

Report on Banks

June 2009



BANCO CENTRAL
DE LA REPÚBLICA ARGENTINA

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June 2009

Year VI, No.10



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Note | Information for June 2009 available by July 22, 2009 is included. This Report is focussed on the performance of the financial system, including breakdowns by homogeneous subsectors. The data reported (particularly, those referring to profitability are provisional and are subject to changes later). Except he opposite was indicated the information included corresponds to BCRA Information Regimes (end of month data).

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For comments, inquiries or electric subscription: analisis.financiero@bcra.gov.ar

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Summary

- **The domestic financial system has been able to confront almost two years of international crisis while showing significant strength, based on the prudential regulatory framework and the mechanisms to supply liquidity implemented by the Central Bank. Bank financial intermediation with the private sector continued to increase in June, at the same time as the sector's solvency and liquidity levels have held steady.**
- **Private sector deposit balance sheet stocks recorded an increase of 2.1% in June.** Public sector deposits posted a drop for the month (-6.4%), so that total non-financial sector placements declined slightly in June. In the year to date, total deposits have been driven mainly by accounts of the private sector, which have increased their share of total financial entity funding.
- **Within the framework of the measures implemented by the Central Bank to reinforce effective management of the liquidity risk faced by banks, in June repos in pesos for terms of up to one year began to be auctioned.** The local financial system has added further tools to assist in the preservation of adequate liquidity levels and predictability by strengthening the yield curve. During the month the liquidity indicator (including items denominated in both pesos and foreign currency) fell slightly to 30.1% of total deposits, although accumulating a rise of 5.4 p.p. compared with the same month of the previous year. Holdings of Lebac and Nobac not related to repo transactions with the Central Bank declined during the month, taking the broad liquidity ratio to 40.7% of deposits.
- **Lending to the private sector balance sheet stocks (adjusted for the setting up of financial trusts) rose \$780 million in June (0.6%).** The increase was driven by loans granted by means of credit cards, promissory notes and overdrafts. As a result lending to the private sector had ended the first half of 2009 with an annualized increase of 7%.
- **Private sector loan non-performance went up 0.6 p.p. in the last 6 months to a level of 3.7% in June.** This deterioration being recorded in the credit portfolio is mainly being caused by lending to households, and to a lesser extent, by loans to companies. Household consumer loans have posted an increase of 1.4 p.p. in their delinquency in the year to date to a level of 6.4%. This development is mainly explained by private banks and non-bank financial entities. Loans for relatively smaller amounts in terms of residual stock balance show the highest non-performing ratios.
- **Financial system consolidated net worth has been rising at an annualized rate of 15.4% in 2009.** Capitalization totaled \$120 million in the first half of the year. Capital compliance has increased by 0.6 p.p. of risk-weighted assets in the course of the six months, to 17.4%. Excess minimum capital compliance is widespread across financial entities (amounting to approximately 86.1% for the financial system as a whole). Book profits totaled 2.6%a. of assets in June, reaching 2%a. of assets for the first six months of the year. Nevertheless, **results excluding the accounting impact of fluctuations in the nominal peso-dollar exchange rate stand at 0.5%a. of assets during the first part of 2009, equivalent to half the level recorded in the first half of 2008.**

Activity

Moderate growth in bank financial intermediation with the private sector

During the first half of 2009 bank financial intermediation with the private sector has continued to grow. Company and households loans and deposits have both risen at a more moderate rate than in previous years, although the slowdown has become less pronounced (see Chart 1), and there are encouraging prospects for coming periods. Financial system netted assets went up 0.3% for the month, accumulating a year-on-year (y.o.y.) increase of 11% (almost 4 p.p. less than 12 months earlier), these movements mainly being accounted for private banks.

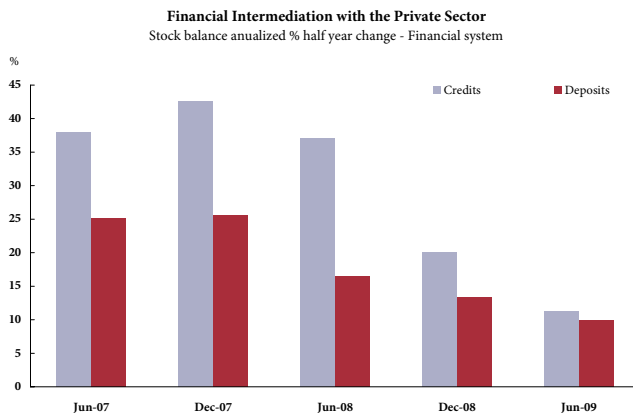
At the same time as the overall increase in the portfolio of financial system assets, there have also been signs of an improvement in its composition. The first half of 2009 ended with loans to the private sector accounting for 42% of netted bank assets (38.6% of total assets) (see Chart 2), slightly above the level of one year earlier. Liquid assets figure as the second most important heading.

On the matter of the estimated funds flow for June calculated on balance sheet data, the increase in private sector deposits was the most significant origin of resources. Other important sources of funds were the reduction in liquid assets and holdings of Lebac and Nobac not related to repo transactions with the BCRA. Leading uses of funds included the drop in public sector deposits, an increase in lending to that sector in the context of the financing of the National Treasury laid down in Law 26,422, and the growth in lending to the private sector.

There has been a gradual recovery in the nominal volume of checks cleared through the financial system in the year to date. This has taken place at the same time as a drop in the number of rejected checks (see Chart 3). In the first 7 months of 2009 approximately 50.9 million checks were processed for an amount of \$370 billion. Although this volume is slightly lower than that recorded in the same period of 2008, there has been a recovery over the course of recent months. In July, 0.9% of checks were rejected because of lack of funds (equivalent to 0.5% of the total), continuing with the declining trend begun in 2009.

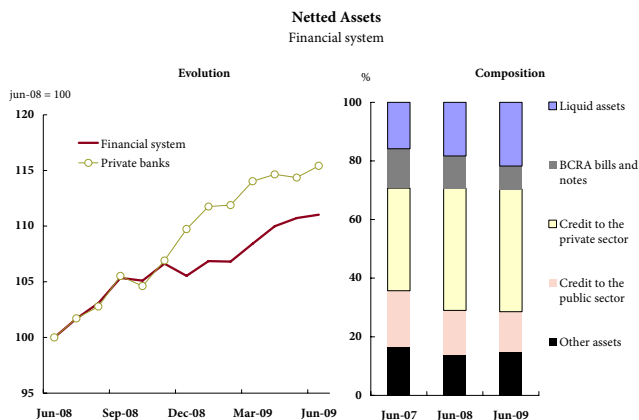
Financial system foreign currency mismatching remains stable at a historically low level. Assets in foreign currency rose US\$340 million in the month,

Chart 1



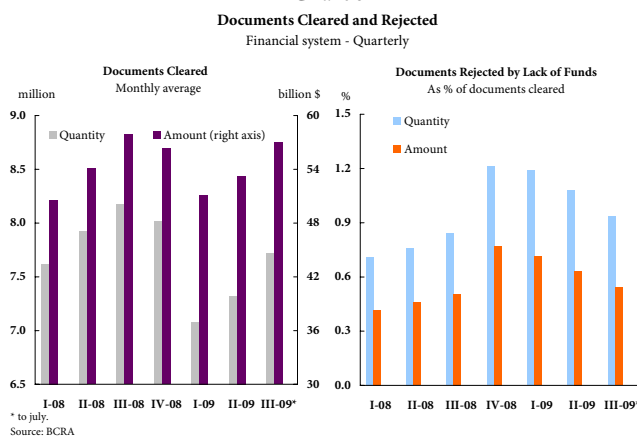
Note: Dec-08 deposits stocks are adjusted by the transfers of AFJP accounts to the ANSES.
Source: BCRA

Chart 2

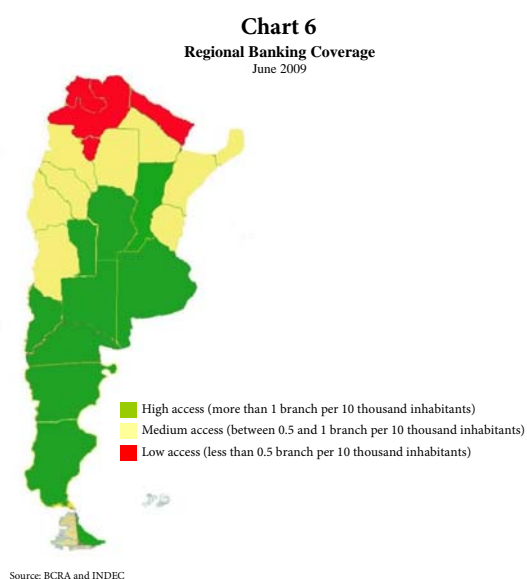
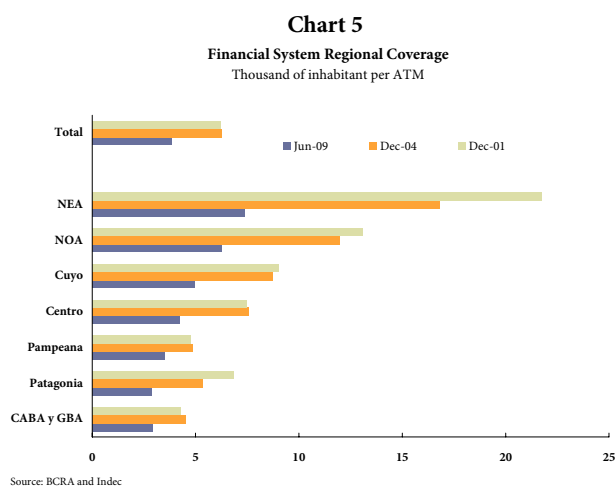
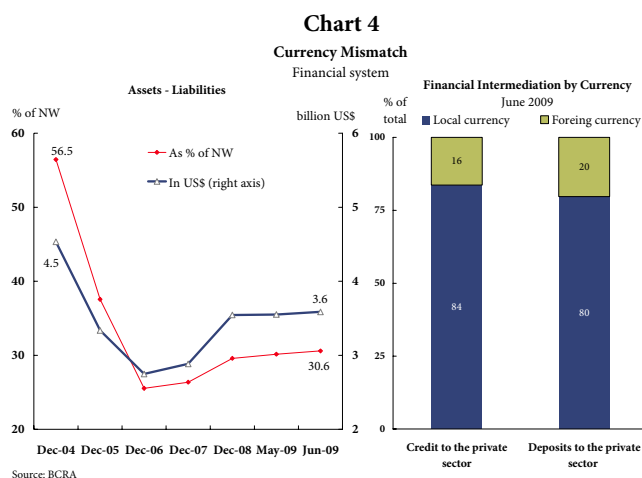


Source: BCRA

Chart 3



* to July.
Source: BCRA



drive by cash and government securities, in the context of a slight decline in loans to the private sector. Liabilities in dollars went up US\$300 million in June, mainly from the performance of private sector deposits. As a result, the active foreign currency mismatching stands at approximately 30.6% of sector net worth, a level almost half that recorded in 2004. **It should be noted that a low proportion of deposits and loans is denominated in foreign currency** (see Chart 4): only 16% of loans to the private sector balance sheet stocks were granted in foreign currency, mainly for export credit.

Improvement continues to take place in terms of the geographical coverage of financial services in the various jurisdictions. In particular, there has been a notable increase in the number of ATMs per capita in the north-east and north-west of the country (see Chart 5). In the case of the number of bank branches per inhabitant, despite the increase recorded in most provinces in the last 5 years, northern provinces record a relatively lower coverage than that of the rest of the country (see Chart 6).

Deposits and liquidity

Private sector deposits have risen, driven by sight accounts

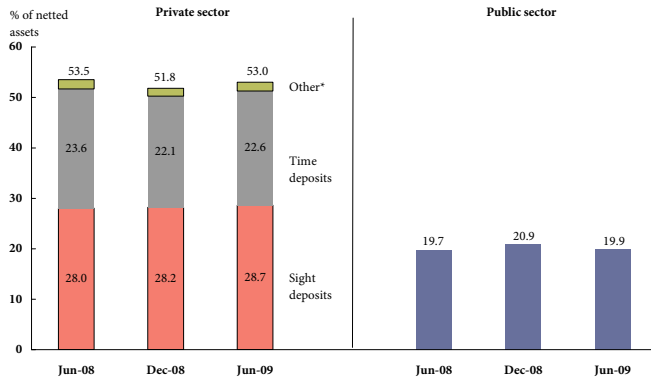
Balance sheet stocks of non-financial sector deposits¹ fell \$1.2 billion (or 0.5%) in June. This drop for the month was accounted for by public sector deposits (-\$4.65 billion or -6.4%), as **private sector placements posted an increase (\$3.6 billion or 2.1%) in the month.** In the first half of 2009, total deposits have been led by private sector placements, which have thus increased their share in total financial system funding during the period (see Chart 7).

The increase for the month in balance sheet stocks of private sector deposits has been driven by sight deposits in pesos (up \$3.75 billion or 4.7%), while **time deposits in this currency recorded a decline** (-\$1.05 billion or -1.9%). As from the second half of the year a recovery has been observed in time deposits in pesos (according to information provided by the SISCEN), reflecting a recovery in the demand for domestic currency. In this context, the Central Bank continued deepening its counter-cyclical monetary policy, establishing a reduction in interest rates for reverse

¹ Includes private and public sector deposits, accrued interests and CER adjustments.

Chart 7

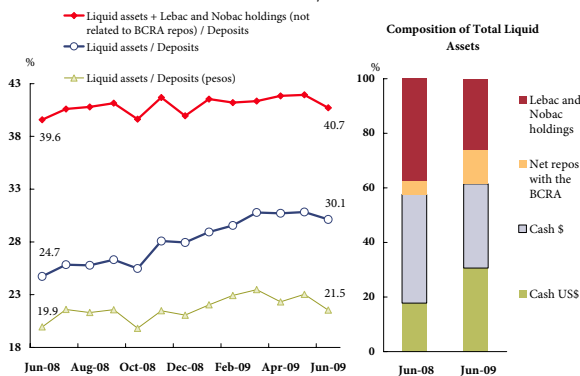
Deposits in the Financial System



*Note: includes dormant deposits, deposits in guarantee, outstanding orders, correspondent accounts, etc.
Fuente: BCRA

Chart 8

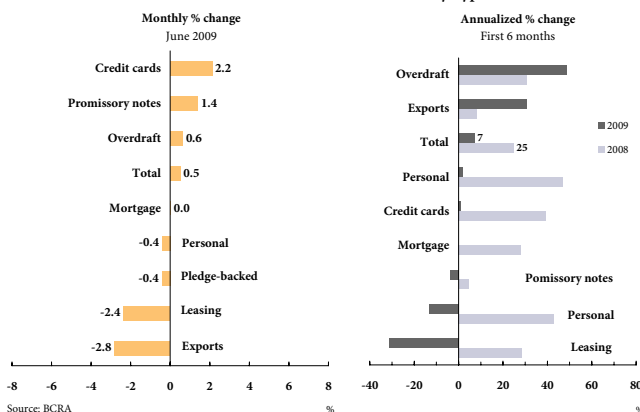
Liquidity
Financial system



Source: BCRA

Chart 9

Credit to the Private Sector Balance Stock by Type of Line



Source: BCRA

repos and repos transactions in the month of July. Private sector deposits in foreign currency registered a slight increase in June, explained by sight deposits, as time deposits posted a slight drop.

Private sector time deposits in pesos performance has taken place at a time of slightly higher interest rates in June compared with May (particularly in the wholesale segment), although standing at lower levels than those recorded at the end of 2008. Interest rates agreed for private sector time deposits in dollars remained at similar levels to those registered in the previous month, and were lower than those recorded one year earlier.

Financial entities as a whole maintain adequate levels of liquidity, within the framework of the measures adopted by this Institution to preserve financial stability and credit growth to the productive sector and households. In June, the Central Bank began to call for tenders for options on repos in pesos for terms of up to one year, a tool that has been added to those that already exist to assist in improved management of the liquidity risk faced by financial entities.

Financial system liquid assets dropped \$2.15 billion in the month as a result of the fall in the net stock of repos with the Central Bank (-\$3.65 billion), while there was an increase in cash held by banks and at this Institution (\$1.5 billion). **The liquidity indicator (including both items in domestic and foreign currency) dropped by 0.7 p.p. of total deposits in June to 30.1%, accumulating an increase of 5.4 p.p. compared with the same month of the previous year** (see Chart 8). Liquidity in pesos stands at 21.5% of total deposits in domestic currency, 1.5 p.p. below the figure for the previous month and 1.6 p.p. more than 12 months earlier. Holdings of Lebac and Nobac not related to repos with the Central Bank fell back \$1.45 billion in June, so that the broad liquidity indicator (both peso and foreign currency) reached 40.7% of deposits, 1.1 p.p. more than one year earlier.

The call market interest rate declines slightly in June to 10.6%. Daily average trading volume on this market has recorded a slight increase compared with May.

Financing

Chart 10

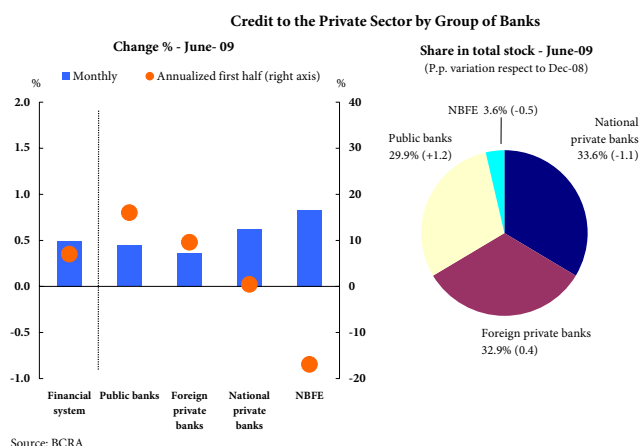


Chart 11

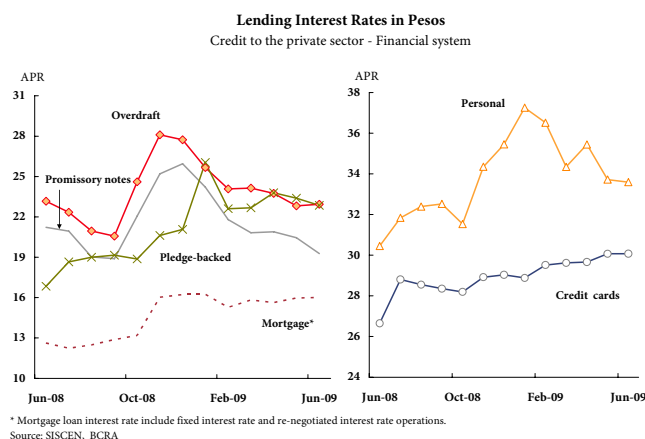
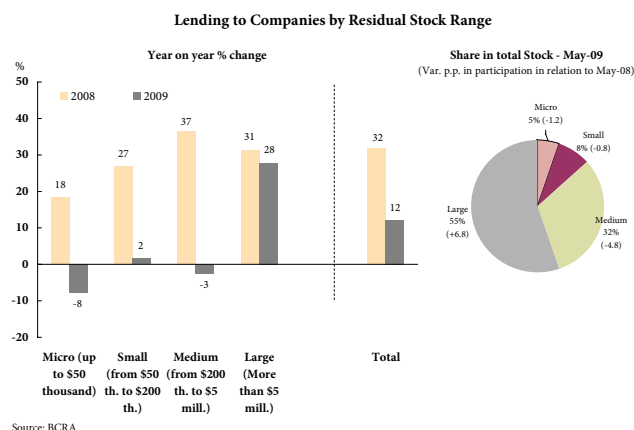


Chart 12



Credit cards, promissory notes and overdrafts drove growth in lending to the private sector in June

Credit to the private sector balance sheet stocks rose \$700 million (0.5%) in June. If the stock balance is adjusted for the issue of financial trusts during the month², the change for June amounts to **\$780 million (0.6%)**. Notable dynamism was shown by credit card lending, promissory notes and overdrafts, while export finance³, leasing and personal loans fell during the month (see Chart 9). Collateralized loans were down, mainly because of the performance of pledge-backed loans. As a result, loans to the private sector ended the first half of 2009 showing annualized growth of 7%, lower than that recorded in the first six months of 2008. This performance by loans to the private sector has taken place simultaneously with the stabilization of exposure to the public sector at around 12.5% of assets⁴ during the first part of the year.

In the first six months of 2009 growth in lending to the private sector has been led by public banks, which have thus increased their share in the total stock of loans to the private sector (see Chart 10). In June, the monthly increase in lending to households and companies balance sheet stocks was mainly led by national private banks, followed by public banks and foreign private banks.

Increased lending to the private sector in June took place at a time of lower lending rates in pesos, with a declining spread in terms of the average interest rate on time deposits. The largest monthly drops in lending interests rates took place for promissory notes and pledge-backed loans (see Chart 11). Lending interest rates fell for almost all credit lines in the last half-year, with a notable drop in the case of commercial loans (promissory notes and overdrafts).

In the first half of the year lending to the private sector has mainly been driven by loans to the corporate sector⁵, while loans to households have remained in line with the levels observed at the end of 2008. Loans

² In June three financial trust issues were recorded that securitized bank portfolios for a total of \$74 million, of which \$50 million had personal loans as their underlying assets, and \$24 million used credit card coupons.

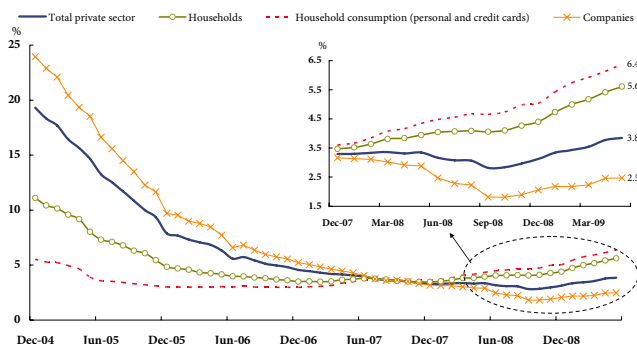
³ In June the nominal peso-dollar exchange rate increased slightly (+1.3%), partly offsetting the fall in export financing.

⁴ Measured as: (Position in government securities (excluding Lebac and Nobac) + Loans to the public sector + Compensation receivable) / Total assets. Does not include contingent responsibility items or guarantees.

⁵ Loans to companies are those granted to legal persons, as well as commercial loans to individuals. The remaining loans to individuals are considered as falling within the household category.

Chart 13

Non-Performing Credit to the Private Sector
Non-performing loans / Total loans (%)



Note: Last available data May 2009
Source: BCRA

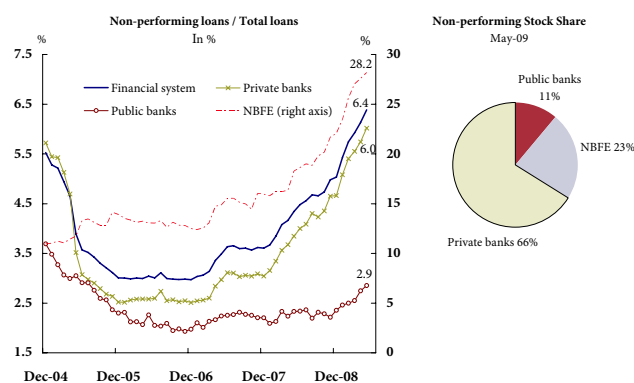
to companies have risen by 12% in the last 12 months (to May 2009, the latest date for which this breakdown is available) 20 p.p. below the rate recorded 12 months earlier. Lending to companies therefore totals 23.7% of financial system netted assets (similar levels to those registered in May 2008). Analyzing the development of the various loan segments⁶, it can be seen that relatively smaller loans (for under \$5 million) have shown a significant drop in their year-on-year growth rate, while growth by the larger loan segment (over \$5 million) remains in line with the rate recorded one year earlier (see Chart 12).

Portfolio quality

Household consumer loan non-performance continues to rise

Chart 14

Non-Performing of Consumer Credit by Group of Banks

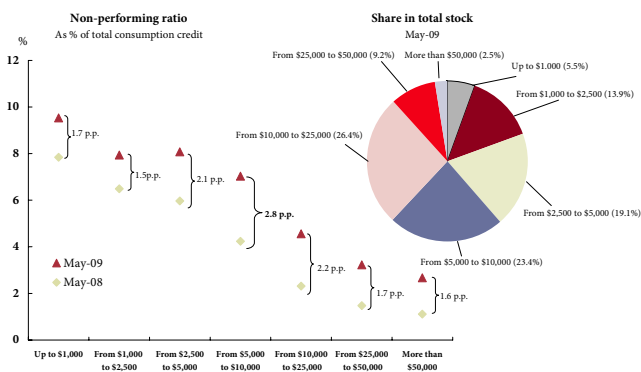


Note: Last available data May 2009
Source: BCRA

While remaining within bounds, there continue to be signs of some degree of materialization of the credit risk faced by the financial system from lending to the private sector. One indication of this is the fact that private sector loan non-performance increased 0.6 p.p. in the last 6 months to a level of 3.7% in June. This deterioration in the loan portfolio is mainly taking place in household lending, and to a lesser extent in lending to companies (see Chart 13).

Chart 15

Household Consumption Credit
Personal loans and credit cards



Note: Last available data May 2009
Source: BCRA

Household loan non-performance rose 1.2 p.p. in the first 5 months of 2009 to 5.6% (the latest available figures for this breakdown are dated May 2009), the highest level seen since October 2005. The quality of loans to households has shown an annual deterioration of 1.7 p.p., largely explained by the behavior of consumer credit lines, which increased their delinquency rate by 2 p.p. in the last year (to 6.4%). This deterioration in consumer line performance has mainly taken place in private banks and non-bank financial entities (see Chart 14).

Relatively smaller consumer credit lines⁷ report the highest non-performance ratios. Nevertheless, in the last 12 months the greatest increase in delinquency has occurred in the intermediate segments (see Chart 15). Loans for between \$5,000 and \$10,000 (making up 23.4% of the total) record a non-performance rate 2.8 p.p. higher than one year earlier (reaching a level of 7%).

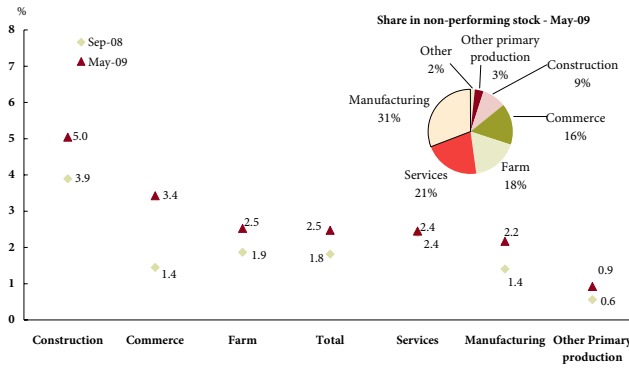
Delinquency in the corporate sector stands at 2.5%, an increase of 0.7 p.p. since 2008, when a record low was

⁶ Relative size by residual stock balance.

⁷ Relative size by residual stock balance.

Chart 16

Non-Performing Lending to Companies by Economic Sector
Non-performing loans / Total loans (%) - Financial system



Note: Last available data May 2009
Source: BCRA

posted (1.8%). During this period **there was a decline in the credit performance of all economic sectors, and in particular commerce and construction** (see Chart 16).

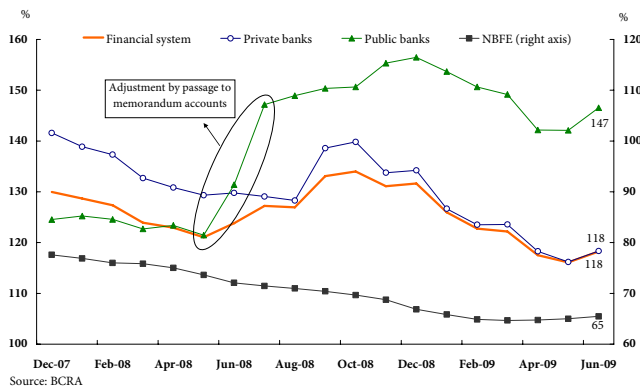
Coverage of non-performing loans by provisions remains at a high level (118% in June), although showing a slight fall in 2009 following greater delinquency in the private sector loan portfolio (see Chart 17).

Solvency

At the end of the first half of the year, the financial system records adequate solvency indicators

Chart 17

Provisions
Provisions / Non-performing portfolio



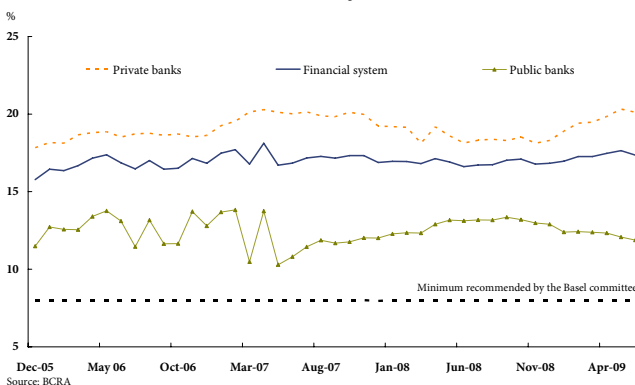
Source: BCRA

Financial system consolidated net worth rose 0.9% in June, mainly reflecting the impact of accrued earnings. **In the first 6 months of the year, net worth has increased at an annualized rate of 15.4%, led by private banks.** In the first half of 2009, capital contributions totaled \$120 million, and were mainly received by national private banks. Since 2002 capitalization has totaled \$17.8 billion, largely benefiting foreign private banks, followed by national private financial entities.

At the end of the first half of the year, the capital compliance ratio stood at 17.4%, an increase for the six months of 0.6 p.p., a performance that was led by the private banks (see Chart 18). **Indicating the strong solvency of the financial system, excess capital compliance totaled 86.1%, and this situation was widespread across financial entities.**

Chart 18

Capital Compliance According to Regulation
As % of risk-weighted assets

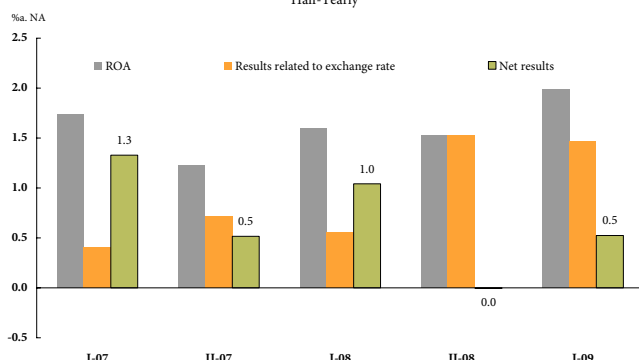


Source: BCRA

Book profits totaled 2.6%a. of assets in June, up 1.2 p.p. in the month, mainly from increased gains on securities, revenue that was partly offset by higher operating costs during the month. For the first half of the year, book profits have totaled 2%a. of assets. This amount drops to approximately 0.5%a. when the accounting impact of foreign exchange price adjustments is excluded, almost half the figure recorded during the first half of 2008 (see Chart 19). On the basis of this adjustment, financial entities accruing positive results for the half-year represent 46% of total assets.

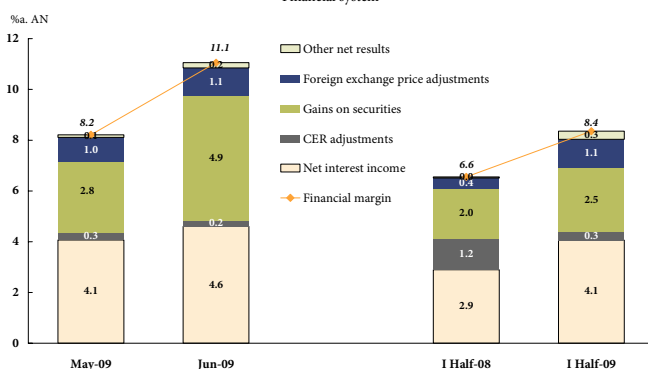
During the month the financial margin improved by 2.9 p.p. of assets to 11.1%a. in response to the overall recovery in gains on securities, thus ending the six-month period at 8.4%a. of assets, 1.8 p.p. above the level recorded in the same period one year earlier (see Chart 20). Net interest income continues to be the main

Chart 19
Accounting Results of Financial System
Half-Yearly



Note: The results related to exchange rate include adjustments for trading and term operations in foreign currency
Source: BCRA

Chart 20
Financial Margin
Financial system



Source: BCRA

Chart 21
Main Costs Items of Result Statements
First 6 months



Source: BCRA

source of revenue (up from 2.9%a. in the first half of 2008 to 4.1%a. in the first half of 2009), followed by gains on securities. CER adjustments have dropped compared with the previous year, in part a reflection of the gradually declining mismatching of adjustable items on bank balance sheets.

Service income margin continues to increase gradually. In June, from service income margin represented 3.9%a. of assets, slightly more than the amount accrued in the previous month. In the first half of the year service income margin has totaled 3.7%a. of assets, increasing 0.3 p.p. compared with the same period of 2008.

Rising operating costs basically reflect wage increases in the sector (mostly granted in June, with an increase of 0.6 p.p. of assets to 7.5%a.), ending the half-year at 6.6%a. of assets. **Loan loss charges** fell during the month to 1.2%a. of assets, although such outflows are gradually increasing their weighting on statements of income, ending the first half of the year at levels similar to those for June (see Chart 21).

On the basis of the available information at the date of publication of this report, **it is estimated that the financial system would show sound levels of solvency in the second half of the year that will enable it to perform its financial intermediation role and act as a channel for payments in the economy.** It is expected that the more stable sources of revenue, while at the same time loan loss charges are expected to rise gradually.

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” 4953 – 18/06/09

Lending to the Non-Financial Public Sector. No restriction has been placed on the acquisition by financial institutions of Securities Representing Debt (“*Valores Representativos de Deuda*”) to be issued under the global program by the “SISVIAL” Highway Infrastructure Trust that does not exceed the caps on credit assistance to the public non-financial sector. Loans under this regime will be calculated at 75% of their stock balance when settlement of the financial assistance takes precedence over that of the remaining creditors, except for the tax liabilities of the trust or trust fund in question.

Communication “A” 4954 – 19/06/09

Prevention of money-laundering and other illicit acts. Transactions in relation to tourism (sale of tour packages, hotel bookings, fares, etc.) have been included in the requirements for registration on a database.

Communication “A” 4957 – 26/06/09

Time deposits and investments. In relation to the issue of deposit certificates, requirements have been added for the inclusion of instructions in the event of destruction of the certificate. Deposit holders must provide evidence of having reported the destruction before payment can be made by the entity. Regulations have been also been modified with regard to bank current accounts and the guarantees.

Communication “A” 4961 – 29/06/09

Special investment accounts. An extension has been granted until December 31, 2009 for settlement of the regularizing account, the stock balance of which is to be released by means of the posting to results when it exceeds the positive difference between the market and book values. As from January 1, 2010, these holdings are to be marked to market. National Government Bonds received by financial entities in accordance with the terms of sects. 28 and 29 of Decree 905/02 recorded in “investment accounts” must be released and shall be able to be booked in full or in part, at the institution’s option, at market value (a definitive option) or at their technical value.

The funds derived from the position at October 31, 2008 recorded under the special investment account mechanism (at the book value as at September 30, 2008) shall not be able to be reinvested. This position should therefore decline over time as open transactions run off or the holdings that make it up are released. Bonds released from the “Investment Account” regime shall not be included in the limit of 7.5% of total assets on the last day of the previous month referred to in Communication “A”4861 in relation to the equivalent increase in the minimum capital requirement for credit risk.

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.- (Paid in liquidity at the BCRA + Other cash holding + Holdings of BCRA securities for repo transactions in cash) / Total deposits; 2.- (Position in government securities (not including Lebac nor Nobac) + Loans to the public sector + Compensations to be received) / Total assets; 3.- (Loans to the non-financial private sector + Leasing operations) / Total assets; 4.- Irregular portfolio with the non-financial private sector / Loans to the non-financial private sector; 5.- (Total irregular portfolio – Bad loan provisions) / Equity. The irregular portfolio includes loans classed in situations 3, 4, 5 and 6; 6.- Cumulative annual result / Average monthly netted assets - % annualized; 8.- (Financial margin (Net interest income + CER and CVS adjustments + Gains on securities + Foreign exchange price adjustments + Other financial income) + Service income margin) / Cumulative annual operating costs; 9.- Paid in capital (Calculated Equity Requirement) / Risk weighted assets, according to the BCRA rule on minimum capital; 10.- Total capital position (Paid in capital less requirement, including flexibilities) / 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 Responsabilidad Patrimonial Computable (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)

SME: Small and Medium Enterprises.

US\$: United States dollars.

RWA: Risk weighted assets.

Statistics Annex | Financial System

Chart 1 | Financial Soundness Indicators (see Methodology)

As %	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	Jun 2008	2008	May 2009	Jun 2009
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	24.7	27.9	30.8	30.1
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	14.2	12.7	12.2	12.5
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	38.7	39.4	38.5	38.6
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	3.1	3.8	3.7
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	-2.5	-3.3	-2.0	-2.2
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	1.6	1.9	2.0
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	13.6	13.4	15.6	16.6
8.- Efficiency	142	136	138	142	147	143	189	69	125	151	167	160	166	167	178	182
9.- Capital compliance	23.8	20.8	20.3	21.0	20.1	21.4	-	14.5	14.0	15.3	16.8	16.9	16.6	16.8	17.6	17.4
10.- Excess capital compliance	64	73	49	54	58	54	-	116	185	173	134	93	83	90	89	86

Source: BCRA

Chart 2 | Balance Sheet

In million of current pesos	Dec 00	Dec 01	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Jun 08	Dec 08	May 09	Jun 09	Change (in %)			
													Last month	2009	Last 12 months	
Assets	163,550	123,743	187,532	186,873	212,562	221,962	258,384	297,963	327,833	346,762	365,866	366,228	0.1	5.6	11.7	
Liquid assets ¹	20,278	13,005	17,138	27,575	29,154	20,819	37,991	46,320	51,492	58,676	61,047	62,576	2.5	6.6	21.5	
Public bonds	10,474	3,694	31,418	45,062	55,382	66,733	64,592	62,678	65,980	65,255	79,125	76,299	-3.6	16.9	15.6	
Lebac/Nobac	-	-	-	-	17,755	28,340	29,289	36,022	40,712	37,093	45,700	41,059	-10.2	10.7	0.9	
Portfolio	-	-	-	-	11,803	21,067	25,767	31,598	33,499	25,716	27,934	26,461	-5.3	2.9	-21.0	
Repo ²	-	-	-	-	5,953	7,273	3,521	4,424	7,213	11,377	17,766	14,598	-17.8	28.3	102.4	
Private bonds	633	543	332	198	387	389	813	382	753	203	277	270	-2.4	33.4	-64.1	
Loans	83,277	77,351	84,792	68,042	73,617	84,171	103,668	132,157	145,987	154,719	155,306	156,816	1.0	1.4	7.4	
Public sector	15,164	22,694	44,337	33,228	30,866	25,836	20,874	16,772	17,092	17,083	13,876	14,786	6.6	-13.4	-13.5	
Private sector	64,464	52,039	38,470	33,398	41,054	55,885	77,832	110,355	123,095	132,844	137,546	138,169	0.5	4.0	12.2	
Financial sector	3,649	2,617	1,985	1,417	1,697	2,450	4,962	5,030	5,800	4,793	3,883	3,861	-0.6	-19.4	-33.4	
Provisions over loans	-6,907	-6,987	-11,952	-9,374	-7,500	-4,930	-3,728	-4,089	-4,262	-4,744	-5,473	-5,475	0.0	15.4	28.4	
Other netted credits due to financial intermediation	42,361	21,485	39,089	27,030	32,554	26,721	26,039	29,712	37,003	38,152	41,456	41,095	-0.9	7.7	11.1	
Corporate bonds and subordinated debt	794	751	1,708	1,569	1,018	873	773	606	688	912	1,136	1,201	5.7	31.6	74.5	
Unquoted trusts	2,053	2,065	6,698	4,133	3,145	3,883	4,881	5,023	5,654	5,714	6,153	6,253	1.6	9.4	10.6	
Compensation receivable	0	0	17,111	14,937	15,467	5,841	763	377	314	357	387	17	-95.7	-95.3	-94.7	
Other	39,514	18,669	13,572	6,392	12,924	16,124	19,622	23,706	30,347	31,169	33,780	33,625	-0.5	7.9	10.8	
Leasing	786	771	567	397	611	1,384	2,262	3,469	3,936	3,935	3,339	3,261	-2.4	-17.1	-17.2	
Shares in other companies	2,645	2,688	4,653	4,591	3,871	4,532	6,392	6,430	6,735	7,236	7,667	7,800	1.7	7.8	15.8	
Fixed assets and miscellaneous	4,939	4,804	8,636	8,164	7,782	7,546	7,619	7,643	7,699	7,903	8,121	8,098	-0.3	2.5	5.2	
Foreign branches	1,115	1,057	3,522	3,144	3,524	3,647	2,782	2,912	2,869	3,153	3,552	4,075	14.7	29.2	42.0	
Other assets	3,950	5,334	9,338	12,043	13,180	10,950	9,953	10,347	9,641	12,275	11,449	11,414	-0.3	-7.0	18.4	
Liabilities	146,267	107,261	161,446	164,923	188,683	195,044	225,369	261,143	289,166	305,382	321,745	321,723	0.0	5.4	11.3	
Deposits	86,506	66,458	75,001	94,635	116,655	136,492	170,898	205,550	225,505	236,217	251,355	250,094	-0.5	5.9	10.9	
Public sector ³	7,204	950	8,381	16,040	31,649	34,019	45,410	48,340	59,911	67,151	71,846	67,216	-6.4	0.1	12.2	
Private sector ³	78,397	43,270	59,698	74,951	83,000	100,809	123,431	155,048	163,036	166,378	175,685	179,294	2.1	7.8	10.0	
Current account	6,438	7,158	11,462	15,071	18,219	23,487	26,900	35,245	36,702	39,619	39,507	40,265	1.9	1.6	9.7	
Savings account	13,008	14,757	10,523	16,809	23,866	29,078	36,442	47,109	48,699	50,966	53,036	56,646	6.8	11.1	16.3	
Time deposit	53,915	18,012	19,080	33,285	34,944	42,822	54,338	65,952	70,048	69,484	76,012	75,133	-1.2	8.1	7.3	
CEDRO	0	0	12,328	3,217	1,046	17	13	0	0	0	0	0	-	-	-	
Other netted liabilities due to financial intermediation	55,297	36,019	75,737	61,690	64,928	52,072	46,037	46,225	54,050	57,662	58,885	58,690	-0.3	1.8	8.6	
Interbanking obligations	3,545	2,550	1,649	1,317	1,461	2,164	4,578	4,310	5,071	3,895	3,142	3,087	-1.7	-20.7	-39.1	
BCRA lines	102	4,470	27,837	27,491	27,726	17,005	7,686	2,362	2,223	1,885	1,340	1,007	-24.9	-46.6	-54.7	
Outstanding bonds	4,954	3,777	9,096	6,675	7,922	6,548	6,603	6,938	6,376	5,984	5,752	5,670	-1.4	-5.3	-11.1	
Foreign lines of credit	8,813	7,927	25,199	15,196	8,884	4,684	4,240	3,864	4,681	4,541	3,741	3,608	-3.6	-20.6	-22.9	
Other	37,883	17,295	11,955	11,012	18,934	21,671	22,930	28,752	35,699	41,357	44,910	45,318	0.9	9.6	26.9	
Subordinated debts	2,255	2,260	3,712	2,028	1,415	1,381	1,642	1,672	1,589	1,763	1,929	1,914	-0.8	8.5	20.4	
Other liabilities	2,210	2,524	6,997	6,569	5,685	5,099	6,792	7,695	8,021	9,740	9,576	11,025	15.1	13.2	37.5	
Net worth	17,283	16,483	26,086	21,950	23,879	26,918	33,014	36,819	38,667	41,380	44,122	44,506	0.9	7.6	15.1	
Memo																
Netted assets	129,815	110,275	185,356	184,371	202,447	208,275	244,791	280,336	304,505	321,075	337,148	338,059	0.3	5.3	11.0	
Consolidated netted assets	125,093	106,576	181,253	181,077	198,462	203,286	235,845	271,652	294,918	312,002	328,618	329,578	0.3	5.6	11.8	

(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 6 months		Monthly			Last
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2008	2009	Apr-09	May-09	Jun-09	12 months
Financial margin	7,291	6,943	13,991	1,965	6,075	9,475	13,262	15,134	20,526	9,700	13,679	1,903	2,278	3,069	24,505
Net interest income	5,106	4,625	-3,624	-943	1,753	3,069	4,150	5,744	9,574	4,287	6,652	1,087	1,128	1,277	11,940
CER and CVS adjustments	0	0	8,298	2,315	1,944	3,051	3,012	2,624	2,822	1,814	516	94	76	62	1,524
Foreign exchange price adjustments	185	268	5,977	-890	866	751	944	1,357	2,304	621	1,825	156	271	305	3,508
Gains on securities	1,481	1,490	3,639	1,962	1,887	2,371	4,923	5,144	4,462	2,908	4,167	629	774	1,368	5,721
Other financial income	519	559	-299	-480	-375	233	235	264	1,363	70	519	-63	28	57	1,812
Service income margin	3,582	3,604	4,011	3,415	3,904	4,781	6,243	8,248	10,868	5,033	6,138	1,033	1,046	1,088	11,973
Loan loss provisions	-3,056	-3,096	-10,007	-2,089	-1,511	-1,173	-1,198	-1,894	-2,832	-1,242	-1,983	-290	-380	-333	-3,573
Operating costs	-7,375	-7,362	-9,520	-7,760	-7,998	-9,437	-11,655	-14,634	-18,748	-8,884	-10,873	-1,743	-1,922	-2,079	-20,737
Tax charges	-528	-571	-691	-473	-584	-737	-1,090	-1,537	-2,315	-1,011	-1,562	-254	-276	-278	-2,866
Income tax	-446	-262	-509	-305	-275	-581	-595	-1,032	-1,342	-670	-2,335	-301	-478	-778	-3,007
Adjust. to the valuation of gov. securities ²	0	0	0	-701	-320	-410	-752	-837	-1,757	-884	-189	-17	-14	-13	-1,061
Amort. payments for court-ordered releases	0	0	0	-1,124	-1,686	-1,867	-2,573	-1,922	-994	-521	-353	-63	-56	-64	-826
Other	535	702	-3,880	1,738	1,497	1,729	2,664	2,380	1,366	841	731	188	177	106	1,256
Monetary results	0	0	-12,558	69	0	0	0	0	0	0	0	0	0	0	0
Total results³	3	-42	-19,162	-5,265	-898	1,780	4,306	3,905	4,773	2,361	3,252	455	375	717	5,664
Adjusted results ⁴	-	-	-	-3,440	1,337	4,057	7,631	6,665	7,523	3,766	3,795	535	445	795	7,551
<i>Annualized indicators - As % of netted assets</i>															
Financial margin	5.7	5.7	6.5	1.1	3.1	4.6	5.8	5.7	6.7	6.6	8.4	6.9	8.2	11.1	7.6
Net interest income	4.0	3.8	-1.7	-0.5	0.9	1.5	1.8	2.2	3.1	2.9	4.1	3.9	4.1	4.6	3.7
CER and CVS adjustments	0.0	0.0	3.9	1.3	1.0	1.5	1.3	1.0	0.9	1.2	0.3	0.3	0.3	0.2	0.5
Foreign exchange price adjustments	0.1	0.2	2.8	-0.5	0.4	0.4	0.4	0.5	0.8	0.4	1.1	0.6	1.0	1.1	1.1
Gains on securities	1.2	1.2	1.7	1.1	1.0	1.2	2.2	1.9	1.5	2.0	2.5	2.3	2.8	4.9	1.8
Other financial income	0.4	0.5	-0.1	-0.3	-0.2	0.1	0.1	0.1	0.4	0.0	0.3	-0.2	0.1	0.2	0.6
Service income margin	2.8	3.0	1.9	1.9	2.0	2.3	2.7	3.1	3.6	3.4	3.7	3.7	3.8	3.9	3.7
Loan loss provisions	-2.4	-2.6	-4.7	-1.1	-0.8	-0.6	-0.5	-0.7	-0.9	-0.8	-1.2	-1.1	-1.4	-1.2	-1.1
Operating costs	-5.8	-6.1	-4.4	-4.2	-4.1	-4.6	-5.1	-5.5	-6.1	-6.0	-6.6	-6.3	-6.9	-7.5	-6.5
Tax charges	-0.4	-0.5	-0.3	-0.3	-0.3	-0.4	-0.5	-0.6	-0.8	-0.7	-1.0	-0.9	-1.0	-1.0	-0.9
Income tax	-0.3	-0.2	-0.2	-0.2	-0.1	-0.3	-0.3	-0.4	-0.4	-0.5	-1.4	-1.1	-1.7	-2.8	-0.9
Adjust. to the valuation of gov. securities ²	0.0	0.0	0.0	-0.4	-0.2	-0.2	-0.3	-0.3	-0.6	-0.6	-0.1	-0.1	-0.1	0.0	-0.3
Amort. payments for court-ordered releases	0.0	0.0	0.0	-0.6	-0.9	-0.9	-1.1	-0.7	-0.3	-0.4	-0.2	-0.2	-0.2	-0.2	-0.3
Other	0.4	0.6	-1.8	0.9	0.8	0.8	1.2	0.9	0.4	0.6	0.4	0.7	0.6	0.4	0.4
Monetary results	0.0	0.0	-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
ROA³	0.0	0.0	-8.9	-2.9	-0.5	0.9	1.9	1.5	1.6	1.6	2.0	1.7	1.4	2.6	1.8
ROA adjusted ⁴	0.0	0.0	-8.9	-1.9	0.7	2.0	3.4	2.5	2.5	2.5	2.3	1.9	1.6	2.9	2.4
ROE³	0.0	-0.2	-59.2	-22.7	-4.2	7.0	14.3	11.0	13.4	13.6	16.6	13.8	11.3	21.5	15.0

(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 on 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 00	Dec 01	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Jun 08	Dec 08	Apr 09	May 09	Jun 09
Non-performing loans (overall)	12.9	13.1	18.1	17.7	10.7	5.2	3.4	2.7	2.7	2.7	3.3	3.4	3.3
Non-performing loans to the non-financial private sector	16.0	19.1	38.6	33.5	18.6	7.6	4.5	3.2	3.1	3.1	3.7	3.8	3.7
Provisions / Non-performing loans	61.1	66.4	73.8	79.2	102.9	124.5	129.9	129.6	123.5	131.4	117.3	115.9	118.0
(Total non-performing - Provisions) / Overall financing	5.0	4.4	4.7	3.7	-0.3	-1.3	-1.0	-0.8	-0.6	-0.8	-0.6	-0.5	-0.6
(Total non-performing - Provisions) / Net worth	26.2	21.6	17.2	11.9	-1.0	-4.1	-3.3	-3.0	-2.5	-3.3	-2.1	-2.0	-2.2

(*) 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	Jun 2008	2008	May 2009	Jun 2009
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	26.6	34.1	33.5	32.7
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	7.9	6.3	6.1	5.9
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	47.4	44.0	43.3	42.9
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	2.7	2.8	3.6	3.6
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	-2.9	-3.4	-1.9	-2.2
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	1.8	1.9	2.4	2.5
7.- ROE	4.1	6.3	4.3	2.3	0.8	1.4	-79.0	-19.1	-8.1	4.1	15.3	10.9	14.2	15.2	19.0	20.0
8.- Efficiency	144	135	139	146	152	151	168	93	115	136	158	152	163	166	189	193
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	18.1	18.3	20.3	20.1
10.- Excess capital compliance	33	47	27	60	49	43	-	88	157	155	116	87	77	86	99	99

Source: BCRA

Chart 6 | Balance Sheet

In million of current pesos	Dec 00	Dec 01	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Jun 08	Dec 08	May 09	Jun 09	Change (in %)			
													Last month	2009	Last 12 months	
Assets	119,371	82,344	118,906	116,633	128,065	129,680	152,414	175,509	188,766	208,888	216,554	219,030	1.1	4.9	16.0	
Liquid assets ¹	13,920	10,576	11,044	14,500	15,893	14,074	22,226	29,418	30,542	37,044	39,325	40,379	2.7	9.0	32.2	
Public bonds	7,583	1,627	19,751	22,260	24,817	29,966	27,663	24,444	21,974	29,552	38,149	38,773	1.6	31.2	76.5	
Lebac/Nobac	0	0	-	-	8,359	15,227	15,952	17,684	15,626	23,457	26,916	25,813	-4.1	10.0	65.2	
Portfolio	0	0	-	-	5,611	12,899	14,220	15,639	12,596	12,858	17,815	17,815	0.0	38.6	41.4	
Repo ²	0	0	-	-	2,749	2,328	1,732	2,045	3,030	10,598	9,101	7,998	-12.1	-24.5	163.9	
Private bonds	563	451	273	172	333	307	683	310	578	127	137	135	-1.3	6.3	-76.7	
Loans	56,035	52,319	51,774	47,017	50,741	56,565	69,294	88,898	96,583	98,529	95,861	96,046	0.2	-2.5	-0.6	
Public sector	8,172	13,803	25,056	23,571	21,420	15,954	10,036	6,413	6,186	6,249	2,015	1,820	-9.7	-70.9	-70.6	
Private sector	45,103	36,636	26,074	22,816	28,213	39,031	55,632	78,587	85,943	88,426	90,752	91,154	0.4	3.1	6.1	
Financial sector	2,760	1,880	644	630	1,107	1,580	3,626	3,898	4,454	3,854	3,095	3,073	-0.7	-20.3	-31.0	
Provisions over loans	-3,248	-3,957	-7,463	-5,225	-3,717	-2,482	-2,227	-2,365	-2,626	-2,871	-3,392	-3,425	1.0	19.3	30.4	
Other netted credits due to financial intermediation	36,600	13,037	27,212	22,148	25,753	16,873	18,387	17,084	22,963	25,265	25,767	26,473	2.7	4.8	15.3	
Corporate bonds and subordinated debt	724	665	1,514	1,394	829	675	618	430	506	699	822	844	2.6	20.7	66.7	
Unquoted trusts	1,609	1,637	6,205	3,571	2,362	2,444	2,982	3,456	4,105	3,869	4,289	4,422	3.1	14.3	7.7	
Compensation receivable	0	0	15,971	13,812	14,657	5,575	760	377	314	357	387	17	-95.7	-95.3	-94.7	
Other	34,267	10,735	3,523	3,370	7,905	8,179	14,027	12,822	18,038	20,339	20,269	21,191	4.5	4.2	17.5	
Leasing	776	752	553	387	592	1,356	2,126	3,149	3,519	3,451	2,910	2,842	-2.3	-17.6	-19.2	
Shares in other companies	1,651	1,703	3,123	2,791	1,892	2,416	4,042	3,762	4,129	4,538	4,989	5,081	1.8	12.0	23.0	
Fixed assets and miscellaneous	3,225	3,150	5,198	4,902	4,678	4,575	4,677	4,685	4,750	4,926	5,062	5,028	-0.7	2.1	5.8	
Foreign branches	75	112	-109	-136	-53	-148	-139	-154	-152	-178	-196	-199	1.6	11.8	31.1	
Other assets	2,190	2,574	7,549	7,816	7,137	6,178	5,682	6,277	6,506	8,505	7,941	7,896	-0.6	-7.2	21.4	
Liabilities	107,193	70,829	103,079	101,732	113,285	112,600	131,476	152,153	164,084	182,596	187,992	190,307	1.2	4.2	16.0	
Deposits	57,833	44,863	44,445	52,625	62,685	75,668	94,095	116,719	122,751	135,711	142,872	142,912	0.0	5.3	16.4	
Public sector ³	1,276	950	1,636	3,077	6,039	6,946	7,029	7,564	9,450	19,600	22,477	20,476	-8.9	4.5	116.7	
Private sector ³	55,917	43,270	38,289	47,097	55,384	67,859	85,714	107,671	111,642	114,176	118,134	120,232	1.8	5.3	7.7	
Current account	4,960	7,158	8,905	11,588	13,966	17,946	20,604	27,132	27,875	30,188	29,243	30,344	3.8	0.5	8.9	
Savings account	9,409	14,757	6,309	10,547	14,842	18,362	23,165	30,169	29,850	32,778	33,931	36,262	6.9	10.6	21.5	
Time deposit	39,030	18,012	11,083	18,710	22,729	27,736	38,043	45,770	48,802	46,990	50,428	49,039	-2.8	4.4	0.5	
CEDRO	0	0	9,016	2,409	798	3	1	0	0	0	0	0	-	-	-	
Other netted liabilities due to financial intermediation	46,271	22,629	49,341	42,367	45,083	32,349	31,750	29,323	35,123	39,298	37,417	38,872	3.9	-1.1	10.7	
Interbanking obligations	2,293	1,514	836	726	1,070	1,488	3,383	1,979	2,135	1,160	1,159	1,163	0.4	0.2	-45.5	
BCRA lines	83	1,758	16,624	17,030	17,768	10,088	3,689	675	711	649	332	95	-71.3	-85.3	-86.6	
Outstanding bonds	4,939	3,703	9,073	6,674	7,922	6,548	6,413	6,686	6,129	5,672	5,362	5,317	-0.8	-6.3	-13.3	
Foreign lines of credit	5,491	4,644	15,434	9,998	5,444	2,696	2,249	1,833	2,706	2,261	1,301	1,231	-5.4	-45.6	-54.5	
Other	33,466	11,010	7,374	7,939	12,878	11,530	16,015	18,150	23,441	29,555	29,262	31,065	6.2	5.1	32.5	
Subordinated debts	1,668	1,700	3,622	1,850	1,304	1,319	1,642	1,668	1,585	1,759	1,925	1,910	-0.8	8.5	20.5	
Other liabilities	1,420	1,637	5,671	4,890	4,213	3,264	3,989	4,443	4,625	5,828	5,778	6,614	14.5	13.5	43.0	
Net worth	12,178	11,515	15,827	14,900	14,780	17,080	20,938	23,356	24,682	26,292	28,562	28,723	0.6	9.2	16.4	
Memo																
Netted assets	88,501	73,796	117,928	115,091	121,889	123,271	143,807	166,231	174,957	192,074	200,073	201,923	0.9	5.1	15.4	

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

Source: BCRA

Statistics Annex | Private Banks (cont.)

Chart 7 | Profitability Structure

Amount in million of pesos	Annual								First 6 months		Monthly			Last	
	2000	2001	2002 ¹	2003	2004	2005	2006	2007	2008	2008	2009	Apr-09	May-09	Jun-09	12 months
Financial margin	5,441	5,282	10,628	2,575	3,415	5,253	7,778	8,960	12,964	6,006	9,354	1,374	1,618	2,033	16,311
Net interest income	3,598	3,519	-304	107	1,214	2,069	2,826	4,191	7,727	3,463	5,001	860	861	862	9,265
CER and CVS adjustments	0	0	1,476	1,082	900	1,215	858	662	651	429	85	10	7	8	308
Foreign exchange price adjustments	160	256	6,189	-312	666	576	740	990	1,620	694	1,044	118	169	185	1,970
Gains on securities	1,232	962	3,464	1,892	959	1,259	3,154	2,888	1,637	1,374	2,593	358	544	914	2,856
Other financial income	450	546	-197	-195	-322	134	199	229	1,329	47	630	28	38	64	1,913
Service income margin	2,554	2,598	2,782	2,341	2,774	3,350	4,459	5,881	7,632	3,549	4,320	735	721	757	8,403
Loan loss provisions	-2,173	-2,464	-6,923	-1,461	-1,036	-714	-737	-1,174	-1,863	-820	-1,399	-212	-254	-255	-2,442
Operating costs	-5,263	-5,224	-6,726	-5,310	-5,382	-6,303	-7,741	-9,735	-12,401	-5,877	-7,093	-1,164	-1,217	-1,333	-13,616
Tax charges	-379	-418	-512	-366	-393	-509	-769	-1,105	-1,715	-754	-1,132	-187	-199	-192	-2,092
Income tax	-393	-216	-337	-295	-202	-217	-365	-380	-1,168	-461	-1,449	-164	-350	-404	-2,155
Adjust. to the valuation of gov. securities ²	0	0	0	-665	-51	-201	-170	-100	-267	-132	-24	-3	0	-4	-159
Amort. payments for court-ordered releases	0	0	0	-791	-1,147	-1,168	-1,182	-1,466	-688	-356	-186	-32	-33	-40	-518
Other	307	615	-4,164	1,178	846	1,156	1,641	1,576	916	404	91	37	39	-32	604
Monetary results	0	0	-10,531	-20	0	0	0	0	0	0	0	0	0	0	0
Total results³	93	174	-15,784	-2,813	-1,176	648	2,915	2,457	3,412	1,559	2,484	383	325	529	4,337
Adjusted results ⁴	-	-	-	-1,357	252	2,016	4,267	4,023	4,367	2,047	2,693	418	358	573	5,013
Annualized indicators - As % of netted assets															
Financial margin	6.2	6.4	7.6	2.3	2.9	4.3	5.9	5.8	7.3	7.0	9.6	8.3	9.9	12.3	8.7
Net interest income	4.1	4.3	-0.2	0.1	1.0	1.7	2.1	2.7	4.4	4.0	5.1	5.2	5.2	5.2	4.9
CER and CVS adjustments	0.0	0.0	1.1	0.9	0.8	1.0	0.6	0.4	0.4	0.5	0.1	0.1	0.0	0.0	0.2
Foreign exchange price adjustments	0.2	0.3	4.4	-0.3	0.6	0.5	0.6	0.6	0.9	0.8	1.1	0.7	1.0	1.1	1.0
Gains on securities	1.4	1.2	2.5	1.7	0.8	1.0	2.4	1.9	0.9	1.6	2.7	2.2	3.3	5.5	1.5
Other financial income	0.5	0.7	-0.1	-0.2	-0.3	0.1	0.2	0.1	0.8	0.1	0.6	0.2	0.2	0.4	1.0
Service income margin	2.9	3.2	2.0	2.0	2.4	2.7	3.4	3.8	4.3	4.1	4.4	4.5	4.4	4.6	4.5
Loan loss provisions	-2.5	-3.0	-5.0	-1.3	-0.9	-0.6	-0.6	-0.8	-1.1	-1.0	-1.4	-1.3	-1.5	-1.5	-1.3
Operating costs	-6.0	-6.4	-4.8	-4.6	-4.6	-5.1	-5.9	-6.3	-7.0	-6.8	-7.2	-7.1	-7.4	-8.1	-7.2
Tax charges	-0.4	-0.5	-0.4	-0.3	-0.3	-0.4	-0.6	-0.7	-1.0	-0.9	-1.2	-1.1	-1.2	-1.2	-1.1
Income tax	-0.4	-0.3	-0.2	-0.3	-0.2	-0.2	-0.3	-0.2	-0.7	-0.5	-1.5	-1.0	-2.1	-2.4	-1.1
Adjust. to the valuation of gov. securities ²	0.0	0.0	0.0	-0.6	0.0	-0.2	-0.1	-0.1	-0.2	-0.2	0.0	0.0	0.0	0.0	-0.1
Amort. payments for court-ordered releases	0.0	0.0	0.0	-0.7	-1.0	-1.0	-0.9	-0.9	-0.4	-0.4	-0.2	-0.2	-0.2	-0.2	-0.3
Other	0.4	0.7	-3.0	1.0	0.7	0.9	1.2	1.0	0.5	0.5	0.1	0.2	0.2	0.2	0.3
Monetary results	0.0	0.0	-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
ROA³	0.1	0.2	-11.3	-2.5	-1.0	0.5	2.2	1.6	1.9	1.8	2.5	2.3	2.0	3.2	2.3
ROA adjusted ⁴	0.1	0.2	-11.3	-1.2	0.2	1.6	3.2	2.6	2.5	2.4	2.8	2.5	2.2	3.5	2.7
ROE ³	0.8	1.4	-79.0	-19.1	-8.1	4.1	15.3	10.9	15.2	14.2	20.0	18.4	15.3	24.9	18.2

(1) Data at December 2002 currency.

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

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

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

Source: BCRA

Chart 8 | Portfolio Quality

As percentage	Dec 00	Dec 01	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Jun 08	Dec 08	Apr 09	May 09	Jun 09
Non-performing loans (overall)	8.3	9.9	19.8	15.7	8.9	4.4	2.9	2.2	2.4	2.5	3.3	3.4	3.4
Non-performing loans to the non-financial private sector	9.8	14.0	37.4	30.4	15.3	6.3	3.6	2.5	2.7	2.8	3.5	3.6	3.6
Provisions / Non-performing loans	67.7	75.7	73.4	79.0	97.0	114.3	129.3	141.3	129.6	134.1	118.2	116.1	118.3
(Total non-performing - Provisions) / Overall financing	2.7	2.4	5.3	3.3	0.4	-0.6	-0.9	-0.9	-0.7	-0.9	-0.6	-0.6	-0.6
(Total non-performing - Provisions) / Net worth	13.4	11.4	18.6	11.2	1.3	-2.2	-3.0	-3.6	-2.9	-3.4	-2.1	-1.9	-2.2

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

Source: BCRA