

Report on Banks

May 2011



BANCO CENTRAL
DE LA REPÚBLICA ARGENTINA

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May 2011

Year VIII, No. 9



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DE LA REPÚBLICA ARGENTINA

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Note | Information for May 2011 available by June 24, 2011 is included. This Report is focused on the performance of the financial system, including breakdowns by homogeneous sub-sectors. The data reported (particularly, those referring to profitability) are provisional and are subject to changes later. Except the opposite was indicated the data included corresponds to BCRA Information Regimes (end of month data).

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Summary

- **Bank intermediation with the private sector has been growing steadily in 2011: deposit-taking has gained strength as the main source of financial system funding, and most resources are allocated to loans to companies and households, within a context of limited counterpart risk. Profits accrued, together with capital influxes, have kept the sector's solvency at a high level.**
- **Balance sheet stocks of loans to the private sector grew 3.8% in May (43.6% year on year –y.o.y.-), representing almost 44% of financial system netted assets.** Lending to companies recorded a growth of almost 46% y.o.y., higher than the rate recorded for loans to households for the eleventh consecutive month. **Manufacturing industry¹ stood out as the sector mainly responsible for the year on year growth in the stock of corporate loans, well above the remaining economic activities.**
- **Private sector loans' non-performing ratio remained stable at around 1.8% in May.** In the last 12 months this indicator has fallen 1.3 p.p., reflecting improvements in portfolio quality for all groups of financial entities. The provision coverage ratio for the portfolio of non-performing loans to the private sector stood at 156%, 39 p.p. more than one year earlier.
- **Total deposits increased 2.2% in May (31.7% y.o.y.). During a period in which income tax payments became due, public sector deposits showed the greatest dynamism for the month (growing by 3.6% in May).** Private sector deposits were up 1.6%, thanks to increases in both time and sight deposits. Over the last year, the share of private sector deposits in total bank funding has increased by 2.6 p.p. to 53.7%, while the contribution from public sector deposits has remained steady at around 24%.
- **Financial system liquidity ratio, including items in both domestic and foreign currency, stood at 27.1% of deposits, without showing significant change regarding April, although it was down 5.6 p.p. compared with the level seen 12 months earlier.** The broad liquidity indicator (which includes Central Bank bills and notes not linked to repos with this Institution) also held steady during the month, standing at close to 45% of total deposits (1.4 p.p. less than in May 2010).
- **Financial system foreign currency mismatching, based on the difference between asset and liability items and net undelivered term purchases of foreign currency, fell by 6.5 p.p. of net worth in May to 28.1%, mainly because foreign private banks reduced their net forward purchases component.** In year on year terms, this mismatching has fallen by almost 16 p.p. of net worth.
- **Consolidated financial system net worth increased 1.6% (19.8% y.o.y.) during the month, mainly from book profits, and to a lesser extent from capital contributions.** In the year to date capital contributions received by the financial system have totaled \$475 million. Within the context of growth in lending to the private sector, **the financial system capital compliance ratio recorded a slight drop for the month to 16.7% of risk-weighted assets (RWA), although it still remains well above local regulatory requirements and international standards.**
- **Book profits reached 2%a. of assets in May, recording a slight decline for the month, mainly because of increased operating costs following the implementation of a new wage agreement for the sector.** As a result, in the year to date banks have accrued a ROA of 2.5%a., 0.3 p.p. more than in the same period of the previous year.
- **The Central Bank has been driving an improvement in bank service utilization by the population, promoting the use of new instruments and facilitating the use of those that already exist.** By mid-July, the number of holders of Free Universal Accounts (CGU) was in excess of 68,400. Furthermore, to ensure the safety of financial operations, the Central Bank reintroduced the **Settlement Check (“Cheque cancelatorio”)**, with transactions in pesos in the first half of 2011 amounting to \$117 million (1,774 checks) and transactions in foreign currency for US\$135 million (2,500 checks). **Immediate credit for bank transfers has now been introduced, a step that complements the reduction in the costs of this type of operation announced in 2010.** In June 2011 a total of 900,000 instant transactions were performed (for a total amount of \$3.2 billion), an increase of 9% compared with May.

¹ Based on the sectorial classification used by the Financial System Debtor Center (“Central de Deudores”).

Activity

Increased lending to the private sector has gained strength in 2011 as the main use of funds

In May, the financial system continued to expand its intermediation with the private sector. Netted assets for the banking system rose 2% during the month, accumulating year on year (y.o.y.) growth of 29.1%. This increase for the month was mainly driven by private banks. The rate of growth in lending to the private sector reached 43.6% y.o.y., while the increase for deposits by companies and households was 35.6% y.o.y. (see Chart 1).

During May the principal source of financial system resources (estimated on the basis of changes in balance sheet stocks) was the increase in total deposit stocks, evenly spread between private sector deposits (\$4.55 billion) and those of the public sector (\$4.45 billion). The second most significant source of financial system resources was the net placement of corporate bonds (\$1.6 billion). In the case of uses of funds, in May there were notable increases in loans to the private sector (\$8.8 billion) and to a lesser extent, in the holding of liquid assets (\$2.25 billion).

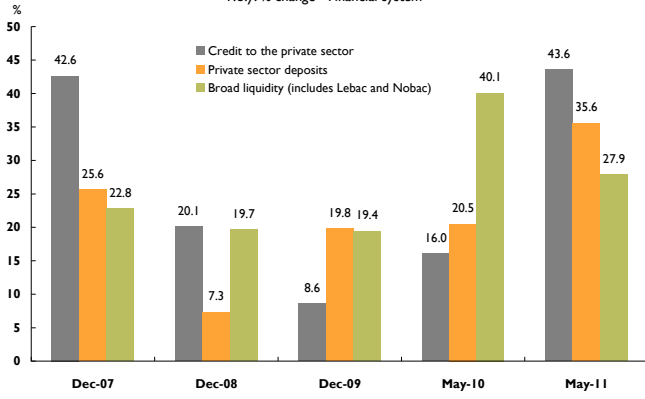
As a result, in the first 5 months of 2011 growth in lending to the private sector has been the most important use of funds by the financial system, having been mainly funded by deposits from the same sector. The increases in 2011 to date in the stocks of private sector loans and deposits have more than doubled the rises recorded in the same period of the previous year (see Chart 2).

At the same time as recording rising levels of financial intermediation, the financial system has posted growth in the provision of means of payment for the economy. One indication of this has been the continued increase during the first half of the year in the value and number of checks cleared. In the first six months of the year 47.5 million checks were cleared, 6.2% more than in the same period of 2010 (see Chart 3). At the same time, there has been a slight reduction in checks bounced for insufficient funds as a percentage of the total cleared. In 2011 to date the value of checks rejected because of insufficient funds has been 0.43% of the total cleared (equivalent to 0.78% of the total number of checks).

With the aim of extending the spread of financial services to the population, the Central Bank has introduced new financial instruments. In mid July the

Chart 1

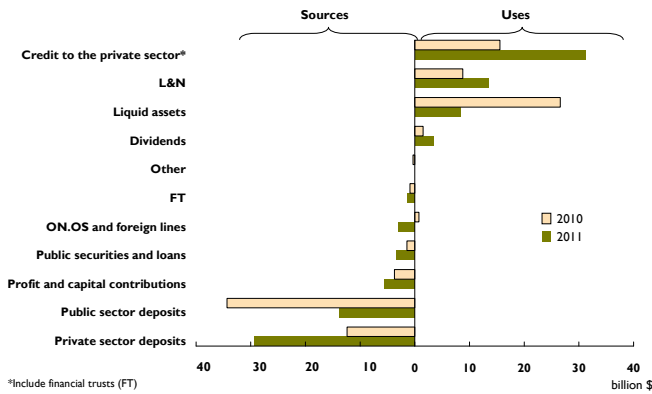
Financial Intermediation with the Private Sector
Y.o.y. % change - Financial system



Source: BCRA

Chart 2

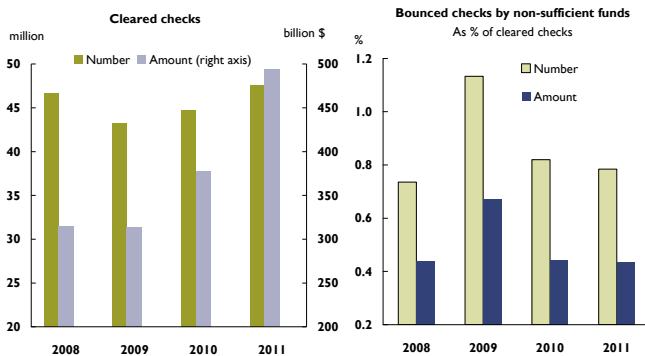
Flow of Funds Estimation
5-months accumulated - Financial system



*Include financial trusts (FT)
Source: BCRA

Chart 3

Cleared and Bounced Checks
Financial system - First 6-months accumulated



Source: BCRA

Chart 4
Settlement Checks Issued
Accumulated

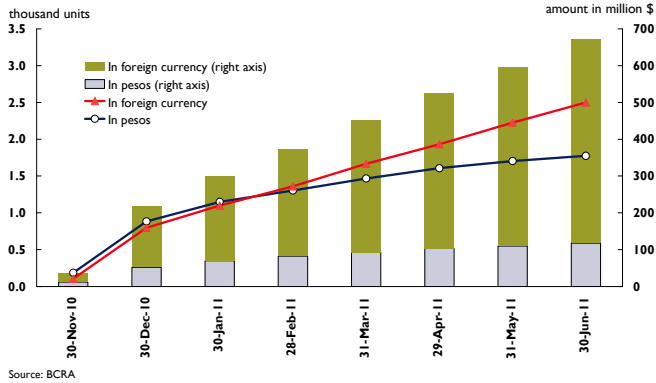


Chart 5
Retail Transfers

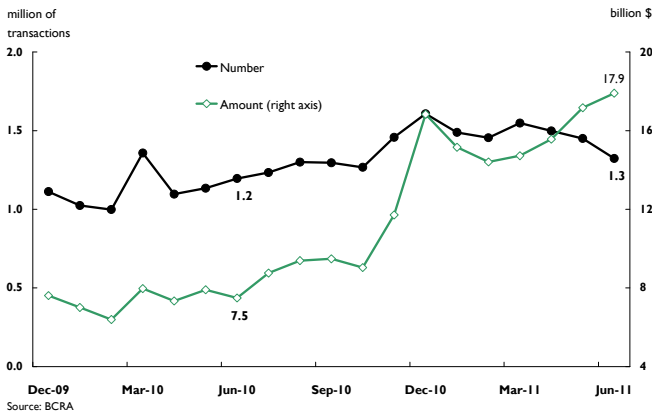
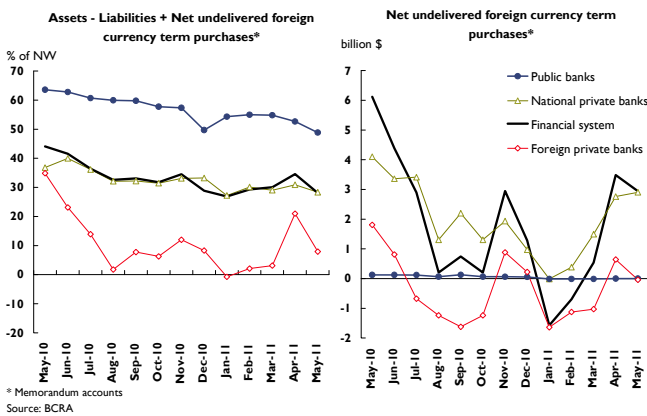


Chart 6
Currency Mismatch



number of holders of Free Universal Accounts (CGU) rose to over 68,400². In addition, **the Central Bank has reintroduced the Settlement Check (“Cheque cancelatorio”)** to provide increased security for financial transactions. Through the end of the first half of 2011, transactions using Settlement Checks in pesos were performed for \$117 million (1,774 checks) and those denominated in foreign currency totaled US\$135 million (2,500 checks) (see Chart 4).

Furthermore, to boost banking service use by the population and increase levels of security, in the first quarter of 2011 the Central Bank issued regulations mandating the immediate credit of bank transfers³. This measure complemented an earlier regulation designed to lower the cost of transfers⁴. In June 2011 the number of instant transfers processed via the networks reached almost 900 thousand (for an amount of \$3.2 billion), an increase of 9% compared with May. Transfers processed via the low value clearing house totaled 1.32 million (with a value of over \$17.9 billion) (see Chart 5), a year-on-year increase of almost 11% in terms of quantities (and more than double in terms of amounts).

Financial system foreign currency mismatching, which takes into account the difference between asset and liability items as well as the term purchases and sales of foreign currency, **fell 6.5 p.p. of net worth in May to 28.1%** (see Chart 6) mainly because foreign private banks reduced their net forward currency purchases. As a result, this mismatching has posed a decline in year on year terms of almost 16 p.p. of net worth.

Growth of financial intermediation activity between banks and the private sector in May took place together with a monthly reduction in the financial system exposure to the public sector of 0.4 p.p. of total assets, which reached a level of 10.3% (2.2 p.p. less than in the same month of 2010). If the funding obtained by the banking system from public sector deposits (consolidating all jurisdictions) is taken into account, this sector has continued to present a net creditor position in relation to the financial system for an amount equivalent to 12.6% of total assets.

² Of which some 6,950 accounts are still in the process of validation, pending the verification of the requirements for application.

³ Initially applicable to transactions through ATMs or Internet; as from 25/04/11 for transactions in pesos (for amounts per day and per account of up to \$10,000 for those originated at ATMs and up to \$50,000 via Internet), and as from 31/05/11 for transactions in foreign currency (for amounts per day and per account of up to US\$2,500 for those originating at ATMs and US\$12,500 for transfers made via Internet).

For further details, see Communication “A” 5194 dated 18/03/11

⁴ Communication “A” 5127.

Deposits and liquidity

Financial system deposit stocks rose during the month, driven mainly by public sector deposits as a consequence of significant tax filing due dates

Financial system balance sheet deposit stocks grew 2.2% in May. In view of the income tax payment due dates during the period, public sector deposits were the most dynamic during the month, rising 3.6%. Private sector deposits increased 1.6% in the month, mainly from higher time deposits (2.1%), and to a lesser extent, from sight deposits (1.5%).

In the last 12 months, financial system total deposit stocks recorded a 31.7% growth (almost 5 p.p. above the growth rate in May 2010). Private sector deposits posted a year on year growth of 35.6%, higher than that seen in the years prior to the international financial crisis. This movement was driven by both sight accounts (36.7% y.o.y.) and time deposits (35% y.o.y.) (see Chart 7). Public sector deposits rose by 25.4% y.o.y. In line with these movements, over the last year the share of total bank funding accounted for by private sector deposits has increased 2.6 p.p. to 53.7%, while the contribution from public sector deposits remained relatively stable at around 24% (see Chart 8).

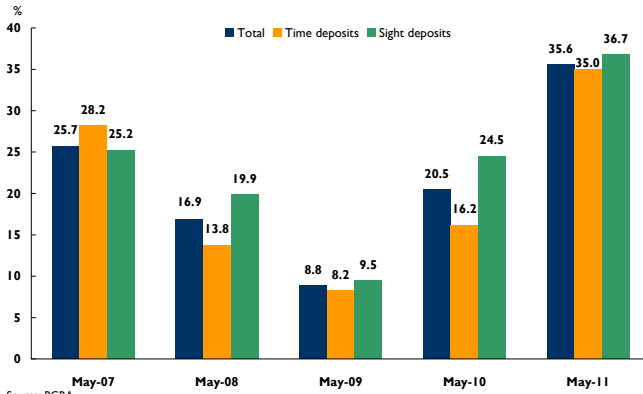
In this context, financial system funding cost through total deposits in domestic currency, estimated on the basis of interest rates agreed (weighted by volume of transactions) dropped slightly in May, to around an annual 5.8%. The increased share of sight accounts in total deposits traded during the month, more than compensated the effect derived from the increased cost of funding by means of time deposits. In the year on year comparison, the cost of funding by means of total deposits in pesos for the banking system as a whole dropped by approximately 0.4 p.p., driven by public banks and private domestic banks (see Chart 9).

In May, the financial system liquidity indicator that includes only items denominated in pesos increased slightly to 19.9% of deposits in that currency. The financial system liquidity indicator that contains items denominated in both local and foreign currency stood at 27.1% of deposits for the month, showing no significant change with regard to April. The broad liquidity indicator (which includes Lebac and Nobac not related to repos with the Central Bank) remained steady at around 45% (see Chart 10). In year on year terms, there has been an increase in the

Chart 7

Non-Financial Private Sector Deposits

Y.o.y. % change - Financial system

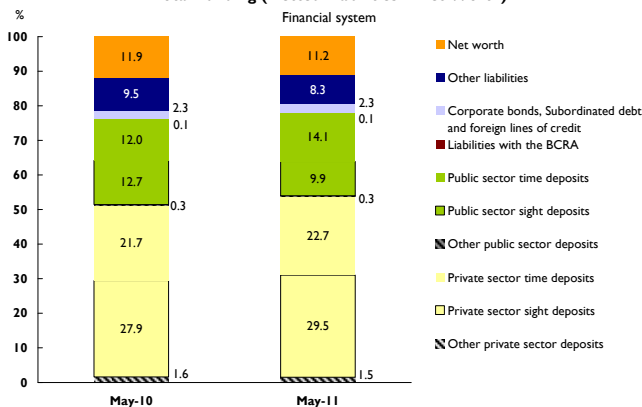


Source: BCRA

Chart 8

Total Funding (Netted Liabilities + Net Worth)

Financial system

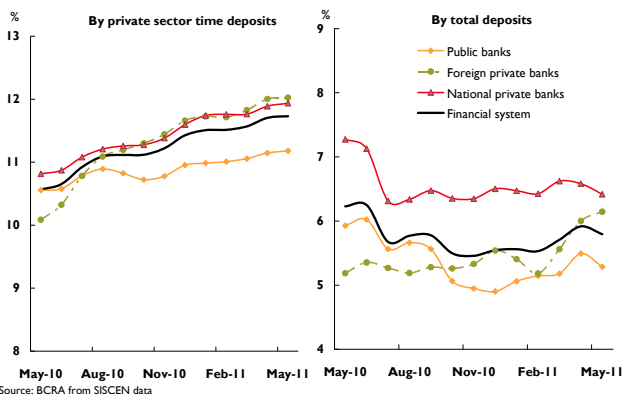


Source: BCRA

Chart 9

Average Funding Cost by Deposits in Pesos - Estimate

Weighted by 2-month traded volume and adjusted by cash requirement



Source: BCRA from SISSEN data

Chart 10
Liquidity

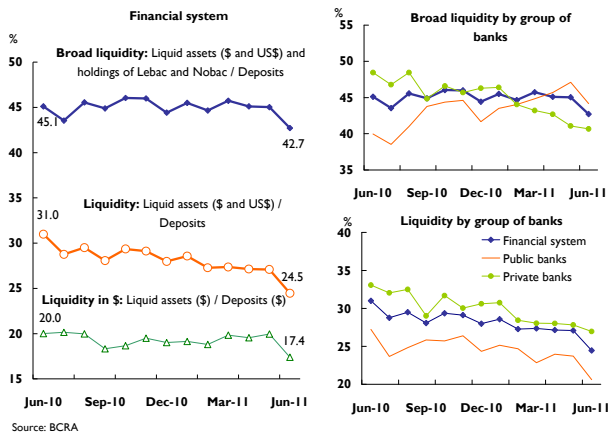


Chart 11

Credit to the Private Sector by Type of Line

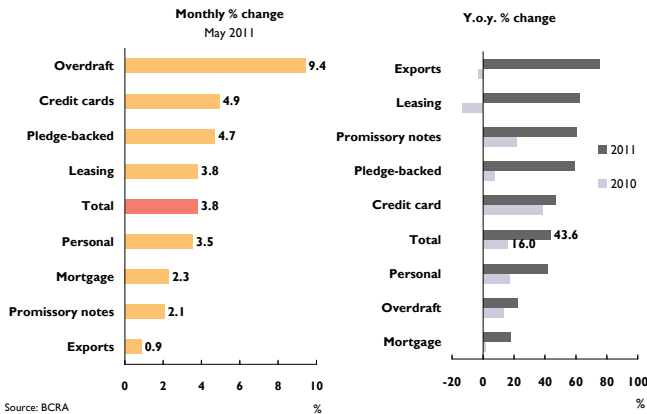
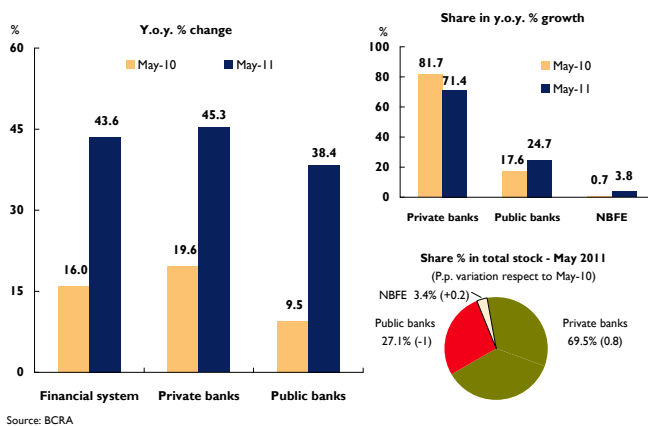


Chart 12

Credit to the Private Sector by Group of Financial Entities



participation by Lebac and Nobac and liquid assets in pesos among the items with greater liquidity, offset by a reduction in the rest of the components.

Average daily trading volumes on the call market increased during the month (by almost 17%), while interest rates in this market did not register significant change, given the existing liquidity context. Daily average trading volume was \$880 million, while the interest rate amounted to 9.5% (0.1 p.p. less than in April).

Financing

Loans to the private sector continued to increase in May, driven mainly by commercial lines, with year-on-year growth in lending to companies higher than that for lending to households for the eleventh consecutive month

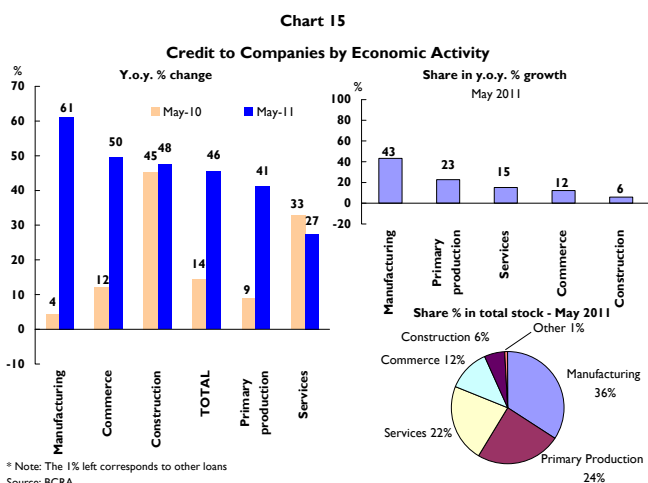
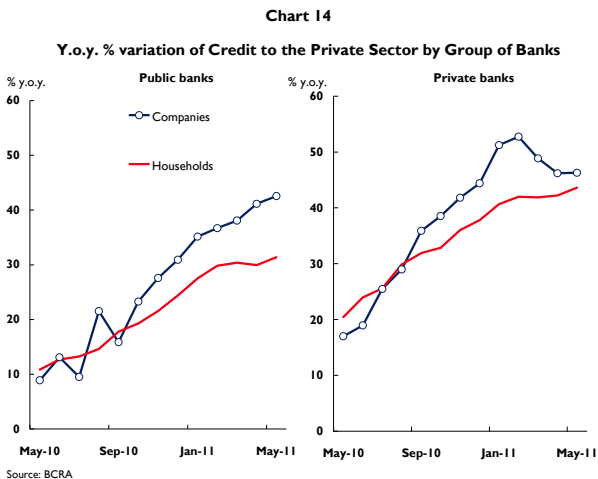
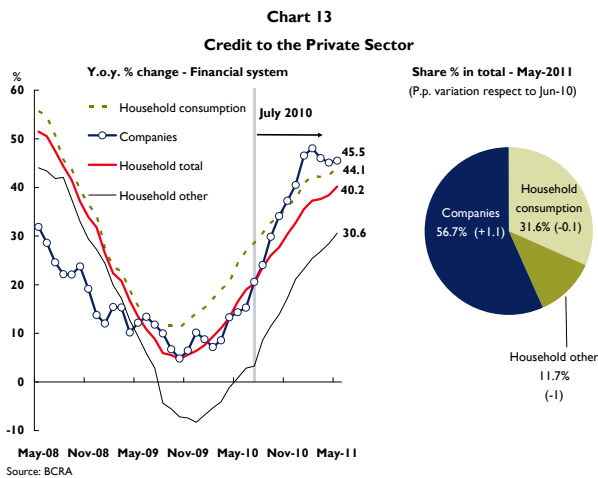
In May balance sheet stocks of lending to the private sector rose 3.8%⁵. All credit lines increased during the month, with a notable performance by overdrafts, influenced by increased demand for liquidity from companies to be able to make their income tax payments (see Chart 11). The 43.6% y.o.y. increase in lending to the private sector (28 p.p. more than in the same month of 2010) was responsible for the improved growth rate across all lending lines. As a result, lending to the private sector represented almost 44% of netted assets for the banking system (over 4 p.p. higher than one year earlier).

Private banks led the monthly increase in lending to the private sector, at a time when all groups of financial entities recorded a positive development. Similarly, in the last 12 months private banks recorded the highest growth rate and contributed most to the increased stock of loans to companies and households (more than 70% of the total increase) (see Chart 12). Nevertheless, public banks have recorded significant relative improvement in the year-on-year growth rate for lending to the private sector.

Lending to companies rose 3.7% in May, led mainly by lending to manufacturing industry⁶, primary production and services. As a result, lending to the corporate sector has registered year-on-year expansion of almost 46%, above the rate observed for loans to families for the eleventh consecutive month (see Chart

⁵ If balance sheet totals are adjusted for the assets securitized during the month (using bank loans as underlying assets), the monthly variation in lending to the private sector would amount to 4%. During May 4 financial trusts were issued using bank loans as underlying assets for a total of \$318 million, of which \$278 million corresponded to personal loan securitization and \$40 million to pledge-backed loans.

⁶ Based on the sectorial classification used by the Financial System Debtor Center ("Central de Deudores").



13). This trend has been recorded among both private and public banks (see Chart 14). In the last 12 months loans to manufacturing industry, commerce and construction have been the most dynamic, during a period in which almost all productive sectors recorded a rise in the lending growth rate compared with the previous year. Furthermore, **manufacturing industry accounted for 43% of the year-on-year growth in the total stock of corporate lending⁷, well above the rate for the rest of the economic activities** (see Chart 15).

Within the framework of the Bicentenary Productive Financing Program, intended to provide financial entities with funding for channeling into loans for productive investment, **5 auctions have already been held, providing funding for a total of \$1.54 billion**. Over the course of 2011 to date, approximately 90% of the total amount lent by banks has been destined for productive projects in the manufacturing sector.

Lending to households grew 3.8% in the month, with a notable performance by pledge-backed loans and credit card lending. In the last 12 months, lending to households has risen by 40.2%. Consumer credit lines have recorded a rise of 44.1% y.o.y. (credit cards rose by 47.6% y.o.y. and personal loans were up 41.9% y.o.y.) and have explained over three-quarters of the increase in lending to households. Pledge-backed loans have increased almost 80% y.o.y., rising to account for 7.6% of the household loan portfolio (1.7 p.p. more than in May 2010). As a result, total household lending reached 5.7% of GDP, 0.6 p.p. more than one year earlier.

Lending interest rates for private sector loans recorded an uneven performance in May, with a notable reduction in mortgage lending⁸ and an increase in pledge-backed loans. **In the year-on-year comparison, interest rates on commercial and personal loans have fallen, while those for collateralized loans and credit cards have posted increases**. In terms of spreads between lending rates and funding cost, over the last 12 months there has been a reduction in the case of promissory notes and personal loans, while the rest of the loan lines have recorded slight increases, particularly in the case of collateralized loans (see Chart 16).

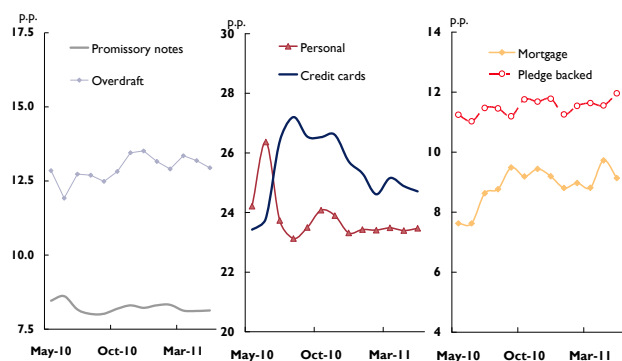
The non-performance ratio⁹ for banks loans to the private sector remained steady at around 1.8% in

⁷ This growth in lending to manufacturing industry has been influenced by the reclassification of items by one large entity. If an adjustment is made for this movement, the share of growth in corporate lending accounted for by loans to manufacturing industry would amount to 38% of the total (21% in the case of loans to companies in the services sector).

⁸ It should be noted that during the month there was a slight increase in the cost of family mortgage loans, with a drop in the cost of such loans granted to companies. Taking into account the weighted variation in interest rate, the drop for the month reached 0.5 p.p.

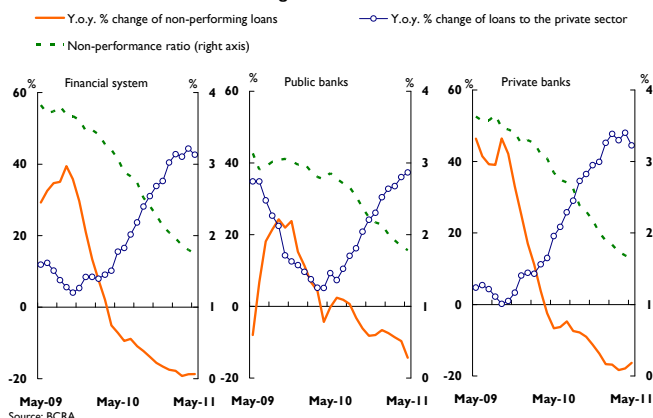
⁹ Includes credit assistances (loan lines heading, other financial intermediation loans, leasing, and sundry loans).

Chart 16
Interest Rate Spreads on Peso Transactions
Lending interest rates minus deposit costs*



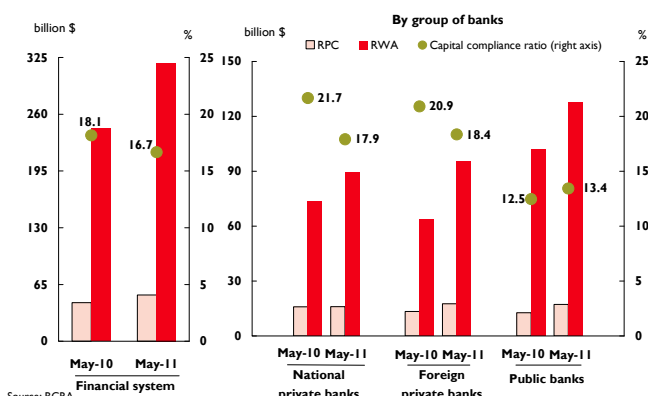
*Note: 2-months traded volume deposit costs
Source: BCRA y Siscen

Chart 17
Non-Performing Loans to the Private Sector



Source: BCRA

Chart 18
Capital Compliance (RPC) and Risk Weighted Assets (RWA)



Source: BCRA

May. In the last 12 months this indicator has fallen by 1.3 p.p., reflecting improvements in portfolio quality across all groups of financial entities. This progress has been a result of the combined effect of a drop in the stock of loans in non-performing situation and a greater dynamism in the overall loan stock total (see Chart 17). **The year-on-year drop in private sector loan delinquency was mainly driven by improvement in the quality of household consumer lending,** for which the non-performing ratio dropped 1.8 p.p. to 2.6% in May. **The coverage ratio for private sector non-performing loans with provisions stood at 156%, 39 p.p. higher than one year earlier.**

Solvency

Financial system profit accrual was lower during the month, although for the year to date the year-on-year improvement has been maintained

Consolidated net worth of the financial system increased 1.6% for the month (or 19.8% y.o.y.) mainly because of **book profits, and to a lesser extent, as a result of the capital contributions received.** The increase for the month in net worth was mainly driven by national private banks.

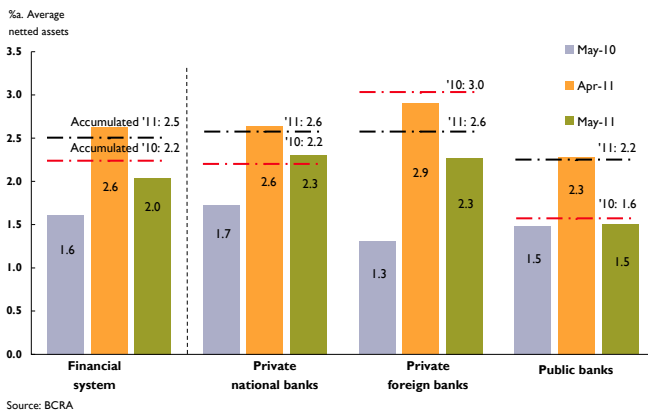
During the month, two private banks (one foreign, and the other national) made new capital contributions for an aggregate amount of \$19 million. As a result, **in the year to date the financial system has received capital contributions totaling \$475 million,** with foreign private banks accounting for the largest share.

Within the framework of increased expansion in lending to households and companies **financial system capital compliance reached 16.7% of risk-weighted assets (RWA) in May** (see Chart 18), a slight drop for the month. The excess in capital compliance by the banking system as a whole is equivalent to 76% of the regulatory requirement.

The financial system accrued profits for the month equivalent to 2% annualized (a.) of assets, a drop compared with April. These lower results can mainly be explained by increased operating costs as a result of the introduction of a new wage agreement for the sector. As a result, in the year-to-date banks in the system have accrued book profits for an annualized 2.5% of assets, 0.3 p.p. more than in the same period of last year, with a notable contribution from public sector banks (see Chart 19).

Bank financial margin dropped slightly during the month to 7.5%a. of assets. A decline in revenue from exchange rate differences was virtually offset by an

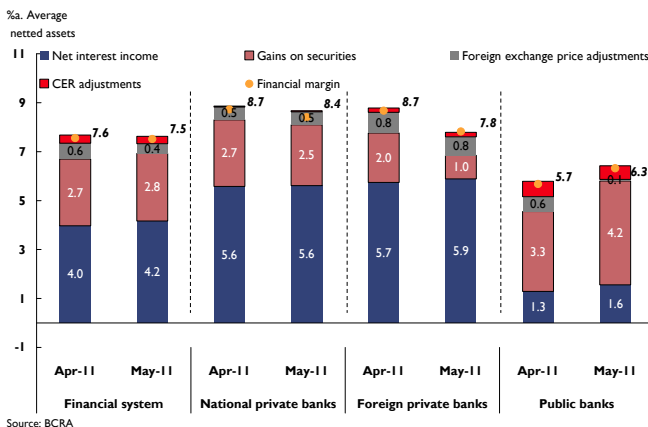
Chart 19
Profitability by Group of Banks



increase in interest income. **The reduction for the month in financial margin was recorded in private banks**, and particularly in the case of foreign entities (see Chart 20), which posted lower gains from securities. **In the accumulated total for the year to date, the financial margin for the banking system has risen slightly to 7.6%a. of assets.**

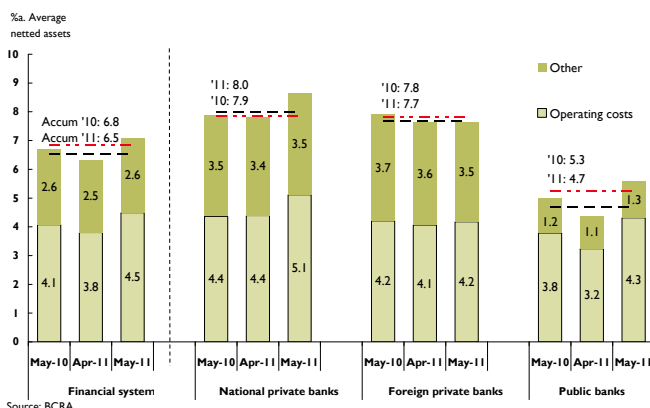
Service income recorded an increase for the month of 0.3 p.p. of assets to an annualized 4.1%. Revenue from liabilities transactions (deposits and other financial obligations) and other income¹⁰ mainly accounted for this growth. **The improved performance for the month mainly took place among public banks.** As a result, in the first 5 months of the year financial system service income margin reached an annualized 3.8%a. of assets, in line with the figure recorded one year earlier.

Chart 20
Financial Margin



Because a new wage agreement for the banking sector came into effect during the month, **financial system operating costs grew by 0.8 p.p. of assets in May, to an annualized 7.1%.** Nevertheless, **in the year to date operating costs (in terms of assets) have been lower than those recorded in the same period of 2010**, reaching an annualized 6.5% of assets (see Chart 21). **Loan loss provisions fell slightly in May, to an annualized 0.6% of assets.** For the year as a whole loan loss provisions stand at 0.7%a. of assets, 0.1 p.p. lower than the figure recorded for the same period of 2010, a reduction observed mainly in private banks.

Chart 21
Operating Costs by Group of Banks



On the basis of the development of the main income and expenditure headings on result statement, in the first 5 months of 2011 **the financial system efficiency indicator¹¹ stood at a level higher than that observed in the same period of the previous year.** Among the various groups of banks there was a notable improvement in the indicator for national private entities.

It is expected that in the coming month the financial system will continue to accrue book profits based on those more stable sources of income (net interest income and service income margin), in a scenario of a sustained increase in financial intermediation with companies and households.

¹⁰ The "Others" sub-group consists partly of income from insurance commissions and credit card issuance.

¹¹ (Interest income + Service income – Loan loss charges) / Operating costs.

Latest regulations

This section contains a summary of the main regulations related to the business of financial intermediation issued during the month (referenced by the date on which they came into force).

Communication “A” 5201 –May/09/11

Guidelines for the financial entities corporate governance As from January 2012 financial entities must have implemented a code of corporate governance that takes into account the established guidelines regarding responsibilities of the Board and Senior Management, internal and external audits, and the standards applicable as regards independence, committees, setting of strategic objectives, values of the organization and lines of responsibility, as well as aspects concerning internal control, payroll remuneration policies (incentives), risk management, transparency, and “know your organizational structure” rules.

Communication “A” 5202 –May/20/11

Representatives of foreign financial entities not authorized to operate in the country. It is clarified that financial entities abroad changing their name have 60 calendar days to submit the corresponding documentation.

Communication “A” 5203–May/23/11

Guidelines for financial entity risk management. These cover the management of credit, liquidity, market, and interest rate risk, and the holding of stress tests. Financial entities must be able to count on a comprehensive risk management process in proportion to their size and economic significance, as well as to the nature and complexity of their operations. This process should include vigilance by the Board and Senior Management to identify, evaluate, monitor, control and mitigate all significant risks, with an understanding of the nature and level of risk assumed by the entity and the way in which such a risk level is related to adequate capital levels.

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. Except the opposite was specified, profit ratios are annualized.
- (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 (Capital requirement) / Risk weighted assets, according to the BCRA rule on minimum capital; 10.- Total capital position (Capital compliance - Capital requirement) / Capital requirement.

Glossary

%a.: annualized percentage.

%i.a.: interannual percentage.

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

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

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

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

CEDRO: Certificado de Depósito Reprogramado. Scheduled Stabilization Coefficient.

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

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

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

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

Lebac and Nobac: Bills and notes of the BCRA.

Liquid assets: 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 Metodology)

As %	2002	2003	2004	2005	2006	2007	2008	2009	May 2010	2010	Apr 2011	May 2011
1.- Liquidity	22.8	29.1	29.6	20.1	22.5	23.0	27.9	28.6	32.7	28.0	27.1	27.1
2.- Credit to the public sector	48.9	47.0	40.9	31.5	22.5	16.3	12.7	14.4	12.5	12.2	10.7	10.3
3.- Credit to the private sector	20.8	18.1	19.6	25.8	31.0	38.2	39.4	38.3	36.3	39.8	40.4	41.3
4.- Private non-performing loans	38.6	33.5	18.6	7.6	4.5	3.2	3.1	3.5	3.1	2.1	1.8	1.8
5.- Net worth exposure to the private sector	16.6	11.5	1.1	-2.5	-0.8	-1.5	-1.7	-1.3	-1.8	-3.2	-3.9	-3.9
6.- ROA	-8.9	-2.9	-0.5	0.9	1.9	1.5	1.6	2.3	2.2	2.8	2.6	2.5
7.- ROE	-59.2	-22.7	-4.2	7.0	14.3	11.0	13.4	19.2	18.6	24.4	24.1	23.1
8.- Efficiency	189	69	125	151	167	160	167	185	165	179	177	174
9.- Capital compliance	-	14.5	14.0	15.3	16.9	16.9	16.9	18.8	18.1	17.7	16.8	16.7
10.- Capital Tier I	-	-	13.5	14.1	14.1	14.6	14.2	14.5	15.6	13.1	12.9	12.5
11.- Excess capital compliance	-	115.9	185.1	173.5	134.0	92.8	89.8	99.8	89.2	86.3	77.8	76.1

Source: BCRA

Chart 2 | Balance Sheet

In million of current pesos	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Dec 08	Dec 09	May 10	Dec 10	Apr 11	May 11	Change (in %)			
													Last month	2011	Last 12 months	
Assets	187,532	186,873	212,562	221,962	258,384	297,963	346,762	387,381	449,359	510,304	555,911	565,579	1.7	10.8	25.9	
Cash disposal ¹	17,138	27,575	29,154	20,819	37,991	46,320	58,676	71,067	87,587	93,085	97,786	100,554	2.8	8.0	14.8	
Public bonds	31,418	45,062	55,382	66,733	64,592	62,678	65,255	86,318	101,426	117,951	129,879	128,399	-1.1	8.9	26.6	
Lebac/Nobac	-	-	17,755	28,340	29,289	36,022	37,093	43,867	62,344	76,948	90,961	90,728	-0.3	17.9	45.5	
Portfolio	-	-	11,803	21,067	25,767	31,598	25,652	34,748	43,502	61,855	73,785	75,355	2.1	21.8	73.2	
Repo ²	-	-	5,953	7,273	3,521	4,424	11,442	9,119	18,842	15,093	17,176	15,373	-10.5	1.9	-18.4	
Private bonds	332	198	387	389	813	382	203	307	268	209	229	220	-4.2	5.1	-17.9	
Loans	84,792	68,042	73,617	84,171	103,668	132,157	154,719	169,868	186,815	230,127	252,092	260,226	3.2	13.1	39.3	
Public sector	44,337	33,228	30,866	25,836	20,874	16,772	17,083	20,570	22,502	25,907	25,995	25,848	-0.6	-0.2	14.9	
Private sector	38,470	33,398	41,054	55,885	77,832	110,355	132,844	145,247	160,045	199,202	220,328	228,629	3.8	14.8	42.9	
Financial sector	1,985	1,417	1,697	2,450	4,962	5,030	4,793	4,052	4,268	5,018	5,769	5,748	-0.4	14.6	34.7	
Provisions over loans	-11,952	-9,374	-7,500	-4,930	-3,728	-4,089	-4,744	-5,824	-5,974	-6,232	-6,361	-6,449	1.4	3.5	8.0	
Other netted credits due to financial intermediation	39,089	27,030	32,554	26,721	26,039	29,712	38,152	33,498	47,259	39,009	44,496	44,828	0.7	14.9	-5.1	
Corporate bonds and subordinated debt	1,708	1,569	1,018	873	773	606	912	1,146	1,401	1,433	1,692	1,812	7.1	26.5	29.3	
Unquoted trusts	6,698	4,133	3,145	3,883	4,881	5,023	5,714	5,942	6,131	6,824	7,051	7,054	0.0	3.4	15.0	
Compensation receivable	17,111	14,937	15,467	5,841	763	377	357	16	15	0	0	0	0.0	-19.0	-99.9	
Other	13,572	6,392	12,924	16,124	19,622	23,706	31,169	26,395	39,712	30,752	35,753	35,962	0.6	16.9	-9.4	
Leasing	567	397	611	1,384	2,262	3,469	3,935	2,933	2,896	3,936	4,530	4,702	3.8	19.5	62.4	
Shares in other companies	4,653	4,591	3,871	4,532	6,392	6,430	7,236	6,711	6,602	7,921	8,063	8,172	1.4	3.2	23.8	
Fixed assets and miscellaneous	8,636	8,164	7,782	7,546	7,619	7,643	7,903	8,239	8,424	9,071	9,346	9,396	0.5	3.6	11.5	
Foreign branches	3,522	3,144	3,524	3,647	2,782	2,912	3,153	3,926	4,059	3,283	3,465	3,465	0.0	5.5	-14.6	
Other assets	9,338	12,043	13,180	10,950	9,953	10,347	12,275	10,337	9,997	11,943	12,385	12,065	-2.6	1.0	20.7	
Liabilities	161,446	164,923	188,683	195,044	225,369	261,143	305,382	339,047	400,079	452,752	497,219	505,923	1.8	11.7	26.5	
Deposits	75,001	94,635	116,655	136,492	170,898	205,550	236,217	271,853	319,059	376,344	410,860	420,048	2.2	11.6	31.7	
Public sector ³	8,381	16,040	31,649	34,019	45,410	48,340	67,151	69,143	103,488	115,954	125,286	129,753	3.6	11.9	25.4	
Private sector ³	59,698	74,951	83,000	100,809	123,431	155,048	166,378	199,278	211,671	257,595	282,378	286,938	1.6	11.4	35.6	
Current account	11,462	15,071	18,219	23,487	26,900	35,245	39,619	45,752	50,757	61,306	67,660	69,346	2.5	13.1	36.6	
Savings account	10,523	16,809	23,866	29,078	36,442	47,109	50,966	62,807	64,485	82,575	87,679	88,245	0.6	6.9	36.8	
Time deposit	19,080	33,285	34,944	42,822	54,338	65,952	69,484	83,967	88,554	104,492	116,194	118,538	2.0	13.4	33.9	
CEDRO	12,328	3,217	1,046	17	13	0	0	0	0	0	0	0	-	-	-	
Other netted liabilities due to financial intermediation	75,737	61,690	64,928	52,072	46,037	46,225	57,662	52,114	65,861	60,029	67,562	69,874	3.4	16.4	6.1	
Interbanking obligations	1,649	1,317	1,461	2,164	4,578	4,310	3,895	3,251	3,472	4,201	4,819	4,794	-0.5	14.1	38.1	
BCRA lines	27,837	27,491	27,726	17,005	7,686	2,362	1,885	270	485	262	413	700	69.4	166.6	44.2	
Outstanding bonds	9,096	6,675	7,922	6,548	6,603	6,938	5,984	5,033	4,258	3,432	4,292	5,874	36.9	71.1	37.9	
Foreign lines of credit	25,199	15,196	8,884	4,684	4,240	3,864	4,541	3,369	3,897	4,356	4,693	7.7	20.4	40.5		
Other	11,955	11,012	18,934	21,671	22,930	28,752	41,357	40,191	54,307	48,236	53,682	53,814	0.2	11.6	-0.9	
Subordinated debts	3,712	2,028	1,415	1,381	1,642	1,672	1,763	1,922	1,986	2,165	1,888	1,896	0.4	-12.4	-4.5	
Other liabilities	6,997	6,569	5,685	5,099	6,792	7,695	9,740	13,159	13,173	14,213	16,910	14,105	-16.6	-0.8	7.1	
Net worth	26,086	21,950	23,879	26,918	33,014	36,819	41,380	48,335	49,281	57,552	58,692	59,655	1.6	3.7	21.1	
Memo																
Netted assets	185,356	184,371	202,447	208,275	244,791	280,336	321,075	364,726	413,752	482,532	523,447	534,075	2.0	10.7	29.1	
Consolidated netted assets	181,253	181,077	198,462	203,286	235,845	271,652	312,002	357,118	406,216	472,934	513,274	523,851	2.1	10.8	29.0	

(1) Includes margin accounts with the BCRA. (2) Booked value from balance sheet (it includes all the counterparts). (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
	2002 ¹	2003	2004	2005	2006	2007	2008	2009	2010	2010	2011	Mar-11	Apr-11	May-11	12 months
Financial margin	13,991	1,965	6,075	9,475	13,262	15,134	20,462	28,937	35,490	12,014	16,080	3,441	3,271	3,320	39,557
Net interest income	-3,624	-943	1,753	3,069	4,150	5,744	9,573	14,488	17,963	6,906	8,851	1,843	1,720	1,842	19,908
CER and CVS adjustments	8,298	2,315	1,944	3,051	3,012	2,624	2,822	1,196	2,434	902	738	154	144	132	2,270
Foreign exchange price adjustments	5,977	-890	866	751	944	1,357	2,307	2,588	2,100	893	1,186	245	280	176	2,393
Gains on securities	3,639	1,962	1,887	2,371	4,923	5,144	4,398	11,004	13,449	3,415	5,542	1,253	1,179	1,218	15,576
Other financial income	-299	-480	-375	233	235	264	1,362	-339	-457	-102	-236	-54	-52	-48	-591
Service income margin	4,011	3,415	3,904	4,781	6,243	8,248	10,870	13,052	16,089	6,100	8,035	1,601	1,664	1,805	18,023
Loan loss provisions	-10,007	-2,089	-1,511	-1,173	-1,198	-1,894	-2,839	-3,814	-3,267	-1,284	-1,401	-270	-301	-283	-3,384
Operating costs	-9,520	-7,760	-7,998	-9,437	-11,655	-14,634	-18,767	-22,710	-28,756	-10,986	-13,859	-2,721	-2,740	-3,133	-31,630
Tax charges	-691	-473	-584	-737	-1,090	-1,537	-2,318	-3,272	-4,120	-1,504	-2,157	-433	-449	-466	-4,773
Adjust. to the valuation of gov. securities ²	0	-701	-320	-410	-752	-837	-1,757	-262	-214	-129	-167	-69	-23	-26	-252
Amort. payments for court-ordered releases	0	-1,124	-1,686	-1,867	-2,573	-1,922	-994	-703	-635	-219	-110	-23	-24	-25	-526
Other	-3,880	1,738	1,497	1,729	2,664	2,380	1,441	918	2,079	767	884	180	197	103	2,197
Monetary results	-12,558	69	0	0	0	0	0	0	0	0	0	0	0	0	0
Total results before tax ³	-18,653	-4,960	-623	2,360	4,901	4,938	6,100	12,145	16,665	4,758	7,305	1,706	1,596	1,296	19,212
Income tax	-509	-305	-275	-581	-595	-1,032	-1,342	-4,226	-4,904	-1,170	-2,019	-450	-460	-397	-5,753
Total results³	-19,162	-5,265	-898	1,780	4,306	3,905	4,757	7,920	11,761	3,588	5,286	1,256	1,136	899	13,459
Adjusted results ⁴	-	-3,440	1,337	4,057	7,631	6,665	7,508	8,885	12,610	3,936	5,563	1,348	1,183	950	14,237
Annualized indicators - As % of netted assets															
Financial margin	6.5	1.1	3.1	4.6	5.8	5.7	6.7	8.6	8.5	7.5	7.6	8.1	7.6	7.5	8.4
Net interest income	-1.7	-0.5	0.9	1.5	1.8	2.2	3.1	4.3	4.3	4.3	4.2	4.4	4.0	4.2	4.2
CER and CVS adjustments	3.9	1.3	1.0	1.5	1.3	1.0	0.9	0.4	0.6	0.6	0.3	0.4	0.3	0.3	0.5
Foreign exchange price adjustments	2.8	-0.5	0.4	0.4	0.4	0.5	0.8	0.8	0.5	0.6	0.6	0.6	0.6	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	2.1	2.6	3.0	2.7	2.8	3.3
Other financial income	-0.1	-0.3	-0.2	0.1	0.1	0.1	0.4	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Service income margin	1.9	1.9	2.0	2.3	2.7	3.1	3.6	3.9	3.8	3.8	3.8	3.8	3.8	3.8	4.1
Loan loss provisions	-4.7	-1.1	-0.8	-0.6	-0.5	-0.7	-0.9	-1.1	-0.8	-0.8	-0.7	-0.6	-0.7	-0.6	-0.7
Operating costs	-4.4	-4.2	-4.1	-4.6	-5.1	-5.5	-6.1	-6.7	-6.9	-6.8	-6.5	-6.4	-6.3	-7.1	-6.7
Tax charges	-0.3	-0.3	-0.3	-0.4	-0.5	-0.6	-0.8	-1.0	-1.0	-0.9	-1.0	-1.0	-1.0	-1.1	-1.0
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	-0.2	-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	-0.2	-0.2	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Other	-1.8	0.9	0.8	0.8	1.2	0.9	0.5	0.3	0.5	0.5	0.4	0.4	0.5	0.2	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
Total results before tax ³	-8.7	-2.7	-0.3	1.1	2.2	1.9	2.0	3.6	4.0	3.0	3.4	4.0	3.7	2.9	4.1
Income tax	-0.2	-0.2	-0.1	-0.3	-0.3	-0.4	-0.4	-1.3	-1.2	-0.7	-1.0	-1.1	-1.1	-0.9	-1.2
ROA³	-8.9	-2.9	-0.5	0.9	1.9	1.5	1.6	2.3	2.8	2.2	2.5	3.0	2.6	2.0	2.9
ROA adjusted ⁴	-8.9	-1.9	0.7	2.0	3.4	2.5	2.5	2.6	3.0	2.4	2.6	3.2	2.7	2.2	3.0
ROE before tax ³	-57.6	-21.4	-2.9	9.3	16.2	13.9	17.2	29.5	34.5	24.6	31.9	37.6	35.0	28.0	37.1
ROE ³	-59.2	-22.7	-4.2	7.0	14.3	11.0	13.4	19.2	24.4	18.6	23.1	27.7	25.0	19.4	26.0

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

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

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

Source: BCRA

Chart 4 | Portfolio Quality

As percentage	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Dec 08	Dec 09	May 10	Dec 10	Apr 11	May 11
Non-performing loans (overall)	18.1	17.7	10.7	5.2	3.4	2.7	2.7	3.0	2.6	1.8	1.6	1.5
Provisions / Non-performing loans	72.3	76.8	97.8	115.3	108.2	115.2	117.0	115.3	121.8	147.7	161.2	161.6
(Total non-performing - Provisions) / Overall financing	5.0	4.1	0.2	-0.8	-0.3	-0.4	-0.5	-0.5	-0.6	-0.9	-1.0	-1.0
(Total non-performing - Provisions) / Net worth	18.2	13.3	0.8	-2.6	-0.9	-1.6	-1.8	-1.7	-2.3	-3.6	-4.3	-4.3
Non-performing loans to the non-financial private sector	38.6	33.5	18.6	7.6	4.5	3.2	3.1	3.5	3.1	2.1	1.8	1.8
Provisions / Non-performing loans	73.8	79.0	96.9	114.8	107.6	114.4	116.4	111.8	117.6	142.8	155.8	156.3
(Total non-performing - Provisions) / Overall financing	10.1	7.0	0.6	-1.1	-0.3	-0.5	-0.5	-0.4	-0.5	-0.9	-1.0	-1.0
(Total non-performing - Provisions) / Net worth	16.6	11.5	1.1	-2.5	-0.8	-1.5	-1.7	-1.3	-1.8	-3.2	-3.9	-3.9

Source: BCRA

Statistics annex | Private banks

Chart 5 | Financial Soundness Indicators (see Metodology)

As %	2002	2003	2004	2005	2006	2007	2008	2009	May 2010	2010	Apr 2011	May 2011
1.- Liquidity	24.8	27.6	29.2	21.5	23.7	25.7	34.1	29.8	30.4	26.0	26.2	27.6
2.- Credit to the public sector	50.0	47.7	41.6	28.5	16.3	9.5	6.3	6.1	5.1	4.4	3.6	3.5
3.- Credit to the private sector	22.4	19.9	22.5	31.1	37.9	46.6	44.0	43.3	45.0	50.3	50.4	50.5
4.- Private non-performing loans	37.4	30.4	15.3	6.3	3.6	2.5	2.8	3.3	2.8	2.0	1.7	1.6
5.- Net worth exposure to the private sector	19.1	12.9	3.6	-0.4	-1.4	-2.0	-1.8	-1.6	-2.2	-3.4	-4.2	-4.2
6.- ROA	-11.3	-2.5	-1.0	0.5	2.2	1.6	1.9	3.0	2.6	3.2	2.7	2.6
7.- ROE	-79.0	-19.1	-8.1	4.1	15.3	10.9	15.2	22.9	19.1	24.5	22.0	21.7
8.- Efficiency	168	93	115	136	158	152	166	195	170	176	171	169
9.- Capital compliance	-	14.0	15.1	17.8	18.6	19.2	18.3	22.6	21.3	20.4	18.3	18.1
10.- Capital Tier I	-	-	14.7	16.1	15.3	16.7	15.0	17.2	18.5	15.2	15.7	15.3
11.- Excess capital compliance	-	88.2	157.1	155.0	115.8	86.9	86.4	121.3	107.7	100.4	81.4	79.8

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	May 10	Dec 10	Apr 11	May 11	Change (in %)			
													Last month	2011	Last 12 months	
Assets	118,906	116,633	128,065	129,680	152,414	175,509	208,888	229,549	248,334	280,025	309,380	320,716	3.7	14.5	29.1	
Cash disposal ¹	11,044	14,500	15,893	14,074	22,226	29,418	37,044	43,562	44,175	49,730	51,423	54,067	5.1	8.7	22.4	
Public bonds	19,751	22,260	24,817	29,966	27,663	24,444	29,552	47,949	47,506	48,903	52,367	52,114	-0.5	6.6	9.7	
Lebac/Nobac	-	-	8,359	15,227	15,952	17,684	23,457	31,575	32,978	34,422	39,261	39,165	-0.2	13.8	18.8	
Portfolio	-	-	5,611	12,899	14,220	15,639	12,858	27,413	25,949	31,148	31,941	29,720	-7.0	-4.6	14.5	
Repo ²	-	-	2,749	2,328	1,732	2,045	10,598	4,161	7,030	3,274	7,320	9,445	29.0	188.5	34.4	
Private bonds	273	172	333	307	683	310	127	233	164	184	169	165	-2.6	-10.3	0.4	
Loans	51,774	47,017	50,741	56,565	69,294	88,898	98,529	101,722	114,016	143,202	158,174	164,232	3.8	14.7	44.0	
Public sector	25,056	23,571	21,420	15,954	10,036	6,413	6,249	1,694	1,732	1,625	1,556	1,464	-5.9	-9.9	-15.5	
Private sector	26,074	22,816	28,213	39,031	55,632	78,587	88,426	96,790	109,163	137,308	151,850	157,805	3.9	14.9	44.6	
Financial sector	644	630	1,107	1,580	3,626	3,898	3,854	3,238	3,121	4,270	4,768	4,963	4.1	16.2	59.0	
Provisions over loans	-7,463	-5,225	-3,717	-2,482	-2,227	-2,365	-2,871	-3,653	-3,756	-3,926	-4,002	-4,076	1.8	3.8	8.5	
Other netted credits due to financial intermediation	27,212	22,148	25,753	16,873	18,387	17,084	25,265	21,258	28,295	20,241	27,808	31,351	12.7	54.9	10.8	
Corporate bonds and subordinated debt	1,514	1,394	829	675	618	430	699	734	860	757	908	980	7.9	29.5	14.0	
Unquoted trusts	6,205	3,571	2,362	2,444	2,982	3,456	3,869	4,198	4,422	4,500	4,480	4,420	-1.3	-1.8	0.0	
Compensation receivable	15,971	13,812	14,657	5,575	760	377	357	16	15	0	0	0	-	-	-	
Other	3,523	3,370	7,905	8,179	14,027	12,822	20,339	16,311	22,999	14,984	22,420	25,951	15.7	73.2	12.8	
Leasing	553	387	592	1,356	2,126	3,149	3,451	2,569	2,541	3,519	4,057	4,216	3.9	19.8	65.9	
Shares in other companies	3,123	2,791	1,892	2,416	4,042	3,762	4,538	4,067	3,890	4,934	4,988	5,112	2.5	3.6	31.4	
Fixed assets and miscellaneous	5,198	4,902	4,678	4,575	4,677	4,685	4,926	5,096	5,221	5,808	6,079	6,115	0.6	5.3	17.1	
Foreign branches	-109	-136	-53	-148	-139	-154	-178	-202	-212	-215	-222	-223	0.5	4.2	5.5	
Other assets	7,549	7,816	7,137	6,178	5,682	6,277	8,505	6,946	6,492	7,646	8,540	7,643	-10.5	0.0	17.7	
Liabilities	103,079	101,732	113,285	112,600	131,476	152,153	182,596	198,438	217,410	243,766	273,872	284,560	3.9	16.7	30.9	
Deposits	44,445	52,625	62,685	75,668	94,095	116,719	135,711	154,387	164,691	198,662	217,655	224,346	3.1	12.9	36.2	
Public sector ³	1,636	3,077	6,039	6,946	7,029	7,564	19,600	17,757	22,113	23,598	26,106	29,754	14.0	26.1	34.6	
Private sector ³	38,289	47,097	55,384	67,859	85,714	107,671	114,176	134,426	140,629	173,203	189,444	192,486	1.6	11.1	36.9	
Current account	8,905	11,588	13,966	17,946	20,604	27,132	30,188	35,127	38,207	46,297	50,275	51,025	1.5	10.2	33.5	
Savings account	6,309	10,547	14,842	18,362	23,165	30,169	32,778	40,999	41,071	53,085	57,073	57,650	1.0	8.6	40.4	
Time deposit	11,083	18,710	22,729	27,736	38,043	45,770	46,990	54,058	56,281	67,568	74,740	76,418	2.2	13.1	35.8	
CEDRO	9,016	2,409	798	3	1	0	0	0	0	0	0	0	-	-	-	
Other netted liabilities due to financial intermediation	49,341	42,367	45,083	32,349	31,750	29,323	39,298	34,235	42,274	34,427	43,982	49,963	13.6	45.1	18.2	
Interbanking obligations	836	726	1,070	1,488	3,383	1,979	1,160	1,668	1,796	1,903	2,133	1,971	-7.6	3.6	9.8	
BCRA lines	16,624	17,030	17,768	10,088	3,689	675	649	41	36	57	125	171	36.9	201.1	379.8	
Outstanding bonds	9,073	6,674	7,922	6,548	6,413	6,686	5,672	4,626	3,933	2,802	3,176	4,740	49.2	69.1	20.5	
Foreign lines of credit	15,434	9,998	5,444	2,696	2,249	1,833	2,261	1,262	1,207	1,716	2,167	2,497	15.2	45.5	106.8	
Other	7,374	7,939	12,878	11,530	16,015	18,150	29,555	26,638	35,303	27,949	36,381	40,584	11.6	45.2	15.0	
Subordinated debts	3,622	1,850	1,304	1,319	1,642	1,668	1,759	1,918	1,983	2,148	1,870	1,879	0.5	-12.5	-5.3	
Other liabilities	5,671	4,890	4,213	3,264	3,989	4,443	5,828	7,897	8,462	8,528	10,365	8,372	-19.2	-1.8	-1.1	
Net worth	15,827	14,900	14,780	17,080	20,938	23,356	26,292	31,111	30,923	36,259	35,508	36,156	1.8	-0.3	16.9	
Memo																
Netted assets	117,928	115,091	121,889	123,271	143,807	166,231	192,074	216,100	228,525	267,364	289,599	298,539	3.1	11.7	30.6	

(1) Includes margin accounts with the BCRA. (2) Booked value from balance sheet (it includes all the counterparties). (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
	2002 ¹	2003	2004	2005	2006	2007	2008	2009	2010	2010	2011	Mar-11	Apr-11	May-11	12 months	
Financial margin	10,628	2,575	3,415	5,253	7,778	8,960	12,964	19,724	21,837	7,799	9,848	2,091	2,079	1,996	23,886	
Net interest income	-304	107	1,214	2,069	2,826	4,191	7,727	10,572	12,842	4,809	6,622	1,394	1,353	1,417	14,655	
CER and CVS adjustments	1,476	1,082	900	1,215	858	662	651	185	244	95	119	38	27	28	268	
Foreign exchange price adjustments	6,189	-312	666	576	740	990	1,620	1,646	1,493	591	796	157	164	160	1,697	
Gains on securities	3,464	1,892	959	1,259	3,154	2,888	1,637	7,343	7,464	2,286	2,448	536	564	419	7,627	
Other financial income	-197	-195	-322	134	199	229	1,329	-22	-205	19	-138	-34	-29	-28	-361	
Service income margin	2,782	2,341	2,774	3,350	4,459	5,881	7,632	9,198	11,345	4,349	5,688	1,141	1,193	1,251	12,684	
Loan loss provisions	-6,923	-1,461	-1,036	-714	-737	-1,174	-1,863	-2,751	-2,253	-901	-991	-186	-216	-209	-2,343	
Operating costs	-6,726	-5,310	-5,382	-6,303	-7,741	-9,735	-12,401	-14,807	-18,819	-7,164	-9,197	-1,850	-1,845	-2,003	-20,853	
Tax charges	-512	-366	-393	-509	-769	-1,105	-1,715	-2,380	-2,927	-1,087	-1,538	-303	-327	-333	-3,378	
Adjust. to the valuation of gov. securities ²	0	-665	-51	-201	-170	-100	-267	0	47	8	-40	-35	0	0	-1	
Amort. payments for court-ordered releases	0	-791	-1,147	-1,168	-1,182	-1,466	-688	-367	-441	-135	-49	-11	-10	-12	-355	
Other	-4,164	1,178	846	1,156	1,641	1,576	916	398	1,382	436	677	135	108	128	1,624	
Monetary results	-10,531	-20	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total results before tax ³	-15,447	-2,518	-973	865	3,279	2,836	4,579	9,014	10,171	3,304	4,398	982	982	818	11,265	
Income tax	-337	-295	-202	-217	-365	-380	-1,168	-3,001	-2,733	-945	-1,380	-313	-319	-255	-3,168	
Total results³	-15,784	-2,813	-1,176	648	2,915	2,457	3,412	6,014	7,438	2,360	3,018	669	663	563	8,097	
Adjusted results ⁴	-	-1,357	252	2,016	4,267	4,023	4,367	6,381	7,832	2,487	3,107	716	673	575	8,452	
Annualized indicators - As % of netted assets																
Financial margin	7.6	2.3	2.9	4.3	5.9	5.8	7.3	9.8	9.3	8.5	8.4	8.9	8.7	8.1	9.2	
Net interest income	-0.2	0.1	1.0	1.7	2.1	2.7	4.4	5.3	5.5	5.3	5.6	5.9	5.7	5.8	5.6	
CER and CVS adjustments	1.1	0.9	0.8	1.0	0.6	0.4	0.4	0.1	0.1	0.1	0.2	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	0.6	0.7	0.7	0.7	0.7	0.7	
Gains on securities	2.5	1.7	0.8	1.0	2.4	1.9	0.9	3.7	3.2	2.5	2.1	2.3	2.4	1.7	2.9	
Other financial income	-0.1	-0.2	-0.3	0.1	0.2	0.1	0.8	0.0	-0.1	0.0	-0.1	-0.1	-0.1	-0.1	-0.1	
Service income margin	2.0	2.0	2.4	2.7	3.4	3.8	4.3	4.6	4.8	4.8	4.9	4.9	5.0	5.1	4.9	
Loan loss provisions	-5.0	-1.3	-0.9	-0.6	-0.6	-0.8	-1.1	-1.4	-1.0	-1.0	-0.8	-0.8	-0.9	-0.8	-0.9	
Operating costs	-4.8	-4.6	-4.6	-5.1	-5.9	-6.3	-7.0	-7.4	-8.0	-7.8	-7.8	-7.9	-7.7	-8.1	-8.0	
Tax charges	-0.4	-0.3	-0.3	-0.4	-0.6	-0.7	-1.0	-1.2	-1.2	-1.2	-1.3	-1.3	-1.4	-1.4	-1.3	
Adjust. to the valuation of gov. securities ²	0.0	-0.6	0.0	-0.2	-0.1	-0.1	-0.2	0.0	0.0	0.0	-0.2	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	0.0	-0.1	0.0	0.0	0.0	0.0	-0.1	
Other	-3.0	1.0	0.7	0.9	1.2	1.0	0.5	0.2	0.6	0.5	0.6	0.6	0.5	0.5	0.6	
Monetary results	-7.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Total results before tax ³	-11.1	-2.2	-0.8	0.7	2.5	1.8	2.6	4.5	4.3	3.6	3.8	4.2	4.1	3.3	4.3	
Income tax	-0.2	-0.3	-0.2	-0.2	-0.3	-0.2	-0.7	-1.5	-1.2	-1.0	-1.2	-1.3	-1.3	-1.0	-1.2	
ROA³	-11.3	-2.5	-1.0	0.5	2.2	1.6	1.9	3.0	3.2	2.6	2.6	2.9	2.8	2.3	3.1	
ROA adjusted ⁴	-11.3	-1.2	0.2	1.6	3.2	2.6	2.5	3.2	3.3	2.7	2.7	3.1	2.8	2.3	3.2	
ROE before tax ³	-77.3	-17.1	-6.7	5.5	17.2	12.6	20.4	34.4	33.5	26.7	31.6	35.9	36.1	29.6	35.3	
ROE ³	-79.0	-19.1	-8.1	4.1	15.3	10.9	15.2	22.9	24.5	19.1	21.7	24.5	24.4	20.4	25.4	

(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	May 10	Dec 10	Apr 11	May 11
Non-performing loans (overall)	19.8	15.7	8.9	4.4	2.9	2.2	2.5	3.1	2.7	1.9	1.6	1.6
Provisions / Non-performing loans	71.3	73.0	89.2	102.7	114.2	123.4	118.5	115.9	120.9	143.5	156.5	156.6
(Total non-performing - Provisions) / Overall financing	5.7	4.2	1.0	-0.1	-0.4	-0.5	-0.5	-0.5	-0.6	-0.8	-0.9	-0.9
(Total non-performing - Provisions) / Net worth	20.1	14.4	3.4	-0.4	-1.4	-2.1	-1.9	-1.7	-2.2	-3.4	-4.2	-4.2
Non-performing loans to the non-financial private sector	37.4	30.4	15.3	6.3	3.6	2.5	2.8	3.3	2.8	2.0	1.7	1.6
Provisions / Non-performing loans	72.2	75.0	88.3	102.4	113.9	122.7	118.0	115.1	120.6	143.0	155.8	155.9
(Total non-performing - Provisions) / Overall financing	10.4	7.6	1.8	-0.1	-0.5	-0.6	-0.5	-0.5	-0.6	-0.9	-0.9	-0.9
(Total non-performing - Provisions) / Net worth	19.1	12.9	3.6	-0.4	-1.4	-2.0	-1.8	-1.6	-2.2	-3.4	-4.2	-4.2

Source: BCRA