998	-9,437	-11,655	-14,634	-18,748	-22,710	-8,794	-10,978	-2,449	-2,254	-2,286	-24,895
Tax charges	-691	-473	-584	-737	-1,090	-1,537	-2,318	-3,272	-1,284	-1,504	-308	-309	-314	-3,492
Income tax	-509	-305	-275	-581	-595	-1,032	-1,342	-4,226	-1,557	-1,169	-455	-153	-138	-3,837
Adjust. to the valuation of gov. securities ²	0	-701	-320	-410	-752	-837	-1,757	-184	-97	-129	-24	-29	-27	-216
Amort. payments for court-ordered releases	0	-1,124	-1,686	-1,867	-2,573	-1,922	-994	-471	-57	-219	-54	-38	-60	-633
Other	-3,880	1,738	1,497	1,729	2,664	2,380	1,441	686	392	758	120	207	222	1,052
Monetary results	-12,558	69	0	0	0	0	0	0	0	0	0	0	0	0
Total results³	-19,162	-5,265	-898	1,780	4,306	3,905	4,757	7,920	2,535	3,590	929	918	554	8,975
Adjusted results ⁴	-	-3,440	1,337	4,057	7,631	6,665	7,508	8,575	2,690	3,938	1,007	984	642	9,823
Annualized indicators - As % of netted assets														
Financial margin	6.5	1.1	3.1	4.6	5.8	5.7	6.7	8.5	7.7	7.5	9.6	7.4	6.2	8.4
Net interest income	-1.7	-0.5	0.9	1.5	1.8	2.2	3.1	4.1	4.0	4.2	4.3	4.0	4.0	4.2
CER and CVS adjustments	3.9	1.3	1.0	1.5	1.3	1.0	0.9	0.4	0.3	0.6	0.7	0.6	0.5	0.5
Foreign exchange price adjustments	2.8	-0.5	0.4	0.4	0.4	0.5	0.8	0.7	0.9	0.6	0.5	0.4	0.6	0.5
Gains on securities	1.7	1.1	1.0	1.2	2.2	1.9	1.5	3.3	2.1	2.1	4.2	2.2	1.0	3.2
Other financial income	-0.1	-0.3	-0.2	0.1	0.1	0.1	0.4	0.1	0.5	0.1	-0.2	0.2	0.2	0.0
Service income margin	1.9	1.9	2.0	2.3	2.7	3.1	3.6	3.9	3.7	3.8	4.0	3.8	3.8	3.9
Loan loss provisions	-4.7	-1.1	-0.8	-0.6	-0.5	-0.7	-0.9	-1.1	-1.2	-0.8	-0.8	-0.7	-0.7	-0.9
Operating costs	-4.4	-4.2	-4.1	-4.6	-5.1	-5.5	-6.1	-6.7	-6.5	-6.8	-7.6	-6.7	-6.7	-6.9
Tax charges	-0.3	-0.3	-0.3	-0.4	-0.5	-0.6	-0.8	-1.0	-0.9	-0.9	-1.0	-0.9	-0.9	-1.0
Income tax	-0.2	-0.2	-0.1	-0.3	-0.3	-0.4	-0.4	-1.3	-1.1	-0.7	-1.4	-0.5	-0.4	-1.1
Adjust. to the valuation of gov. securities ²	0.0	-0.4	-0.2	-0.2	-0.3	-0.3	-0.6	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Amort. payments for court-ordered releases	0.0	-0.6	-0.9	-0.9	-1.1	-0.7	-0.3	-0.1	0.0	-0.1	-0.2	-0.1	-0.2	-0.2
Other	-1.8	0.9	0.8	0.8	1.2	0.9	0.5	0.2	0.3	0.5	0.4	0.6	0.6	0.3
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
ROA³	-8.9	-2.9	-0.5	0.9	1.9	1.5	1.6	2.3	1.9	2.2	2.9	2.7	1.6	2.5
ROA adjusted ⁴	-8.9	-1.9	0.7	2.0	3.4	2.5	2.5	2.5	2.0	2.5	3.1	2.9	1.9	2.7
ROE ³	-59.2	-22.7	-4.2	7.0	14.3	11.0	13.4	19.2	15.6	18.6	23.6	23.8	14.4	20.3

(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	May 09	Dec 09	Apr 10	May 10
Non-performing loans (overall)	18.1	17.7	10.7	5.2	3.4	2.7	2.7	3.4	3.0	2.7	2.6
Non-performing loans to the non-financial private sector	38.6	33.5	18.6	7.6	4.5	3.2	3.1	3.8	3.5	3.2	3.1
Provisions / Non-performing loans	73.8	79.2	102.9	124.5	129.9	129.6	131.4	115.9	125.7	134.3	135.2
(Total non-performing - Provisions) / Overall financing	4.7	3.7	-0.3	-1.3	-1.0	-0.8	-0.8	-0.5	-0.8	-0.9	-0.9
(Total non-performing - Provisions) / Net worth	17.2	11.9	-1.0	-4.1	-3.3	-3.0	-3.3	-2.0	-2.8	-3.4	-3.6

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

Source: BCRA

Statistics annex | Private banks

Chart 5 | Financial Soundness Indicators (see Methodology)

As %	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	May 2009	2009	Apr 2010	May 2010
1.- Liquidity	23.6	26.9	22.8	24.3	24.1	23.6	24.8	27.6	29.2	21.5	23.7	25.7	34.1	33.5	29.8	30.9	30.4
2.- Credit to the public sector	13.5	13.7	13.6	16.1	14.7	20.8	50.0	47.7	41.6	28.5	16.3	9.5	6.3	6.1	6.2	5.5	5.2
3.- Credit to the private sector	51.0	46.7	47.6	44.6	38.4	45.4	22.4	19.9	22.5	31.1	37.9	46.6	44.0	43.3	43.3	44.1	45.0
4.- Private non-performing loans	11.1	8.5	7.7	8.9	9.8	14.0	37.4	30.4	15.3	6.3	3.6	2.5	2.8	3.6	3.3	3.0	2.9
5.- Net worth exposure to the private sector	21.6	14.3	13.2	11.5	13.4	11.4	18.6	11.2	1.9	-2.2	-3.0	-3.6	-3.4	-1.9	-3.1	-3.4	-3.7
6.- ROA	0.6	0.7	0.5	0.3	0.1	0.2	-11.3	-2.5	-1.0	0.5	2.2	1.6	1.9	2.4	3.0	2.9	2.6
7.- ROE	4.1	6.3	4.3	2.3	0.8	1.4	-79.0	-19.1	-8.1	4.1	15.3	10.9	15.2	19.0	22.9	20.9	19.1
8.- Efficiency	144	135	139	146	152	151	168	93	115	136	158	152	166	189	195	174	170
9.- Capital compliance	15.9	15.4	14.6	18.9	18.0	17.6	-	14.0	15.1	17.8	18.6	19.2	18.3	20.4	22.5	22.0	21.5
10.- Excess capital compliance	33	47	27	60	49	43	-	88	157	155	116	87	86	100	120	114	109

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	May 09	Dec 09	Apr 10	May 10	Change (in %)					
												Last months	2010	Last 12 months			
Assets	118,906	116,633	128,065	129,680	152,414	175,509	208,888	216,557	229,549	243,449	248,315	2.0	8.2	14.7			
Liquid assets ¹	11,044	14,500	15,893	14,074	22,226	29,418	37,044	39,328	43,562	45,097	44,180	-2.0	1.4	12.3			
Public bonds	19,751	22,260	24,817	29,966	27,663	24,444	29,552	38,149	47,949	49,300	47,508	-3.6	-0.9	24.5			
Lebac/Nobac	-	-	8,359	15,227	15,952	17,684	23,457	26,916	31,575	35,335	32,980	-6.7	4.4	22.5			
Portfolio	-	-	5,611	12,899	14,220	15,639	12,858	17,815	27,413	28,854	25,948	-10.1	-5.3	45.7			
Repo ²	-	-	2,749	2,328	1,732	2,045	10,598	9,101	4,161	6,481	7,031	8.5	69.0	-22.7			
Private bonds	273	172	333	307	683	310	127	137	233	152	164	7.8	-29.5	20.3			
Loans	51,774	47,017	50,741	56,565	69,294	88,898	98,529	95,861	101,722	109,683	114,010	3.9	12.1	18.9			
Public sector	25,056	23,571	21,420	15,954	10,036	6,413	6,249	2,015	1,694	1,945	1,732	-10.9	2.3	-14.0			
Private sector	26,074	22,816	28,213	39,031	55,632	78,587	88,426	90,752	96,790	104,948	109,157	4.0	12.8	20.3			
Financial sector	644	630	1,107	1,580	3,626	3,898	3,854	3,095	3,238	2,791	3,121	11.8	-3.6	0.8			
Provisions over loans	-7,463	-5,225	-3,717	-2,482	-2,227	-2,365	-2,871	-3,392	-3,653	-3,713	-3,757	1.2	2.9	10.8			
Other netted credits due to financial intermediation	27,212	22,148	25,753	16,873	18,387	17,084	25,265	25,767	21,258	23,817	28,278	18.7	33.0	9.7			
Corporate bonds and subordinated debt	1,514	1,394	829	675	618	430	699	822	734	927	860	-7.3	17.1	4.5			
Unquoted trusts	6,205	3,571	2,362	2,444	2,982	3,456	3,869	4,289	4,198	4,423	4,406	-0.4	5.0	2.7			
Compensation receivable	15,971	13,812	14,657	5,575	760	377	357	387	16	15	15	0.0	-3.9	-96.1			
Other	3,523	3,370	7,905	8,179	14,027	12,822	20,339	20,269	16,311	18,451	22,998	24.6	41.0	13.5			
Leasing	553	387	592	1,356	2,126	3,149	4,531	2,910	2,569	2,515	2,539	1.0	-1.2	-12.8			
Shares in other companies	3,123	2,791	1,892	2,416	4,042	3,762	4,538	4,989	4,067	4,344	3,895	-10.3	-4.2	-21.9			
Fixed assets and miscellaneous	5,198	4,902	4,678	4,575	4,677	4,685	4,926	5,062	5,096	5,218	5,221	0.1	2.5	3.1			
Foreign branches	-109	-136	-53	-148	-139	-154	-178	-196	-202	-209	-212	1.3	4.8	8.2			
Other assets	7,549	7,816	7,137	6,178	5,682	6,277	8,505	7,941	6,946	7,242	6,488	-10.4	-6.6	-18.3			
Liabilities	103,079	101,732	113,285	112,600	131,476	152,153	182,596	187,995	198,438	211,861	217,395	2.6	9.6	15.6			
Deposits	44,445	52,625	62,685	75,668	94,095	116,719	135,711	142,861	154,387	163,661	164,676	0.6	6.7	15.3			
Public sector ³	1,636	3,077	6,039	6,946	7,029	7,564	19,600	22,477	17,757	20,583	22,114	7.4	24.5	-1.6			
Private sector ³	38,289	47,097	55,384	67,859	85,714	107,671	114,176	118,123	134,426	140,807	140,613	-0.1	4.6	19.0			
Current account	8,905	11,588	13,966	17,946	20,604	27,132	30,188	29,243	35,127	37,515	38,206	1.8	8.8	30.6			
Savings account	6,309	10,547	14,842	18,362	23,165	30,169	32,778	33,931	40,999	41,898	41,078	-2.0	0.2	21.1			
Time deposit	11,083	18,710	22,729	27,736	38,043	45,770	46,990	50,428	54,058	56,993	56,262	-1.3	4.1	11.6			
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	37,420	34,235	36,113	42,274	17.1	23.5	13.0			
Interbanking obligations	836	726	1,070	1,488	3,383	1,979	1,160	1,159	1,668	1,516	1,796	18.4	7.7	54.9			
BCRA lines	16,624	17,030	17,768	10,088	3,689	675	649	332	41	37	36	-2.8	-13.3	-89.3			
Outstanding bonds	9,073	6,674	7,922	6,548	6,413	6,686	5,672	5,362	4,626	4,219	3,933	-6.8	-15.0	-26.7			
Foreign lines of credit	15,434	9,998	5,444	2,696	2,249	1,833	2,261	1,301	1,262	1,170	1,207	3.2	-4.4	-7.2			
Other	7,374	7,939	12,878	11,530	16,015	18,150	29,555	29,265	26,638	29,171	35,302	21.0	32.5	20.6			
Subordinated debts	3,622	1,850	1,304	1,319	1,642	1,668	1,759	1,918	1,918	1,960	1,983	1.2	3.4	3.0			
Other liabilities	5,671	4,890	4,213	3,264	3,989	4,443	5,828	7,897	7,897	10,127	8,462	-16.4	7.2	46.2			
Net worth	15,827	14,900	14,780	17,080	20,938	23,356	26,292	28,562	31,111	31,588	30,920	-2.1	-0.6	8.3			
Memo																	
Netted assets	117,928	115,091	121,889	123,271	143,807	166,231	192,074	200,076	216,100	227,948	228,507	0.2	5.7	14.2			

⁽¹⁾ Includes margin accounts with the BCRA and excludes financial entities repos against BCRA. ⁽²⁾ Booked value from balance sheet. ⁽³⁾ Does not include accrual on interest or CER.

Source: BCRA

Statistics annex | Private banks (cont.)

Chart 7 | Profitability Structure

Amount in million of pesos	Annual									First 5 months		Monthly			Last 12 months
	2002 ¹	2003	2004	2005	2006	2007	2008	2009	2009	2010	Mar-10	Apr-10	May-10		
Financial margin	10,628	2,575	3,415	5,253	7,778	8,960	12,964	19,720	7,317	7,792	2,010	1,616	1,365	20,194	
Net interest income	-304	107	1,214	2,069	2,826	4,191	7,727	10,068	4,139	4,635	953	935	1,021	10,564	
CER and CVS adjustments	1,476	1,082	900	1,215	858	662	651	185	77	95	18	22	19	202	
Foreign exchange price adjustments	6,189	-312	666	576	740	990	1,620	1,509	721	591	119	107	108	1,378	
Gains on securities	3,464	1,892	959	1,259	3,154	2,888	1,637	7,343	1,679	2,283	959	488	104	7,947	
Other financial income	-197	-195	-322	134	199	229	1,329	616	700	188	-39	65	113	104	
Service income margin	2,782	2,341	2,774	3,350	4,459	5,881	7,632	9,198	3,563	4,344	917	896	898	9,980	
Loan loss provisions	-6,923	-1,461	-1,036	-714	-737	-1,174	-1,863	-2,751	-1,143	-901	-183	-188	-181	-2,509	
Operating costs	-6,726	-5,310	-5,382	-6,303	-7,741	-9,735	-12,401	-14,807	-5,759	-7,156	-1,599	-1,478	-1,482	-16,204	
Tax charges	-512	-366	-393	-509	-769	-1,105	-1,715	-2,380	-940	-1,086	-220	-228	-228	-2,526	
Income tax	-337	-295	-202	-217	-365	-380	-1,168	-3,001	-1,045	-943	-323	-110	-123	-2,899	
Adjst. to the valuation of gov. securities ²	0	-665	-51	-201	-170	-100	-267	3	-17	8	7	2	1	29	
Amort. payments for court-ordered releases	0	-791	-1,147	-1,168	-1,182	-1,466	-688	-233	-11	-135	-25	-23	-43	-357	
Other	-4,164	1,178	846	1,156	1,641	1,576	916	264	-10	435	100	109	79	710	
Monetary results	-10,531	-20	0	0	0	0	0	0	0	0	0	0	0	0	
Total results³	-15,784	-2,813	-1,176	648	2,915	2,457	3,412	6,014	1,955	2,358	684	597	287	6,417	
Adjusted results ⁴	-	-1,357	252	2,016	4,267	4,023	4,367	6,244	1,983	2,485	702	617	329	6,745	
Annualized indicators - As % of netted assets															
Financial margin	7.6	2.3	2.9	4.3	5.9	5.8	7.3	9.8	9.0	8.5	11.0	8.6	7.3	9.6	
Net interest income	-0.2	0.1	1.0	1.7	2.1	2.7	4.4	5.0	5.1	5.1	5.2	5.0	5.4	5.0	
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	
Foreign exchange price adjustments	4.4	-0.3	0.6	0.5	0.6	0.6	0.9	0.8	0.9	0.6	0.7	0.6	0.6	0.7	
Gains on securities	2.5	1.7	0.8	1.0	2.4	1.9	0.9	3.7	2.1	2.5	5.2	2.6	0.6	3.8	
Other financial income	-0.1	-0.2	-0.3	0.1	0.2	0.1	0.8	0.3	0.9	0.2	-0.2	0.3	0.6	0.0	
Service income margin	2.0	2.0	2.4	2.7	3.4	3.8	4.3	4.6	4.4	4.8	5.0	4.8	4.8	4.7	
Loan loss provisions	-5.0	-1.3	-0.9	-0.6	-0.6	-0.8	-1.1	-1.4	-1.4	-1.0	-1.0	-1.0	-1.0	-1.2	
Operating costs	-4.8	-4.6	-4.6	-5.1	-5.9	-6.3	-7.0	-7.4	-7.1	-7.8	-8.7	-7.9	-7.9	-7.7	
Tax charges	-0.4	-0.3	-0.3	-0.4	-0.6	-0.7	-1.0	-1.2	-1.2	-1.2	-1.2	-1.2	-1.2	-1.2	
Income tax	-0.2	-0.3	-0.2	-0.2	-0.3	-0.2	-0.7	-1.5	-1.3	-1.0	-1.8	-0.6	-0.7	-1.4	
Adjst. to the valuation of gov. securities ²	0.0	-0.6	0.0	-0.2	-0.1	-0.1	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Amort. payments for court-ordered releases	0.0	-0.7	-1.0	-1.0	-0.9	-0.9	-0.4	-0.1	0.0	-0.1	-0.1	-0.1	-0.2	-0.2	
Other	-3.0	1.0	0.7	0.9	1.2	1.0	0.5	0.1	0.0	0.5	0.5	0.6	0.4	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	
ROA³	-11.3	-2.5	-1.0	0.5	2.2	1.6	1.9	3.0	2.4	2.6	3.7	3.2	1.5	3.0	
ROA adjusted ⁴	-11.3	-1.2	0.2	1.6	3.2	2.6	2.5	3.1	2.4	2.7	3.8	3.3	1.7	3.2	
ROE³	-79.0	-19.1	-8.1	4.1	15.3	10.9	15.2	22.9	19.0	19.1	26.9	24.4	11.8	22.7	

(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

(4) Al resultado total se le excluyen la amortización de amparos y los efectos de la Com. "A" 391 I y 4084.

Fuente: BCRA

Chart 8 | Portfolio Quality

As percentage	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Dec 08	May 09	Dec 09	Apr 10	May 10
Non-performing loans (overall)	19.8	15.7	8.9	4.4	2.9	2.2	2.5	3.4	3.1	2.9	2.7
Non-performing loans to the non-financial private sector	37.4	30.4	15.3	6.3	3.6	2.5	2.8	3.6	3.3	3.0	2.9
Provisions / Non-performing loans	73.4	79.0	97.0	114.3	129.3	141.3	134.1	116.1	128.9	134.4	136.3
(Total non-performing - Provisions) / Overall financing	5.3	3.3	0.4	-0.6	-0.9	-0.9	-0.9	-0.6	-0.9	-1.0	-1.0
(Total non-performing - Provisions) / Net worth	18.6	11.2	1.3	-2.2	-3.0	-3.6	-3.4	-1.9	-3.1	-3.4	-3.7

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

Source: BCRA