

# Report on Banks

July 2013



BANCO CENTRAL  
DE LA REPÚBLICA ARGENTINA

# **Report on Banks**

July 2013

Year X, N° 11



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Note | Information for July 2013 available by September 03, 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.

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## Summary

- **In July, deposits and lending to the private sector continued expanding** in a context of moderate financial system exposures to risks assumed on account of its activity and high coverage in case of their potential materialization. Apart from activity expansion, **financial system staffing remained increasing in the first half of the year together with an improvement in productivity indicators**. The amount of bank branches and automatic teller machines (ATMs) also rose.
- **Financing in pesos to the private sector climbed 1.9% in July**, mainly boosted by overdrafts and pledge-backed loans. **Loans in pesos to the private sector grew 38% in the past 12 months** and continued driving the year-on-year (y.o.y.) expansion of total loans (in pesos and in foreign currency) granted to companies and households. **In y.o.y. terms, lending to companies led the rise in total loans to the private sector**, going up 32.7% y.o.y., while credits to households rose 30.6% y.o.y.
- **In July, the non-performing ratio of loans to the private sector remained stable, at 1.9%, for the fourth consecutive month**. Both the delinquency indicator of loans granted to companies as well as that applied to households were aligned with the values registered the month before. The financial system continued posting high provisioning levels, evidencing a ratio between total provisions and non-performing loans that reached 133%.
- The financial system stock of total deposits in pesos increased 2.3% (29.9% y.o.y.) in July. In the case of private sector deposits in pesos, **the momentum posted by time deposits should be highlighted, with one of the most outstanding absolute changes on record in the past few years –\$10 billion— which equals a 5.3% monthly change, thereby evidencing a 44.3% y.o.y. change rate**. In turn, the stock of total deposits (corresponding to the private and public sector in pesos and in foreign currency) went up 2.3% between June and July (27.9% y.o.y.).
- **The financial system liquidity indicator (pesos and dollars) rose 1 p.p. (percentage point) in July, up to 24.7% of total deposits**. If LEBAC and NOBAC holdings are included, broad liquidity amounted to 37.5% of total deposits. Meanwhile, **coverage of short-term liabilities with greater liquidity assets stood at 44.3% by the end of the second quarter of 2013** (latest information available) following a 0.6 p.p. rise over this period.
- **The financial system consolidated net worth grew 2.6% in July, boosted by book profits**. In this context, financial system regulatory capital compliance totaled 13.3% of total risk weighted assets (RWA) over the month. In turn, **capital position –compliance in excess of the requirement— stood at 67.9% of the total regulatory requirement, going up 9.2 p.p. in year-to-date terms**.
- **In July, the ROA corresponding to the ensemble of banks stood at 3.6%a. Book profits recorded by the financial system in year-to-date terms have totaled 2.8%a. of assets** and are slightly below the figures registered over the same period in 2012. Private financial institutions accounted for the ROA reduction against last year mainly due to rises in expenditures accrued.

# I. Activity

**Banks' financial intermediation with the private sector continued growing in July.** Lending in pesos to companies and households rose 1.9% over the month<sup>1</sup> whilst the stock of deposits in pesos corresponding to this sector climbed 0.8% over the period<sup>2</sup>. In turn, netted assets increased 2.4% in July. **Loans in pesos to the private sector expanded 38% y.o.y. while this sector's deposits in pesos increased 34% y.o.y.** (see Chart 1).

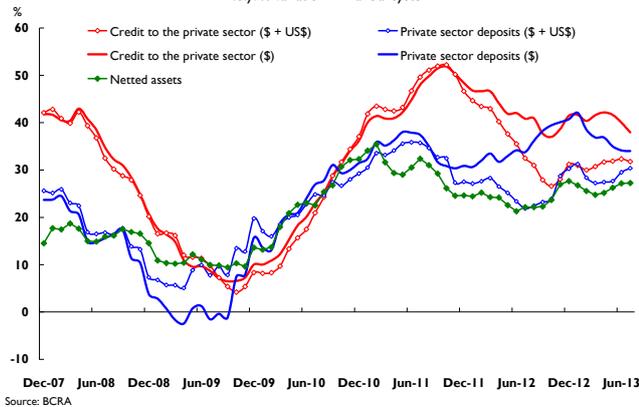
The monthly rise posted by **liquid assets** (\$10 billion) followed by more **loans to the private sector** (\$7.1 billion) were **the most outstanding uses of funds** for the ensemble of financial institutions. These uses were mainly funded through the expansion of **public sector deposits** (\$11.3 billion) and **private sector deposits** (\$4 billion) and, to a lesser extent, through book profits (\$2.5 billion) among other items. In July, the ensemble of private banks accounted for most of the rises observed in lending and in deposits pertaining to the private sector, while public banks—considering the increase in the stock of public sector deposits—explained the hike in the financial system liquid assets portfolio.

**The significant momentum evidenced by lending to the private sector over the past 12 months resulted in a greater share of this segment in banking assets** (+1.8 p.p. up to 52.3%; see Chart 2). In contrast, BCRA securities, liquid assets and lending to the public sector reduced their relative share in the stock. Concerning total funding—liabilities and net worth—, **private sector deposits gained share** (+1.4 p.p. up to 55.6% of the total), followed by net worth.

**Financial system staffing in the first half of the year** (June, based on the latest information available) **rose 0.4%, up to 104,900 employees.** Considering the type of financial institution, smaller national private banks led the expansion (see Chart 3). As a result, employment in the financial sector continued posting a better relative performance compared to the aggregate economy<sup>3</sup>. **The rise in banking personnel payroll was observed together with an increase in the amount of lending operations managed by employee,** recording a 2.8% year-to-date change against late 2012.

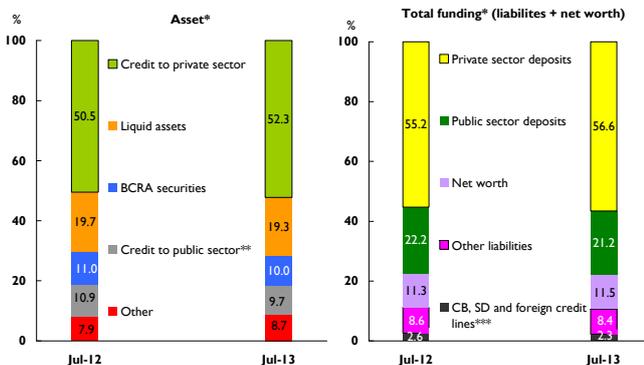
As from August, the BCRA authorized the commencement of activities by a non-bank financial institution thereby expanding the financial system structure to 82 institutions (see Chart 4). At present,

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



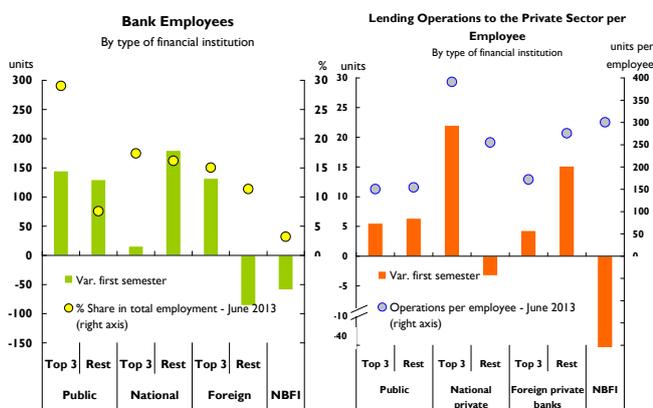
Source: BCRA

**Chart 2**  
**Financial System Balance Sheet Composition**



\* Netted and consolidated. \*\* Includes securities and lending. \*\*\* Corporate bonds (CB) and Subordinated debt (SD).  
Source: BCRA

**Chart 3**



Note: The break down in each group of financial institutions is based on assets as of June 2013.  
Source: BCRA

<sup>1</sup> 1.5% considering pesos and foreign currency.  
<sup>2</sup> Same rise taking into account the stock in pesos and in dollars.  
<sup>3</sup> Based on data provided by the Permanent Household Survey (EPH).

**Argentina's financial system evidences concentration levels that are below most economies in Latin America** (see Chart 4). Regarding infrastructure availability, **the number of ATMs and bank branches continued improving gradually**. Particularly, the amount of ATMs rose 3.7% so far this year (latest information as of June 2013) while the number of branches climbed 0.8%. There is one ATM every, approximately, 2,400 inhabitants at national level. Three years and a half ago, the ratio was 1 ATM every 3,600 people.

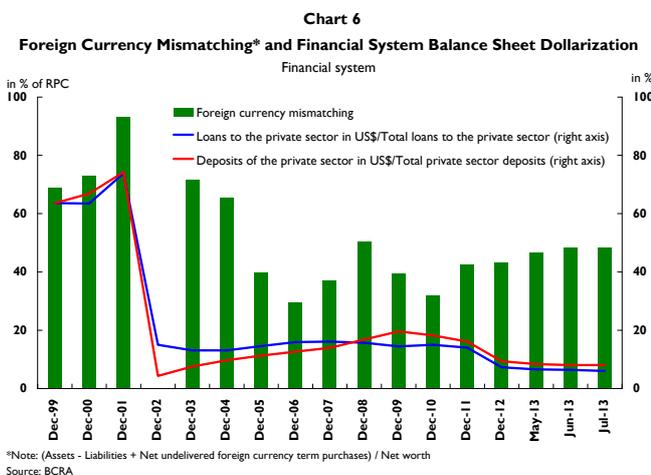
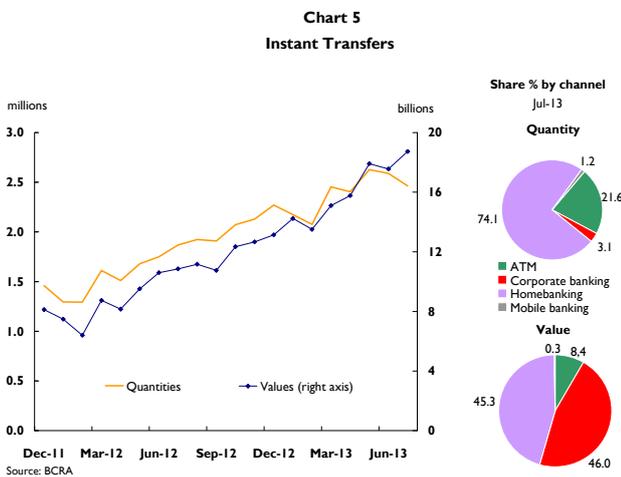
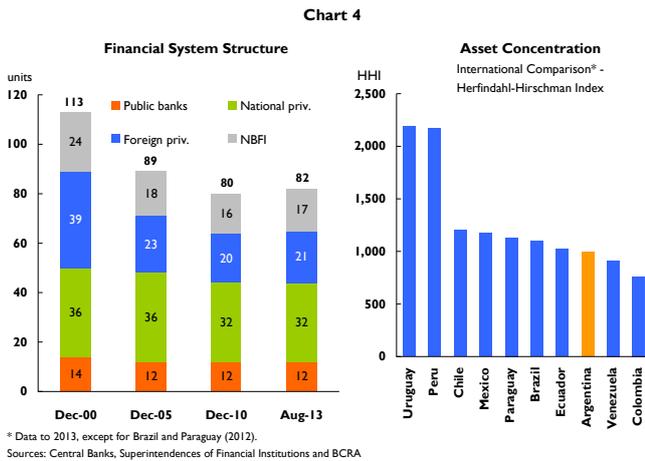
**Checks cleared increased over the month** (24.3% in value and 21.4% in terms of numbers, evidencing a recovery following the drop observed in June) with levels of instruments being returned due to insufficient funds—in terms of the total cleared—that were similar to those recorded 12 months ago. In turn, **the value of instant transfers increased in July** (even though the number of operations decreased), **posting a 73% y.o.y. rise** (32% in numbers). In terms of aggregate value, instant transfers are mainly channeled through corporate banking and home-banking (see Chart 5).

**The financial system foreign currency broad mismatching in terms of the RPC (adjusted stockholder's equity) fell slightly over the month, down to 48.2%** (see Chart 6). This performance was due to fewer net forward purchases of foreign currency by private banks. **The current dollarization level of banks' balance sheets is historically low**. In this sense, the share of loans in foreign currency in total lending to the private sector amounted to 6% in July while this sector's deposits in dollars represented 8% of the total over the same period.

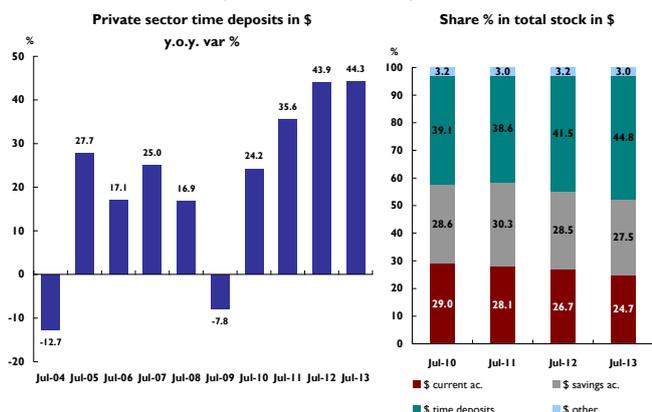
## II. Deposits and liquidity

**The stock of total deposits in pesos in the financial system rose 2.3% in July**. In the case of private sector deposits in pesos, **the growth evidenced by time deposits should be highlighted, as they went up 5.3% between ends of months**. **The monthly hike in time deposits (\$10 billion) was one of the most outstanding absolute changes on record in the past few years**. On the other hand, deposits in foreign currency continued falling. In this context, the stock of total deposits pertaining to the private and public sector (considering pesos and dollars) rose 2.3% between June and July.

**Deposits in pesos in the financial system rose 29.9% in the past 12 months, with a 34% rise in private sector deposits and a 20.5% hike in those of the public sector**. Concerning private sector deposits in pesos, **time deposits should be underscored, with a sizeable y.o.y. change in July 2013** (see Chart 7). Consequently, these accounts gained share in the total

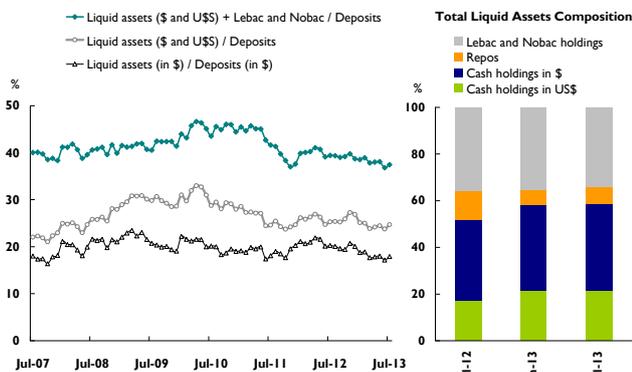


**Chart 7**  
Financial System Private Sector Deposits in Pesos



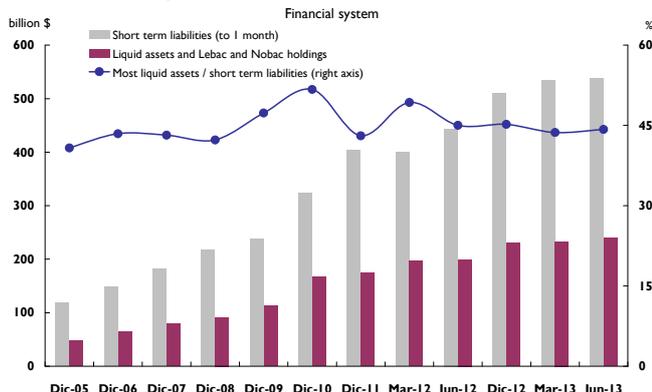
Source: BCRA

**Chart 8**  
Financial System Liquidity



Source: BCRA

**Chart 9**  
Liquid Assets in Terms of Short Term Liabilities\*



\*Note: Based on residual term.  
Source: BCRA

stock of private sector deposits in pesos, going up 3.3 p.p. over the past year and 5.7 p.p. since July 2010. Even though deposits in dollars continued falling in y.o.y. terms, the total balance sheet stock of deposits pertaining to the non-financial sector (considering pesos and dollars) expanded 27.9% since July 2012.

**Financial system liquidity (pesos and dollars) accounted for 24.7% of total deposits after increasing 1 p.p. in July. Similarly, the broad liquidity indicator (which includes LEBAC and NOBAC holdings) climbed 0.6 p.p. over the month, up to 37.5% of total deposits.** Regarding the financial system liquidity structure, a fall in the share of LEBACs and NOBACs was observed in the total, which was offset by repo transactions with the BCRA (see Chart 8).

**Coverage of short-term liabilities with assets having greater liquidity increased 0.6 p.p. in the second quarter of 2013 (latest information available) and stood at 44.3% (see Chart 9).**

### III. Financing

**Lending in pesos<sup>4</sup> to the private sector expanded 1.9%<sup>5</sup> in July.** All credit lines in domestic currency posted a positive performance over the month, with overdrafts and pledge-backed loans evidencing the greatest relative growth (see Chart 10). In contrast, loans in foreign currency continued falling over the period. Thus, total financing (in pesos and in foreign currency) channeled to companies and households increased 1.5% in July<sup>6</sup>.

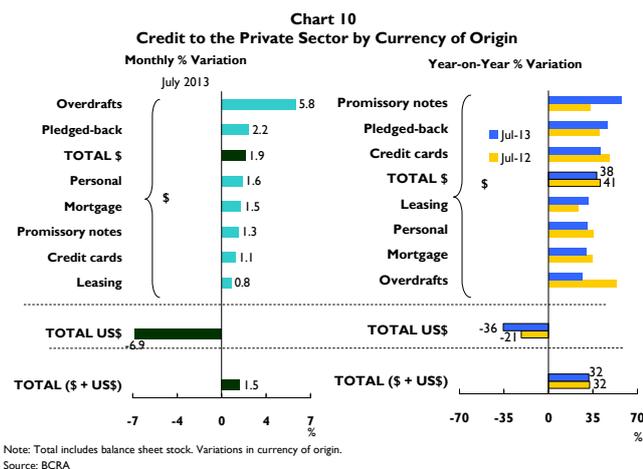
**Lending in pesos to the private sector climbed 38% y.o.y.** Particularly, promissory notes, pledge-backed loans, and credit cards increased exceeding the average and gained share in the total stock of loans. **Loans in pesos continued accounting for the y.o.y. growth posted by total loans granted to companies and households, which rose 32% y.o.y., in line with the level recorded a year ago.**

In a context where all groups of financial institutions increased lending to the private sector, the monthly rise in total financing to this sector was mainly boosted by foreign private banks. In July 2013, this group of institutions recorded in their balance sheets 33.1% of the total stock of bank loans to the private sector, followed by public banks (31.7%) and by national private banks

<sup>4</sup> Information obtained from balance sheet stocks corresponding to the Monthly Accounting Reporting System.

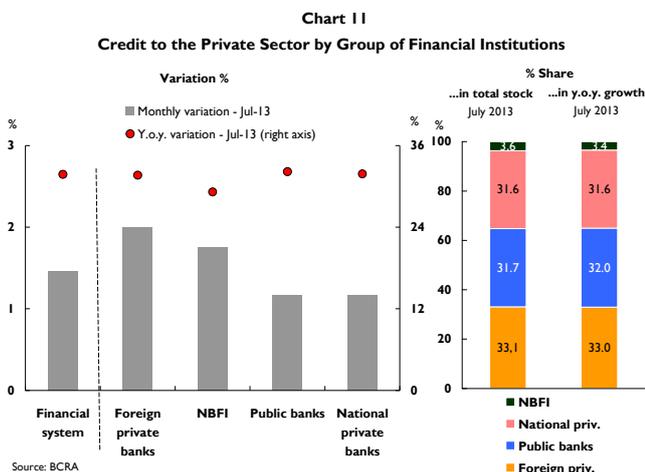
<sup>5</sup> Seven financial trust issues for a total of \$817 million were recorded over the month; six of them corresponded to personal loan securitizations (\$733 million) and one to leasing contract securitization (\$84 million). Thus, if the balance sheet stock is adjusted by these assets securitized in July, the monthly growth in lending in pesos to the private sector would reach 2.1%.

<sup>6</sup> The monthly change in total loans (in pesos and in foreign currency) granted to companies and households would amount to 1.6%, by adjusting the balance sheet stock according to assets securitized in July.

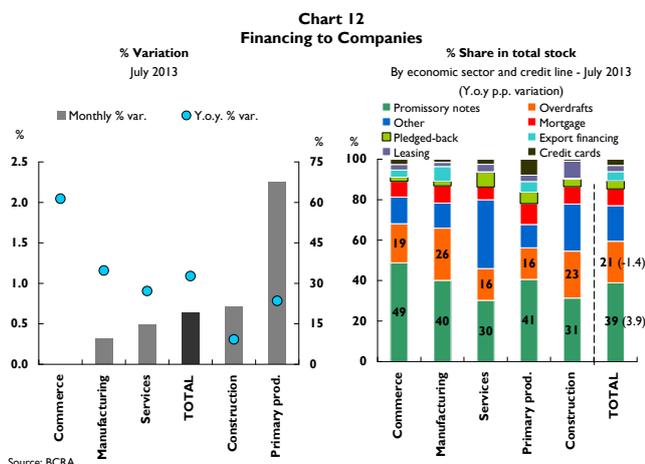


(31.6%). In y.o.y. terms, loans granted by public banks continued evidencing the greatest relative expansion (32.2% y.o.y.) (see Chart 11).

Total financing to companies<sup>7</sup> rose 0.6% in July. Loans channeled to primary production posted the greatest relative monthly momentum, expanding 2.2% over the period (see Chart 12). The monthly rise in lending to companies was mainly observed through overdrafts, which accounted for 21% of the total stock of loans to companies in July. Loans granted to companies continued driving the growth in total lending to the private sector in the past 12 months. In July, financing to companies increased 32.7% y.o.y., up 5.6 p.p. against the value recorded in same period of 2012. Lending to the manufacturing sector explained over 41% of the y.o.y. rise in loans to companies, followed by loans to the commerce sector (24.1%) and those granted to service companies (18.8%).



**Financing to SMEs continued gaining momentum** in the first seven months of the year. This performance was boosted by the **Credit Line for Productive Investment (LCIP)**, which helped increased banking resources to this segment. Thus, since its implementation, loans granted to SMEs have recorded y.o.y. growth rates that easily exceeded rates registered by loans channeled to the remaining legal persons (see Chart 13). In turn, another effect derived from the LCIP was **the gradual extension of financing terms applied to operations**. Particularly, a slight rise in the share of long-term credit lines (mortgage loans and pledge-backed loans) was observed in the total stock of loans to companies in the past 12 months.



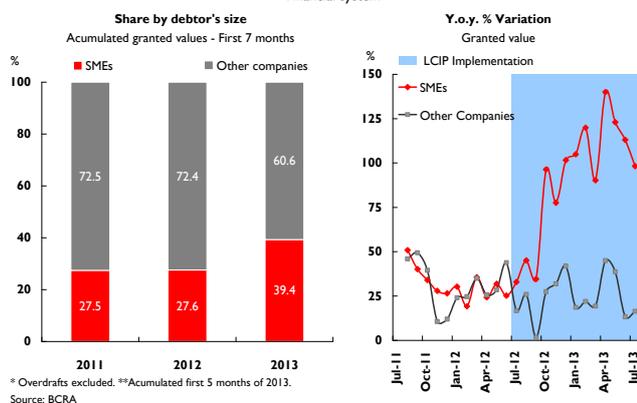
Meanwhile, and within the framework of the **Bicentenary Productive Financing Program (PFPB)**, the BCRA has conducted five fund auctions so far this year, allocating a total of almost \$1.9 billion. Thus, this Institution has allocated a total of \$7.6 billion through 25 auctions (see Chart 14). As per the latest information available, participating banks provided aid to 339 companies by the end of August, disbursing an amount of \$5.4 billion.

**Loans to households expanded 1.9% in July, with rises in all credit lines against the month before.** The monthly hike observed in credit cards (2.8%) accounted for almost half of the growth recorded by lending to households. **Loans to households expanded 30.6% in y.o.y. terms** mainly boosted by public banks, which represented a third of this rise (see Chart 15).

Lending rates operated in pesos rose slightly over the month (see Chart 16). **The spreads between lending**

<sup>7</sup> Information obtained from the Debtors' Database. Loans to companies include those granted to legal persons and commercial loans granted to natural persons. In turn, loans to households are those given to natural persons unless they have a commercial purpose.

**Chart 13**  
**Granted Credits in Pesos to Legal Persons\***  
Financial system



\* Overdrafts excluded. \*\*Accumulated first 5 months of 2013.  
Source: BCRA

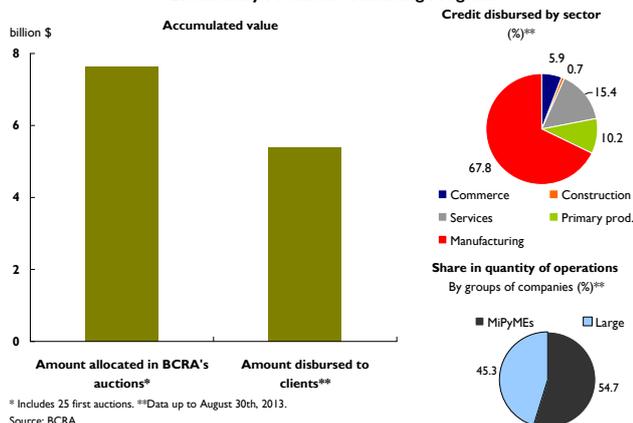
and borrowing interest rates recorded over the period were lower for most credit lines and in almost all groups of institutions against July 2012.

The ratio of non-performing loans to the private sector remained stable, at 1.9%, for the fourth consecutive month. Both the delinquency indicator corresponding to lending to companies and that of households continued in line with the figures recorded last month. The non-performing ratio rose slightly in y.o.y. terms, mainly due to the performance posted by foreign private banks. The coverage of the private sector non-performing portfolio through provisions increased 2 p.p. in July, up to 133% (see Chart 17).

## IV. Solvency

The consolidated financial system net worth grew 2.6% over the month, mainly driven by book profits. In spite of the differences in their business models, all groups of banks exhibited a rise in their net worth in July, especially, public banks. The consolidated financial system net worth increased 29.5% over the past 12 months (see Chart 18), while assets expanded relatively less leading to a y.o.y. reduction in the financial system leverage ratio (assets/net worth).

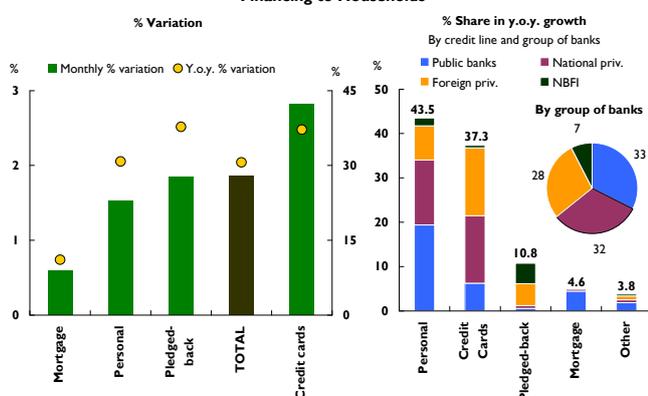
**Chart 14**  
**Bicentenary Productive Financing Program**



\* Includes 25 first auctions. \*\*Data up to August 30th, 2013.  
Source: BCRA

Financial system regulatory capital compliance increased \$2.4 billion in July (2.5%), accounting for 13.3% of the total risk weighted assets (RWA). This indicator fell 0.8 p.p. monthly, impacted by an adjustment effect in the risk weighted assets of a public bank within the framework of concept definitions in the regulation governing minimum capital. Tier 1 capital compliance (mainly made up of common stock and retained earnings) accounted for 11.9% of RWA. In turn, capital compliance in July for the aggregate financial system continued surpassing the regulatory requirement easily: compliance in excess of the requirement (capital position) fell slightly against the month before down to a level equal to 67.9% of the regulatory requirement, even though it has went up 9.2 p.p. in year-to-date terms.

**Chart 15**  
**Financing to Households**

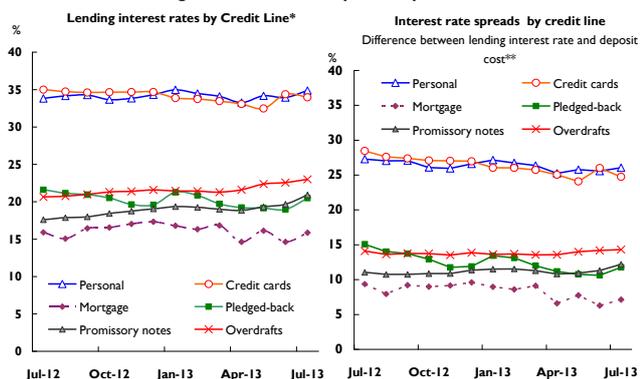


Source: BCRA

Profits accrued by the financial system stood at 3.6%a. of assets in July. Book profits recorded in the first 7 months of 2013 totaled 2.8%a. of assets.

The financial margin registered by the ensemble of banks rose 3 p.p. of assets to 11.4%a. in July. Gains from securities increased 1.9 p.p. of assets over the period, up to 3.1%a.; such rise resulted from the generalized recovery of prices of securities in banks' portfolio, especially in foreign currency, and to a lesser extent, in domestic currency. In turn, financial system net interest income increased 0.9 p.p. of assets in July,

**Chart 16**  
Lending Interest Rates and Spreads Operated in Pesos



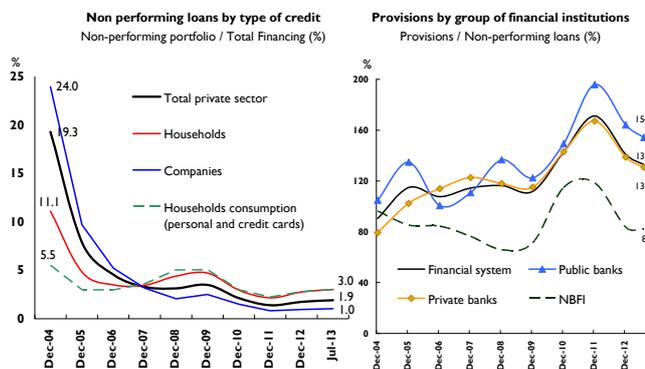
\*Weighted average by operated value \*\* Trading amounts in two months. Data are subject to change for June 2013.  
Source: BCRA

up to 6.6%a. mainly accounted for by an adjustment made by a public institution, and to a lesser extent, by private banks' performance. **Banks' financial margin stood at 9.5%a. of assets in year-to-date terms, mainly due to the greater momentum posted by foreign exchange price adjustments (+0.4 p.p. of assets to 0.9%a.).**

Net income from services derived from the ensemble of financial institutions increased 0.2 p.p. of assets in July, up to 4.5%a. Thus, **income from services reached 4.3%a. of assets in year-to-date terms, up 0.2 p.p. against the first seven months of 2012.** Growth recorded, in monthly and y.o.y. terms, was driven by the performance of national and foreign private banks.

**Financial system loan loss provisions remained stable against the previous month, standing at 1%a. of assets in July. Thus, the monthly record was in line with the level observed in year-to-date terms in 2013, which increased 0.2 p.p. of assets y.o.y., mainly accounted for by foreign private banks.**

**Chart 17**  
Private Sector Non-Performing Loans and Provisions

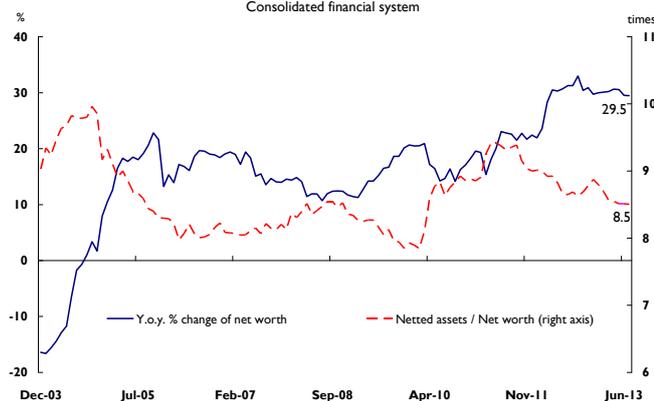


Source: BCRA

**Financial system operating costs went down 0.3 p.p. of assets in July, to 7.2%a., especially in public banks. Thus, these expenditures have totaled 7.2%a. of assets so far this year, slightly above the level recorded over the same period last year. The y.o.y. evolution was accounted for by foreign and national private banks.**

**The indicator that measures coverage of operating costs with more stable net incomes (net of loan loss provisions) stood at 129% in year-to-date terms in 2013 for the financial system, slightly above the figure recorded a year ago. The improvement was explained by public banks' performance.**

**Chart 18**  
Net Worth and Leverage



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” 5460 – July 19, 2013**

Regulations on “Protection of financial service users” are amended, effective as from September 30, 2013. Charges and commissions applied by financial institutions for products and services they offer are regulated among other measures. Cases of charges and commissions not admitted as they are duties inherent to institutions, such as the preparation of bank statements, the sending of electronic bank statements, in-person transactions through tellers, costs for assessment, granting or management of lending, contracting and administration of insurance are defined. In addition, it is established that (excluding the interest rate) all concepts to be charged to users must account for a direct and real cost, that may be proved, and that their application must be related to a real provision of services. It is also established that interest rates and the total financial cost be mandatorily stated. Furthermore, agreements shall have clauses specifying users’ right to settle credits in advance either totally or partially and to carry out in-person transactions through tellers with no restrictions on the type of operation or minimum amount except for those derived from operating reasons. In addition, the obligation to deliver, at the time of contracting, a copy of the agreement signed forbidding any reference in contracts to texts or documents that are not given to the user upon execution of the contract is included.

### **Communication “A” 5461 – July 19, 2013**

It is ordered that financial institutions may not charge any fees or commissions for the replacement of debit and/or credit cards carried out pursuant to the minimum security requirements set forth in the regulations on “Minimum requirements for the management, implementation and control of risks related to information security, information systems and related resources for financial institutions”.

# 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)

As %	Dec 05	Dec 06	Dec 07	Dec 08	Dec 09	Dec 10	Dec 11	Jul 12	Dec 12	Jun 13	Jul 13
1.- Liquidity	20.1	22.5	23.0	27.9	28.6	28.0	24.7	25.3	26.8	23.8	24.7
2.- Credit to the public sector	31.5	22.5	16.3	12.7	14.4	12.1	10.7	10.2	9.7	9.5	9.2
3.- Credit to the private sector	25.8	31.0	38.2	39.4	38.3	39.8	47.4	47.2	49.5	50.5	49.8
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	-3.2	-3.1	-2.5	-2.7
6.- ROA	0.9	1.9	1.5	1.6	2.3	2.8	2.7	2.9	2.9	2.7	2.8
7.- ROE	7.0	14.3	11.0	13.4	19.2	24.4	25.3	26.0	25.7	23.5	24.7
8.- Efficiency	151	167	160	167	185	179	179	188	190	188	193
9a.- Capital compliance	-	-	-	-	-	-	-	-	-	14.1	13.3
9b.- Capital compliance (credit risk)	15.3	16.9	16.9	16.9	18.8	17.7	15.6	16.9	17.1	-	-
10a.- Capital compliance Tier 1	-	-	-	-	-	-	-	-	-	12.7	11.9
10b.- Capital compliance Tier 1 (credit risk)	14.1	14.1	14.6	14.2	14.5	13.1	10.9	13.2	11.9	-	-
11.- Excess capital compliance	173.5	134.0	92.8	89.8	99.8	86.9	68.6	69.5	58.7	69.9	67.9

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.

Source: BCRA

n.a.: non available

## Chart 2 | Balance Sheet

In million of current pesos	Dec 08	Dec 09	Dec 10	Dec 11	Jul 12	Dec 12	Jun 13	Jul 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>713,888</b>	<b>790,026</b>	<b>866,686</b>	<b>891,360</b>	<b>2.8</b>	<b>12.8</b>	<b>24.9</b>
Cash disposal <sup>1</sup>	58,676	71,067	93,085	104,389	106,584	148,254	140,046	146,239	4.4	-1.4	37.2
Public bonds	65,255	86,318	117,951	112,906	137,192	123,491	147,200	150,999	2.6	22.3	10.1
Lebac/Nobac	37,093	43,867	76,948	71,050	100,238	84,057	102,136	105,151	3.0	25.1	4.9
Portfolio	25,652	34,748	61,855	59,664	73,626	70,569	85,121	85,014	-0.1	20.5	15.5
Repo <sup>2</sup>	11,442	9,119	15,093	11,386	26,612	13,488	17,014	20,138	18.4	49.3	-24.3
Private bonds	203	307	209	212	228	251	426	384	-9.8	53.1	68.1
Loans	154,719	169,868	230,127	332,317	376,435	433,925	483,012	487,774	1.0	12.4	29.6
Public sector	17,083	20,570	25,907	31,346	36,838	39,951	41,653	40,992	-1.6	2.6	11.3
Private sector	132,844	145,247	199,202	291,708	330,397	383,674	429,220	435,523	1.5	13.5	31.8
Financial sector	4,793	4,052	5,018	9,263	9,201	10,299	12,139	11,259	-7.3	9.3	22.4
Provisions over loans	-4,744	-5,824	-6,232	-7,173	-8,421	-9,596	-10,952	-11,217	2.4	16.9	33.2
Other netted credits due to financial intermediation	38,152	33,498	39,009	40,805	53,276	38,769	47,868	56,569	18.2	45.9	6.2
Corporate bonds and subordinated debt	912	1,146	1,433	1,657	1,551	2,255	2,922	3,314	13.4	46.9	113.6
Unquoted trusts	5,714	5,942	6,824	7,967	7,896	10,822	11,563	11,786	1.9	8.9	49.3
Leasing	3,935	2,933	3,936	6,222	6,275	7,203	8,059	8,119	0.7	12.7	29.4
Shares in other companies	7,236	6,711	7,921	9,123	10,452	11,682	12,761	13,151	3.1	12.6	25.8
Fixed assets and miscellaneous	7,903	8,239	9,071	10,111	10,458	11,251	11,761	12,370	5.2	9.9	18.3
Foreign branches	3,153	3,926	3,283	3,525	4,030	4,354	4,686	4,791	2.2	10.0	18.9
Other assets	12,275	10,337	11,943	15,944	17,380	20,441	21,822	22,181	1.6	8.5	27.6
<b>Liabilities</b>	<b>305,382</b>	<b>339,047</b>	<b>452,752</b>	<b>558,264</b>	<b>631,964</b>	<b>699,205</b>	<b>763,649</b>	<b>785,641</b>	<b>2.9</b>	<b>12.4</b>	<b>24.3</b>
Deposits	236,217	271,853	376,344	462,517	521,692	595,764	652,070	667,336	2.3	12.0	27.9
Public sector <sup>3</sup>	67,151	69,143	115,954	129,885	148,403	163,691	169,507	180,794	6.7	10.4	21.8
Private sector <sup>3</sup>	166,378	199,278	257,595	328,463	369,470	427,857	477,700	481,672	0.8	12.6	30.4
Current account	39,619	45,752	61,306	76,804	88,338	103,192	110,351	109,635	-0.6	6.2	24.1
Savings account	50,966	62,807	82,575	103,636	109,646	125,210	141,473	136,068	-3.8	8.7	24.1
Time deposits	69,484	83,967	104,492	135,082	157,909	183,736	209,676	220,147	5.0	19.8	39.4
Other netted liabilities due to financial intermediation	57,662	52,114	60,029	76,038	87,835	75,106	85,318	90,333	5.9	20.3	2.8
Interbanking obligations	3,895	3,251	4,201	7,947	7,722	8,329	9,821	9,103	-7.3	9.3	17.9
BCRA lines	1,885	270	262	1,920	3,191	3,535	4,236	4,441	4.8	25.6	39.2
Outstanding bonds	5,984	5,033	3,432	6,856	8,248	9,101	10,658	11,360	6.6	24.8	37.7
Foreign lines of credit	4,541	3,369	3,897	6,467	6,634	4,992	5,131	5,148	0.3	3.1	-22.4
Other <sup>1</sup>	13,974	14,891	17,426	24,137	21,531	26,280	25,587	25,784	0.8	-1.9	19.7
Subordinated debts	1,763	1,922	2,165	2,065	2,491	2,647	2,732	2,775	1.6	4.8	11.4
Other liabilities	9,740	13,159	14,213	17,644	19,946	25,688	23,529	25,197	7.1	-1.9	26.3
<b>Net worth</b>	<b>41,380</b>	<b>48,335</b>	<b>57,552</b>	<b>70,117</b>	<b>81,925</b>	<b>90,820</b>	<b>103,038</b>	<b>105,719</b>	<b>2.6</b>	<b>16.4</b>	<b>29.0</b>
<b>Memo</b>											
<b>Netted assets</b>	321,075	364,726	482,532	601,380	674,410	767,744	837,913	858,258	2.4	11.8	27.3
<b>Consolidated netted assets</b>	<b>312,002</b>	<b>357,118</b>	<b>472,934</b>	<b>586,805</b>	<b>659,148</b>	<b>750,598</b>	<b>818,437</b>	<b>839,576</b>	<b>2.6</b>	<b>11.9</b>	<b>27.4</b>

(<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 7 months		Monthly			Last 12 months
	2008	2009	2010	2011	2012	2012	2013	May-13	Jun-13	Jul-13	
Financial margin	20,462	28,937	35,490	43,670	61,667	34,226	44,783	5,715	5,803	8,074	72,224
Net interest income	9,573	14,488	17,963	24,903	38,365	21,473	27,844	3,999	3,954	4,692	44,736
CER and CVS adjustments	2,822	1,196	2,434	1,725	2,080	1,089	1,217	133	129	150	2,209
Foreign exchange price adjustments	2,307	2,588	2,100	3,025	4,127	1,911	4,347	697	754	862	6,564
Gains on securities	4,398	11,004	13,449	14,228	17,356	9,777	11,326	904	846	2,231	18,905
Other financial income	1,362	-339	-457	-211	-261	-24	47	-18	120	138	-190
Service income margin	10,870	13,052	16,089	21,391	28,172	15,314	20,334	3,141	2,979	3,201	33,191
Loan loss provisions	-2,839	-3,814	-3,267	-3,736	-6,127	-3,165	-4,713	-651	-707	-739	-7,675
Operating costs	-18,767	-22,710	-28,756	-36,365	-47,318	-26,364	-33,799	-5,266	-5,181	-5,096	-54,754
Tax charges	-2,318	-3,272	-4,120	-6,047	-8,981	-4,761	-7,344	-1,062	-1,091	-1,203	-11,563
Adjust. to the valuation of gov. Securities <sup>1</sup>	-1,757	-262	-214	-336	-338	-190	-210	-28	-27	-29	-358
Amort. payments for court-ordered releases	-994	-703	-635	-290	-274	-103	-68	-10	-8	-8	-239
Other	1,441	918	2,079	2,963	2,475	1,556	1,549	543	275	-97	2,468
Total results before tax <sup>2</sup>	6,100	12,145	16,665	21,251	29,276	16,513	20,532	2,383	2,043	4,103	33,295
Income tax	-1,342	-4,226	-4,904	-6,531	-9,861	-5,685	-7,169	-818	-620	-1,532	-11,345
<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>10,828</b>	<b>13,363</b>	<b>1,565</b>	<b>1,422</b>	<b>2,572</b>	<b>21,950</b>
Adjusted Result <sup>3</sup>	7,508	8,885	12,610	15,345	20,027	11,122	13,641	1,602	1,457	2,608	22,547
<i>Annualized indicators - As % of netted assets</i>											
Financial margin	6.7	8.6	8.5	8.0	9.2	9.2	9.5	8.4	8.4	11.4	9.4
Net interest income	3.1	4.3	4.3	4.6	5.7	5.8	5.9	5.9	5.7	6.6	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	1.2	0.9
Gains on securities	1.4	3.3	3.2	2.6	2.6	2.6	2.4	1.3	1.2	3.1	2.5
Other financial income	0.4	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.0
Service income margin	3.6	3.9	3.8	3.9	4.2	4.1	4.3	4.6	4.3	4.5	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	-7.1	-7.2	-7.7	-7.5	-7.2	-7.1
Tax charges	-0.8	-1.0	-1.0	-1.1	-1.3	-1.3	-1.6	-1.6	-1.6	-1.7	-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	0.3	0.8	0.4	-0.1	0.3
Total results before tax <sup>2</sup>	2.0	3.6	4.0	3.9	4.3	4.4	4.4	3.5	2.9	5.8	4.3
Income tax	-0.4	-1.3	-1.2	-1.2	-1.5	-1.5	-1.5	-1.2	-0.9	-2.2	-1.5
<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>2.9</b>	<b>2.8</b>	<b>2.3</b>	<b>2.1</b>	<b>3.6</b>	<b>2.8</b>
ROA adjusted <sup>3</sup>	2.5	2.6	3.0	2.8	3.0	3.0	2.9	2.4	2.1	3.7	2.9
ROE before tax	17.2	29.5	34.5	36.5	38.8	39.7	38.0	30.2	25.5	49.9	37.9
ROE <sup>2</sup>	13.4	19.2	24.4	25.3	25.7	26.0	24.7	19.8	17.7	31.2	25.0

(<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	Jul 12	Dec 12	Jun 13	Jul 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	149	144	134	136
(Total non-performing - Provisions) / Overall financing	-0.8	-0.3	-0.4	-0.5	-0.5	-0.9	-0.9	-0.7	-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	-3.5	-3.4	-2.8	-2.9
<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	145	141	131	133
(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	-3.2	-3.1	-2.5	-2.7

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	Jul 12	Dec 12	Jun 13	Jul 13
1.- Liquidity	21.5	23.7	25.7	34.1	29.8	26.0	26.7	27.0	27.6	25.7	26.1
2.- Credit to the public sector	28.5	16.3	9.5	6.3	6.1	4.7	3.4	3.3	3.1	3.3	3.2
3.- Credit to the private sector	31.1	37.9	46.6	44.0	43.3	50.3	54.5	55.7	58.4	58.7	58.3
4.- Private non-performing loans	6.3	3.6	2.5	2.8	3.3	2.0	1.4	1.8	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	-3.2	-3.1	-2.6	-2.7
6.- ROA	0.5	2.2	1.6	1.9	3.0	3.2	3.0	3.2	3.2	2.8	2.9
7.- ROE	4.1	15.3	10.9	15.2	22.9	24.5	25.6	26.7	26.4	22.1	23.4
8.- Efficiency	136	158	152	166	195	176	178	187	189	183	187
9a.- Capital compliance	-	-	-	-	-	-	-	-	-	14.3	14.5
9b.- Capital compliance (credit risk)	17.8	18.7	19.2	18.4	22.6	20.3	16.8	18.5	18.3	-	-
10a.- Capital compliance Tier I	-	-	-	-	-	-	-	-	-	13.3	13.4
10b.- Capital compliance Tier I (credit risk)	16.1	15.4	16.8	15.0	17.2	15.2	12.5	14.7	13.4	-	-
11.- Excess capital compliance	155.0	116.6	87.4	87.2	121.3	101.5	72.2	75.0	57.5	69.8	72.0

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.

Source: BCRA  
n.a.: non available

## Chart 6 | Balance Sheet

In million of current pesos	Dec 08	Dec 09	Dec 10	Dec 11	Jul 12	Dec 12	Jun 13	Jul 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>391,188</b>	<b>432,994</b>	<b>481,484</b>	<b>492,127</b>	<b>2.2</b>	<b>13.7</b>	<b>25.8</b>
Cash disposal <sup>1</sup>	37,044	43,562	49,730	58,877	65,405	85,717	84,456	82,960	-1.8	-3.2	26.8
Public bonds	29,552	47,949	48,903	50,055	50,739	43,350	51,154	54,163	5.9	24.9	6.7
Lebac/Nobac	23,457	31,575	34,422	34,246	40,958	30,531	35,362	39,033	10.4	27.8	-4.7
Portfolio	12,858	27,413	31,148	23,908	30,684	27,656	28,492	28,639	0.5	3.6	-6.7
Repo <sup>2</sup>	10,598	4,161	3,274	10,338	10,274	2,874	6,870	10,394	51.3	261.6	1.2
Private bonds	127	233	184	164	134	188	232	204	-12.2	8.4	52.2
Loans	98,529	101,722	143,202	202,117	221,509	256,708	286,934	290,330	1.2	13.1	31.1
Public sector	6,249	1,694	1,625	1,215	1,298	1,601	1,740	1,649	-5.2	3.0	27.1
Private sector	88,426	96,790	137,308	193,126	212,383	246,560	275,330	279,734	1.6	13.5	31.7
Financial sector	3,854	3,238	4,270	7,777	7,828	8,546	9,864	8,948	-9.3	4.7	14.3
Provisions over loans	-2,871	-3,653	-3,926	-4,574	-5,396	-6,193	-7,099	-7,330	3.2	18.3	35.8
Other netted credits due to financial intermediation	25,265	21,258	20,241	29,338	27,967	18,646	27,548	32,180	16.8	72.6	15.1
Corporate bonds and subordinated debt	699	734	757	796	673	988	1,555	1,891	21.5	91.4	181.0
Unquoted trusts	3,869	4,198	4,500	5,268	5,249	7,084	7,396	7,235	-2.2	2.1	37.8
Leasing	3,451	2,569	3,519	5,452	5,396	6,287	7,090	7,158	1.0	13.9	32.7
Shares in other companies	4,538	4,067	4,934	5,998	6,919	7,920	8,899	9,180	3.2	15.9	32.7
Fixed assets and miscellaneous	4,926	5,096	5,808	6,663	6,897	7,592	8,026	8,616	7.3	13.5	24.9
Foreign branches	-178	-202	-215	-240	0	0	0	0	-	-	-
Other assets	8,505	6,946	7,646	10,271	11,618	12,778	14,242	14,664	3.0	14.8	26.2
<b>Liabilities</b>	<b>182,596</b>	<b>198,438</b>	<b>243,766</b>	<b>321,123</b>	<b>340,589</b>	<b>376,774</b>	<b>417,955</b>	<b>426,989</b>	<b>2.2</b>	<b>13.3</b>	<b>25.4</b>
Deposits	135,711	154,387	198,662	253,705	275,767	317,443	350,949	354,603	1.0	11.7	28.6
Public sector <sup>3</sup>	19,600	17,757	23,598	27,664	30,223	33,232	39,890	40,880	2.5	23.0	35.3
Private sector <sup>3</sup>	114,176	134,426	173,203	223,141	243,314	281,698	308,347	310,983	0.9	10.4	27.8
Current account	30,188	35,127	46,297	57,586	66,272	77,269	83,018	82,453	-0.7	6.7	24.4
Savings account	32,778	40,999	53,085	66,891	66,644	76,130	82,814	80,107	-3.3	5.2	20.2
Time deposit	46,990	54,058	67,568	89,924	101,359	117,888	131,895	137,953	4.6	17.0	36.1
Other netted liabilities due to financial intermediation	39,298	34,235	34,427	53,973	50,540	41,780	49,884	54,595	9.4	30.7	8.0
Interbanking obligations	1,160	1,668	1,903	3,524	3,280	3,473	4,455	4,066	-8.7	17.1	24.0
BCRA lines	649	41	57	456	622	694	666	668	0.3	-3.7	7.4
Outstanding bonds	5,672	4,626	2,802	5,119	5,644	6,001	6,708	7,088	5.7	18.1	25.6
Foreign lines of credit	2,261	1,262	1,716	4,252	4,094	2,168	2,257	2,203	-2.4	1.6	-46.2
Other	11,125	12,015	13,849	19,059	17,267	21,087	20,204	20,456	1.2	-3.0	18.5
Subordinated debts	1,759	1,918	2,148	1,948	2,082	2,253	2,706	2,749	1.6	22.0	32.1
Other liabilities	5,828	7,897	8,528	11,497	12,201	15,297	14,415	15,043	4.4	-1.7	23.3
<b>Net worth</b>	<b>26,292</b>	<b>31,111</b>	<b>36,259</b>	<b>42,999</b>	<b>50,599</b>	<b>56,220</b>	<b>63,529</b>	<b>65,138</b>	<b>2.5</b>	<b>15.9</b>	<b>28.7</b>
<b>Memo</b>											
<b>Netted assets</b>	<b>192,074</b>	<b>216,100</b>	<b>267,364</b>	<b>344,101</b>	<b>372,468</b>	<b>425,181</b>	<b>466,535</b>	<b>472,931</b>	<b>1.4</b>	<b>11.2</b>	<b>27.0</b>

(<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.bkra.gov.ar](http://www.bkra.gov.ar)

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

## Chart 7 | Profitability Structure

Amount in million of pesos	Annual					First 7 months		Monthly			Last
	2008	2009	2010	2011	2012	2012	2013	May-13	Jun-13	Jul-13	12 months
Financial margin	12,964	19,724	21,837	27,234	38,151	21,172	27,186	3,693	3,724	4,660	44,165
Net interest income	7,727	10,572	12,842	18,518	27,893	15,510	19,827	2,953	2,881	3,113	32,209
CER and CVS adjustments	651	185	244	288	350	200	201	24	23	24	351
Foreign exchange price adjustments	1,620	1,646	1,493	2,064	2,451	1,169	2,467	426	417	520	3,750
Gains on securities	1,637	7,343	7,464	6,358	7,426	4,168	4,441	279	258	836	7,699
Other financial income	1,329	-22	-205	6	31	125	250	12	144	167	156
Service income margin	7,632	9,198	11,345	15,243	20,081	11,014	14,451	2,179	2,128	2,274	23,518
Loan loss provisions	-1,863	-2,751	-2,253	-2,633	-4,416	-2,236	-3,383	-462	-502	-552	-5,563
Operating costs	-12,401	-14,807	-18,819	-23,821	-30,858	-17,234	-22,277	-3,401	-3,274	-3,363	-35,902
Tax charges	-1,715	-2,380	-2,927	-4,300	-6,450	-3,403	-5,244	-763	-780	-847	-8,291
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	-59	-33	-6	-3	-3	-174
Other	916	398	1,382	1,723	1,867	1,011	1,280	327	153	174	2,136
Total results before tax <sup>2</sup>	4,579	9,014	10,171	13,272	18,176	10,267	11,980	1,567	1,446	2,344	19,889
Income tax	-1,168	-3,001	-2,733	-4,293	-6,089	-3,543	-4,342	-564	-545	-836	-6,888
<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>6,723</b>	<b>7,638</b>	<b>1,002</b>	<b>900</b>	<b>1,508</b>	<b>13,001</b>
Adjusted Result <sup>3</sup>	4,367	6,381	7,832	9,153	12,285	6,782	7,671	1,008	904	1,511	13,174
<b>Annualized indicators - As % of netted assets</b>											
Financial margin	7.3	9.8	9.3	9.0	10.2	10.1	10.5	9.8	9.7	12.0	10.4
Net interest income	4.4	5.3	5.5	6.1	7.4	7.4	7.6	7.9	7.5	8.0	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	0.6	1.0	1.1	1.1	1.3	0.9
Gains on securities	0.9	3.7	3.2	2.1	2.0	2.0	1.7	0.7	0.7	2.1	1.8
Other financial income	0.8	0.0	-0.1	0.0	0.0	0.1	0.1	0.0	0.4	0.4	0.0
Service income margin	4.3	4.6	4.8	5.0	5.4	5.2	5.6	5.8	5.5	5.8	5.5
Loan loss provisions	-1.1	-1.4	-1.0	-0.9	-1.2	-1.1	-1.3	-1.2	-1.3	-1.4	-1.3
Operating costs	-7.0	-7.4	-8.0	-7.8	-8.2	-8.2	-8.6	-9.1	-8.5	-8.6	-8.5
Tax charges	-1.0	-1.2	-1.2	-1.4	-1.7	-1.6	-2.0	-2.0	-2.0	-2.2	-2.0
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	0.9	0.4	0.4	0.5
Total results before tax <sup>2</sup>	2.6	4.5	4.3	4.4	4.9	4.9	4.6	4.2	3.8	6.0	4.7
Income tax	-0.7	-1.5	-1.2	-1.4	-1.6	-1.7	-1.7	-1.5	-1.4	-2.1	-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>3.2</b>	<b>2.9</b>	<b>2.7</b>	<b>2.3</b>	<b>3.9</b>	<b>3.1</b>
ROA adjusted <sup>3</sup>	2.5	3.2	3.3	3.0	3.3	3.2	3.0	2.7	2.4	3.9	3.1
ROE before tax	20.4	34.4	33.5	37.8	39.8	40.8	36.6	32.9	29.8	47.2	37.4
ROE <sup>2</sup>	15.2	22.9	24.5	25.6	26.4	26.7	23.4	21.0	18.6	30.4	24.4

(<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	Jul 12	Dec 12	Jun 13	Jul 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	143	140	130	132
(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	-3.3	-3.2	-2.7	-2.8
<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	141	139	129	131
(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	-3.2	-3.1	-2.6	-2.7

Source: BCRA

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