

# Report on Banks

June 2012



BANCO CENTRAL  
DE LA REPÚBLICA ARGENTINA

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June 2012

Year IX, No. 10



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

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## Summary

- **In June 2012 significant growth took place in both private sector deposits and loans.** This expansion in financial intermediation levels has taken place at a time of limited credit risk, preserving low delinquency and wide coverage by accounting provisions, at the same time as the system has been showing high levels of liquidity and solvency.
- **During the month the total private sector deposit stocks went up 2.7%**, led mainly by accounts in pesos (up 5.2%), sight fundamentally, with a drop in dollar deposit stocks. **In year-on-year (y.o.y.) terms, private sector deposits have risen by 23.4%, with greater dynamism in peso-denominated time deposits (41% y.o.y.).** Public sector account balances were down 4.8% in June, showing a behavior similar to that seen in previous years during this period, linked to payment of half the annual wage supplement.
- **In June the stock of lending to the private sector rose 3% (35.4% y.o.y.), the largest increase for the month this year. This performance was driven by loans to the productive sector**, which rose by 3.9% during the month (32.8% y.o.y.), while lending to households increased 1.8% (39.2% y.o.y.). This dynamic was explained mainly by the public bank segment, which has accounted for 34% of the total stock of lending to the productive sector, increasing its share by over 6 p.p. in the last 12 months. **In the year to date, lending rates fell for most credit lines in domestic currency.**
- **During the month the non-performance ratio for private sector loans remained at a low and stable level of around 1.7%, similar to the level recorded in June 2011.** The delinquency indicator for loans to households stood at 2.6%, down slightly for the month. Company loan non-performance remained without significant change in June, at around 0.9%. **Coverage of the private sector non-performing portfolio with provisions reached 145%**, and exceeds 100% in all groups of financial entities.
- **The broad liquidity indicator** (in domestic and foreign currency, including holdings of Lebac and Nobac) **stood at 39.1% of total deposits in June, down 1.6 p.p. compared with the previous month because of a reduction in repo transactions with the Central Bank.** The liquidity indicator that excludes holdings of Lebac and Nobac also declined during the month, to 24.7% of deposits, as did the ratio that takes into account only items in domestic currency. **The foreign currency liquidity indicator has remained at a high level since mid-2012.** In the year-on-year comparison, holdings of Lebac and domestic currency minimum cash compliance increased their share of those bank assets of relatively greater liquidity.
- **Consolidated financial system net worth expanded by 2.4% in June (30.6% y.o.y.)**, mainly from higher book profits. Capital compliance for the banking system stood at 16.6% of risk-weighted assets (RWA), increasing slightly compared with May and accumulating an increase of 1 p.p. in the year to date. **Financial system capital compliance in excess of regulatory requirement reached a level of 61%.**
- **Monthly profitability for the financial system amounted to 3.4%a. of assets**, 1.2 p.p. above the level recorded in May, mainly from increased gains on securities. **The banking system ended the first half of the year with ROA of 2.8%a., 0.3 p.p. above the same period of the previous year.** In the first half of 2012 all groups of banks posted earnings in terms of assets slightly above those for the same period of last year.

# Activity

## *In June levels of financial intermediation showed a significant expansion*

In June significant growth was recorded in bank financial intermediation with the private sector. Private sector deposits rose 2.7% in the month (23.4% year-on-year -y.o.y.) while loans to this sector were up 3% (35.4% y.o.y.) (see Chart 1). Financial system netted assets increased 0.7% in June (21.3% y.o.y.).

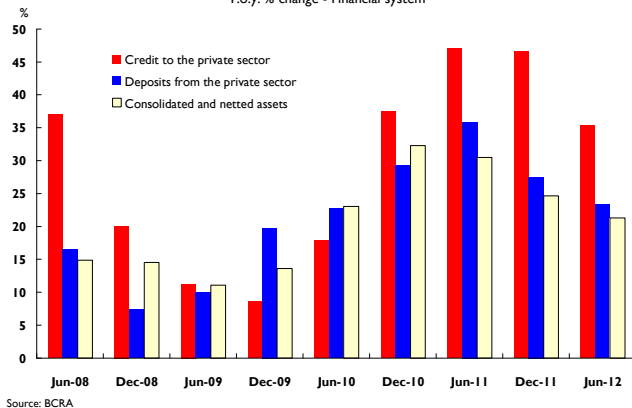
During June the most important sources of funds<sup>1</sup> for the financial system were the increases in deposits from the private sector (\$9.75 billion) and a reduction in liquid assets (\$7.4 billion). Banks used these resources mainly to increase lending to the private sector (\$9.6 billion), during a period in which public sector deposits<sup>2</sup> declined (by \$6.9 billion).

The stock of lending to the private sector continued to gain importance within financial system assets. By mid-2012 banking system exposure to the private sector totaled 50.1%, 4.1 p.p. higher than the weighting in June 2011. This improvement is explained by both credit lines to households and those for companies (see Chart 2). In the year-on-year comparison, the increased relevance of lending to the private sector in the assets aggregate was accompanied by a reduction in exposure to the public sector and in holdings of Central Bank bills and notes. In 2012 private sector deposits have continued to increase their relative share of total bank funding, mainly through time deposits in domestic currency.

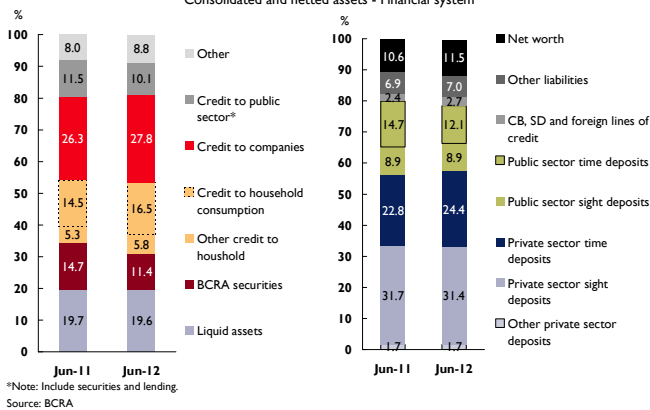
The financial system continued to post progress in the provision of means of payment services. In July (the latest date for which information is available), the value of cleared checks went up 13.2% (21.2% y.o.y.), while the number of documents processed rose 10.8% (3.5% y.o.y.). For the second consecutive month, the number of checks rejected for insufficient funds in terms of the total cleared declined slightly.

In July (the latest date for which information is available) an increase was recorded in the volume of transfers processed. The number of immediate value transfers rose 6.8% compared with June 2012 (2.4% in terms of amount), accumulating a rise of 86% y.o.y. (almost threefold, in terms of amount) (see Chart 3).

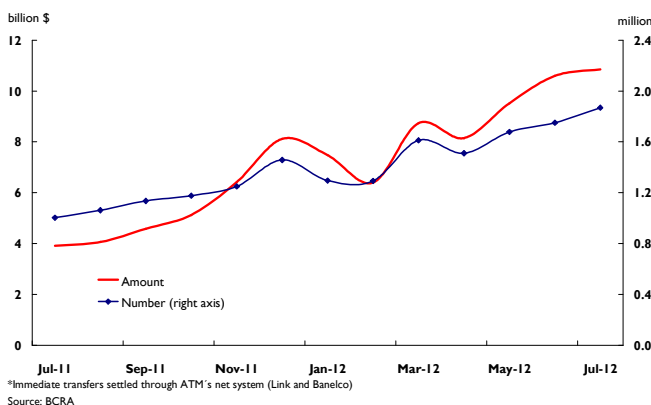
**Chart 1**  
**Financial Intermediation**  
Y.o.y. % change - Financial system



**Chart 2**  
**Financial System Composition**  
Consolidated and netted assets - Financial system

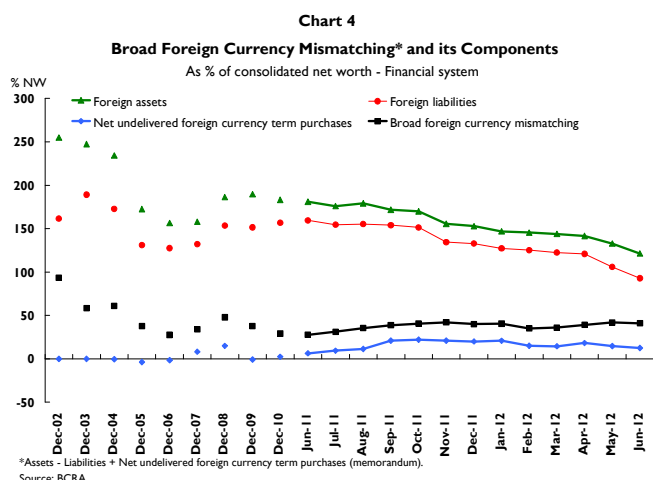


**Chart 3**  
**Immediate Transfers\***



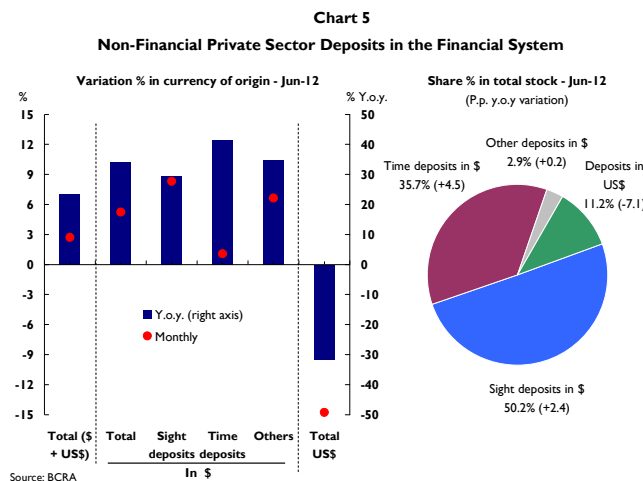
<sup>1</sup> Estimated on the basis of variations in balance sheet stocks.

<sup>2</sup> A situation normally seen in June, when half the annual wage supplement must be paid.



The number of holders of Free Universal Bank Accounts (CGU) reached 117,600<sup>3</sup> by mid-August 2012. Transactions involving the use of settlement checks in pesos have totaled \$179 million and US\$246 million in dollars since the system was re-introduced at the end of 2010.

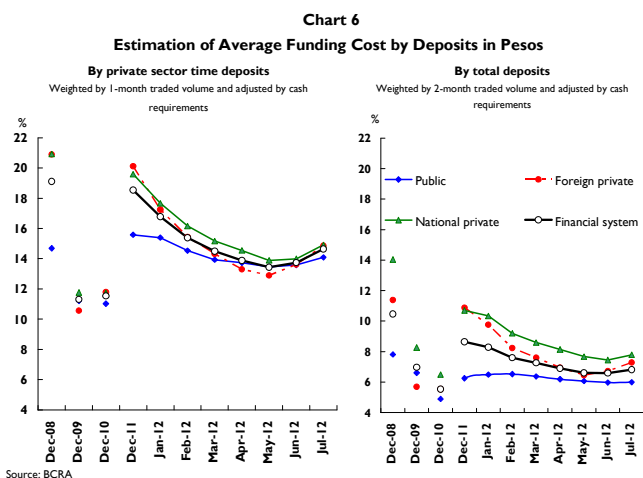
In the last 12 months the dollarization of bank balance sheets declined, with a reduction of 5 p.p. of assets in foreign currency in relation to total assets, to 13.1%. The proportion of foreign currency liabilities in terms of total liabilities also shrank by 6.5 p.p. compared with June 2011, to 11.3%. In June broad foreign currency mismatching for the financial system fell by 0.8 p.p. of net worth to 41% (see Chart 4). The performance for the month by this indicator was explained by the increase in net worth in the context of a reduction of assets in foreign currency and net forward purchases that virtually compensated the drop in liabilities in the same currency.



## Deposits and Liquidity

*Private sector deposits in pesos have risen, at the same time as there has been a slight reduction for the month in bank liquidity indicators*

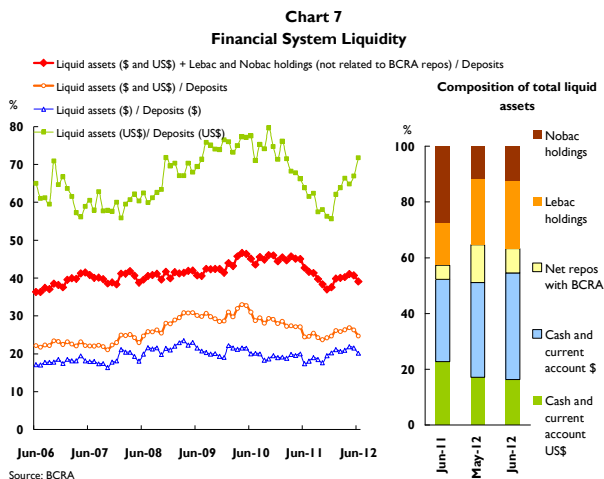
In June total financial system deposit stocks (in domestic and foreign currency) rose 0.4%. Total private sector deposits grew 2.7% in the month, driven by accounts in pesos (up 5.2%), mainly in the case of sight accounts (see Chart 5), with a drop in dollar deposit balances. Public sector accounts were down 4.8% in June, showing a behavior similar to that of previous years explained by the payment of half the annual wage supplement.



In year-on-year terms, total deposits increased 19%, largely from the performance of private sector accounts (23.4% y.o.y.). In the case of private sector deposits in domestic currency, the accumulated increase amounted to 34.2% y.o.y., with greater dynamism by time deposits in this segment (41% y.o.y.), compared with sight deposits (29.5% y.o.y.). Private sector deposits in foreign currency posted a reduction of 31.6% y.o.y. in terms of currency of origin.

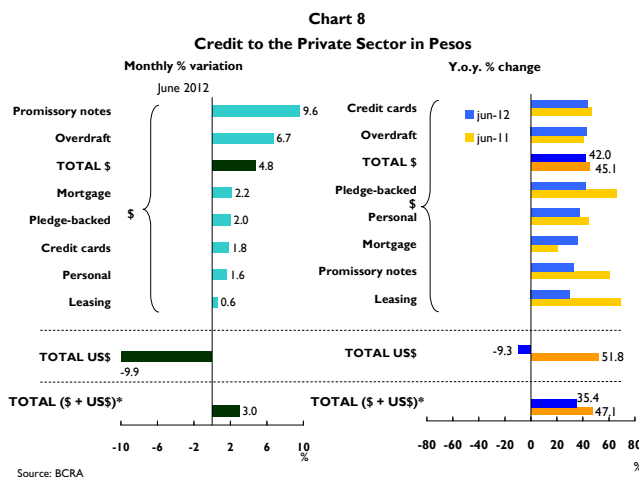
The cost of banking system funding by means of total peso deposits stood at 6.8% (as at July 2012, the latest data available), rising slightly in the margin from the performance by private banks, in the context of a moderate rise in the interest rate on time deposits. As a result, in the first 7 months of the year the cost of

<sup>3</sup> Of these, some 18,100 accounts are in the process of being validated, pending completion of the process of verification of the requirements for applicants.



funding has accumulated a drop of 1.8 p.p. (see Chart 6), across all groups of financial entities.

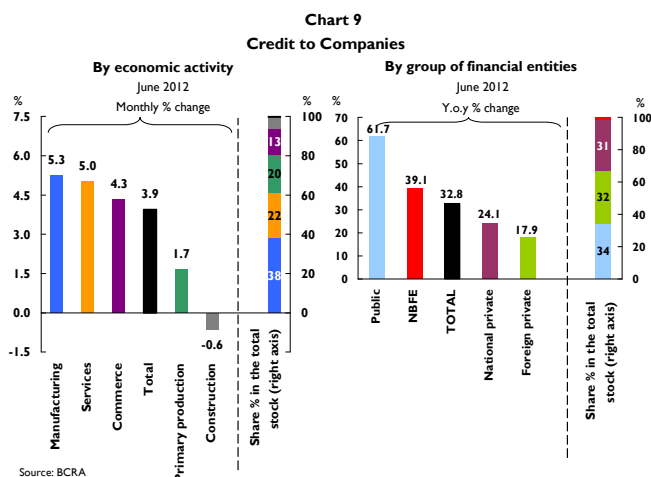
**In June the broad liquidity indicator** (in domestic and foreign currency, including holdings of Lebac and Nobac bills and notes) **fell by 1.6 p.p. of deposits** (see Chart 7), **to 39.1%** (-3.6 p.p. compared with June 2011) following the reduction in repo transactions with the Central Bank by both private and public banks. The liquidity indicator that excludes holdings of Lebac and Nobac also fell slightly during the month, to 24.7% of deposits, as did the ratio that only measures items in domestic currency. **The foreign currency liquidity indicator remained at a high level in June, rising slightly compared with May.** In the year-on-year comparison, Lebac holdings and minimum cash local currency reserve requirements gained share among those assets with greater relative liquidity held in financial entities portfolios.



## Financing

*During June increased lending to the private sector was driven by lending to companies*

**In June, the stock of loans to the private sector grew by 3%<sup>4</sup>, the largest monthly increase since the beginning of the year.** This growth was driven by loans in pesos (+4.8%), while there was a drop in loans in foreign currency (-9.9%). All credit lines in pesos posted higher totals during the period, with greater strength being shown by commercial lines (promissory notes and overdrafts) (see Chart 8). The increase for the month was explained mainly by public banks. **In year-on-year terms, total lending to the private sector increased 35.4%, by the dynamism of domestic currency lending.**

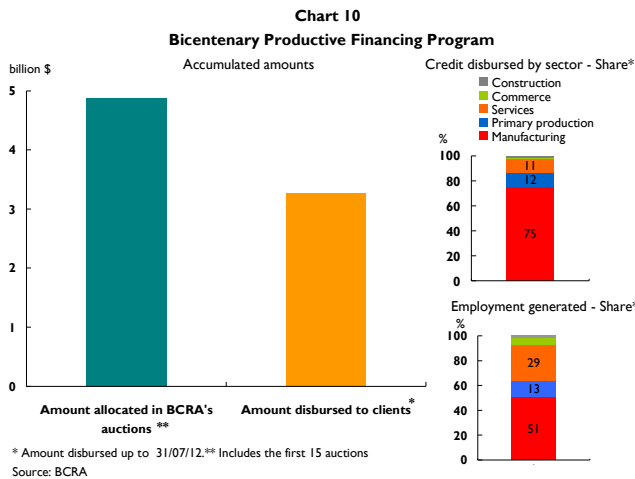


**In June loans to companies<sup>5</sup> increased 3.9%.** With the exception of credit lines for construction, loans to all productive sector rose at a faster rate, with loans to manufacturing, services and commerce showing the greatest relative increases (see Chart 9). Manufacturing industry accounted for the largest share of the total balance, 38%<sup>6</sup>. In year-on-year terms, loans to companies have accumulated a rise of 32.8%, led mainly by public banks. This group of entities accounts for 34% of total loans to the manufacturing sector, an increase in its share of over 6 p.p. in the last 12 months.

<sup>4</sup> In June just 2 financial trusts were issued using bank loans as their underlying assets, for a total of \$178 million, of which \$106 million corresponded to personal loans and \$72 million to credit card coupons. If balance sheet totals are adjusted for the assets securitized during the month (using bank loans as underlying assets), the variation in lending to the private sector would remain at 3%.

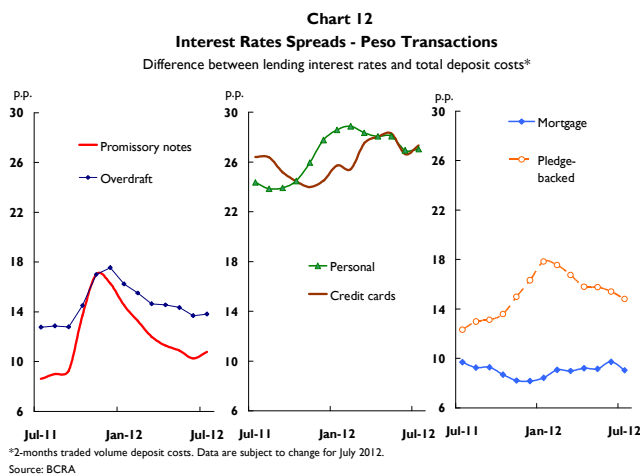
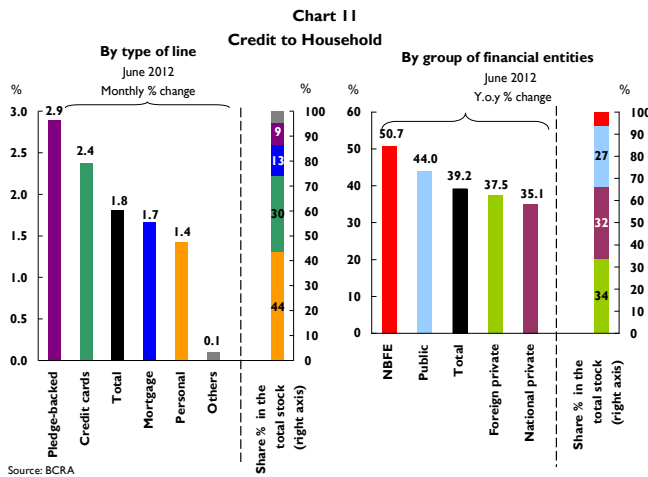
<sup>5</sup> Loans to companies are those granted to legal persons and commercial loans to individuals. The remaining loans to individuals are grouped within the household loan category.

<sup>6</sup> Communication "A" 5251 was issued in November 2011, modifying the classification of the economic activities of borrowers that banks advise to the Debtors Center (as per CLANAE 2010); these changes became effective as from the figures reported for April 2012.



The Central Bank has continued to hold auctions of resources within the context of the Bicentenary Productive Financing Program.<sup>7</sup> As a result, by mid-August the Central Bank has awarded \$4.872 billion to 14 financial entities. Participating banks have lent companies \$3.277 billion<sup>8</sup> (almost 70% of the total awarded). The resources credited under this program were channeled to 18 provinces, and enabled the development of projects providing over 12,900 new jobs, more than half of them in the manufacturing sector (see Chart 10).

With the aim of improving availability of long-term credit for productive investment, the BCRA has ordered the introduction of a new line of credit<sup>9</sup>. Financial entities holding 1% or more of total financial system deposits, and the banks operating as the financial agents of the provinces, must allocate to the financing of productive undertakings an amount equivalent to 5% of the total balance of their deposits taken from the private sector as at June 2012. At the beginning of August the type of loans eligible was widened<sup>10</sup> – in some cases permitting the financing of productive projects that include the purchase of property – and the conditions of the cap on interest to be received by financial entities were modified, so that they can now be fixed for first 36 months and then be variable. Loans will be granted for an initial rate of up to 15.01% and a minimum term of three years. Qualifying companies must use the funds to purchase capital goods or for construction and/or purchase of the installations necessary for production. Banks covered by the rule must use at least half the amount to be granted for lending to companies in the micro and SME segment.



Lending to households increased 1.8% in June, driven by consumer credit (personal loans and credit card lending), although all lines posted improvement in the month (see Chart 11). Public banks and private foreign banks were behind the monthly expansion. In year-on-year terms, lending to households increased 39.2%. Pledge-backed loans and credit card lending were the most dynamic lines, with a variation in excess of 40% y.o.y. In the last 12 months loans to households granted by non-bank financial entities recorded the greatest growth rate, although private banks (national and foreign) continue to account for almost 63% of year-on-year growth.

In July (latest available information) peso lending rates increased slightly for almost all loan lines. Nevertheless,

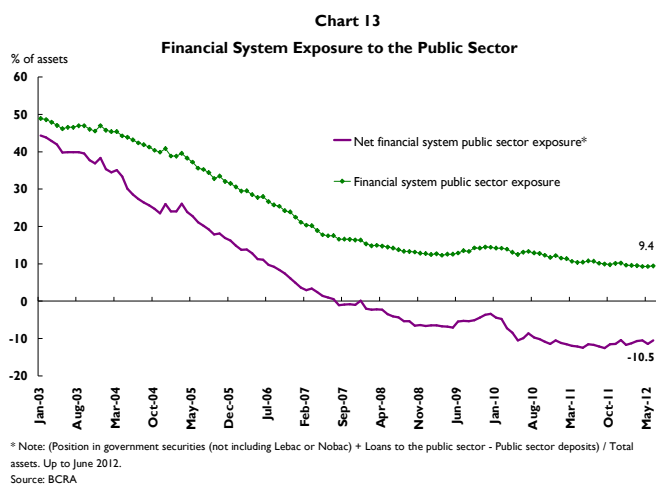
<sup>7</sup> This program is intended to provide funding for up to 5 years to financial entities to be channeled towards lending for investment at a total financial cost of 9.9% p.a.

<sup>8</sup> Information available at 31/07/12.

<sup>9</sup> Communication "A" 5319 dated 05/07/12.

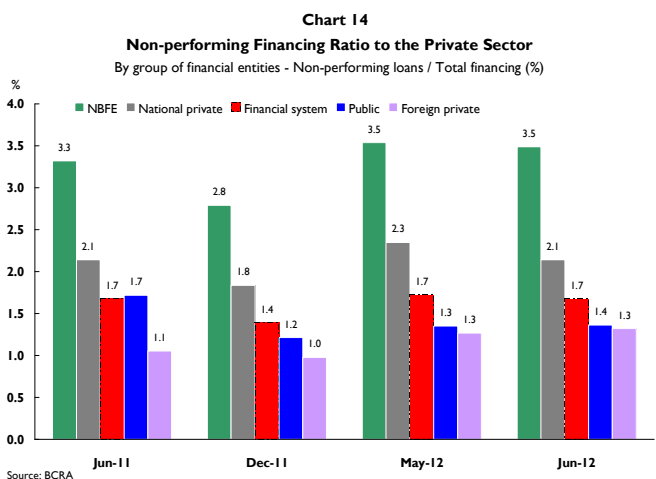
<sup>10</sup> Communication "A" 5338 dated 06/08/12.





over the year to date all groups of banks have reduced their lending rates in almost all credit segments. Local currency spreads performed unevenly during the month (see Chart 12). In particular, rate differentials declined in the case of collateralized loans (mortgages and pledge-backed loans), while for the rest of the lines they rose slightly. As a result, **in 2012 all financial entities saw a reduction in the spreads traded in pesos**, with non-bank financial entities and national private banks posting the greatest relative declines.

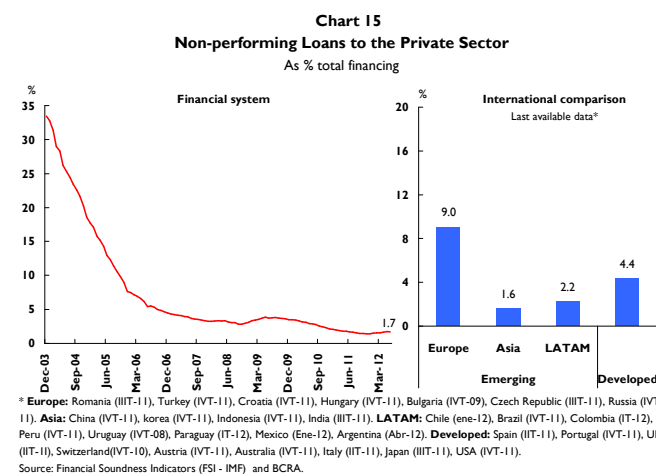
Within the framework of growth in lending to the private sector, bank lending to the public sector totaled 9.4% of total assets, down 1.3 p.p. compared with June 2011 (see Chart 13). **Taking into account public sector deposits, this sector has maintained its net creditor position in relation to the financial system equivalent to 10.5% of banking system assets**, 1 p.p. below the level recorded 12 months earlier.



## Portfolio quality

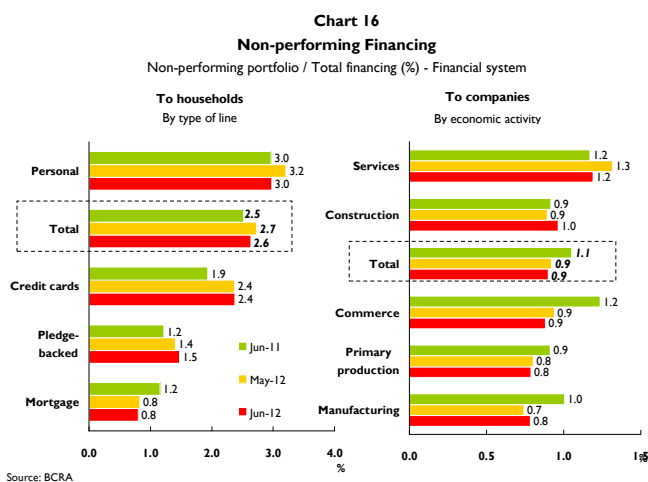
*The non-performance ratio for loans to the private sector held steady during the month, and continued to stand at a historically low level*

**In June the non-performance ratio for lending to the private sector remained steady at around 1.7%.** Compared with last May, this indicator declined in the case of national private banks, and rose slightly for public banks, although from a lower level (see Chart 14). Since the end of 2011 household and company loan delinquency increased slightly, although **in a historical and international comparison, the local financial system records low delinquency rates** (see Chart 15).



**The delinquency rate for household loans fell 0.1 p.p. during the month**, to stand at 2.6%. This performance was mainly explained by the behavior of personal loans, and was mostly seen in national private banks. **In year-on-year terms, the delinquency level for loans to households increased slightly**, largely because of the results for credit card lending and pledge-backed loans (see Chart 16), a performance recorded by both foreign and national private banks.

**The non-performance ratio for loans to companies remained unchanged in June**, at levels that have held steady since the beginning of 2012. As a result, the delinquency rate for loans to productive sectors reached 0.9% at the close of the first half of the year, **a decline of 0.2 p.p. in the last 12 months** (see Chart 16). The year-on-year fall was driven by loans to commerce, primary production and manufacturing industry, and took place mainly in public banks.

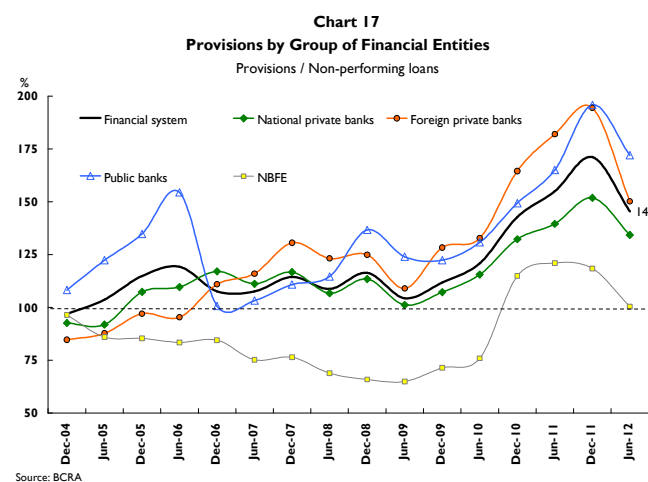


The proportion of loans to the private sector covered by preferred guarantees<sup>11</sup> rose by 1.1 p.p. in June to 16.6%, to stand slightly above the level for the same period of 2011. Delinquency for loans without such collateral increased 0.1 p.p. compared with the level one year earlier, to 1.8%.

The financial system concluded the first half of 2012 with a high level of provisioning. The coverage for the non-performing portfolio by provisions stood at 145% (see Chart 17). All groups of financial entities presented a coverage ratio for non-performing loans to the private sector in excess of 100%.

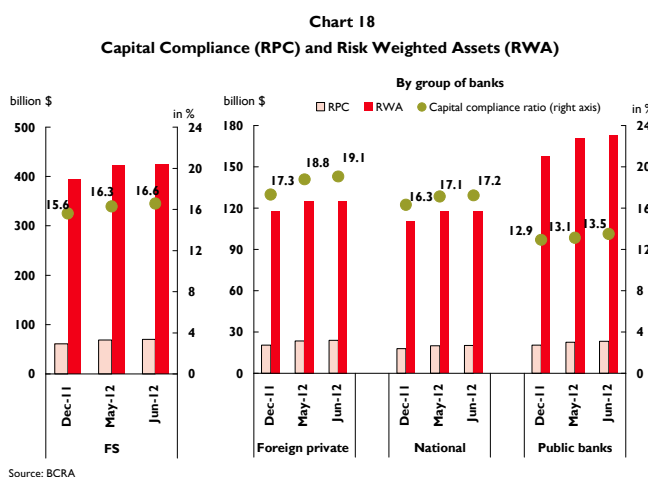
## Solvency

*All groups of banks ended the first half of the year posting book profits moderately above those for one year earlier*



Consolidated financial system net worth grew 2.4% for the month, mainly from higher accrued book profits. In the last 12 months net worth has expanded by 30.6%, with greater relative growth among private banks (particularly those of foreign capital). In June one non-bank financial entity received a capital contribution for \$30 million, so that at system level capitalization during the year has totaled \$765 million.

During the month, financial system capital compliance stood at 16.6% of risk-weighted assets (RWA), up slightly compared with May and accumulating a rise of 1 p.p. in the year to date (see Chart 18). During the first half of 2012 all groups of banks recorded an increase in this indicator. Excess financial system capital compliance was equivalent to 61% of the regulatory requirement.

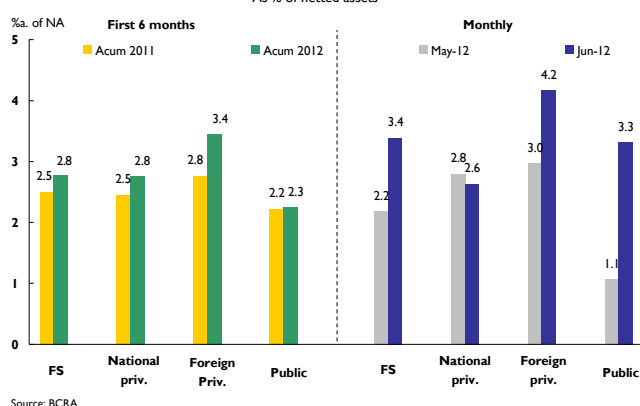


Financial system profitability for the month reached 3.4%a. of assets, 1.2 p.p. above the May level, mainly from greater gains on securities. As a result, the financial system ended the first part of the year showing ROA of 2.8%a., 0.3 p.p. more than for the same period of the previous year. Compared with the first half of 2011, all groups of banks increased their levels of accumulated earnings (see Chart 19).

Banking system financial margin rose by 2.1 p.p. of assets in June, to 10.4%a., mainly explained by improved results from securities (+2.4 p.p. of assets to 3.9%a.) (see Chart 20). Financial margin ended the first

<sup>11</sup> These consist of the assignment or ceding of rights to securities or notes (Preferred class "A") and real rights on assets or commitments of third parties (Preferred class "B") that ensure that the bank will be able to avail itself of the funds to settle the obligation entered into by its customer. For further details, see Ordered Text on Guarantees, BCRA.

**Chart 19**  
Profitability by Group of banks  
As % of netted assets

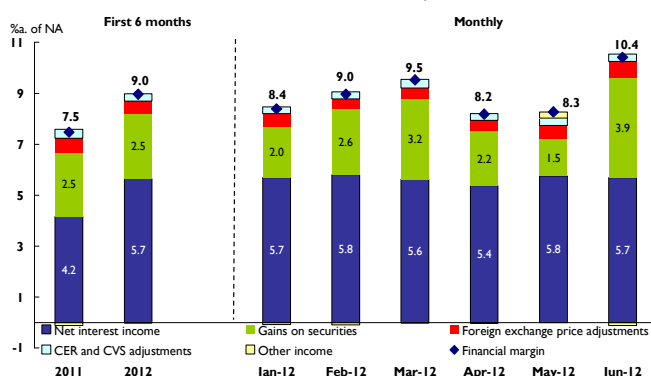


Source: BCRA

half of the year showing a year-on-year increase of 1.5 p.p. of assets to 9%a., mainly from higher interest income (+1.5 p.p. of assets to 5.7%a.). **In year-on-year terms, all groups of banks increased their accumulated financial margin, with notable results in the case of foreign private banks.**

Net financial system service income fell slightly during the month to 4.2%a. of assets. Nevertheless, over the course of the year a moderate increase has been recorded in service revenue when compared with that for the same period of the previous year, reaching 4.1%a. of assets (see Chart 21). This year-on-year increase took place mainly in national and foreign private banks. Breaking out the items making up these results, it can be seen that during the six months there was a notable contribution from revenue not linked to loans or deposits, such as credit card issuance and insurance commission.

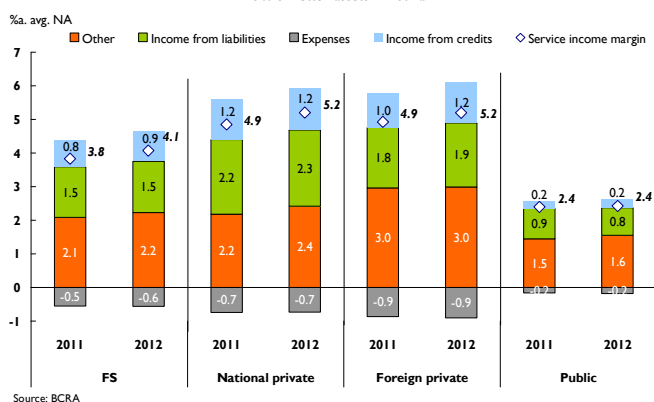
**Chart 20**  
Financial Margin  
As % of netted assets - Financial system



Source: BCRA

**Operating costs increased slightly for the month to 7.5%a. of assets, with the rise taking place mainly in public sector banks. Accumulated operating costs for the year reached 7%a. of assets, 0.4 p.p. above the level of the first half of 2011, a dynamic seen in all bank groups. Loan loss provision increased moderately during the month to 1.1%a. of assets, mainly from the performance recorded by national private banks. In the first half of the year, loan loss provision increased on a year-on-year basis by 0.2 p.p. of assets, to 0.8%a.**

**Chart 21**  
Service Income Margin by Group of Banks  
As % of netted assets - First half



Source: BCRA

## 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” 5310 – Jun/04/12**

Financing of the public non-financial sector. No objections have been made to the acquisition by financial entities of Government Bonds for a nominal value of up to US\$50 million to be issued under the “Program for the Issue of Bonds by the Province of Cordoba” as long as the applicable maximum limits on credit assistance to the non-financial public sector are not exceeded, and as long as such lending is not treated as use of lending capacity from foreign currency deposits.

### **Communication “A” 5311 – Jun/04/12**

Debtor classification. A change has been made to the maximum amount (from \$750,000 to \$1.5 million) according to which commercial loans can be grouped together with consumer and housing loans.

The lower limit for loans to commercial portfolio customers has been increased from \$2 million to \$4 million or 1% of the bank’s adjusted stockholders’ equity, whichever is lower, used to establish the requirement for a six-monthly review of the debtor’s position.

In the case of the commercial portfolio, in situations that could compromise the customer’s future payment capacity if they are not corrected, private agreements are an indication of such situations, and determine whether the debtor should be classified in the “special monitoring - under observation” or “in difficulty” categories. The minimum amount as from which initial customer reclassification in such categories has been increased from \$5 million to \$10 million, as long as there is no objection from the SEFyC.

Credit management. Within the requirements for the granting of loans, changes have been made to the individual limits under which banks can opt to make use of special mechanisms (screening systems and credit scoring models). These limits are: i) Mortgage loans for housing: \$300,000 (previously \$200,000); ii) Pledge-backed loans for vehicle purchases \$100,000 (previously \$75,000) and iii) Personal loans, credit card lending and current account overdrafts (together) \$25,000 (previously \$15,000).

Credit grading. Loans totals (net of repayments) that can be excluded from the calculation of this ratio, measured together and for each unrelated customer, whether a natural or legal person or an economic group, has been raised from \$750,000 to \$1.5 million.

### **Communication “A” 5312 – Jun/07/12**

Minimum cash. The requirement for daily foreign currency minimum cash compliance has been suspended for the period from 1 June 2012 to 31 July 2012.

# Methodology

- (a) Aggregate balance sheet information is taken from the monthly accounting information system (unconsolidated balance sheets). In order to calculate aggregate data for the financial system, for financial entities that have not provided data for the month reviewed, the most recent information available is repeated in the aggregate balance sheet. On the other hand, for profitability analysis only the banks providing data for that month are considered.
- (b) Due to possible lack of data for some banks at the time this Report was drafted, and due to possible corrections to the data provided by financial entities later, the data included is of a preliminary nature –particularly for the last month included-. Therefore, and due to the fact that the most recent data available always used, data in connection with earlier periods may not match what was mentioned in earlier issues of the Report. In such cases, the latter release should be regarded as being of better quality.
- (c) Unless otherwise indicated, data about deposits and loans refer to balance sheet information, and do not necessarily agree with those compiled by the Centralized Information Requirement System (SISCEN). Reasons for discrepancies include the precise date considered in order to calculate monthly changes and the items included in the definition adopted in either case.
- (d) Profit ratio calculations are based on monthly results estimated from changes in the aggregate result amounts during the current fiscal year. Profit ratios are annualized with the exception of those ,.
- (e) Initially, the breakdown by group of banks was determined by the majority of decision making role -in terms of voting rights at shareholder meetings- distinguishing between private sector financial entities (national or foreign depending on their residence) and public banks. In order to increase depth of the analysis, private sector entities were also classed according to the geographic coverage and business scope of their operations. Investment banking is defined as those specializing in large corporations and investor sector, which in general do not rely on deposits from the private sector for their funding. On the other hand, retail banks were divided into those carrying out business nationwide, those located in certain geographic regions -municipalities, provinces, or regions- and entities specialized in a financial sector niche market -usually smaller entities-. Finally, it is worth noting that the classifications defined above are solely for analytical purposes and does not mean it is the only methodology criteria by which to group them; while on the other hand, the listing of features for each financial entity group has been established in a general manner.
- (f) Indicators exhibited in Tables 1 and 5 of Statistical Appendix: 1.- (Minimum cash compliance at the BCRA in pesos and foreign currency + Other cash holding in pesos and foreign currency + Creditor net balance for BCRA repo transactions with Lebac and Nobac) / Total deposits; 2.- (Position in government securities (with out Lebac and Nobac) + Loans to the public sector + Compensations receivable) / Total assets; 3.- (Loans to the non-financial private sector + Leasing) / Total assets; 4.- Non-performing portfolio with the non-financial private sector / Loans to the non-financial private sector; 5.- (Total non-performing portfolio – Loan loss provisions) / Net worth. Non-performing portfolio includes loans classified into situations 3, 4, 5 and 6; 6.- Cumulated annual result / Average monthly netted assets - % annualized; 7.- Cumulated annual result / Average monthly net worth - % annualized; 8.- (Financial margin (Net interest income + CER and CVS adjustments + Gains on securities + Foreign exchange price adjustments + Other financial income) + Service income margin) / Cumulated annual operating costs; 9.- Capital compliance (Responsabilidad Patrimonial Computable) / Risk - adjusted assets according to the regulation of BCRA about Minimum Capital Compliance; 10.- Capital compliance Tier 1 / Risk weighted assets, according to the BCRA rule on minimum capital; 11.- (Capital compliance minus requirements, included forbearances) / Capital requirements.

# Glossary

**%a.:** annualized percentage.

**%i.a.:** interannual percentage.

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

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

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

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

**CEDRO:** Certificado de Depósito Reprogramado. Scheduled Stabilization Coefficient.

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

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

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

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

**Lebac and Nobac:** Bills and notes of the BCRA.

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

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

**mill.:** million.

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

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

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

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

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

**ON:** Corporate bonds (Obligaciones Negociables).

**OS:** Subordinated debt (Obligaciones Subordinadas).

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

**PN:** Net worth (Patrimonio Neto).

**p.p.:** percentage points.

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

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

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

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

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

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

**RWA:** Risk weighted assets.

**SME:** Small and Medium Enterprises.

**US\$:** United States dollars

# Statistics annex | Financial system

## Chart 1 | Financial Soundness Indicators (see Methodology)

As %	2002	2003	2004	2005	2006	2007	2008	2009	2010	Jun 2011	2011	May 2012	Jun 2012
1.- Liquidity	22.8	29.1	29.6	20.1	22.5	23.0	27.9	28.6	28.0	24.5	24.7	26.3	24.7
2.- Credit to the public sector	48.9	47.0	40.9	31.5	22.5	16.3	12.7	14.4	11.9	10.8	10.2	9.3	9.4
3.- Credit to the private sector	20.8	18.1	19.6	25.8	31.0	38.2	39.4	38.3	39.8	42.8	47.4	46.2	48.0
4.- Private non-performing loans	38.6	33.5	18.6	7.6	4.5	3.2	3.1	3.5	2.1	1.7	1.4	1.7	1.7
5.- Net worth exposure to the private sector	16.6	11.5	1.1	-2.5	-0.8	-1.5	-1.7	-1.3	-3.2	-3.7	-4.3	-3.2	-3.2
6.- ROA	-8.9	-2.9	-0.5	0.9	1.9	1.5	1.6	2.3	2.8	2.5	2.7	2.7	2.8
7.- ROE	-59.2	-22.7	-4.2	7.0	14.3	11.0	13.4	19.2	24.4	23.3	25.3	24.1	25.1
8.- Efficiency	189	69	125	151	167	160	167	185	179	171	179	183	185
9.- Capital compliance	-	14.5	14.0	15.3	16.9	16.9	16.9	18.8	17.7	16.6	15.6	16.3	16.6
10.- Capital compliance Tier I	-	-	13.5	14.1	14.1	14.6	14.2	14.5	13.1	12.9	10.9	12.6	13.4
11.- Excess capital compliance	-	116	185	173	134	93	90	100	86	73	63	59	61

Source: BCRA

## Chart 2 | Balance Sheet

In million of current pesos	Dic 02	Dic 03	Dec 04	Dec 05	Dec 06	Dec 07	Dec 08	Dec 09	Dec 10	Jun 11	Dec 11	May 12	Jun 12	Change (in %)			
														Last month	2012	Last 12 months	
<b>Assets</b>	<b>187,532</b>	<b>186,873</b>	<b>212,562</b>	<b>221,962</b>	<b>258,384</b>	<b>297,963</b>	<b>346,762</b>	<b>387,381</b>	<b>510,304</b>	<b>569,837</b>	<b>628,381</b>	<b>695,423</b>	<b>688,251</b>	-1.0	9.5	20.8	
Cash disposal <sup>1</sup>	17,138	27,575	29,154	20,819	37,991	46,320	58,676	71,067	93,085	95,782	104,389	105,662	108,828	3.0	4.3	13.6	
Public bonds	31,418	45,062	55,382	66,733	64,592	62,678	65,255	86,318	117,951	128,130	112,906	139,252	128,524	-7.7	13.8	0.3	
Lebac/Nobac	-	-	17,755	28,340	29,289	36,022	37,093	43,867	76,948	89,633	71,050	102,729	92,135	-10.3	29.7	2.8	
Portfolio	-	-	11,803	21,067	25,767	31,598	25,652	34,748	61,855	78,316	59,664	73,306	73,463	0.2	23.1	-6.2	
Repo <sup>2</sup>	-	-	5,953	7,273	3,521	4,424	11,442	9,119	15,093	11,317	11,386	29,422	18,673	-36.5	64.0	65.0	
Private bonds	332	198	387	389	813	382	203	307	209	238	212	193	232	20.4	9.5	-2.6	
Loans	84,792	68,042	73,617	84,171	103,668	132,157	154,719	169,868	230,127	274,698	332,317	358,032	368,055	2.8	10.8	34.0	
Public sector	44,337	33,228	30,866	25,836	20,874	16,772	17,083	20,570	25,907	29,342	31,346	33,802	34,008	0.6	8.5	15.9	
Private sector	38,470	33,398	41,054	55,885	77,832	110,355	132,844	145,247	199,202	238,910	291,708	314,831	324,208	3.0	11.1	35.7	
Financial sector	1,985	1,417	1,697	2,450	4,962	5,030	4,793	4,052	5,018	6,446	9,263	9,399	9,838	4.7	6.2	52.6	
Provisions over loans	-11,952	-9,374	-7,500	-4,930	-3,728	-4,089	-4,744	-5,824	-6,232	-6,425	-7,173	-8,083	-8,183	1.2	14.1	27.4	
Other netted credits due to financial intermediation	39,089	27,030	32,554	26,721	26,039	29,712	38,152	33,498	39,009	38,674	40,805	54,737	43,181	-21.1	5.8	11.7	
Corporate bonds and subordinated debt	1,708	1,569	1,018	873	773	606	912	1,146	1,433	1,819	1,657	1,587	1,654	4.2	-0.1	-9.1	
Unquoted trusts	6,698	4,133	3,145	3,883	4,881	5,023	5,714	5,942	6,824	7,088	7,967	7,844	8,153	3.9	2.3	15.0	
Compensation receivable	17,111	14,937	15,467	5,841	763	377	357	16	0	0	0	0	0	0.0	0.0	-41.2	
Other	13,572	6,392	12,924	16,124	19,622	23,706	31,169	26,395	30,752	29,767	31,182	45,306	33,373	-26.3	7.0	12.1	
Leasing	567	397	611	1,384	2,262	3,469	3,935	2,933	3,936	4,893	6,222	6,247	6,282	0.6	1.0	28.4	
Shares in other companies	4,653	4,591	3,871	4,532	6,392	6,430	7,236	6,711	7,921	8,059	9,123	10,111	10,266	1.5	12.5	27.4	
Fixed assets and miscellaneous	8,636	8,164	7,782	7,546	7,619	7,643	7,903	8,239	9,071	9,478	10,111	10,313	10,369	0.5	2.6	9.4	
Foreign branches	3,522	3,144	3,524	3,647	2,782	2,912	3,153	3,926	3,283	3,481	3,525	3,958	3,958	1.6	12.3	13.7	
Other assets	9,338	12,043	13,180	10,950	9,953	10,347	12,275	10,337	11,943	12,828	15,944	15,065	16,740	11.1	5.0	30.5	
<b>Liabilities</b>	<b>161,446</b>	<b>164,923</b>	<b>188,683</b>	<b>195,044</b>	<b>225,369</b>	<b>261,143</b>	<b>305,382</b>	<b>339,047</b>	<b>452,752</b>	<b>508,780</b>	<b>558,264</b>	<b>617,571</b>	<b>608,426</b>	-1.5	9.0	19.6	
Deposits	75,001	94,635	116,655	136,492	170,898	205,550	236,217	271,853	376,344	429,225	462,517	508,498	510,573	0.4	10.4	19.0	
Public sector <sup>3</sup>	8,381	16,040	31,649	34,019	45,410	48,340	67,151	69,143	115,954	127,036	129,885	144,514	137,590	-4.8	5.9	8.3	
Private sector <sup>3</sup>	59,698	74,951	83,000	100,809	123,431	155,048	166,378	199,278	257,595	298,976	328,463	359,137	368,887	2.7	12.3	23.4	
Current account	11,462	15,071	18,219	23,487	26,900	35,245	39,619	45,752	61,306	71,031	76,804	87,656	88,607	1.1	15.4	24.7	
Savings account	10,523	16,809	23,866	29,078	36,442	47,109	50,966	62,807	82,575	97,444	103,636	103,077	113,129	9.8	9.2	16.1	
Time deposits	19,080	33,285	34,944	42,822	54,338	65,952	69,484	83,967	104,492	119,003	135,082	155,599	153,437	-1.4	13.6	28.9	
CEDRO	12,328	3,217	1,046	17	13	0	0	0	0	0	0	0	0	-	-	-	
Other netted liabilities due to financial intermediation	75,737	61,690	64,928	52,072	46,037	46,225	57,662	52,114	60,029	64,136	76,038	87,958	76,362	-13.2	0.4	19.1	
Interbanking obligations	1,649	1,317	1,461	2,164	4,578	4,310	3,895	3,251	4,201	5,414	7,947	8,000	8,328	4.1	4.8	53.8	
BCRA lines	27,837	27,491	27,726	17,005	7,686	2,362	1,885	270	262	781	1,920	2,894	2,986	3.2	55.5	282.2	
Outstanding bonds	9,096	6,675	7,922	6,548	6,603	6,938	5,984	5,033	3,432	5,897	6,856	8,250	8,102	-1.8	18.2	37.4	
Foreign lines of credit	25,199	15,196	8,884	4,684	4,240	3,864	4,541	3,369	3,897	4,966	6,467	6,382	6,909	8.3	6.8	39.1	
Other	11,955	11,012	18,934	21,671	22,930	28,752	41,357	40,191	48,236	47,077	52,848	62,432	50,036	-19.9	-5.3	6.3	
Subordinated debts	3,712	2,028	1,415	1,381	1,642	1,672	1,763	1,922	2,165	1,851	2,065	2,479	2,484	0.2	20.3	34.2	
Other liabilities	6,997	6,569	5,685	5,099	6,792	7,695	9,740	13,159	14,213	13,569	17,644	18,635	19,007	2.0	7.7	40.1	
<b>Net worth</b>	<b>26,086</b>	<b>21,950</b>	<b>23,879</b>	<b>26,918</b>	<b>33,014</b>	<b>36,819</b>	<b>41,380</b>	<b>48,335</b>	<b>57,552</b>	<b>61,057</b>	<b>70,117</b>	<b>77,852</b>	<b>79,826</b>	2.5	13.8	30.7	
<b>Memo</b>																	
Netted assets	185,356	184,371	202,447	208,275	244,791	280,336	321,075	364,726	482,532	543,244	601,380	654,263	658,915	0.7	9.6	21.3	
Consolidated netted assets	181,253	181,077	198,462	203,286	235,845	271,652	312,002	357,118	472,934	532,167	586,805	639,066	643,015	0.6	9.6	20.8	

(<sup>1</sup>) Includes margin accounts with the BCRA. (<sup>2</sup>) Booked value from balance sheet (it includes all the counterparties). (<sup>3</sup>) Does not include accrual on interest or CER.

Source: BCRA

# Statistics annex | Financial system (cont.)

## Chart 3 | Profitability Structure

Amount in million of pesos	Annual										First 6 months		Monthly			Last
	2002 <sup>1</sup>	2003	2004	2005	2006	2007	2008	2009	2010	2011	2011	2012	Apr-12	May-12	Jun-12	12 months
Financial margin	13,991	1,965	6,075	9,475	13,262	15,134	20,462	28,937	35,490	43,670	19,202	28,462	4,403	4,472	5,657	52,930
Net interest income	-3,624	-943	1,753	3,069	4,150	5,744	9,573	14,488	17,963	24,903	10,720	17,958	2,888	3,111	3,092	32,141
CER and CVS adjustments	8,298	2,315	1,944	3,051	3,012	2,624	2,822	1,196	2,434	1,725	881	912	145	159	157	1,756
Foreign exchange price adjustments	5,977	-890	866	751	944	1,357	2,307	2,588	2,100	3,025	1,430	1,547	222	283	358	3,141
Gains on securities	3,639	1,962	1,887	2,371	4,923	5,144	4,398	11,004	13,449	14,228	6,454	8,085	1,159	786	2,116	15,858
Other financial income	-299	-480	-375	233	235	264	1,362	-339	-457	-211	-284	-40	-11	133	-66	33
Service income margin	4,011	3,415	3,904	4,781	6,243	8,248	10,870	13,052	16,089	21,391	9,853	12,940	2,133	2,366	2,306	24,479
Loan loss provisions	-10,007	-2,089	-1,511	-1,173	-1,198	-1,894	-2,839	-3,814	-3,267	-3,736	-1,623	-2,670	-383	-473	-585	-4,782
Operating costs	-9,520	-7,760	-7,998	-9,437	-11,655	-14,634	-18,767	-22,710	-28,756	-36,365	-16,991	-22,377	-3,615	-4,019	-4,094	-41,751
Tax charges	-691	-473	-584	-737	-1,090	-1,537	-2,318	-3,272	-4,120	-6,047	-2,649	-4,019	-644	-695	-744	-7,417
Adjust. to the valuation of gov. securities <sup>2</sup>	0	-701	-320	-410	-752	-837	-1,757	-262	-214	-336	-191	-163	-26	-30	-28	-308
Amort. payments for court-ordered releases	0	-1,124	-1,686	-1,867	-2,573	-1,922	-994	-703	-635	-290	-135	-89	-16	-15	-17	-244
Other	-3,880	1,738	1,497	1,729	2,664	2,380	1,441	918	2,079	2,963	1,466	1,348	53	194	423	2,845
Monetary results	-12,558	69	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total results before tax <sup>3</sup>	-18,653	-4,960	-623	2,360	4,901	4,938	6,100	12,145	16,665	21,251	8,930	13,431	1,905	1,801	2,919	25,752
Income tax	-509	-305	-275	-581	-595	-1,032	-1,342	-4,226	-4,904	-6,531	-2,509	-4,586	-580	-619	-1,078	-8,609
<b>Total results<sup>3</sup></b>	<b>-19,162</b>	<b>-5,265</b>	<b>-898</b>	<b>1,780</b>	<b>4,306</b>	<b>3,905</b>	<b>4,757</b>	<b>7,920</b>	<b>11,761</b>	<b>14,720</b>	<b>6,421</b>	<b>8,845</b>	<b>1,325</b>	<b>1,181</b>	<b>1,841</b>	<b>17,143</b>
Adjusted results <sup>4</sup>	-	-3,440	1,337	4,057	7,631	6,665	7,508	8,885	12,610	15,345	6,748	9,098	1,367	1,226	1,886	17,695
<b>Annualized indicators - As % of netted assets</b>																
Financial margin	6.5	1.1	3.1	4.6	5.8	5.7	6.7	8.6	8.5	8.0	7.5	9.0	8.2	8.3	10.4	8.8
Net interest income	-1.7	-0.5	0.9	1.5	1.8	2.2	3.1	4.3	4.3	4.6	4.2	5.7	5.4	5.8	5.7	5.3
CER and CVS adjustments	3.9	1.3	1.0	1.5	1.3	1.0	0.9	0.4	0.6	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Foreign exchange price adjustments	2.8	-0.5	0.4	0.4	0.4	0.5	0.8	0.8	0.5	0.6	0.6	0.5	0.4	0.5	0.7	0.5
Gains on securities	1.7	1.1	1.0	1.2	2.2	1.9	1.4	3.3	3.2	2.6	2.5	2.5	2.2	1.5	3.9	2.6
Other financial income	-0.1	-0.3	-0.2	0.1	0.1	0.1	0.4	-0.1	-0.1	0.0	-0.1	0.0	0.0	0.2	-0.1	0.0
Service income margin	1.9	1.9	2.0	2.3	2.7	3.1	3.6	3.9	3.8	3.9	3.8	4.1	4.0	4.4	4.2	4.1
Loan loss provisions	-4.7	-1.1	-0.8	-0.6	-0.5	-0.7	-0.9	-1.1	-0.8	-0.7	-0.6	-0.8	-0.7	-0.9	-1.1	-0.8
Operating costs	-4.4	-4.2	-4.1	-4.6	-5.1	-5.5	-6.1	-6.7	-6.9	-6.7	-6.6	-7.0	-6.7	-7.4	-7.5	-6.9
Tax charges	-0.3	-0.3	-0.3	-0.4	-0.5	-0.6	-0.8	-1.0	-1.0	-1.1	-1.0	-1.3	-1.2	-1.3	-1.4	-1.2
Adjust. to the valuation of gov. securities <sup>2</sup>	0.0	-0.4	-0.2	-0.2	-0.3	-0.3	-0.6	-0.1	-0.1	-0.1	-0.1	-0.1	0.0	-0.1	-0.1	-0.1
Amort. payments for court-ordered releases	0.0	-0.6	-0.9	-0.9	-1.1	-0.7	-0.3	-0.2	-0.2	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0
Other	-1.8	0.9	0.8	0.8	1.2	0.9	0.5	0.3	0.5	0.5	0.6	0.4	0.1	0.4	0.8	0.5
Monetary results	-5.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total results before tax <sup>3</sup>	-8.7	-2.7	-0.3	1.1	2.2	1.9	2.0	3.6	4.0	3.9	3.5	4.2	3.5	3.3	5.4	4.3
Income tax	-0.2	-0.2	-0.1	-0.3	-0.3	-0.4	-0.4	-1.3	-1.2	-1.2	-1.0	-1.4	-1.1	-1.1	-2.0	-1.4
<b>Total results<sup>3</sup></b>	<b>-8.9</b>	<b>-2.9</b>	<b>0.5</b>	<b>0.9</b>	<b>1.9</b>	<b>1.5</b>	<b>1.6</b>	<b>2.3</b>	<b>2.8</b>	<b>2.7</b>	<b>2.5</b>	<b>2.8</b>	<b>2.5</b>	<b>2.2</b>	<b>3.4</b>	<b>2.8</b>
Adjusted results <sup>4</sup>	-8.9	-1.9	0.7	2.0	3.4	2.5	2.5	2.6	3.0	2.8	2.6	2.9	2.5	2.3	3.5	2.9
ROE before tax <sup>3</sup>	-57.6	-21.4	-2.9	9.3	16.2	13.9	17.2	29.5	34.5	36.5	32.3	38.1	32.1	29.8	47.3	39.1
ROE <sup>7</sup>	-59.2	-22.7	-4.2	7.0	14.3	11.0	13.4	19.2	24.4	25.3	23.3	25.1	22.3	19.6	29.9	26.0

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

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

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

Source: BCRA

## Chart 4 | Portfolio Quality

As percentage	Ago 02	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Dec 08	Dec 09	Dec 10	Jun 11	Dec 11	May 12	Jun 12
<b>Non-performing loans (overall)</b>	<b>16.8</b>	<b>18.1</b>	<b>17.7</b>	<b>10.7</b>	<b>5.2</b>	<b>3.4</b>	<b>2.7</b>	<b>2.7</b>	<b>3.0</b>	<b>1.8</b>	<b>1.5</b>	<b>1.2</b>	<b>1.5</b>	<b>1.5</b>
Provisions / Non-performing loans	71.9	72	77	98	115	108	115	117	115	148	160	176	149	150
(Total non-performing - Provisions) / Overall financing	4.7	5.0	4.1	0.2	-0.8	-0.3	-0.4	-0.5	-0.5	-0.9	-0.9	-0.9	-0.7	-0.7
(Total non-performing - Provisions) / Net worth	14.8	18.2	13.3	0.8	-2.6	-0.9	-1.6	-1.8	-1.7	-3.6	-4.1	-4.6	-3.5	-3.5
<b>Non-performing loans to the non-financial private sector</b>	<b>33.7</b>	<b>38.6</b>	<b>33.5</b>	<b>18.6</b>	<b>7.6</b>	<b>4.5</b>	<b>3.2</b>	<b>3.1</b>	<b>3.5</b>	<b>2.1</b>	<b>1.7</b>	<b>1.4</b>	<b>1.7</b>	<b>1.7</b>
Provisions / Non-performing loans	74	79	97	115	108	114	116	112	143	155	171	145	145	145
(Total non-performing - Provisions) / Overall financing	10.1	7.0	0.6	-1.1	-0.3	-0.5	-0.5	-0.4	-0.9	-0.9	-1.0	-0.8	-0.8	-0.8
(Total non-performing - Provisions) / Net worth	16.6	11.5	1.1	-2.5	-0.8	-1.5	-1.7	-1.3	-3.2	-3.7	-4.3	-3.2	-3.2	-3.2

Source: BCRA



# Statistics annex | Private banks

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

As %	2002	2003	2004	2005	2006	2007	2008	2009	2010	Jun 2011	2011	May 2012	Jun 2012
1.- Liquidity	24.8	27.6	29.2	21.5	23.7	25.7	34.1	29.8	26.0	25.4	26.7	29.0	27.5
2.- Credit to the public sector	50.0	47.7	41.6	28.5	16.3	9.5	6.3	6.1	4.4	3.2	2.8	2.3	2.3
3.- Credit to the private sector	22.4	19.9	22.5	31.1	37.9	46.6	44.0	43.3	50.3	52.5	54.5	53.9	55.0
4.- Private non-performing loans	37.4	30.4	15.3	6.3	3.6	2.5	2.8	3.3	2.0	1.6	1.4	1.8	1.7
5.- Net worth exposure to the private sector	19.0	12.9	3.6	-0.4	-1.4	-2.0	-1.8	-1.6	-3.4	-3.9	-4.4	-3.1	-3.1
6.- ROA	-11.3	-2.5	-1.0	0.5	2.2	1.6	1.9	3.0	3.2	2.6	3.0	3.0	3.1
7.- ROE	-79.0	-19.1	-8.1	4.1	15.3	10.9	15.2	22.9	24.5	22.1	25.6	25.8	26.2
8.- Efficiency	168	93	115	136	158	152	166	195	176	169	178	184	185
9.- Capital compliance	-	14.0	15.1	17.8	18.6	19.2	18.3	22.6	20.4	17.9	16.8	18.0	18.2
10.- Capital compliance Tier I	-	-	14.7	16.1	15.3	16.7	14.9	17.2	15.2	15.0	12.5	15.1	15.0
11.- Excess capital compliance	-	88	157	155	116	87	86	121	100	79	70	67	69

Source: BCRA

## Chart 6 | Balance Sheet

In million of current pesos	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Dec 08	Dec 09	Dec 10	Jun 11	Dec 11	May 12	Jun 12	Change (in %)		
														Last month	2012	Last 12 months
<b>Assets</b>	<b>118,906</b>	<b>116,633</b>	<b>128,065</b>	<b>129,680</b>	<b>152,414</b>	<b>175,509</b>	<b>208,888</b>	<b>229,549</b>	<b>280,025</b>	<b>320,983</b>	<b>364,122</b>	<b>389,207</b>	<b>390,051</b>	<b>0.2</b>	<b>7.1</b>	<b>21.6</b>
Cash disposal <sup>1</sup>	11,044	14,500	15,893	14,074	22,226	29,418	37,044	43,562	49,730	54,500	58,877	65,098	65,146	0.1	10.6	20.5
Public bonds	19,751	22,260	24,817	29,966	27,663	24,444	29,552	47,949	48,903	50,638	50,055	55,355	52,774	-4.7	5.4	1.3
Lebac/Nobac	-	-	8,359	15,227	15,952	17,684	23,457	31,575	34,422	36,952	34,246	45,514	42,880	-5.8	25.2	9.5
Portfolio	-	-	5,611	12,899	14,220	15,639	12,858	27,413	31,148	31,438	23,908	30,198	30,813	2.0	28.9	3.7
Repo <sup>2</sup>	-	-	2,749	2,328	1,732	2,045	10,598	4,161	3,274	5,514	10,338	15,316	12,067	-21.2	16.7	27.8
Private bonds	273	172	333	307	683	310	127	233	184	172	164	118	124	5.4	-24.3	-24.8
Loans	51,774	47,017	50,741	56,565	69,294	88,898	98,529	101,722	143,202	170,979	202,117	213,379	218,872	2.6	8.3	33.3
Public sector	25,056	23,571	21,420	15,954	10,036	6,413	6,249	1,694	1,625	1,286	1,215	1,310	1,359	3.7	11.8	-7.2
Private sector	26,074	22,816	28,213	39,031	55,632	78,587	88,426	96,790	137,308	164,270	193,126	204,450	209,111	2.3	8.3	32.5
Financial sector	644	630	1,107	1,580	3,626	3,898	3,854	3,238	4,270	5,423	7,777	7,618	8,402	10.3	8.0	69.3
Provisions over loans	-7,463	-5,225	-3,717	-2,482	-2,227	-2,365	-2,871	-3,653	-3,926	-4,048	-4,574	-5,209	-5,236	0.5	14.5	28.5
Other netted credits due to financial intermediation	27,212	22,148	25,753	16,873	18,387	17,084	25,265	21,258	20,241	25,291	29,338	31,338	28,077	-10.4	-4.3	-10.4
Corporate bonds and subordinated debt	1,514	1,394	829	675	618	430	699	734	757	965	796	715	783	9.5	-1.6	-20.1
Unquoted trusts	6,205	3,571	2,362	2,444	2,982	3,456	3,869	4,198	4,500	4,411	5,268	5,075	5,439	7.2	3.2	23.0
Compensation receivable	15,971	13,812	14,657	5,575	760	377	357	16	0	0	0	0	0	-	-	-
Other	3,523	3,370	7,905	8,179	14,027	12,822	20,339	16,311	14,984	19,915	23,273	25,548	21,855	-14.5	-6.1	-15.8
Leasing	553	387	592	1,356	2,126	3,149	3,451	2,569	3,519	4,381	5,452	5,395	5,420	0.5	-0.6	28.6
Shares in other companies	3,123	2,791	1,892	2,416	4,042	3,762	4,538	4,067	4,934	5,021	5,998	6,508	6,696	2.9	11.6	31.0
Fixed assets and miscellaneous	5,198	4,902	4,678	4,575	4,677	4,685	4,926	5,096	5,808	6,171	6,663	6,762	6,821	0.9	2.4	11.5
Foreign branches	-109	-136	-53	-148	-139	-154	-178	-202	-215	-225	-240	0	0	-	-	-
Other assets	7,549	7,816	7,137	6,178	5,682	6,277	8,505	6,946	7,646	8,102	10,271	10,465	11,357	8.5	10.6	48.6
<b>Liabilities</b>	<b>103,079</b>	<b>101,732</b>	<b>113,285</b>	<b>112,600</b>	<b>131,476</b>	<b>152,153</b>	<b>182,596</b>	<b>198,438</b>	<b>243,766</b>	<b>283,975</b>	<b>321,123</b>	<b>341,017</b>	<b>340,720</b>	<b>-0.1</b>	<b>6.1</b>	<b>19.7</b>
Deposits	44,445	52,625	62,685	75,668	94,095	116,719	135,711	154,387	198,662	229,581	253,705	273,012	277,014	1.5	9.2	23.5
Public sector <sup>3</sup>	1,636	3,077	6,039	6,946	7,029	7,564	19,600	17,757	23,598	29,124	27,664	31,432	31,806	1.2	15.0	6.9
Private sector <sup>3</sup>	38,289	47,097	55,384	67,859	85,714	107,671	114,176	134,426	173,203	198,471	223,141	238,487	242,745	1.8	8.8	26.1
Current account	8,905	11,588	13,966	17,946	20,604	27,132	30,188	35,127	46,297	52,519	57,586	66,419	66,817	0.6	16.0	30.9
Savings account	6,309	10,547	14,842	18,362	23,165	30,169	32,778	40,999	53,085	63,330	66,891	64,152	69,214	7.9	3.5	20.1
Time deposit	11,083	18,710	22,729	27,736	38,043	45,770	46,990	54,058	67,568	75,307	89,924	99,402	97,749	-1.7	8.7	27.9
CEDRO	9,016	2,409	798	3	1	0	0	0	0	0	0	0	0	-	-	-
Other netted liabilities due to financial intermediation	49,341	42,367	45,083	32,349	31,750	29,323	39,298	34,235	34,427	44,226	53,973	54,160	49,839	-8.0	-7.7	-0.2
Interbanking obligations	836	726	1,070	1,488	3,383	1,979	1,160	1,668	1,903	2,362	3,524	3,827	3,955	3.3	12.2	100.6
BCRA lines	16,624	17,030	17,768	10,088	3,689	675	649	41	57	193	456	569	602	5.8	32.1	251.8
Outstanding bonds	9,073	6,674	7,922	6,548	6,413	6,686	5,672	4,626	2,802	4,779	5,119	5,704	5,525	-3.1	7.9	16.6
Foreign lines of credit	15,434	9,998	5,444	2,696	2,249	1,833	2,261	1,262	1,716	2,794	4,252	4,089	4,339	6.1	2.0	73.8
Other	7,374	7,939	12,878	11,530	16,015	18,150	29,555	26,638	27,949	34,097	40,622	39,971	35,418	-11.4	-12.8	-12.7
Subordinated debts	3,622	1,850	1,304	1,319	1,642	1,668	1,759	1,918	2,148	1,833	1,948	2,061	2,069	0.4	6.2	10.1
Other liabilities	5,671	4,890	4,213	3,264	3,899	4,443	5,828	7,897	8,335	11,497	11,784	11,798	0.1	2.6	40.9	
<b>Net worth</b>	<b>15,827</b>	<b>14,900</b>	<b>14,780</b>	<b>17,080</b>	<b>20,938</b>	<b>23,356</b>	<b>26,292</b>	<b>31,111</b>	<b>36,259</b>	<b>37,008</b>	<b>42,999</b>	<b>48,190</b>	<b>49,331</b>	<b>2.4</b>	<b>14.7</b>	<b>36.4</b>
<b>Memo</b>																
<b>Netted assets</b>	<b>117,928</b>	<b>115,091</b>	<b>121,889</b>	<b>123,271</b>	<b>143,807</b>	<b>166,231</b>	<b>192,074</b>	<b>216,100</b>	<b>267,364</b>	<b>303,658</b>	<b>344,101</b>	<b>366,784</b>	<b>371,271</b>	<b>1.2</b>	<b>7.9</b>	<b>24.4</b>

(<sup>1</sup>) Includes margin accounts with the BCRA. (<sup>2</sup>) Booked value from balance sheet (it includes all the counterpart). (<sup>3</sup>) Does not include accrual on interest or CER.

Source: BCRA

# Statistics annex | Private banks (cont.)

## Chart 7 | Profitability Structure

Amount in million of pesos	Annual										First 6 months		Monthly			Last
	2002 <sup>1</sup>	2003	2004	2005	2006	2007	2008	2009	2010	2011	2011	2012	Apr-12	May-12	Jun-12	12 months
Financial margin	10,628	2,575	3,415	5,253	7,778	8,960	12,964	19,724	21,837	27,234	11,936	17,831	2,911	2,995	3,296	33,129
Net interest income	-304	107	1,214	2,069	2,826	4,191	7,727	10,572	12,842	18,518	8,081	13,056	2,170	2,344	2,307	23,494
CER and CVS adjustments	1,476	1,082	900	1,215	858	662	651	185	244	288	144	160	26	28	28	304
Foreign exchange price adjustments	6,189	-312	666	576	740	990	1,620	1,646	1,493	2,064	970	955	133	179	208	2,049
Gains on securities	3,464	1,892	959	1,259	3,154	2,888	1,637	7,343	7,464	6,358	2,907	3,577	570	296	790	7,027
Other financial income	-197	-195	-322	134	199	229	1,329	-22	-205	6	-166	82	12	148	-37	255
Service income margin	2,782	2,341	2,774	3,350	4,459	5,881	7,632	9,198	11,345	15,243	6,955	9,311	1,546	1,666	1,640	17,598
Loan loss provisions	-6,923	-1,461	-1,036	-714	-737	-1,174	-1,863	-2,751	-2,253	-2,633	-1,143	-1,883	-262	-358	-409	-3,372
Operating costs	-6,726	-5,310	-5,382	-6,303	-7,741	-9,735	-12,401	-14,807	-18,819	-23,821	-11,201	-14,659	-2,414	-2,584	-2,564	-27,280
Tax charges	-512	-366	-393	-509	-769	-1,105	-1,715	-2,380	-2,927	-4,300	-1,897	-2,882	-476	-504	-533	-5,285
Adjust. to the valuation of gov. securities <sup>2</sup>	0	-665	-51	-201	-170	-100	-267	0	47	-40	-40	0	0	0	0	0
Amort. payments for court-ordered releases	0	-791	-1,147	-1,168	-1,182	-1,466	-688	-367	-441	-133	-62	-51	-9	-8	-12	-123
Other	-4,164	1,178	846	1,156	1,641	1,576	916	398	1,382	1,723	909	865	92	144	158	1,680
Monetary results	-10,531	-20	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total results before tax <sup>3</sup>	-15,447	-2,518	-973	865	3,279	2,836	4,579	9,014	10,171	13,272	5,458	8,532	1,388	1,351	1,576	16,347
Income tax	-337	-295	-202	-217	-365	-380	-1,168	-3,001	-2,733	-4,293	-1,757	-2,965	-456	-478	-536	-5,501
<b>Total results<sup>3</sup></b>	<b>-15,784</b>	<b>-2,813</b>	<b>-1,176</b>	<b>648</b>	<b>2,915</b>	<b>2,457</b>	<b>3,412</b>	<b>6,014</b>	<b>7,438</b>	<b>8,980</b>	<b>3,701</b>	<b>5,566</b>	<b>932</b>	<b>873</b>	<b>1,040</b>	<b>10,845</b>
Adjusted results <sup>4</sup>	-	-1,357	252	2,016	4,267	4,023	4,367	6,381	7,832	9,153	3,802	5,618	941	881	1,052	10,968
<i>Annualized indicators - As % of netted assets</i>																
Financial margin	7.6	2.3	2.9	4.3	5.9	5.8	7.3	9.8	9.3	9.0	8.4	10.0	9.5	9.9	10.8	9.7
Net interest income	-0.2	0.1	1.0	1.7	2.1	2.7	4.4	5.3	5.5	6.1	5.7	7.3	7.1	7.8	7.6	6.9
CER and CVS adjustments	1.1	0.9	0.8	1.0	0.6	0.4	0.4	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Foreign exchange price adjustments	4.4	-0.3	0.6	0.5	0.6	0.6	0.9	0.8	0.6	0.7	0.7	0.5	0.4	0.6	0.7	0.6
Gains on securities	2.5	1.7	0.8	1.0	2.4	1.9	0.9	3.7	3.2	2.1	2.0	2.0	1.9	1.0	2.6	2.1
Other financial income	-0.1	-0.2	-0.3	0.1	0.2	0.1	0.8	0.0	-0.1	0.0	-0.1	0.0	0.0	0.5	-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	5.0	4.9	5.2	5.1	5.5	5.4	5.2
Loan loss provisions	-5.0	-1.3	-0.9	-0.6	-0.6	-0.8	-1.1	-1.4	-1.0	-0.9	-0.8	-1.1	-0.9	-1.2	-1.3	-1.0
Operating costs	-4.8	-4.6	-4.6	-5.1	-5.9	-6.3	-7.0	-7.4	-8.0	-7.8	-7.9	-8.2	-7.9	-8.5	-8.4	-8.0
Tax charges	-0.4	-0.3	-0.3	-0.4	-0.6	-0.7	-1.0	-1.2	-1.2	-1.4	-1.3	-1.6	-1.6	-1.7	-1.8	-1.6
Adjust. to the valuation of gov. securities <sup>2</sup>	0.0	-0.6	0.0	-0.2	-0.1	-0.1	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amort. payments for court-ordered releases	0.0	-0.7	-1.0	-1.0	-0.9	-0.9	-0.4	-0.2	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	-3.0	1.0	0.7	0.9	1.2	1.0	0.5	0.2	0.6	0.6	0.6	0.5	0.3	0.5	0.5	0.5
Monetary results	-7.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total results before tax <sup>3</sup>	-11.1	-2.2	-0.8	0.7	2.5	1.8	2.6	4.5	4.3	4.4	3.8	4.8	4.6	4.5	5.2	4.8
Income tax	-0.2	-0.3	-0.2	-0.2	-0.3	-0.2	-0.7	-1.5	-1.2	-1.4	-1.2	-1.7	-1.5	-1.6	-1.8	-1.6
<b>Total results<sup>3</sup></b>	<b>-11.3</b>	<b>-2.5</b>	<b>-1.0</b>	<b>0.5</b>	<b>2.2</b>	<b>1.6</b>	<b>1.9</b>	<b>3.0</b>	<b>3.2</b>	<b>3.0</b>	<b>2.6</b>	<b>3.1</b>	<b>3.1</b>	<b>2.9</b>	<b>3.4</b>	<b>3.2</b>
Adjusted results <sup>4</sup>	-11.3	-1.2	0.2	1.6	3.2	2.6	2.5	3.2	3.3	3.0	2.7	3.1	3.1	2.9	3.5	3.2
ROE before tax <sup>3</sup>	-77.3	-17.1	-6.7	5.5	17.2	12.6	20.4	34.4	33.5	37.8	32.6	40.1	38.5	36.7	42.1	41.3
ROE <sup>3</sup>	-79.0	-19.1	-8.1	4.1	15.3	10.9	15.2	22.9	24.5	25.6	22.1	26.2	25.9	23.7	27.8	27.4

(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	Dec 10	Jun 11	Dec 11	May 12	Jun 12
<b>Non-performing loans (overall)</b>	<b>19.8</b>	<b>15.7</b>	<b>8.9</b>	<b>4.4</b>	<b>2.9</b>	<b>2.2</b>	<b>2.5</b>	<b>3.1</b>	<b>1.9</b>	<b>1.5</b>	<b>1.3</b>	<b>1.7</b>	<b>1.6</b>
Provisions / Non-performing loans	71	73	89	103	114	123	119	116	144	155	168	141	142
(Total non-performing - Provisions) / Overall financing	5.7	4.2	1.0	-0.1	-0.4	-0.5	-0.5	-0.5	-0.8	-0.8	-0.9	-0.7	-0.7
(Total non-performing - Provisions) / Net worth	20.0	14.4	3.4	-0.4	-1.4	-2.1	-1.9	-1.7	-3.4	-4.0	-4.4	-3.2	-3.2
<b>Non-performing loans to the non-financial private sector</b>	<b>37.4</b>	<b>30.4</b>	<b>15.3</b>	<b>6.3</b>	<b>3.6</b>	<b>2.5</b>	<b>2.8</b>	<b>3.3</b>	<b>2.0</b>	<b>1.6</b>	<b>1.4</b>	<b>1.8</b>	<b>1.7</b>
Provisions / Non-performing loans	72	75	88	102	114	123	118	115	143	154	167	139	140
(Total non-performing - Provisions) / Overall financing	10.3	7.6	1.8	-0.1	-0.5	-0.6	-0.5	-0.5	-0.9	-0.9	-0.9	-0.7	-0.7
(Total non-performing - Provisions) / Net worth	19.0	12.9	3.6	-0.4	-1.4	-2.0	-1.8	-1.6	-3.4	-3.9	-4.4	-3.1	-3.1

Source: BCRA