

# Report on Banks

June 2013



BANCO CENTRAL  
DE LA REPÚBLICA ARGENTINA

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June 2013

Year X, No. 10



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DE LA REPÚBLICA ARGENTINA**

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Note | Information for June 2013 available by August 13, 2013 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. Except otherwise provided, end-of-month data are included.

*Published on August 22, 2013*

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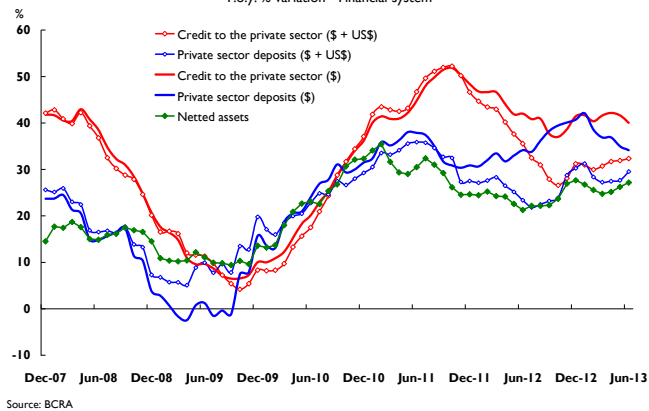
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## Summary

- **In June, the financial system expanded the level of intermediation of resources with the private sector and maintained a moderate exposure to activity risks as well as high liquidity and solvency levels.**
- **Financing in pesos to the private sector rose 3.5% in June mainly due to the good performance of commercial lines. In the last 12 months, lending in pesos to the private sector expanded 40%**, whereas total loans (pesos and foreign currency) went up 32.3% year-on-year (y.o.y.). In this context, **total financing to private sector vis-à-vis the GDP climbed 1.2 p.p. in the past 12 months** up to 16.7%, with a remarkable increase of the segment in pesos. **The lending growth was mostly driven by loans to companies**, which went up 4.5% (33.1% y.o.y.) over this period, boosted by credit lines for manufacturing and trade. In turn, financing to households rose 1.4% in June (30.3% y.o.y.).
- **The momentum of financing to companies reflects the impact of the Credit Line for Productive Investment (LCIP).** Total loans to be granted through the three tranches of LCIP would reach approximately \$52 billion. It is estimated that from the implementation of this credit line to the end of the first half of 2013, disbursements related to this line accounted for around 50% of the increase of stock of loans to companies effective as at June. In addition, taking into account the first half of 2013, the share of the amount of bank financing in pesos granted to small and medium-sized enterprises over the total of loans granted to legal persons in pesos reached 39%, up 12 p.p. against the same period of 2012.
- **In June the non-performance of lending to the private sector stood at 1.9% of total financing.** The ratio of non-performing loans remained steady for companies —1.1%— and for households —3.1%—. The financial system kept on exhibiting high levels of provision coverage, with a total provision to non-performing loans ratio that reached 132.4%.
- **The balance sheet stock of deposits in pesos of the private sector rose 4.6% in June (34.2% y.o.y.), and this explains the upward trend of total deposits in such currency (2.1%),** given the decline of public sector deposits (-4%). The monthly performance of deposits in domestic currency was impacted by payment of the semi-annual complementary wage. In turn, private sector total deposits (including domestic and foreign currency) rose 4.2% in June (29.5% y.o.y.).
- **The liquidity indicator (pesos and dollars) of the financial system stood at 23.8% of total deposits in June,** exhibiting a slight monthly decrease (-0.7 p.p.). Upon including LEBAC and NOBAC holdings, the liquidity broad definition reached 36.8% of total issues.
- In the past 12 months, monthly instant transfers of funds presented a change of 66% in terms of value and 48% in quantity. **In order to expand the use of electronic means of payments, the BCRA has recently increased up to \$20,000 the daily amount for instant transfers at no cost for users.**
- **The financial system consolidated net worth expanded 1.7% in June (29.5% y.o.y.), boosted by book profits.** The financial system regulatory capital compliance stood at 14% of risk weighted assets (RWA) by mid-2013. **The financial system compliance in excess of the requirement reached 69.4% of the regulatory requirement for June,** up 10.7 p.p. in year-to-date terms.
- The financial system profitability was 2% a. of assets during June, **thus, closing the first half of the year with a 2.7%a. accrued ROA.**

# I. Activity

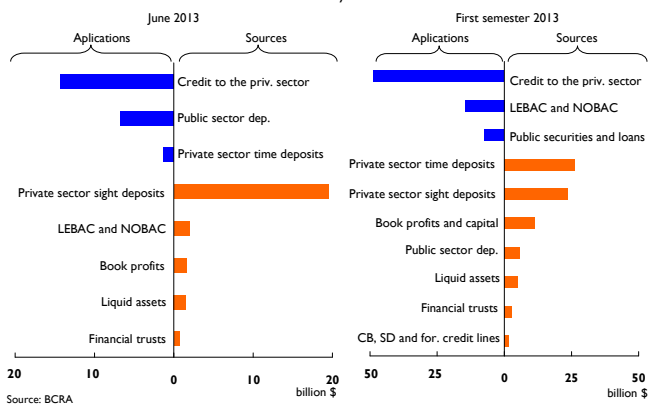
**Chart 1**  
Financial Intermediation  
Y.o.y. % variation - Financial system



During June, the financial intermediation levels in pesos with the private sector kept on expanding (see Chart 1). Loans in pesos to the private sector grew 3.5% (40% y.o.y.) during the month, whereas private sector deposits in domestic currency rose 4.6% (34.2% y.o.y.) in this period. In June, total loans<sup>1</sup> for companies and households expanded 3.3% (32.3% y.o.y.), whereas total deposits<sup>2</sup> from the private sector grew 4.2% (29.5% y.o.y.). Financial system netted assets rose 1.4% in the month (27.2% y.o.y.), a change that was mainly observed in private banks.

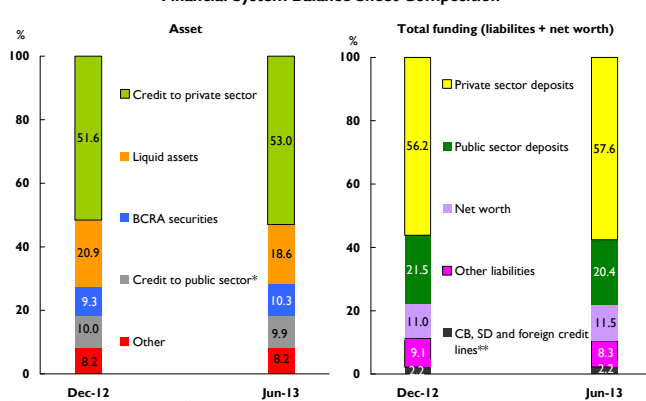
The increase of financing to the private sector was the main application of funds of the financial system (\$14.4 billion) in the month. Most of the resources applied in June were originated in the increase of the private sector sight deposits (\$19.5 billion) —due, to a large extent, to the salary account rise resulting from the payment of the semi-annual complementary wage—and, to a lesser extent, in the reduction in LEBAC and NOBAC holdings, profits obtained and the decrease of liquid assets (see Chart 2).

**Chart 2**  
Estimation of Main Sources and Applications of Funds  
Financial system



During the first half of 2013, lending to the private sector rose on a steady basis and this was the main use of funds in the period, followed by the increase in LEBAC and NOBAC holdings. In turn, the most outstanding origin of funds in this same period has been the increase of private sector deposits, both time and sight deposits. In addition, banks obtained funding through gains from operation and the rise of public sector deposits, among other sources (see Chart 2). Thus, in the context of the stated cash flow, in year-to-date terms, lending to the private sector expanded its share within bank assets (1.4 p.p. up to 53%) and, likewise, private deposits also improved their weighting in total funding (liabilities plus net worth) (1.4 p.p. up to 57.6%) (see Chart 3).

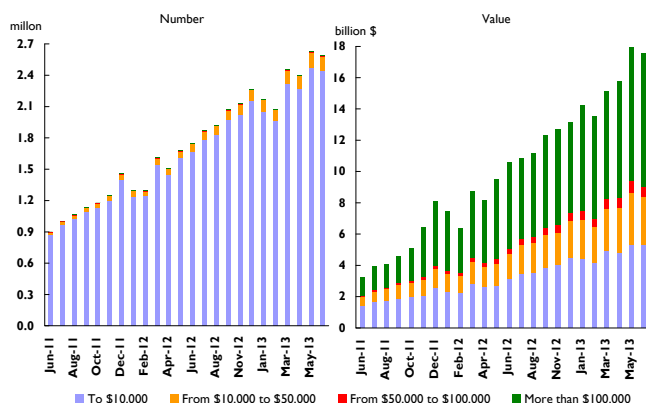
**Chart 3**  
Financial System Balance Sheet Composition



In June, the use of instant transfers of funds declined slightly, even though, against the past 12 months, this tool exhibited significant progress (66% in terms of value and 48% in quantity). Upon breaking down by value tranches, so far in 2013, the number of transfers below \$10,000 accounted for 94% of the total, whereas in operated values, this segment reached 31% on the total (see Chart 4). It is worth stating, that in order to boost the payment system of our economy and expand the use of financial services, the BCRA has recently increased the daily amount of free instant transfers<sup>3</sup>. As from September, fund transfers for less

<sup>1</sup> In pesos and in foreign currency.  
<sup>2</sup> Idem note 1.  
<sup>3</sup> Communication "A" 5473.

**Chart 4**  
Instant Transfers by Value Tranches



Source: BCRA

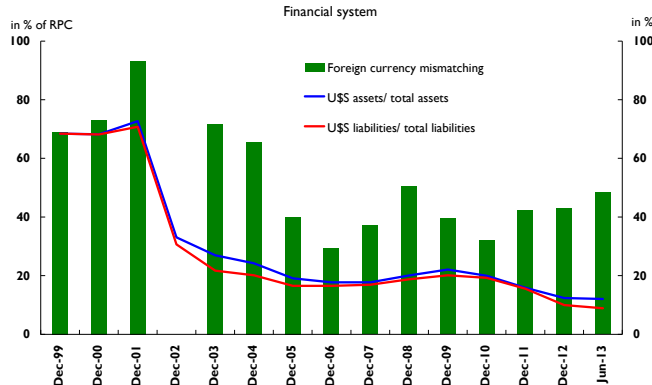
than \$20,000 through the Internet, ATMs and self-service ATMs will generate no cost for bank customers.

**Weighting of foreign currency items in the financial system balance sheet in aggregate terms shows historically low levels, reaching by mid-2013 only 12% and 8.9% of assets and liabilities, respectively** (see Chart 5). In this context, the foreign currency mismatching of all financial institutions slightly increased in June, and accounted for 48.4% of RPC, as a result of a rise of assets in foreign currency and also of forward net purchases in foreign currency.

## II. Deposits and liquidity

Considering the evolution of balance sheet stocks between May and June, domestic currency deposits in the financial system rose 2.1%, with a 4.6% increase in private sector deposits, mainly of sight accounts (see Chart 6). On the other hand, deposits in pesos from the public sector fell 4% in June. This monthly performance of domestic currency deposits, both from the public and private sectors, was related to payment of the semi-annual complementary wage. In turn, foreign currency deposits from the private sector kept on declining (-1.7% in currency of origin). As a whole, total deposits in pesos and in dollars from the private sector grew 4.2% in June. As a result, total deposits<sup>4</sup> in the financial system went up by 2% during the month.

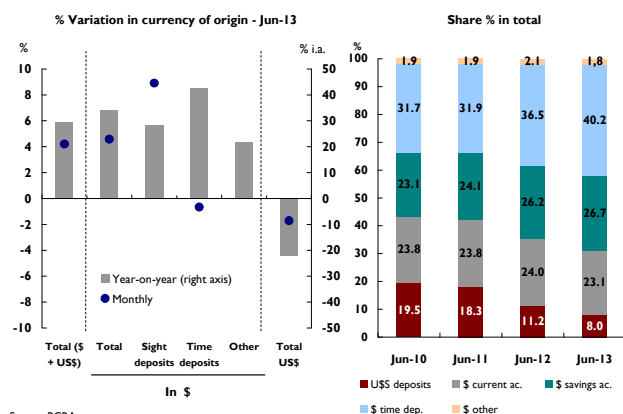
**Chart 5**  
Foreign Currency Mismatching\* and Financial System Balance Sheet Dollarization



\*Note: (Assets - Liabilities + Net undelivered foreign currency term purchases) / Net worth  
Source: BCRA

**In terms of year-on-year performance, the balance sheet stock of deposits in pesos in the financial system rose 30.5%, with an increase of deposits from the private sector (34.2% y.o.y.) and from the public sector (21.8% y.o.y.).** The growth of deposits from the private sector in pesos during the period was explained by the momentum of time deposits that went up 42.8% y.o.y. and, to a lesser extent, to the performance of sight accounts (28.4% y.o.y.). With a 23.2% y.o.y. increase of deposits from the public sector, the total balance sheet stock<sup>5</sup> went up by 27.7% from June 2012 to June 2013.

**Chart 6**  
Non-Financial Private Sector Deposits in the Financial System



Source: BCRA

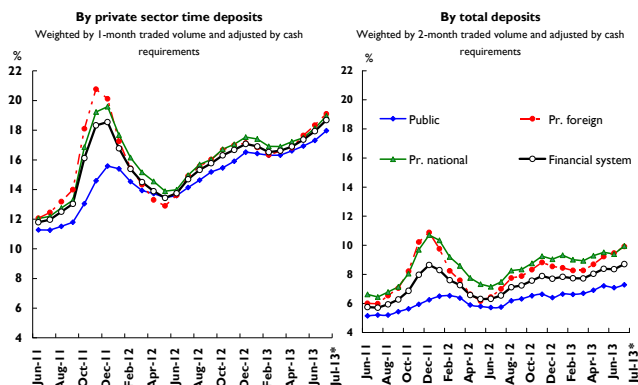
**The funding cost calculated on the basis of deposits in pesos remained unchanged during the month of June** (see Chart 7). Thus, the indicator recorded a slight increase of 0.7 p.p. in the first half of the year.

**The liquidity indicator (pesos and dollars) of the financial system stood at 23.8% of deposits in June, showing a slight monthly drop (-0.7 p.p.). Similarly, the broad liquidity ratio (including LEBAC and NOBAC holdings) fell 1.3 p.p., down to 36.8% of total**

<sup>4</sup> Private sector and public sector, considering pesos and dollars.

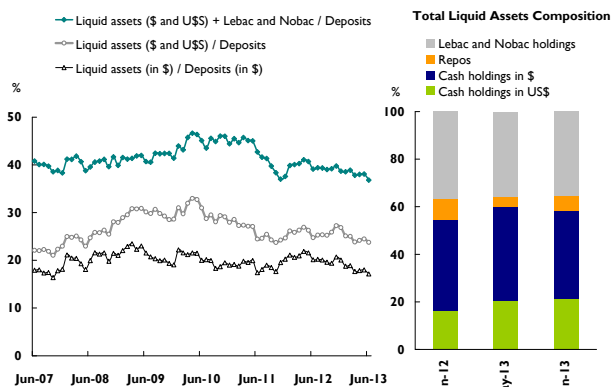
<sup>5</sup> Private sector and public sector, considering pesos and dollars.

**Chart 7**  
Estimation of Average Funding Costs by Deposits in Pesos



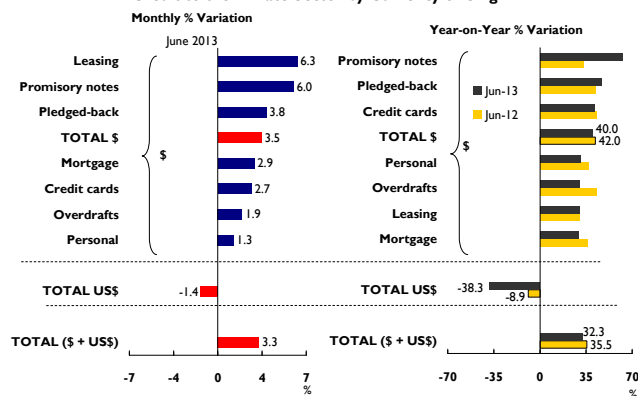
\* Preliminary Data. Source: BCRA

**Chart 8**  
Financial System Liquidity



Source: BCRA

**Chart 9**  
Credit to the Private Sector by Currency of Origin



Note: Total includes balance sheet stock. Variations in currency of origin. Source: BCRA

**deposits.** Regarding the financial system liquidity structure, a slight reduction was observed in the share of liquid assets<sup>6</sup> and of LEBAC and NOBAC holdings (in private banks) which was partially offset by repo transactions with the BCRA (see Chart 8).

### III. Financing

**In June, financing in pesos<sup>7</sup> to the private sector rose 3.5%<sup>8</sup>.** This performance was mainly explained by commercial credit lines, in particular leasing (6.3%) and promissory notes (6%) (see Chart 9). In a context in which foreign currency loans kept on declining, total financing to the private sector (including domestic and foreign currency) grew 3.3% in the period<sup>9</sup>.

**In the past 12 months, financing in pesos to the private sector rose 40%, mainly boosted by promissory notes and pledge-backed loans, which expanded 63% y.o.y. and 46.6% y.o.y. respectively, thus exceeding the growth pace recorded one year ago.** Besides, in June, foreign currency financing fell in year-on-year terms, and this entailed that total loans granted to companies and households expanded 32.3% y.o.y. in the period. **In this context, financing to the private sector in relation to GDP climbed 1.2 p.p. in the past 12 months, with an outstanding performance of the segment in pesos (see Chart 10).**

**The monthly and year-on-year growth of total loans to companies and households was widespread and encompassed all groups of financial institutions (see Chart 11).** Foreign private banks showed the highest change rate in June. In turn, in the past 12 months, public banks kept on posting the highest relative growth of loans to private sector, with a 33.9% increase. As a result of this dynamic, **in year-on-year terms, the share of public banks in the total stock of loans increased 0.4 p.p. up to 31.8%.**

**In June, the expansion of total financing to the private sector was led by loans to companies<sup>10</sup>,** which accounted for more than 80% of the change in the total stock of loans in the period. Financing to companies rose 4.5% in June, boosted by loans to industry and to trade. **In the second quarter of 2013, financing to companies rose 36.1%., thus exceeding the increase posted in the same period of 2012.** This evolution was

<sup>6</sup> Liquid assets include compliance with the “minimum cash” requirement, cash in banks and other items, particularly correspondent accounts.

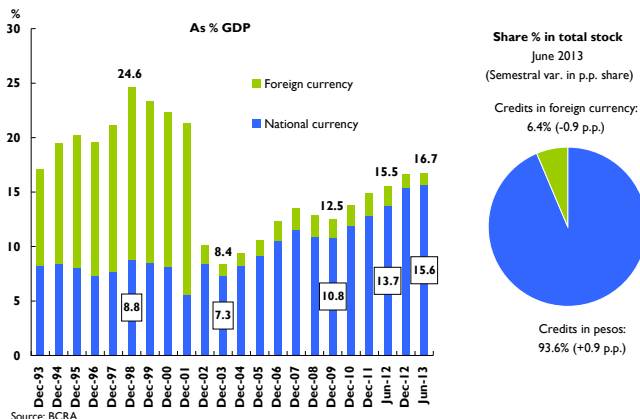
<sup>7</sup> Information obtained from the stock corresponding to the Monthly Accounting Reporting System.

<sup>8</sup> Five financial trusts were issued in June for a total of \$662 million, all of them corresponding to securitization of personal loans. Thus, if the balance sheet stock is adjusted by these assets securitized in June, the monthly change observed in lending in pesos to the private sector would reach 3.6%.

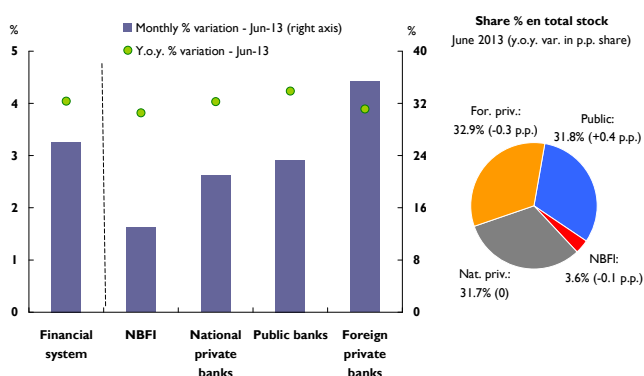
<sup>9</sup>The monthly growth of total loans (in pesos and foreign currency) to the private sector would stand at 3.4%, upon adjusting the balance sheet stock by assets securitized in June.

<sup>10</sup> Information obtained from the Debtors’ Database. Loans to companies include loans granted to legal persons and commercial loans granted to natural persons. In turn, loans to households are loans granted to natural persons, unless they have a commercial purpose.

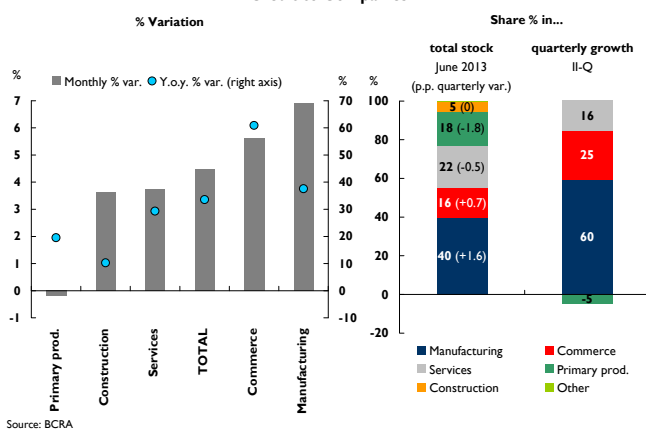
**Chart 10**  
Private Sector Financing by Currency



**Chart 11**  
Credit to the Private Sector by Group of Banks



**Chart 12**  
Credit to Companies



mostly explained by loans to the manufacturing, with a 60% contribution to the quarterly increase of loans to companies, while their share in the total stock rose by 1.6 p.p. (see Chart 12). Taking into account this performance, **in June loans to companies recorded a 33.6% y.o.y. expansion, exceeding the growth observed a year ago and the growth pace for loans to households.**

The momentum of loans to companies is in line with the measures taken by the BCRA to promote financing for productive purposes. In particular, by mid-June 2013, the **Credit Line for Productive Investment (LCIP)** was renewed for the second half of the year<sup>11</sup>, thus increasing by around \$20 billion the bank resources allocated to fund new investment projects. Therefore, the total stock of loans of the three tranches of the LCIP would reach the sum of \$52 billion. It is estimated that as from the implementation of the credit line up to the end of the first half of 2013, disbursements related to this measure amounted approximately to 50% of the increase in the stock of loans to companies effective as at June. The implementation of the LCIP in July 2012 facilitated access to financing for small and medium-sized enterprises and improved loan conditions, upon extending financing terms and reducing interest rates. As a result, the proportion of loans to small and medium-sized enterprises in the total stock granted to legal persons increased to 39.2% in the first half of 2013 (almost 12 p.p. above the values for the same period of 2012) (see Chart 13).

Besides, through the **Bicentennial Productive Financing Program (PFPB)**, the BCRA has already conducted 23 fund auctions, and it has allocated a total of \$6.9 billion; this amount stands for 1.6% of the stock of loans to the private sector in June. In particular, in the first half of 2013, \$1.2 billion were auctioned, placing almost 96% of funds among 4 financial institutions. Thus, from implementation to the end of July, participating banks granted funds to companies for a total of \$5.2 billion. More than two thirds of loans granted through the PFPB were channeled to the manufacturing sector, and another 15% was given to service companies. Complementarily, the volume of transactions agreed with micro, small and medium-sized enterprises (MyPyMES) kept on rising, up to over 54% of the total stock.

**Financing to households<sup>12</sup> grew 1.4% in June.** All credit lines expanded in the period; credit cards and pledge-backed loans were the most dynamic components both in monthly and in year-on-year terms (see Chart 14). In the second quarter of 2013, loans to households grew 29.8% a., a change that was mainly due

<sup>11</sup> Communication "A" 5449.

<sup>12</sup> Information obtained from the Debtors' Database. Items in pesos and foreign currency are included.



to credit lines for consumption purposes (personal loans and credit cards). In particular, credit cards posted the highest relative quarterly increase, with a 0.4 p.p. rise in their share in the total stock of loans channeled to this segment. **Therefore, in the past 12 months, financing to households accumulated a 31.4% y.o.y. increase.**

**In the first half of 2013, the performance of lending interest rates was heterogeneous among credit lines.** In particular, **lending interest rates fell for loans with real collateral (mortgage and pledge-backed loans) and those applied to loans for consumption purposes (personal loans and credit cards),** whereas lending interest rates for overdrafts and promissory notes posted a slight increase (see Chart 15). When comparing the records for June 2013 both to December and to June 2012, **interest rate spreads in pesos fell in almost all credit segments, except for commercial loans. Thus, rate differentials decreased in most financial institutions, with non-banking financial institutions (NBFI) and public banks posting the main relative drops.**

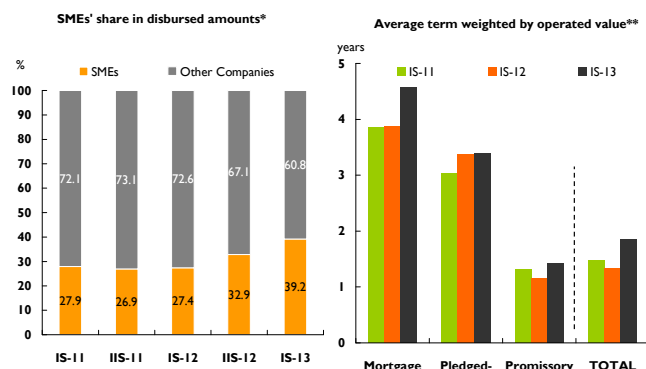
## IV. Portfolio quality

**In June, the non-performing ratio of loans to the private sector stood at around 1.9% of total lending.** In year-on-year terms, this indicator posted a slight increase, due to the performance of loans granted by foreign private banks. **The financial system non-performing portfolio remained at low levels, both in historical and international comparison (see Chart 16).**

**In June, the delinquency ratio of loans to companies remained unchanged with respect to the previous month, at 1.1% of the total portfolio, and with no significant variations if compared to the value recorded 12 months ago (see Chart 17).** It is worth stating that delinquency of loans taken by companies continued to be significantly lesser than delinquency of credit lines for households.

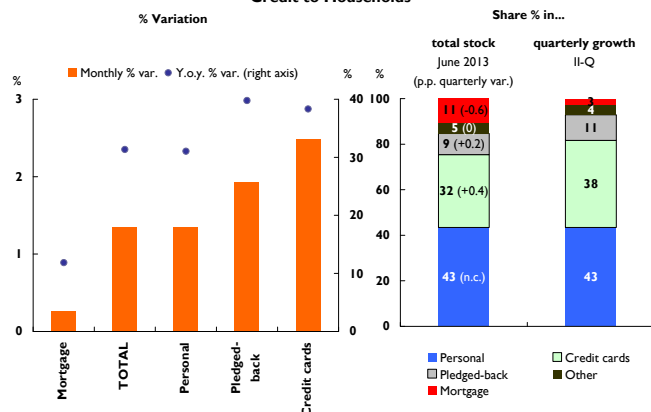
**The non-performing ratio for loans to households remained unchanged with respect to May, at 3.1% of the portfolio, thus evidencing a slight decrease of credit card delinquency that was offset by a slight increase in delinquency of personal loans.** The rise of the delinquency ratio for loans to households was 0.5 p.p. in year-on-year terms, mainly due to personal loans. Foreign private banks faced the highest year-on-year rise in the delinquency ratio for loans to households, whereas public banks and local private banks posted a relatively lower year-on-year increase.

**Chart 13**  
Loans in pesos Channeled to Legal Persons



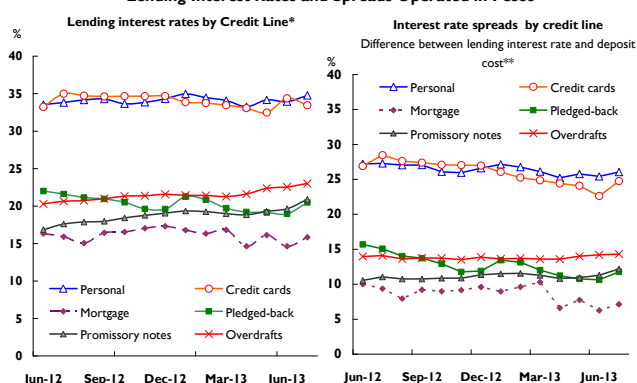
\* Overdrafts excluded  
\*\* Current account's overdrafts and credit cards excluded.  
Source: BCRA

**Chart 14**  
Credit to Households



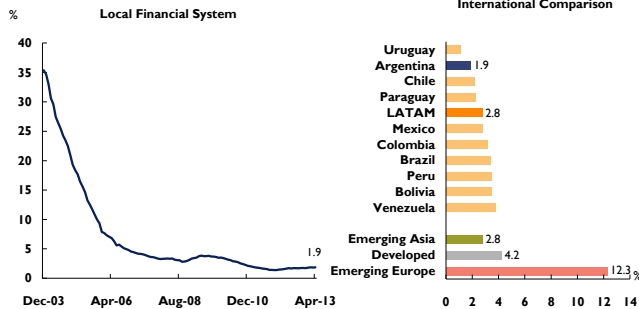
Source: BCRA

**Chart 15**  
Lending Interest Rates and Spreads Operated in Pesos



\*Weighted average by operated value \*\* Trading amounts in two months. Data are subject to change for June 2013.  
Source: BCRA

**Chart 16**  
Private sector Non Performing Loans  
As % of total financing

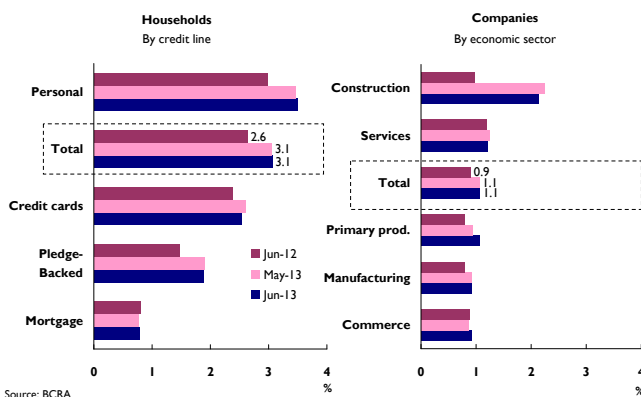


Emerging Europe: Turkey, Russia, Romania, Bulgaria and Hungary. Emerging Asia: China, Thailand, India and Indonesia. Developed: Korea, Spain, USA, United Kingdom, France, Japan, Italy, Canada, Australia and Germany. LATAM: Uruguay, Argentina, Chile, Paraguay, Mexico, Colombia, Brazil, Peru, Bolivia and Venezuela. Data to 2013, except China, India, Korea, Bulgaria, Australia, Canada, France, Italy, Japan and Spain to 2012; United Kingdom and Germany to 2011; and Bolivia, Venezuela, Thailand and Uruguay to 2010.  
Source: BCRA and Central Banks

In June, the share of loans covered by preferred guarantees went up 0.3 p.p. in the financing to private sector, to 16.9% of the total. The non-performing ratio of these loans stood at 1.2%, barely above the value recorded 12 months ago. In turn, the delinquency ratio for unsecured loans reached 2%, slightly above the amount recorded in June 2012.

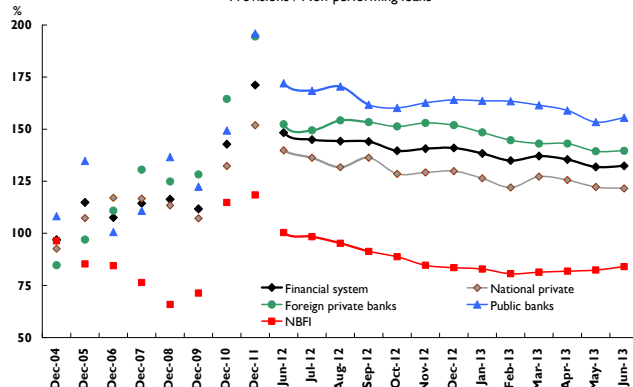
The financial system continued showing high levels of provision coverage. In this respect, the provision coverage for the private sector non-performing portfolio reached 132.4% in June, posting a slight increase with respect to the value in May, mainly as a result of performance of public banks (see Chart 18). Upon excluding regulatory minimum provisions for regular portfolio, the coverage ratio would reach 81.8% at aggregate level.

**Chart 17**  
Private Sector Non performing Financing by Debtor  
Non-performing loans / Total loans - Financial System



Source: BCRA

**Chart 18**  
Provisions by Group of Financial Institutions  
Provisions / Non-performing loans



Source: BCRA

## V. Solvency

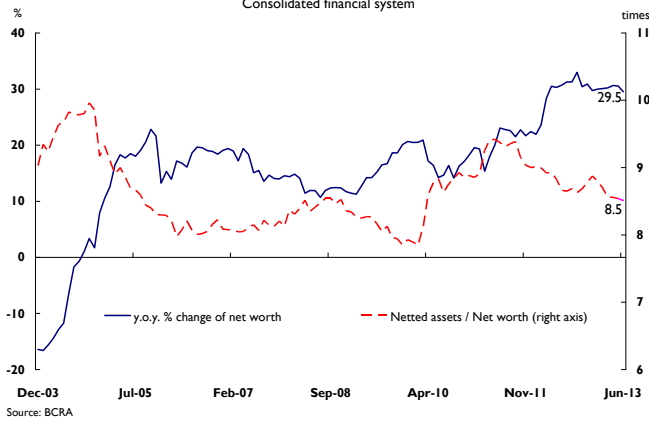
In June, the consolidated financial system net worth expanded 1.7%, boosted by book profits. In year-on-year terms, the ensemble of financial institutions closed the first half of 2013 with a 29.5% net worth increase (see Chart 19). In this context of net worth improvement, the financial system leverage remained at moderate levels, with assets equal to 8.5 times the net worth in June, slightly below the level recorded 12 months ago.

By mid-2013, the financial system capital compliance in excess of the requirement for the ensemble of financial institutions reached 69.4% of the regulatory requirement, with a slight rise with respect to the previous months and with a 10.7 p.p. increase in year-to-date terms. In June, the financial system regulatory capital compliance reached 14% of total risk-weighted assets (RWA). Tier 1 capital compliance accounted for 12.6% of RWA. Thus, the financial system maintained its level of soundness, as the regulations have gradually incorporated the recommendations of Basel III<sup>13</sup>.

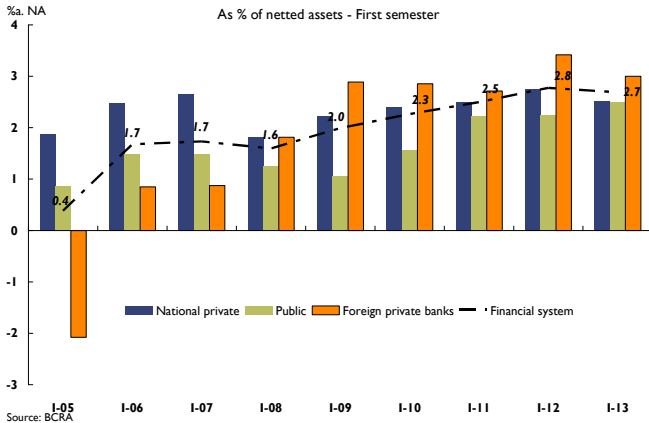
In June, the financial system accrued book profits for 2%a. of assets, down 0.3 p.p. against the value recorded in May, mainly due to the drop in results for services and financial margin. Levels of profits accrued in the first half of 2013 accounted for 2.7%a. of assets, slightly below the values of the same period of 2012

<sup>13</sup> The BCRA has recently modified the schedule for compliance with operational risk capital minimum requirements for institutions having less than 1% of deposits of the financial system (Communication "A" 5469). Supplementary to incorporation of the operational risk capital requirement, the BCRA has changed several aspects of minimum capital regulations. In particular, a capital conservation requirement (buffer) has been incorporated for institutions, the minimum capital requirements for credit risk have been modified, interest rate risk regulations were considered under the provisions of Pillar 2 according to Basel standards. In addition, with respect to minimum capital compliance, a redefinition was made of the items included in different segments forming the institutions' regulatory capital according to the ability to absorb unexpected losses, among other amendments.

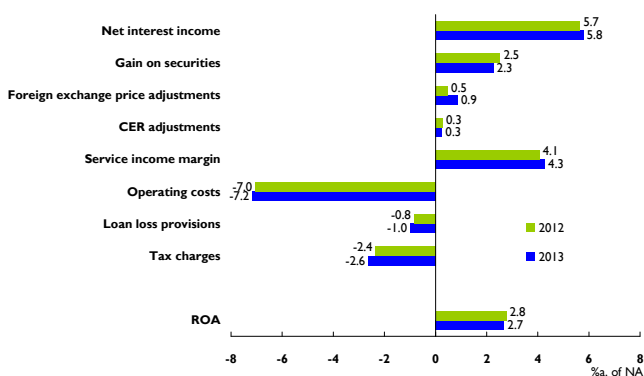
**Chart 19**  
**Net Worth and Leverage**  
Consolidated financial system



**Chart 20**  
**Profitability by Group of Banks**  
As % of netted assets - First semester



**Chart 21**  
**Financial System Profitability**  
As % of netted assets - First semester



(see Chart 20). When comparing the level of profits in terms of assets in the first half of 2013 with the first half of 2012, it was noted that private banks reduced their accrued profitability, whereas public banks improved their income. At the level of the financial system aggregate, the increase of income sources of the income statement was slightly below the increase of the main expenses (see Chart 21).

**Banks' financial margin stood at 8.3%a. of assets in June**, slightly below the record of May, mainly due to lesser results for interest. **The financial margin closed the first half of 2013 at 9.2%a. of assets**, up 0.2 p.p. against the first half of 2012. **In year-on-year terms, higher income from foreign exchange price adjustments and net interest income more than offset the lesser income from gains on securities.**

**Financial system results derived from services decreased in June down to 4.3%a. of assets**, a dynamic observed both for private and public banks. **Throughout the year, this net income in terms of assets stood in line with the value recorded in June, up 0.2 p.p. against the first half of 2012.** Private banks reflected to a larger extent the increase of results from services.

**Administrative costs went down 0.5 p.p. of assets in this month, to 7.4%a.** The monthly reduction of expenses was mainly due to the particular performance of private banks. Thus, administrative expenses stood at 7.2%a. of assets in the first half of 2013, up 0.2 p.p. with respect to the first half of 2012. In turn, **the financial system loan loss provisions remained stable in June, at 1%a. of assets.** In the aggregate of the first half of 2013, loan loss provisions showed a slight increase with respect to the same period of the previous year, up to 1%a. of assets at aggregate level. This year-on-year increase was mainly due to foreign private banks. It is worth considering that **loan loss provisions stand at low levels, even if considered in terms of lending to the private sector** (1.9%a. in the first half of 2013 for the financial system). This indicator posted a lesser year-on-year rise if compared to the ratio taking into account the netted assets, in a context of a significant growth of financing.

## 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” 5446 – June 12, 2013**

This regulation establishes a new monthly accounting reporting requirement related to “Minimum Safety and Security Measures in Financial Institutions”. The information must be provided in full only once, with data as at December 31, 2013 for all service units contemplated in the Reporting System “Service Units of Financial Institutions”, to be due on January 13, 2014. On a monthly basis, a ratification must be made that no changes have occurred as to compliance with safety measures previously reported. Compliance with this Reporting System shall replace the Sworn Statement prepared upon authorization or transfer of service units and replacement or incorporation of safety devices, as required by the rules and regulations in force.

### **Communication “A” 5447 – June 12, 2013**

This provision establishes the conditions to be met by financial institutions for implementation of transactions related to certificates of deposit for investment (CEDIN), the issue of which certificates by the BCRA is authorized by Law No. 26860 —Voluntary disclosure of foreign currency held in Argentina and abroad—. Regulation of aspects related to design and security measures of such CEDIN to reduce any possible forgery. In addition, this provision sets forth procedures for subscription, registration, endorsement and application of admitted allocations.

### **Communication “A” 5449 – June 13, 2013**

A second tranche is included for 2013 in the “Credit Line for Productive Investment”, with conditions similar to those set forth for financing of the 2012 Quota and for the first tranche of the 2013 Quota. In particular, it is established that the amount of the new quota is 5% of non-financial private sector deposits of May 2013, at an annual nominal rate of 15.25%. In turn, the average minimum term for loans continues to be 24 months, with a 36-month minimum term\*. Disbursements must be made before December 31, 2013, and an extension may be given until June 30, 2014 for financing agreed on a staggered basis. In addition, it is admitted to attribute working capital financing in case of loans to investment projects for micro, small and medium-sized enterprises, up to 20% of the project total amount. In these cases, the average weighted term shall be at least 24 months. At least 50% of the quota must be granted to micro, small and medium-sized enterprises according to the definition in force, and at least 50% of such quota must be granted to micro, small and medium-sized enterprises according to the definition in force as at April 30, 2013. Besides, it is established that any institutions having recorded a quota compliance surplus for the first tranche 2013, may apply the amount equivalent to such excess to compliance with the minimum application set forth for the second tranche of 2013.

# 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 institution 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 institutions 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 unless otherwise indicated.
- (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 institutions (national or foreign depending on their residence) and public banks. In order to increase depth of the analysis, private sector institutions 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 institutions specialized in a financial sector niche market -usually smaller institutions-. 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 (without 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 - Capital requirement) / Capital requirement. Included exemptions.

# Glossary

**%a.:** annualized 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.

**CABA:** Ciudad Autónoma de Buenos Aires

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

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

**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.

**Net 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.

**Net 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.

**NBFI:** Non-banking financial institution.

**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<sup>1</sup> | Financial system

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

	Dec 05	Dec 06	Dec 07	Dec 08	Dec 09	Dec 10	Dec 11	Jun 12	Dec 12	May 13	Jun 13
As %											
1.- Liquidity	20.1	22.5	23.0	27.9	28.6	28.0	24.7	24.7	26.8	24.5	23.8
2.- Credit to the public sector	31.5	22.5	16.3	12.7	14.4	12.1	10.7	10.0	9.7	9.7	9.5
3.- Credit to the private sector	25.8	31.0	38.2	39.4	38.3	39.8	47.4	48.0	49.5	49.8	50.4
4.- Private non-performing loans	7.6	4.5	3.2	3.1	3.5	2.1	1.4	1.7	1.7	1.9	1.9
5.- Net worth exposure to the private sector	-2.5	-0.8	-1.5	-1.7	-1.3	-3.2	-4.3	-3.4	-3.1	-2.6	-2.6
6.- ROA	0.9	1.9	1.5	1.6	2.3	2.8	2.7	2.8	2.9	2.8	2.7
7.- ROE	7.0	14.3	11.0	13.4	19.2	24.4	25.3	25.0	25.7	24.8	23.5
8.- Efficiency	151	167	160	167	185	179	179	185	190	192	188
9a.- Capital compliance	-	-	-	-	-	-	-	-	-	14.3	14.0
9b.- Capital compliance (credit risk)	15.3	16.9	16.9	16.9	18.8	17.7	15.6	16.6	17.1	-	-
10a.- Capital compliance Tier I	-	-	-	-	-	-	-	-	-	12.8	12.6
10b.- Capital compliance Tier I (credit risk)	14.1	14.1	14.6	14.2	14.5	13.1	10.9	13.4	11.9	-	-
11.- Excess capital compliance	173.5	134.0	92.8	89.8	99.8	86.9	68.6	66.7	58.7	68.5	69.4

Note: According to Communication "A" 5369, since February 2013 methodological changes in some indicators were carried out. Among others changes, risk weighing coefficients considered to determine capital requirements were redefined, concepts included in the different segments of capital compliance were rearranged and new minimum limits in terms of the Total Risk Weighted Assets (RWA) were added. A wider definition of RWA is considered since Communication "A" 5369, including not only credit risk, but also market and operational risk.

Data subject to changes

Source: BCRA

n.a.: non available

## Chart 2 | Balance Sheet

In million of current pesos	Dec 08	Dec 09	Dec 10	Dec 11	Jun 12	Dec 12	May 13	Jun 13	Change (in %)		
									Last month	2013	Last 12 months
<b>Assets</b>	<b>346,762</b>	<b>387,381</b>	<b>510,304</b>	<b>628,381</b>	<b>688,195</b>	<b>790,026</b>	<b>849,982</b>	<b>866,781</b>	<b>2.0</b>	<b>9.7</b>	<b>25.9</b>
Cash disposal <sup>1</sup>	58,676	71,067	93,085	104,389	108,870	148,254	146,466	140,091	-4.4	-5.5	28.7
Public bonds	65,255	86,318	117,951	112,906	128,555	123,491	142,889	147,105	3.0	19.1	14.4
Lebac/Nobac	37,093	43,867	76,948	71,050	92,135	84,057	98,000	102,171	4.3	21.5	10.9
Portfolio	25,652	34,748	61,855	59,664	73,463	70,569	87,089	85,116	-2.3	20.6	15.9
Repo <sup>2</sup>	11,442	9,119	15,093	11,386	18,673	13,488	10,911	17,055	56.3	26.4	-8.7
Private bonds	203	307	209	212	232	251	383	415	8.5	65.5	78.9
Loans	154,719	169,868	230,127	332,317	367,977	433,925	468,846	482,994	3.0	11.3	31.3
Public sector	17,083	20,570	25,907	31,346	34,008	39,951	41,616	41,653	0.1	4.3	22.5
Private sector	132,844	145,247	199,202	291,708	324,131	383,674	415,855	429,203	3.2	11.9	32.4
Financial sector	4,793	4,052	5,018	9,263	9,837	10,299	11,375	12,138	6.7	17.9	23.4
Provisions over loans	-4,744	-5,824	-6,232	-7,173	-8,196	-9,596	-10,667	-10,954	2.7	14.2	33.7
Other netted credits due to financial intermediation	38,152	33,498	39,009	40,805	43,168	38,769	43,141	48,052	11.4	23.9	11.3
Corporate bonds and subordinated debt	912	1,146	1,433	1,657	1,647	2,255	2,971	2,933	-1.3	30.0	78.0
Unquoted trusts	5,714	5,942	6,824	7,967	8,185	10,822	11,477	11,564	0.8	6.9	41.3
Leasing	3,935	2,933	3,936	6,222	6,282	7,203	7,588	8,059	6.2	11.9	28.3
Shares in other companies	7,236	6,711	7,921	9,123	10,217	11,682	12,723	12,735	0.1	9.0	24.6
Fixed assets and miscellaneous	7,903	8,239	9,071	10,111	10,369	11,251	11,652	11,763	1.0	4.5	13.4
Foreign branches	3,153	3,926	3,283	3,525	3,962	4,354	4,631	4,686	1.2	7.6	18.3
Other assets	12,275	10,337	11,943	15,944	16,759	20,441	22,331	21,836	-2.2	6.8	30.3
<b>Liabilities</b>	<b>305,382</b>	<b>339,047</b>	<b>452,752</b>	<b>558,264</b>	<b>608,396</b>	<b>699,205</b>	<b>748,661</b>	<b>763,774</b>	<b>2.0</b>	<b>9.2</b>	<b>25.5</b>
Deposits	236,217	271,853	376,344	462,517	510,545	595,764	639,641	652,143	2.0	9.5	27.7
Public sector <sup>3</sup>	67,151	69,143	115,954	129,885	137,589	163,691	176,321	169,507	-3.9	3.6	23.2
Private sector <sup>3</sup>	166,378	199,278	257,595	328,463	368,852	427,857	458,456	477,772	4.2	11.7	29.5
Current account	39,619	45,752	61,306	76,804	88,568	103,192	107,514	110,363	2.7	6.9	24.6
Savings account	50,966	62,807	82,575	103,636	113,092	125,210	124,853	141,477	13.3	13.0	25.1
Time deposits	69,484	83,967	104,492	135,082	153,444	183,736	210,888	209,710	-0.6	14.1	36.7
Other netted liabilities due to financial intermediation	57,662	52,114	60,029	76,038	76,415	75,106	79,443	85,385	7.5	13.7	11.7
Interbanking obligations	3,895	3,251	4,201	7,947	8,362	8,329	9,088	9,643	6.1	15.8	15.3
BCRA lines	1,885	270	262	1,920	2,987	3,535	4,133	4,236	2.5	19.8	41.8
Outstanding bonds	5,984	5,033	3,432	6,856	8,102	9,101	10,772	10,658	-1.1	17.1	31.5
Foreign lines of credit	4,541	3,369	3,897	6,467	6,912	4,992	5,131	5,131	-1.5	2.8	-25.8
Other <sup>1</sup>	13,974	14,891	17,426	24,137	19,573	26,280	25,441	25,608	0.7	-2.6	30.8
Subordinated debts	1,763	1,922	2,165	2,065	2,484	2,647	2,699	2,731	1.2	3.2	9.9
Other liabilities	9,740	13,159	14,213	17,644	18,951	25,688	26,879	23,516	-12.5	-8.5	24.1
<b>Net worth</b>	<b>41,380</b>	<b>48,335</b>	<b>57,552</b>	<b>70,117</b>	<b>79,799</b>	<b>90,820</b>	<b>101,321</b>	<b>103,007</b>	<b>1.7</b>	<b>13.4</b>	<b>29.1</b>
<b>Memo</b>											
Netted assets	321,075	364,726	482,532	601,380	658,891	767,744	825,926	837,849	1.4	9.1	27.2
Consolidated netted assets	312,002	357,118	472,934	586,805	643,097	750,598	807,397	818,369	1.4	9.0	27.3

(<sup>1</sup>) Includes margin accounts with the BCRA. (<sup>2</sup>) Booked value from balance sheet (it includes all the counterparts)

(<sup>3</sup>) Does not include accrual on interest or CER.

Source: BCRA

<sup>1</sup> Note | Data available in Excel in [www.bcra.gov.ar](http://www.bcra.gov.ar)

# Statistics annex<sup>1</sup> | Financial system (cont)

## Chart 3 | Profitability Structure

Amount in million of pesos	Annual					First 6 months		Monthly			Last
	2008	2009	2010	2011	2012	2012	2013	Apr-13	May-13	Jun-13	12 months
Financial margin	20,462	28,937	35,490	43,670	61,667	28,442	36,685	6,732	5,749	5,746	69,911
Net interest income	9,573	14,488	17,963	24,903	38,365	17,975	23,148	3,843	3,999	3,951	43,538
CER and CVS adjustments	2,822	1,196	2,434	1,725	2,080	913	1,068	146	133	129	2,235
Foreign exchange price adjustments	2,307	2,588	2,100	3,025	4,127	1,546	3,482	642	731	717	6,063
Gains on securities	4,398	11,004	13,449	14,228	17,356	8,048	9,080	2,132	904	831	18,388
Other financial income	1,362	-339	-457	-211	-261	-40	-93	-32	-18	118	-314
Service income margin	10,870	13,052	16,089	21,391	28,172	12,934	17,118	2,941	3,141	2,964	32,355
Loan loss provisions	-2,839	-3,814	-3,267	-3,736	-6,127	-2,678	-3,968	-699	-656	-693	-7,418
Operating costs	-18,767	-22,710	-28,756	-36,365	-47,318	-22,388	-28,670	-4,670	-5,266	-5,148	-53,600
Tax charges	-2,318	-3,272	-4,120	-6,047	-8,981	-4,027	-6,138	-1,030	-1,062	-1,089	-11,091
Adjust. to the valuation of gov. Securities <sup>1</sup>	-1,757	-262	-214	-336	-338	-163	-182	-22	-28	-27	-356
Amort. payments for court-ordered releases	-994	-703	-635	-290	-274	-89	-61	-7	-11	-8	-246
Other	1,441	918	2,079	2,963	2,475	1,379	1,614	168	514	268	2,710
Total results before tax <sup>2</sup>	6,100	12,145	16,665	21,251	29,276	13,409	16,398	3,412	2,383	2,012	32,266
Income tax	-1,342	-4,226	-4,904	-6,531	-9,861	-4,591	-5,638	-1,136	-818	-622	-10,909
<b>Total result<sup>2</sup></b>	<b>4,757</b>	<b>7,920</b>	<b>11,761</b>	<b>14,720</b>	<b>19,415</b>	<b>8,818</b>	<b>10,760</b>	<b>2,276</b>	<b>1,565</b>	<b>1,391</b>	<b>21,357</b>
Adjusted Result <sup>3</sup>	7,508	8,885	12,610	15,345	20,027	9,071	11,003	2,306	1,603	1,426	21,959
<i>Annualized indicators - As % of netted assets</i>											
Financial margin	6.7	8.6	8.5	8.0	9.2	9.0	9.2	10.0	8.4	8.3	9.3
Net interest income	3.1	4.3	4.3	4.6	5.7	5.7	5.8	5.7	5.9	5.7	5.8
CER and CVS adjustments	0.9	0.4	0.6	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.3
Foreign exchange price adjustments	0.8	0.8	0.5	0.6	0.6	0.5	0.9	1.0	1.1	1.0	0.8
Gains on securities	1.4	3.3	3.2	2.6	2.6	2.5	2.3	3.2	1.3	1.2	2.4
Other financial income	0.4	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0
Service income margin	3.6	3.9	3.8	3.9	4.2	4.1	4.3	4.4	4.6	4.3	4.3
Loan loss provisions	-0.9	-1.1	-0.8	-0.7	-0.9	-0.8	-1.0	-1.0	-1.0	-1.0	-1.0
Operating costs	-6.1	-6.7	-6.9	-6.7	-7.0	-7.0	-7.2	-6.9	-7.7	-7.4	-7.1
Tax charges	-0.8	-1.0	-1.0	-1.1	-1.3	-1.3	-1.5	-1.5	-1.6	-1.6	-1.5
Adjust. to the valuation of gov. Securities <sup>1</sup>	-0.6	-0.1	-0.1	-0.1	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0
Amort. payments for court-ordered releases	-0.3	-0.2	-0.2	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.5	0.3	0.5	0.5	0.4	0.4	0.4	0.2	0.8	0.4	0.4
Total results before tax <sup>2</sup>	2.0	3.6	4.0	3.9	4.3	4.2	4.1	5.1	3.5	2.9	4.3
Income tax	-0.4	-1.3	-1.2	-1.2	-1.5	-1.4	-1.4	-1.7	-1.2	-0.9	-1.4
<b>ROA<sup>2</sup></b>	<b>1.6</b>	<b>2.3</b>	<b>2.8</b>	<b>2.7</b>	<b>2.9</b>	<b>2.8</b>	<b>2.7</b>	<b>3.4</b>	<b>2.3</b>	<b>2.0</b>	<b>2.8</b>
ROA adjusted <sup>3</sup>	2.5	2.6	3.0	2.8	3.0	2.9	2.8	3.4	2.3	2.1	2.9
ROE before tax	17.2	29.5	34.5	36.5	38.8	38.1	35.8	44.0	30.2	25.2	37.5
ROE <sup>2</sup>	13.4	19.2	24.4	25.3	25.7	25.0	23.5	29.3	19.8	17.4	24.8

(<sup>1</sup>) Com. "A" 3911. Adjustments to the valuation of government unlisted securities according to Com. "A" 4084 are included under the "gains from securities" heading.

(<sup>2</sup>) 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.

(<sup>3</sup>) 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 05	Dec 06	Dec 07	Dec 08	Dec 09	Dec 10	Dec 11	Jun 12	Dec 12	May 13	Jun 13
<b>Non-performing loans (overall)</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>1.2</b>	<b>1.5</b>	<b>1.5</b>	<b>1.7</b>	<b>1.7</b>
Provisions / Non-performing loans	115	108	115	117	115	148	176	152	144	135	134
(Total non-performing - Provisions) / Overall financing	-0.8	-0.3	-0.4	-0.5	-0.5	-0.9	-0.9	-0.8	-0.7	-0.6	-0.6
(Total non-performing - Provisions) / Net worth	-2.6	-0.9	-1.6	-1.8	-1.7	-3.6	-4.6	-3.7	-3.4	-2.8	-2.8
<b>Non-performing loans to the non-financial private sector</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>1.4</b>	<b>1.7</b>	<b>1.7</b>	<b>1.9</b>	<b>1.9</b>
Provisions / Non-performing loans	115	108	114	116	112	143	171	148	141	132	131
(Total non-performing - Provisions) / Overall financing	-1.1	-0.3	-0.5	-0.5	-0.4	-0.9	-1.0	-0.8	-0.7	-0.6	-0.6
(Total non-performing - Provisions) / Net worth	-2.5	-0.8	-1.5	-1.7	-1.3	-3.2	-4.3	-3.4	-3.1	-2.6	-2.6

Source: BCRA

<sup>1</sup> Note | Data available in Excel in [www.bcra.gov.ar](http://www.bcra.gov.ar)



# Statistics annex<sup>1</sup> | Private banks

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

As %	Dec 05	Dec 06	Dec 07	Dec 08	Dec 09	Dec 10	Dec 11	Jun 12	Dec 12	May 13	Jun 13
1.- Liquidity	21.5	23.7	25.7	34.1	29.8	26.0	26.7	27.5	27.6	26.1	25.7
2.- Credit to the public sector	28.5	16.3	9.5	6.3	6.1	4.7	3.4	3.0	3.1	3.3	3.3
3.- Credit to the private sector	31.1	37.9	46.6	44.0	43.3	50.3	54.5	55.0	58.4	58.1	58.6
4.- Private non-performing loans	6.3	3.6	2.5	2.8	3.3	2.0	1.4	1.7	1.8	2.0	2.0
5.- Net worth exposure to the private sector	-0.4	-1.4	-2.0	-1.8	-1.6	-3.4	-4.4	-3.3	-3.1	-2.6	-2.6
6.- ROA	0.5	2.2	1.6	1.9	3.0	3.2	3.0	3.1	3.2	2.9	2.8
7.- ROE	4.1	15.3	10.9	15.2	22.9	24.5	25.6	26.0	26.4	22.9	22.0
8.- Efficiency	136	158	152	166	195	176	178	185	189	184	184
9a.- Capital compliance	-	-	-	-	-	-	-	-	-	14.6	14.3
9b.- Capital compliance (credit risk)	17.8	18.7	19.2	18.4	22.6	20.3	16.8	18.2	18.3	-	-
10a.- Capital compliance Tier I	-	-	-	-	-	-	-	-	-	13.5	13.2
10b.- Capital compliance Tier I (credit risk)	16.1	15.4	16.8	15.0	17.2	15.2	12.5	15.0	13.4	-	-
11.- Excess capital compliance	155.0	116.6	87.4	87.2	121.3	101.5	72.2	71.5	57.5	70.6	69.3

Note: According to Communication "A" 5369, since February 2013 methodological changes in some indicators were carried out. Among others changes, risk weighing coefficients considered to determine capital requirements were redefined, concepts included in the different segments of capital compliance were rearranged and new minimum limits in terms of the Total Risk Weighted Assets (RWA) were added. A wider definition of RWA is considered since Communication "A" 5369, including not only credit risk, but also market and operational risk.

Data subject to changes

Source: BCRA

n.a.: non available

## Chart 6 | Balance Sheet

In million of current pesos	Dec 08	Dec 09	Dec 10	Dec 11	May 12	Jun 12	Dec 12	May 13	Jun 13	Change (in %)		
										Last month	2013	Last 12 months
<b>Assets</b>	<b>208,888</b>	<b>229,549</b>	<b>280,025</b>	<b>364,122</b>	<b>389,207</b>	<b>390,073</b>	<b>432,994</b>	<b>470,089</b>	<b>481,585</b>	<b>2.4</b>	<b>11.2</b>	<b>23.5</b>
Cash disposal <sup>1</sup>	37,044	43,562	49,730	58,877	65,098	65,187	85,717	84,484	84,501	0.0	-1.4	29.6
Public bonds	29,552	47,949	48,903	50,055	55,355	52,805	43,350	51,397	51,060	-0.7	17.8	-3.3
Lebac/Nobac	23,457	31,575	34,422	34,246	45,514	42,880	30,531	35,945	35,398	-1.5	15.9	-17.4
Portfolio	12,858	27,413	31,148	23,908	30,198	30,813	27,656	30,652	28,487	-7.1	3.0	-7.5
Repo <sup>2</sup>	10,598	4,161	3,274	10,338	15,316	12,067	2,874	5,293	6,911	30.6	140.5	-42.7
Private bonds	127	233	184	164	118	124	188	194	232	20.0	23.5	87.2
Loans	98,529	101,722	143,202	202,117	213,379	218,794	256,708	276,932	286,920	3.6	11.8	31.1
Public sector	6,249	1,694	1,625	1,215	1,310	1,359	1,601	1,620	1,740	7.4	8.7	28.1
Private sector	88,426	96,790	137,308	193,126	204,450	209,034	246,560	266,131	275,317	3.5	11.7	31.7
Financial sector	3,854	3,238	4,270	7,777	7,618	8,402	8,546	9,181	9,863	7.4	15.4	17.4
Provisions over loans	-2,871	-3,653	-3,926	-4,574	-5,209	-5,249	-6,193	-6,898	-7,101	2.9	14.7	35.3
Other netted credits due to financial intermediation	25,265	21,258	20,241	29,338	31,338	28,082	18,646	27,227	27,722	1.8	48.7	-1.3
Corporate bonds and subordinated debt	699	734	757	796	715	783	988	1,599	1,555	-2.7	57.4	98.5
Unquoted trusts	3,869	4,198	4,500	5,268	5,075	5,471	7,084	7,247	7,397	2.1	4.4	35.2
Leasing	3,451	2,569	3,519	5,452	5,395	5,420	6,287	6,650	7,090	6.6	12.8	30.8
Shares in other companies	4,538	4,067	4,934	5,998	6,508	6,717	7,920	8,682	8,872	2.2	12.0	32.1
Fixed assets and miscellaneous	4,926	5,096	5,808	6,663	6,762	6,820	7,592	7,910	8,026	1.5	5.7	17.7
Foreign branches	-178	-202	-215	-240	0	0	0	0	0	-	-	-
Other assets	8,505	6,946	7,646	10,271	10,465	11,372	12,778	13,511	14,262	5.6	11.6	25.4
<b>Liabilities</b>	<b>182,596</b>	<b>198,438</b>	<b>243,766</b>	<b>321,123</b>	<b>341,017</b>	<b>340,762</b>	<b>376,774</b>	<b>407,594</b>	<b>418,095</b>	<b>2.6</b>	<b>11.0</b>	<b>22.7</b>
Deposits	135,711	154,387	198,662	253,705	273,012	276,986	317,443	340,996	351,026	2.9	10.6	26.7
Public sector <sup>3</sup>	19,600	17,757	23,598	27,664	31,432	31,806	33,232	40,467	39,890	-1.4	20.0	25.4
Private sector <sup>3</sup>	114,176	134,426	173,203	223,141	238,487	242,710	281,698	297,831	308,423	3.6	9.5	27.1
Current account	30,188	35,127	46,297	57,586	66,419	66,778	77,269	80,847	83,031	2.7	7.5	24.3
Savings account	32,778	40,999	53,085	66,891	64,152	69,177	76,130	74,325	82,819	11.4	8.8	19.7
Time deposit	46,990	54,058	67,568	89,924	99,402	97,756	117,888	132,306	131,930	-0.3	11.9	35.0
Other netted liabilities due to financial intermediation	39,298	34,235	34,427	53,973	54,160	49,893	41,780	48,975	49,954	2.0	19.6	0.1
Interbanking obligations	1,160	1,668	1,903	3,524	3,827	3,989	3,473	3,908	4,277	9.4	23.1	7.2
BCRA lines	649	41	57	456	569	602	694	670	666	-0.7	-4.0	10.5
Outstanding bonds	5,672	4,626	2,802	5,119	5,704	5,525	6,001	6,665	6,708	0.7	11.8	21.4
Foreign lines of credit	2,261	1,262	1,716	4,252	4,089	4,342	2,168	2,327	2,257	-3.0	4.1	-48.0
Other	11,125	12,015	13,849	19,059	16,553	15,611	21,087	19,988	20,228	1.2	-4.1	29.6
Subordinated debts	1,759	1,918	2,148	1,948	2,061	2,069	2,253	2,673	2,706	1.2	20.1	30.8
Other liabilities	5,828	7,897	8,528	11,497	11,784	11,813	15,297	14,949	14,410	-3.6	-5.8	22.0
<b>Net worth</b>	<b>26,292</b>	<b>31,111</b>	<b>36,259</b>	<b>42,999</b>	<b>48,190</b>	<b>49,311</b>	<b>56,220</b>	<b>62,495</b>	<b>63,489</b>	<b>1.6</b>	<b>12.9</b>	<b>28.8</b>
<b>Memo</b>												
Netted assets	192,074	216,100	267,364	344,101	366,784	371,325	425,181	455,352	466,478	2.4	9.7	25.6

(<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

<sup>1</sup> Note | Data available in Excel in [www.bcra.gov.ar](http://www.bcra.gov.ar)

# Statistics annex<sup>1</sup> | Private banks (cont.)

## Chart 7 | Profitability Structure

Amount in million of pesos	Annual					First 6 months		Monthly			Last
	2008	2009	2010	2011	2012	2012	2013	Apr-13	May-13	Jun-13	12 months
Financial margin	12,964	19,724	21,837	27,234	38,151	17,822	22,503	3,953	3,693	3,701	42,832
Net interest income	7,727	10,572	12,842	18,518	27,893	13,075	16,713	2,800	2,953	2,881	31,531
CER and CVS adjustments	651	185	244	288	350	160	177	26	24	23	367
Foreign exchange price adjustments	1,620	1,646	1,493	2,064	2,451	957	1,942	292	426	413	3,437
Gains on securities	1,637	7,343	7,464	6,358	7,426	3,548	3,589	844	279	242	7,468
Other financial income	1,329	-22	-205	6	31	82	82	-8	12	143	30
Service income margin	7,632	9,198	11,345	15,243	20,081	9,314	12,165	2,121	2,179	2,117	22,932
Loan loss provisions	-1,863	-2,751	-2,253	-2,633	-4,416	-1,890	-2,828	-516	-462	-490	-5,353
Operating costs	-12,401	-14,807	-18,819	-23,821	-30,858	-14,666	-18,891	-3,137	-3,401	-3,251	-35,083
Tax charges	-1,715	-2,380	-2,927	-4,300	-6,450	-2,884	-4,395	-737	-763	-779	-7,961
Adjust. to the valuation of gov. Securities <sup>1</sup>	-267	0	47	-40	0	0	0	0	0	0	0
Amort. payments for court-ordered releases	-688	-367	-441	-133	-199	-51	-30	-2	-6	-3	-178
Other	916	398	1,382	1,723	1,867	864	1,073	220	327	113	2,076
Total results before tax <sup>2</sup>	4,579	9,014	10,171	13,272	18,176	8,509	9,598	1,901	1,567	1,408	19,265
Income tax	-1,168	-3,001	-2,733	-4,293	-6,089	-2,962	-3,508	-668	-564	-547	-6,635
<b>Total result<sup>2</sup></b>	<b>3,412</b>	<b>6,014</b>	<b>7,438</b>	<b>8,980</b>	<b>12,086</b>	<b>5,546</b>	<b>6,090</b>	<b>1,233</b>	<b>1,002</b>	<b>861</b>	<b>12,630</b>
Adjusted Result <sup>3</sup>	4,367	6,381	7,832	9,153	12,285	5,597	6,120	1,235	1,008	864	12,808
<b>Annualized indicators - As % of netted assets</b>											
Financial margin	7.3	9.8	9.3	9.0	10.2	9.9	10.2	10.7	9.8	9.6	10.3
Net interest income	4.4	5.3	5.5	6.1	7.4	7.3	7.6	7.5	7.9	7.5	7.6
CER and CVS adjustments	0.4	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Foreign exchange price adjustments	0.9	0.8	0.6	0.7	0.7	0.5	0.9	0.8	1.1	1.1	0.8
Gains on securities	0.9	3.7	3.2	2.1	2.0	2.0	1.6	2.3	0.7	0.6	1.8
Other financial income	0.8	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.0
Service income margin	4.3	4.6	4.8	5.0	5.4	5.2	5.5	5.7	5.8	5.5	5.5
Loan loss provisions	-1.1	-1.4	-1.0	-0.9	-1.2	-1.1	-1.3	-1.4	-1.2	-1.3	-1.3
Operating costs	-7.0	-7.4	-8.0	-7.8	-8.2	-8.2	-8.6	-8.5	-9.1	-8.5	-8.4
Tax charges	-1.0	-1.2	-1.2	-1.4	-1.7	-1.6	-2.0	-2.0	-2.0	-2.0	-1.9
Adjust. to the valuation of gov. Securities <sup>1</sup>	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amort. payments for court-ordered releases	-0.4	-0.2	-0.2	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.5	0.2	0.6	0.6	0.5	0.5	0.5	0.6	0.9	0.3	0.5
Total results before tax <sup>2</sup>	2.6	4.5	4.3	4.4	4.9	4.7	4.4	5.1	4.2	3.7	4.6
Income tax	-0.7	-1.5	-1.2	-1.4	-1.6	-1.7	-1.6	-1.8	-1.5	-1.4	-1.6
<b>ROA<sup>2</sup></b>	<b>1.9</b>	<b>3.0</b>	<b>3.2</b>	<b>3.0</b>	<b>3.2</b>	<b>3.1</b>	<b>2.8</b>	<b>3.3</b>	<b>2.7</b>	<b>2.2</b>	<b>3.0</b>
ROA adjusted <sup>3</sup>	2.5	3.2	3.3	3.0	3.3	3.1	2.8	3.3	2.7	2.3	3.1
ROE before tax	20.4	34.4	33.5	37.8	39.8	39.9	34.7	40.6	32.9	29.3	37.0
ROE <sup>2</sup>	15.2	22.9	24.5	25.6	26.4	26.0	22.0	26.4	21.0	17.9	24.2

(<sup>1</sup>) Com. "A" 3911. Adjustments to the valuation of government unlisted securities according to Com. "A" 4084 are included under the "gains from securities" heading.

(<sup>2</sup>) 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.

(<sup>3</sup>) 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 05	Dec 06	Dec 07	Dec 08	Dec 09	Dec 10	Dec 11	May 12	Dec 12	May 13	Jun 13
<b>Non-performing loans (overall)</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>1.3</b>	<b>1.7</b>	<b>1.7</b>	<b>1.9</b>	<b>1.9</b>
Provisions / Non-performing loans	103	114	123	119	116	144	168	141	140	130	130
(Total non-performing - Provisions) / Overall financing	-0.1	-0.4	-0.5	-0.5	-0.5	-0.8	-0.9	-0.7	-0.7	-0.6	-0.6
(Total non-performing - Provisions) / Net worth	-0.4	-1.4	-2.1	-1.9	-1.7	-3.4	-4.4	-3.2	-3.2	-2.6	-2.7
<b>Non-performing loans to the non-financial private sector</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>1.4</b>	<b>1.8</b>	<b>1.8</b>	<b>2.0</b>	<b>2.0</b>
Provisions / Non-performing loans	102	114	123	118	115	143	167	139	139	129	129
(Total non-performing - Provisions) / Overall financing	-0.1	-0.5	-0.6	-0.5	-0.5	-0.9	-0.9	-0.7	-0.7	-0.6	-0.6
(Total non-performing - Provisions) / Net worth	-0.4	-1.4	-2.0	-1.8	-1.6	-3.4	-4.4	-3.1	-3.1	-2.5	-2.6

Source: BCRA

<sup>1</sup> Note | Data available in Excel in [www.bcra.gov.ar](http://www.bcra.gov.ar)