

Report on Banks

September 2010



BANCO CENTRAL
DE LA REPÚBLICA ARGENTINA

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September 2010

Year VIII, No. 1



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Note | Information for September 2010 available by October 26, 2010 is included. This Report is focussed on the performance of the financial system, including breakdowns by homogeneous sub-sectors. The data reported (particularly, those referring to profitability) are provisional and are subject to changes later. Except the opposite was indicated the data included corresponds to BCRA Information Regimes (end of month data).

Published on November 15, 2010

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

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Summary

- **At the end of the third quarter of 2010 financial entities intermediation gained greater dynamism. This trend benefited from a context of increased economic activity, in which prevail financial stability conditions and a positive outlook for coming periods.** The rate of growth in lending to the private sector continued to rise, with funding coming mainly from higher private sector deposits. Financial entities maintained satisfactory solvency levels, while portfolio delinquency continued to decline.
- **Financial system deposit stocks grew 3.1% in September**, mainly reflecting the effect of increased public sector deposits. Non-financial private sector deposit stocks were up 2.8% for the month (27.4% year on year -y.o.y.-), largely driven by time deposits. **With the aim of facilitating access and encouraging greater use of banking services, in September the Central Bank introduced a “Free Universal Banking Account” (“Cuenta Gratuita Universal”).** By mid-November more than 9,400 accounts had already been opened, with over three times as many enquiries having been made at banks on the matter.
- **During September the financial system liquidity ratio that takes into account items in both local and foreign currency dropped by 1.4 p.p. of deposits to 28.1%.** Broad liquidity (including Lebac and Nobac holdings not related to repos with the BCRA) performed in a similar manner. The broad liquidity ratio performance was mainly led by private banks.
- **On the basis of balance sheet figures, loans to the private sector grew 3.8% in September (29% y.o.y.),** for the first time this year exceeding the year-on-year growth of private sector deposits. All credit lines increased during the month, particularly promissory notes and pledge-backed loans. **During the third quarter of the year, loans to companies and households recorded an annualized (a.) growth of 41%,** virtually returning to the pre-international crisis performance. **Loans to companies recorded a quarterly growth rate slightly above loans to households,** gaining share in the total stock of lending to the private sector.
- With the aim of increasing the availability of long-term credit in local currency for the financing of investment, **at the beginning of October the Central Bank held the first auction of funds for loans under the “Bicentennial Program for Productive Sector Financing” (“Programa de Financiamiento Productivo del Bicentenario”).** The total amount auctioned reached \$230 million, bids being received for more than this value.
- **The private sector lending non-performance ratio reached a record low of 2.5% in September, with a drop of 0.3 percentage points -p.p.-. during the month.** Over the course of 2010 delinquency levels fell by 1 p.p., because of both a lower non-performing stocks and greater loan stock dynamism. This decline in the non-performing ratio was driven mainly by non-banking financial entities and private banks, largely from improved performance by their consumer credit portfolios. The financial system non-performing loan portfolio continued to be well covered by provisions (146%).
- Broad foreign currency mismatch of the financial system rose slightly in September to 33.1% of net worth. Nevertheless, **over the last 12 months broad foreign currency mismatching has fallen 12.5 p.p. in terms of net worth.**
- **In September there was a growth of 2% (14.2% y.o.y.) in financial system consolidated net worth.** All financial entity groups posted increases in their net worth, with a larger relative increase in the case of public banks. This performance is in line with **book profits, which rose slightly in September compared with the previous month, to 2.9%a. of assets.** Public banks and national private banks accounted for most of the increase in profits for the month. As a result, **the financial system ended the third quarter of the year with accrued profits equivalent to 3.1%a. of assets, similar to those for the same period of 2009.** Capital compliance ratio fell slightly during the month, to 17.7% of risk-weighted assets (RWA), having remained relatively stable over the last three years at around 18% of RWA, in a context of growth in lending to the private sector.

Activity

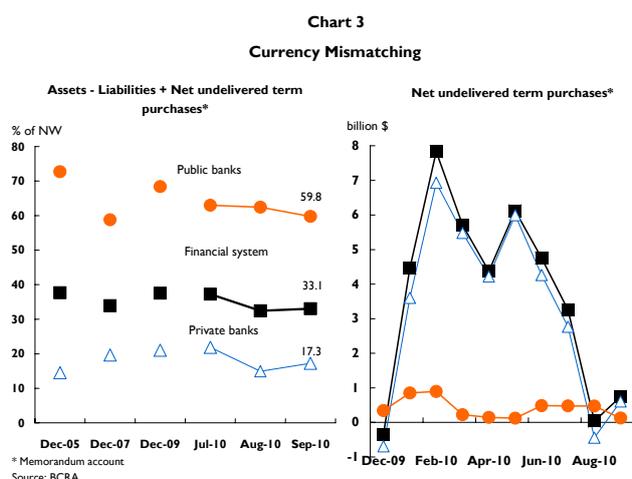
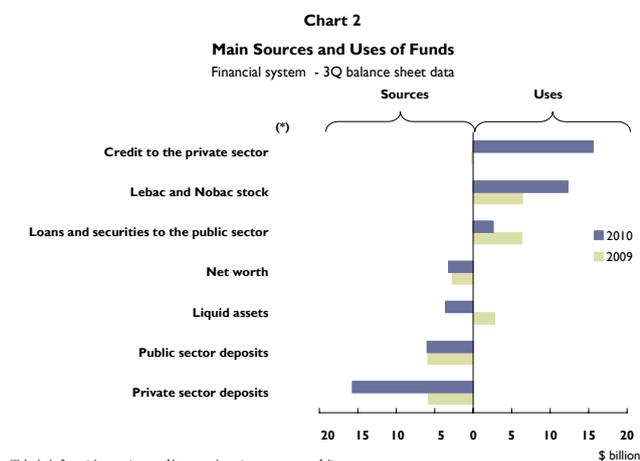
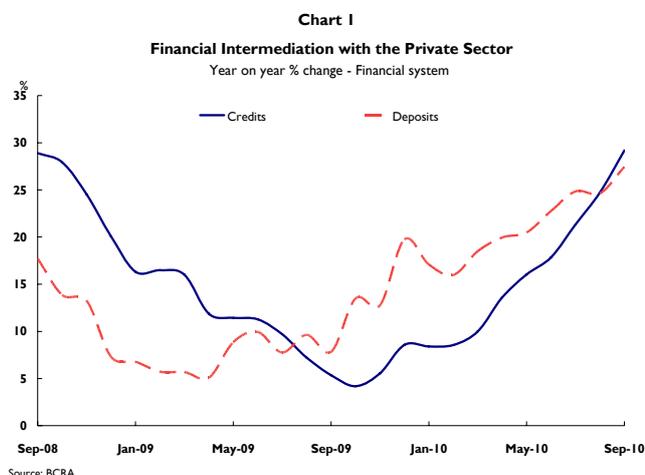
Private banks continue to provide dynamism to private sector lending

In line with the performance of local economic activity, at the end of the third quarter of the year the rate of increase in bank financial intermediation with the private sector continued to accelerate. For the first time in over a year, in September year-on-year (y.o.y.) growth in lending to companies and households exceeded growth in private sector deposits (see Chart 1). In this context, bank netted assets rose 2.8% in the month, accumulating an increase of 26.6% y.o.y., mainly because of the dynamism of public financial entities (34.3% y.o.y.).

In the case of estimated flow of funds for all financial entities, **increased stocks of public and private sector deposits (\$10.8 billion) were the most significant sources of funds in September, followed by a reduction in liquid assets (\$1.8 billion)**. Increased lending to the private sector (\$6.6 billion) was the main use of resources made by banks during the month. Stocks of bills and notes (Lebac and Nobac not related to Central Bank repos) rose during the period \$4.3 billion being another of the main uses of resources by banks.

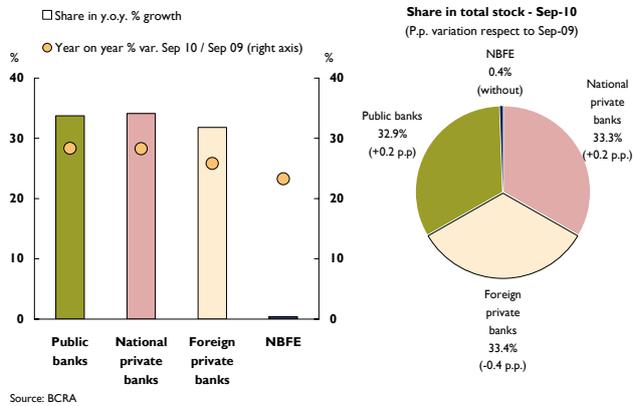
During the third quarter of 2010 private sector lending growth was mainly funded by deposits from the same sector (see Chart 2), a period of greater financial intermediation dynamism. Between July and September 2010 the increase in private sector deposits was almost three times the growth recorded in the same period of 2009. Another notable source of funds during the quarter came from growth in public sector deposits, in line with the performance in the previous year. Unlike the third quarter of 2009, liquid assets (minimum cash compliance and stocks of repos with the Central Bank) were a source of funds in the last three months. **Another significant use of funds by the financial system during the third quarter was the increased stock of Lebac and Nobac holdings not related to repos with the Central Bank¹.**

For private banks, comparison of flow of funds in the third quarter of 2010 against the same period of the previous year shows significant differences. **Following a higher increase in private sector deposits, in the third quarter of the current year the main use of funds for**



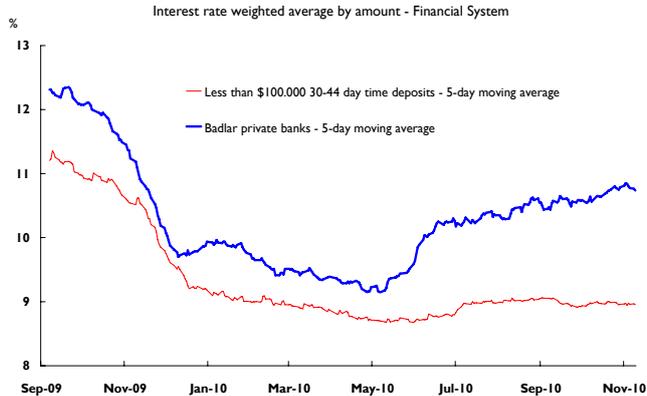
¹ If the variation in liquid assets and in stocks of Lebac and Nobac are considered together, in the third quarter of 2010 there has been a use of funds in the order of \$8.7 billion by the financial system.

Chart 4
Private Sector Deposits by Group of Banks



Source: BCRA

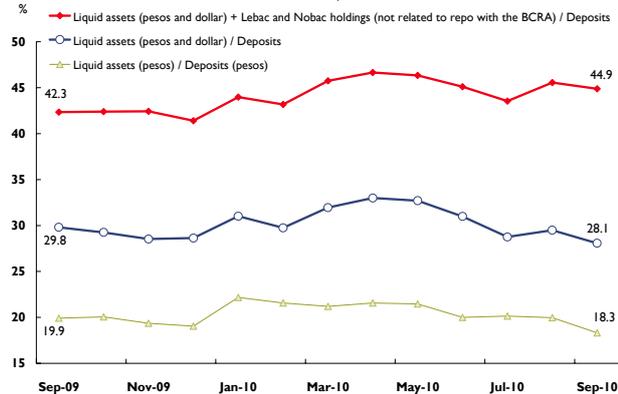
Chart 5
Private Sector Time Deposits in Pesos



Source: Siscen, BCRA

Chart 6

Liquidity
Financial system



Source: BCRA

private banks was lending to companies and households. In the same period of 2009, these loans were a source of funds, whereas the main use of funds had been the increase of liquid assets.

During the third quarter of the year lending to the private sector increased its share of financial system netted assets to 40.8%, a level slightly above its weighting in the first quarter of 2009. This increase registered in recent months mainly reflected the behavior of national and foreign private banks. The banking system reduced its holdings of liquid assets in September to 21.9% of netted assets (35% including Lebac and Nobac holdings not related to repos with the BCRA), remaining below the level recorded in the same period of 2009. This movement was seen in both public and private financial entities.

Financial system foreign currency mismatching (which includes net undelivered term purchases of foreign currency) rose slightly in September to 33.1% of net worth (a change of 0.6 p.p. for the month), although it remains lower than in the same month of 2009 (see Chart 3). This monthly change was mainly explained by the increase in net undelivered term purchases of foreign currency (principally in private banks). It should be noted that these net term purchases by the banking system amounted to approximately US\$200 million during the month, well below the maximum of US\$2.0 billion registered during the year.

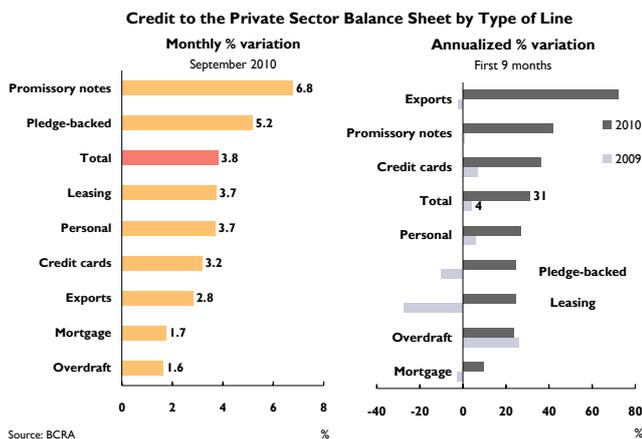
Bounced checks by nonsufficient funds continued at a low level, approximately 0.7% of the number of documents cleared in October, and 0.4% in terms of amounts. Although in October clearing checks were lower (in terms of both number and amount) compared with September, levels remained higher than they were in the same period of 2009.

With the aim of facilitating access and encouraging a greater use of banking services, in September the Central Bank issued regulations establishing a “Free Universal Banking Account” (“Cuenta Gratuita Universal”). By mid-November, more than 9,400 accounts had already been opened, while almost three times as many enquiries were made at banks.

Deposits and liquidity

Increase in time deposits were the responsible for the monthly growth in private sector deposits, while there was a slight reduction in liquidity levels

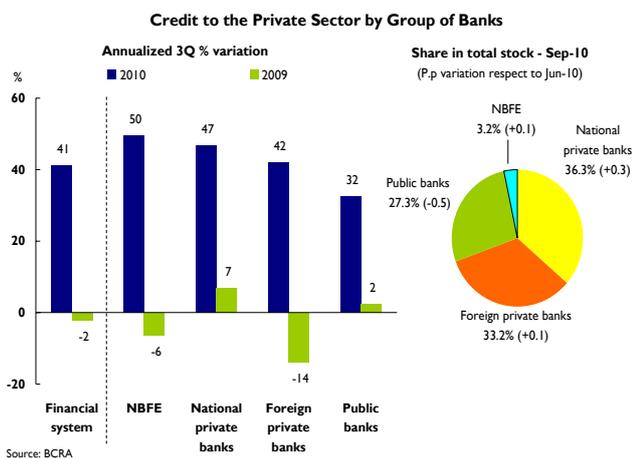
Chart 7



Financial system balance sheet deposit stocks continued to rise in September, showing an increase of 3.1% (32.2% y.o.y.). Time deposits and sight deposits behaved in a similar manner during the month. Public sector deposits rose 4.2% in the period, while **the private sector stock of deposits grew by 2.8% compared with August, mainly from time deposits.**

In the last 12 months, private sector deposits grew by 27.4% led by public and private banks (see Chart 4). Sight deposits mainly accounted for this dynamism (31.4% y.o.y.), during a period in which there was also an increase in time deposits (23.5% y.o.y.). There has been no significant change in peso time deposits interest rates in recent months, remaining lower than in the same period of 2009, in both the retail and wholesale segments (see Chart 5).

Chart 8



In September financial system liquid assets stocks dropped compared with August as a result of the reduction in the stock of repos with the Central Bank, a change that was partly offset by an increase in minimum cash compliance. Peso liquidity stood at 18.3% of total deposits in pesos. The liquidity indicator, including items in both pesos and foreign currency, fell by 1.4 p.p. of total deposits in August, to 28.1%, accumulating a drop of 1.7 p.p. compared with the same month of the previous year (see Chart 6), mainly because of the decline recorded by private banks. The broad liquidity indicator (which includes Lebac and Nobac holdings not related to Central Bank repos) recorded a similar behavior, to stand at 44.9%. **This behavior for the month by the broad liquidity ratio was largely explained by private banks.**

The average daily trading volume on the call money market increased in September, to \$900 million, at a time when there was a slight reduction in financial system liquidity indicators for the month. The average interest rate, weighted by amounts, traded on the market rose 0.2 p.p. to 9.4% during the month. Trading volumes and market interest rates continued to rise during October.

Financing

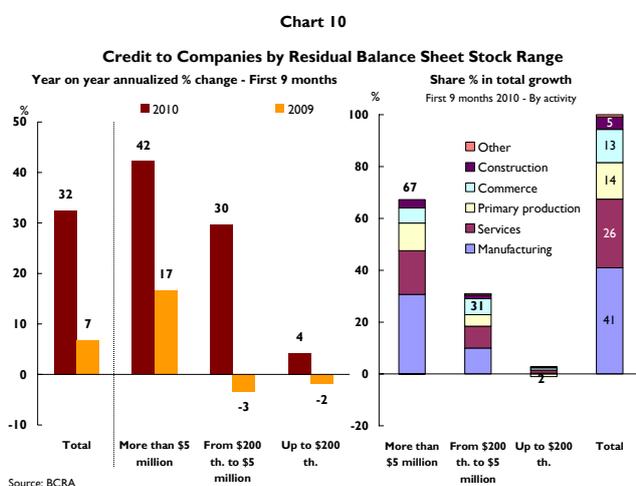
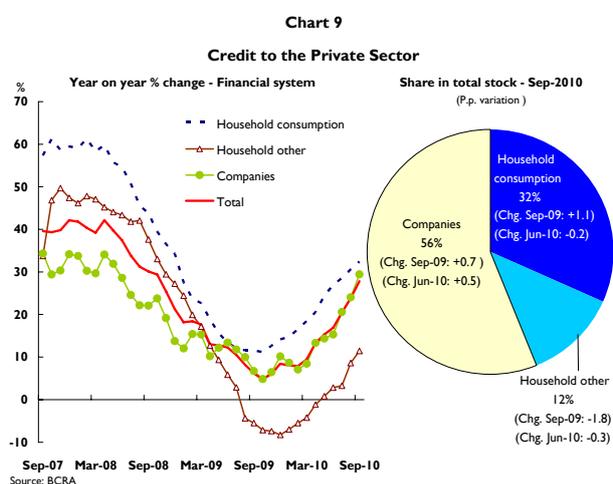
In the third quarter of the year greater growth was recorded in lending to companies

In September loans to private sector stocks showed an increase of 3.8%² (29% y.o.y.), with a notable performance by promissory notes and pledge-backed loans. At a time when all groups of financial entities recorded an increase for the month in lending to companies and households, **the most significant dynamism was shown by non-banking financial entities and national private banks**. In the first nine months of 2010 total lending to the private sector grew at an annualized rate of 31%, 27 p.p. above the level in the same period of the previous year, as a result of an improvement in the growth rate for almost all credit lines³ (see Chart 7).

It should be noted that during the third quarter of the year, loans to the private sector recorded a growth of 41%a., almost returning to the behavior seen prior to the international crisis. During this period, all homogeneous groups of banks recorded lending growth well above that reached in the same period of 2009 (see Chart 8).

Bank lending to companies⁴ continued to accelerate in September, and as in the last three months it has grown at a faster rate than household loans, it has increased its share in total lending to the private sector (see Chart 9). This quarterly increase in lending to companies took place mainly by means of promissory notes and export credits.

In the first nine months of the year loans to the corporate sector grew by approximately 32%a., 26 p.p. more than in the same period of 2009, as a result of **increases in the growth rate for all segments according to residual balance sheet stock range, with a relatively better improvement in the segment between \$200.000 and \$5 million** (see Chart 10). Loans with a relatively large balance sheet stock (over \$5 million) accounted for two-thirds of the growth in corporate lending in 2010, and were mainly granted to companies in the manufacturing and services sectors. The remaining



² During September one financial trust was issued with bank loan portfolio as underlying assets for a total of \$80 million, corresponding to a securitization of personal loans. If balance sheet stocks are corrected for the assets securitized during the month, there would be no change in the monthly rate of growth of lending to the private sector, which would remain at 3.8%.

³ The change in the stock of overdrafts was partly affected by the actions of one large bank which carried out an accounting reclassification of its foreign currency loans in August (from overdrafts to prefinancing export credit).

⁴ Loans to companies are those granted to legal persons and commercial loans granted to individuals; remaining loans to individuals are considered within the households heading.

increase came from the smaller segments, spread evenly across all productive sectors.

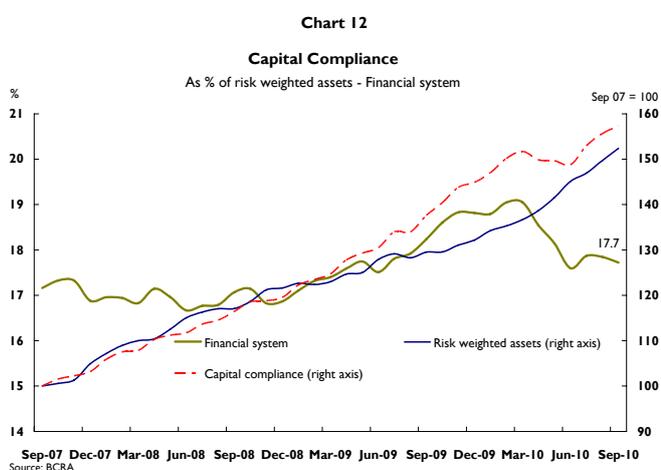
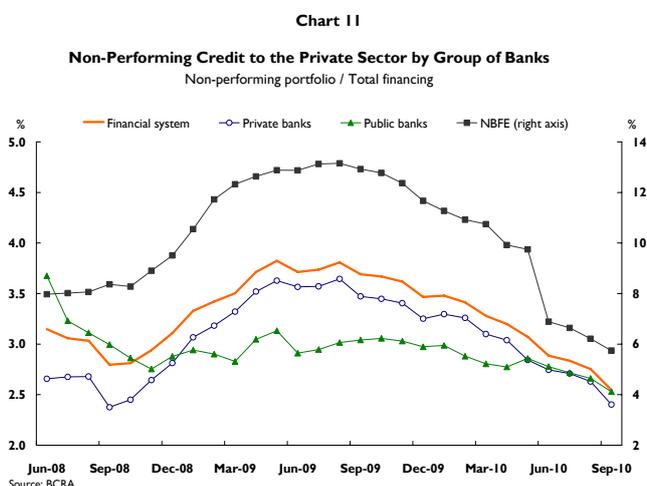
With the aim of increasing the availability of long-term credit in local currency for the financing of investment, the Central Bank held the first auction of funds for loans under the “Bicentennial Program for Productive Sector Financing” (“Programa de Financiamiento Productivo del Bicentenario”). The total amount auctioned amounted to \$230 million, with bids being received for \$295 million. In total, four banks were awarded funds. The interest rate payable by each bank was set at a nominal annual 9%, while the total financial cost for the respective borrowers can be up to 9.9%. The funds allocated to the banks are secured by financial assets for which the debtor or guarantor is the National State.

Loans to household have also recorded a marked rise, both in September and in the quarterly comparison, achieving a growth rate of 27%a. in 2010 to date. Consumer credit lines were the most dynamic, with an increase of 31%a. (credit card lending expanded by 39%a. and personal loans were up 26%a.), and they also made the largest contribution to the increase in the total stock of lending to households in the year to date (81%). Collateralized lines rose 13%a., mainly from pledge-backed loans (39%a.), which accounted for almost three-quarters of the increase in these loans in 2010 to date.

The private sector loan non-performance ratio fell to a record low of 2.5% in September, after a drop of 0.3 p.p. for the month, in part as a consequence of the transfer of non-performing loans to unrecoverable loans in memorandum accounts by one private bank⁵. During 2010 the delinquency rate has dropped by 1 p.p., because of both the decline in non-performing loan stocks and the overall increase in loan stocks. This reduction in the non-performance ratio took place mainly in non-banking financial entities and private banks, basically because of the improved performance by their consumer credit portfolios (see Chart 11). The level of coverage of the non-performing portfolio by provisions reached 146% in September, 23 p.p. above the level recorded 12 months earlier.

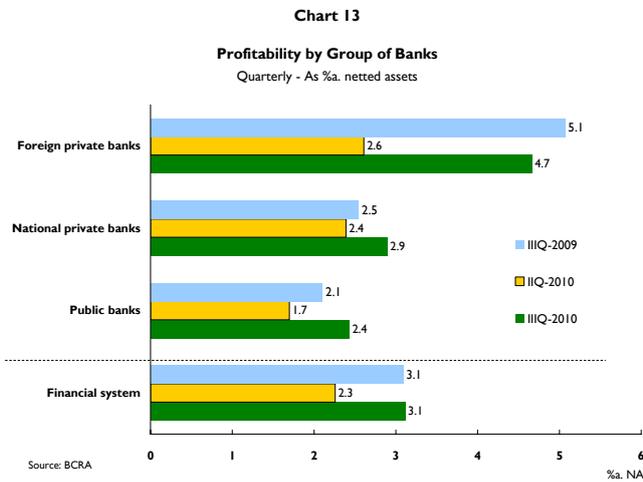
Solvency

The third quarter ended with book profits for all groups of financial entities



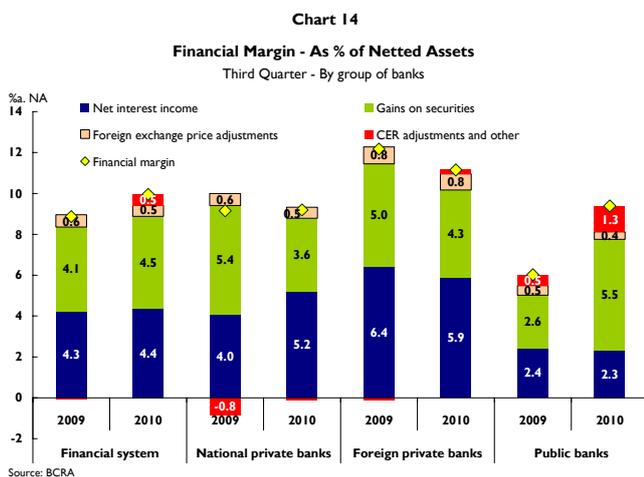
⁵ It is estimated that if the effect of this transfer to unrecoverable loans in memorandum accounts were to be excluded, the non-performance ratio would be 2.6% in September, slightly below the level recorded in the previous month.

In September financial system consolidated net worth rose by 2% (14.2% y.o.y.). This performance has been widespread across all groups of financial entities, with a greater relative increase in public banks.



Within a context of increased dynamism in bank lending to the private sector, the capital compliance ratio posted a modest decline, to stand at 17.7% of risk-weighted assets (RWA) for the month. Although capital compliance (in terms of RWA) fell slightly in year-on-year terms, **in the last 3 years there has been some stability in this solvency indicator, which has averaged around a monthly 18% of RWA** (see Chart 12). The capital position of the financial system fell slightly in September, to 87.7% of the regulatory requirement. The drop during the month in excess capital compliance took place mainly in private banks, although this group records a capital surplus position that is above the average for the financial system.

Increased net worth was fed by book profits accrued by the financial system during September. **September book profits were moderately higher than in the previous month, being 2.9%a. of assets. Public banks and private national banks accounted for most of the increase in monthly profits.** As a result, the banking system ended the third quarter of the year having accrued profits equivalent to 3.1%a. of assets, higher than those of the second quarter and in line with the levels in the same period of the previous year (see Chart 13).



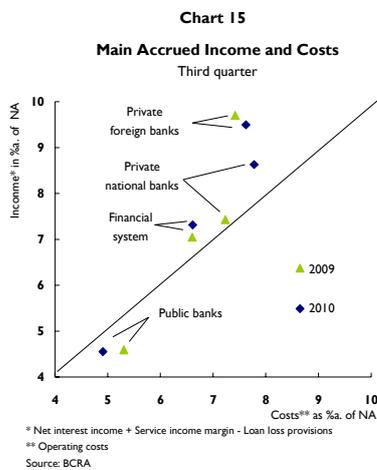
In September financial margin dropped by 0.6 p.p. of assets to 9.3%a. Gains on securities, net interest income and CER adjustments recorded a decline for the month, while higher foreign exchange price adjustments partly offset the drop. This decline in financial margin was mainly seen in national private banks, and to a lesser extent in public banks. Despite this drop for the month, in the third quarter of the year the financial system accrued a financial margin of 10%a. of assets, above that for the same period of 2009, basically explained by public banks (see Chart 14), following greater gains on securities and CER adjustments.

Service income margin rose slightly during the month to 3.9%a. of assets, driven mainly by public banks. Service income margin ended the third quarter of the year at 3.9%a. of assets for the system as a whole, a level similar to that of the same period last year. During the third quarter of 2010, in line with the situation seen one year earlier, commissions on deposits together with

those from credit card issues, insurance, and other, were the main sources of service income margin, followed by sources linked to the granting of loans.

Loan loss provisions were 0.7%a. of assets in September, down 0.4 p.p. for the month. The third quarter of 2010 ended with loan loss provisions equivalent to 0.8%a. of assets, 0.3 p.p. less than in the same period of 2009.

In September operating costs rose slightly to 6.7%a. of assets, mainly accounted for by private banks. These operating costs ended the third quarter of 2010 at levels slightly higher than those for the same period of 2009.



On the basis of aggregate data for the banking system for **the third quarter of 2010, revenues** (in terms of net interest income and service income margin net of loan loss provisions) **have risen by more than operating costs, giving rise to an increase in the ratio of income to current expenditure.** This progress has been seen mainly in national private banks (from an increase in income greater than the increase in costs), and in public banks (from lower costs and a steady revenue level) (see Chart 15).

According to information available at the date of publishing this report, it is estimated that in the last quarter of the year the financial system will maintain its solvency levels on the basis of the recording of book profits. As financial intermediation levels rise further, net interest income and service income margin will continue to drive bank profitability. In the case of expenditure, operating costs are expected to follow the upward trend seen during the year, while loan loss provisions will continue at low levels, in line with the behavior of portfolio non-performing stocks.

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” 5117 – 06/09/10

“Time deposits and term investments” update. Redefinitions of items included in investments.

Communication “A” 5125 – 17/09/10

Financing to the non-financial public sector. Under the concepts excluded section, those related to temporary advances to the non-financial public sector (“*Adelantos transitorios al sector público no financiero*”) are modified, as long as certain conditions are verified.

Communication “A” 5127 – 24/09/10

It was approved with effect from October 18, 2010, the Free Universal Banking Account (“*Cuenta gratuita universal*”). Financial entities that have installed at least ten ATMs, should open these accounts at the request of who apply for. May be owners of these accounts, those people who do not have current accounts, saving or other accounts in the financial system, and it will be open with the National Identity Document (“*Documento Nacional de Identidad*”) presentation. May not charge account fees for maintenance, for those movements that are channeled through ATMs of the same financial entity in the country, for purchases in shops or automatic debits for services.

It was established that financial entities should adopt mechanisms necessary for customers to order funds transfer conducted through electronics means and self-service terminals from the financial entity, where the transfer between deposits accounts in pesos were originated, for at least \$10,000, effective from the first working day of November 2010. Charges and fees that financial entities charge for the service of transfers between deposits accounts denominated in pesos, will be subject to the following maximum amounts:

- For transfers made through electronics means (for example ATM, home banking and self-service terminals): will be free for up to \$10,000 per day, not entitled to the position by the financial entity of any administrative concept, operational or any other kind. For the excess of that amount, entities may charge fees or commissions for up to 50% of the maximum fee, according to the scale established for transfers over the counter.
- For transfers over the counter:
 - Up to \$50,000, maximum fee of \$5.
 - Over \$50,000 to \$100,000, maximum fee of \$10.
 - Over \$100,000, maximum fee of \$300.That, without prejudice to the concepts that financial entities should add to commissions (taxes, deductions) according to the applicable legal rules.

Methodology

- (a) Aggregate balance sheet information is taken from the monthly accounting information system (unconsolidated balance sheets). In order to calculate aggregate data for the financial system, for financial entities that have not provided data for the month reviewed, the most recent information available is repeated in the aggregate balance sheet. On the other hand, for profitability analysis only the banks providing data for that month are considered.
- (b) Due to possible lack of data for some banks at the time this Report was drafted, and due to possible corrections to the data provided by financial entities later, the data included is of a preliminary nature –particularly for the last month included-. Therefore, and due to the fact that the most recent data available always used, data in connection with earlier periods may not match what was mentioned in earlier issues of the Report. In such cases, the latter release should be regarded as being of better quality.
- (c) Unless otherwise indicated, data about deposits and loans refer to balance sheet information, and do not necessarily agree with those compiled by the Centralized Information Requirement System (SISCEN). Reasons for discrepancies include the precise date considered in order to calculate monthly changes and the items included in the definition adopted in either case.
- (d) Profit ratio calculations are based on monthly results estimated from changes in the aggregate result amounts during the current fiscal year. Unless otherwise specified, profit ratios are annualized.
- (e) Initially, the breakdown by group of banks was determined based on majority decision making role –in terms of voting rights at shareholder meetings - distinguishing between private sector financial entities and public sector banks. In order to increase depth of the analysis, private sector entities were also classed according to the geographic and business scope of their operations. Wholesale banks were therefore defined as those specializing in the large corporations and investor sector, which in general do not rely on deposits from the private sector for their funding. On the other hand, retail banks were divided into those carrying out business nationwide, those located in certain geographic regions –municipalities, provinces, or regions- and entities that specialize in a financial sector niche market –usually smaller entities-. Finally, it is worth noting that the classifications defined above are solely for analytical purposes and does not mean it is the only methodology criteria by which to group them; while on the other hand, the listing of features for each financial entity group has been established in a general manner.
- (f) Indicators exhibited in Tables 1 and 5 of Statistical Appendix: 1.- $(\text{Paid in liquidity at the BCRA} + \text{Other cash holding} + \text{Holdings of BCRA securities for repo transactions in cash}) / \text{Total deposits}$; 2.- $(\text{Position in government securities (not including Lebac nor Nobac)} + \text{Loans to the public sector} + \text{Compensations to be received}) / \text{Total assets}$; 3.- $(\text{Loans to the non-financial private sector} + \text{Leasing operations}) / \text{Total assets}$; 4.- $\text{Irregular portfolio with the non-financial private sector} / \text{Loans to the non-financial private sector}$; 5.- $(\text{Total irregular portfolio} - \text{Bad loan provisions}) / \text{Equity}$. The irregular portfolio includes loans classed in situations 3, 4, 5 and 6; 6.- $\text{Cumulative annual result} / \text{Average monthly netted assets} - \% \text{ annualized}$; 8.- $(\text{Financial margin (Net interest income} + \text{CER and CVS adjustments} + \text{Gains on securities} + \text{Foreign exchange price adjustments} + \text{Other financial income}) + \text{Service income margin}) / \text{Cumulative annual operating costs}$; 9.- $\text{Paid in capital (Calculated Equity Requirement)} / \text{Risk weighted assets, according to the BCRA rule on minimum capital}$; 10.- $\text{Total capital position (Paid in capital less requirement, including flexibilities)} / \text{Capital requirement}$.

Glossary

%a.: annualized percentage.

%i.a.: interannual percentage.

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

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

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

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

CEDRO: Certificado de Depósito Reprogramado. Rescheduled Stabilization Coefficient.

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

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

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

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

Lebac and Nobac: Bills and notes of the BCRA.

Liquid assets: Minimum cash compliance – cash, current account at BCRA and special accounts in guarantee – and other liquid items (mainly correspondent accounts) plus repo position in cash with the BCRA.

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

mill.: million.

NBFE: Non-banking financial entity.

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

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

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

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

ON: Corporate bonds (Obligaciones Negociables).

OS: Subordinated debt (Obligaciones Subordinadas).

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

PN: Net worth (Patrimonio Neto).

p.p.: percentage points.

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

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

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

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

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

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

RWA: Risk weighted assets.

SME: Small and Medium Enterprises.

US\$: United States dollars

Statistics annex | Financial system

Chart 1 | Financial Soundness Indicators (see Methodology)

As %	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	Sep 2009	2009	Aug 2010	Sep 2010
1.- Liquidity	22.3	26.1	23.1	25.0	23.4	19.6	22.8	29.1	29.6	20.1	22.5	23.0	27.9	29.8	28.6	29.5	28.1
2.- Credit to the public sector	16.9	16.2	16.2	18.0	17.3	23.0	48.9	47.0	40.9	31.5	22.5	16.3	12.7	14.3	14.5	13.0	12.7
3.- Credit to the private sector	50.8	47.7	48.4	44.9	39.9	42.7	20.8	18.1	19.6	25.8	31.0	38.2	32.4	37.3	38.3	38.2	38.5
4.- Private non-performing loans	16.2	13.8	12.2	14.0	16.0	19.1	38.6	33.5	18.6	7.6	4.5	3.2	3.1	3.7	3.5	2.8	2.5
5.- Net worth exposure to the private sector	24.9	22.5	20.6	24.7	26.2	21.9	17.3	12.4	-1.0	-4.1	-3.3	-3.0	-3.3	-2.5	-2.8	-3.9	-4.0
6.- ROA	0.6	1.0	0.5	0.2	0.0	0.0	-8.9	-2.9	-0.5	0.9	1.9	1.5	1.6	2.4	2.3	2.5	2.6
7.- ROE	4.1	6.3	3.9	1.7	0.0	-0.2	-59.2	-22.7	-4.2	7.0	14.3	11.0	13.4	19.6	19.2	21.4	21.9
8.- Efficiency	142	136	138	142	147	143	189	69	125	151	167	160	167	186	185	177	179
9.- Capital compliance	23.8	20.8	20.3	21.0	20.1	21.4	-	14.5	14.0	15.3	16.9	16.9	16.9	18.2	18.8	17.8	17.7
10.- Excess capital compliance	64	73	49	54	58	54	-	116	185	173	134	93	90	98	100	88	88

Source: BCRA

Chart 2 | Balance Sheet

In million of current pesos	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Dec 08	Sep 09	Dec 09	Ago 10	Sep 10	Change (in %)					
												Last month	2010	Last 12 months			
Assets	187,532	186,873	212,562	221,962	258,384	297,963	346,762	377,221	387,381	457,418	470,696	2.9	21.5	24.8			
Liquid assets ¹	17,138	27,575	29,154	20,819	37,991	46,320	58,676	66,973	71,067	87,851	90,388	2.9	27.2	35.0			
Public bonds	31,418	45,062	55,382	66,733	64,592	62,678	65,255	83,255	86,318	107,633	108,642	0.9	25.9	30.5			
Lebac/Nobac	-	-	17,755	28,340	29,289	36,022	37,093	46,141	43,867	67,032	67,182	0.2	53.1	45.6			
Portfolio	-	-	11,803	21,067	25,767	31,598	25,652	32,857	34,748	53,944	58,271	8.0	67.7	77.3			
Repo ²	-	-	5,953	7,273	3,521	4,424	11,442	13,284	9,119	13,088	8,911	-31.9	-2.3	-32.9			
Private bonds	332	198	387	389	813	382	203	320	307	260	322	24.0	4.7	0.6			
Loans	84,792	68,042	73,617	84,171	103,668	132,157	154,719	160,725	169,868	199,769	206,718	3.5	21.7	28.6			
Public sector	44,337	33,228	30,866	25,836	20,874	16,772	17,083	19,443	20,570	24,141	24,180	0.2	17.6	24.4			
Private sector	38,470	33,398	41,054	55,885	77,832	110,355	132,844	137,573	145,247	171,241	177,679	3.8	22.3	29.2			
Financial sector	1,985	1,417	1,697	2,450	4,962	5,030	4,793	3,709	4,052	4,386	4,859	10.8	19.9	31.0			
Provisions over loans	-11,952	-9,374	-7,500	-4,930	-3,728	-4,089	-4,744	-5,566	-5,824	-6,123	-6,058	-1.1	4.0	8.8			
Other netted credits due to financial intermediation	39,089	27,030	32,554	26,721	26,039	29,712	38,152	38,819	33,498	35,501	37,254	4.9	11.2	-4.0			
Corporate bonds and subordinated debt	1,708	1,569	1,018	873	773	606	912	1,224	1,146	1,272	1,269	-0.3	10.7	3.6			
Unquoted trusts	6,698	4,133	3,145	3,883	4,881	5,023	5,714	5,926	5,942	5,824	5,969	2.5	0.5	0.7			
Compensation receivable	17,111	14,937	15,467	5,841	763	377	357	17	16	0	0	0.0	-99.8	-99.9			
Other	13,572	6,392	12,924	16,124	19,622	23,706	31,169	31,652	26,395	28,405	30,016	5.7	13.7	-5.2			
Leasing	567	397	611	1,384	2,262	3,469	3,935	3,097	2,933	3,329	3,453	3.7	17.7	11.5			
Shares in other companies	4,653	4,591	3,871	4,532	6,392	6,430	6,575	6,711	7,372	7,737	7,437	4.9	15.3	17.7			
Fixed assets and miscellaneous	8,636	8,164	7,782	7,546	7,619	7,643	7,903	8,202	8,239	8,598	8,647	0.6	4.9	5.4			
Foreign branches	3,522	3,144	3,524	3,647	2,782	2,912	3,153	4,264	3,926	3,206	3,245	1.2	-17.3	-23.9			
Other assets	9,338	12,043	13,180	10,950	9,953	10,347	12,275	10,556	10,337	10,023	10,350	3.3	0.1	-2.0			
Liabilities	161,446	164,923	188,683	195,044	225,369	261,143	305,382	330,903	339,047	404,916	417,082	3.0	23.0	26.0			
Deposits	75,001	94,635	116,655	136,492	170,898	205,550	236,217	262,122	271,853	335,911	346,486	3.1	27.5	32.2			
Public sector ³	8,381	16,040	31,649	34,019	45,410	48,340	67,151	73,181	69,143	103,774	108,087	4.2	56.3	47.7			
Private sector ³	59,698	74,951	83,000	100,809	123,431	155,048	166,378	184,997	199,278	229,287	235,768	2.8	18.3	27.4			
Current account	11,462	15,071	18,219	23,487	26,900	35,245	39,619	40,343	45,752	53,365	55,464	3.9	21.2	37.5			
Savings account	10,523	16,809	23,866	29,078	36,442	47,109	50,966	56,784	62,807	71,115	72,157	1.5	14.9	27.1			
Time deposit	19,080	33,285	34,944	42,822	54,338	65,952	69,484	81,193	83,967	96,022	99,228	3.3	18.2	22.2			
CEDRO	12,328	3,217	1,046	17	13	0	0	0	0	0	0	-	-	-			
Other netted liabilities due to financial intermediation	75,737	61,690	64,928	52,072	46,037	46,225	57,662	55,165	52,114	54,909	55,515	1.1	6.5	0.6			
Interbanking obligations	1,649	1,317	1,461	2,164	4,578	4,310	3,895	2,920	3,251	3,621	4,052	11.9	24.6	38.8			
BCRA lines	27,837	27,491	27,726	17,005	7,686	2,362	1,885	622	270	199	202	1.5	-25.0	-67.5			
Outstanding bonds	9,096	6,675	7,922	6,548	6,603	6,938	5,984	5,480	5,033	3,997	4,138	3.5	-17.8	-24.5			
Foreign lines of credit	25,199	15,196	8,884	4,684	4,240	3,864	4,541	3,611	3,369	3,432	3,677	7.1	9.1	1.8			
Other	11,955	11,012	18,934	21,671	22,930	28,752	41,357	42,531	40,191	43,659	43,446	-0.5	8.1	2.1			
Subordinated debts	3,712	2,028	1,415	1,381	1,642	1,672	1,763	1,884	1,922	1,989	1,951	-1.9	1.5	3.6			
Other liabilities	6,997	6,569	5,685	5,099	6,792	7,695	9,740	11,732	13,159	12,107	13,130	8.4	-0.2	11.9			
Net worth	26,086	21,950	23,879	26,918	33,014	36,819	41,380	46,318	48,335	52,502	53,614	2.1	10.9	15.8			
Memo																	
Netted assets	185,356	184,371	202,447	208,275	244,791	280,336	321,075	351,033	364,726	432,141	444,277	2.8	21.8	26.6			
Consolidated netted assets	181,253	181,077	198,462	203,286	235,845	271,652	312,002	343,830	357,118	423,284	434,791	2.7	21.8	26.5			

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

Source: BCRA

Statistics annex | Financial system (cont.)

Chart 3 | Profitability Structure

Amount in million of pesos	Annual								First 9 months		Monthly			Last
	2002	2003	2004	2005	2006	2007	2008	2009	2009	2010	Jul-10	Aug-10	Sep-10	12 months
Financial margin	13,991	1,965	6,075	9,475	13,262	15,134	20,462	28,937	21,271	25,197	3,669	3,546	3,411	32,863
Net interest income	-3,624	-943	1,753	3,069	4,150	5,744	9,573	14,488	10,600	12,951	1,625	1,529	1,493	16,839
CER and CVS adjustments	8,298	2,315	1,944	3,051	3,012	2,624	2,822	1,196	803	1,803	183	321	257	2,196
Foreign exchange price adjustments	5,977	-890	866	751	944	1,357	2,307	2,588	2,341	1,606	196	158	209	1,853
Gains on securities	3,639	1,962	1,887	2,371	4,923	5,144	4,398	11,004	7,681	9,194	1,756	1,577	1,498	12,517
Other financial income	-299	-480	-375	233	235	264	1,362	-339	-153	-357	-90	-39	-46	-543
Service income margin	4,011	3,415	3,904	4,781	6,243	8,248	10,870	13,052	9,482	11,580	1,359	1,346	1,416	15,151
Loan loss provisions	-10,007	-2,089	-1,511	-1,173	-1,198	-1,894	-2,839	-3,814	-2,907	-2,388	-225	-390	-244	-3,296
Operating costs	-9,520	-7,760	-7,998	-9,437	-11,655	-14,634	-18,767	-22,710	-16,522	-20,541	-2,337	-2,344	-2,444	-26,730
Tax charges	-691	-473	-584	-737	-1,090	-1,537	-2,318	-3,272	-2,424	-2,895	-349	-356	-366	-3,743
Income tax	-509	-305	-275	-581	-595	-1,032	-1,342	-4,226	-3,090	-3,706	-814	-647	-804	-4,841
Adjust. to the valuation of gov. securities ²	0	-701	-320	-410	-752	-837	-1,757	-262	-224	-185	-16	-16	-2	-224
Amort. payments for court-ordered releases	0	-1,124	-1,686	-1,867	-2,573	-1,922	-994	-703	-496	-461	-29	-58	-32	-668
Other	-3,880	1,738	1,497	1,729	2,664	2,380	1,441	918	812	1,146	56	-142	134	1,252
Monetary results	-12,558	69	0	0	0	0	0	0	0	0	0	0	0	0
Total results³	-19,162	-5,265	-898	1,780	4,306	3,905	4,757	7,920	5,902	7,746	1,314	938	1,069	9,764
Adjusted results ⁴	-	-3,440	1,337	4,057	7,631	6,665	7,508	8,885	6,622	8,393	1,359	1,013	1,103	10,656
Annualized indicators - As % of netted assets														
Financial margin	6.5	1.1	3.1	4.6	5.8	5.7	6.7	8.6	8.5	8.3	10.7	9.9	9.3	8.4
Net interest income	-1.7	-0.5	0.9	1.5	1.8	2.2	3.1	4.3	4.3	4.3	4.7	4.3	4.1	4.3
CER and CVS adjustments	3.9	1.3	1.0	1.5	1.3	1.0	0.9	0.4	0.3	0.6	0.5	0.9	0.7	0.6
Foreign exchange price adjustments	2.8	-0.5	0.4	0.4	0.4	0.5	0.8	0.8	0.9	0.5	0.6	0.4	0.6	0.5
Gains on securities	1.7	1.1	1.0	1.2	2.2	1.9	1.4	3.3	3.1	3.0	5.1	4.4	4.1	3.2
Other financial income	-0.1	-0.3	-0.2	0.1	0.1	0.1	0.4	-0.1	-0.1	-0.1	-0.3	-0.1	-0.1	-0.1
Service income margin	1.9	1.9	2.0	2.3	2.7	3.1	3.6	3.9	3.8	3.8	3.9	3.8	3.9	3.9
Loan loss provisions	-4.7	-1.1	-0.8	-0.6	-0.5	-0.7	-0.9	-1.1	-1.2	-0.8	-0.7	-1.1	-0.7	-0.8
Operating costs	-4.4	-4.2	-4.1	-4.6	-5.1	-5.5	-6.1	-6.7	-6.6	-6.8	-6.8	-6.6	-6.7	-6.8
Tax charges	-0.3	-0.3	-0.3	-0.4	-0.5	-0.6	-0.8	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0
Income tax	-0.2	-0.2	-0.1	-0.3	-0.3	-0.4	-0.4	-1.3	-1.2	-1.2	-2.4	-1.8	-2.2	-1.2
Adjust. to the valuation of gov. securities ²	0.0	-0.4	-0.2	-0.2	-0.3	-0.3	-0.6	-0.1	-0.1	-0.1	0.0	0.0	0.0	-0.1
Amort. payments for court-ordered releases	0.0	-0.6	-0.9	-0.9	-1.1	-0.7	-0.3	-0.2	-0.2	-0.2	-0.1	-0.2	-0.1	-0.2
Other	-1.8	0.9	0.8	0.8	1.2	0.9	0.5	0.3	0.3	0.4	0.2	-0.4	0.4	0.3
Monetary results	-5.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ROA³	-8.9	-2.9	-0.5	0.9	1.9	1.5	1.6	2.3	2.4	2.6	3.8	2.6	2.9	2.5
ROA adjusted ⁴	-8.9	-1.9	0.7	2.0	3.4	2.5	2.5	2.6	2.7	2.8	4.0	2.8	3.0	2.7
ROE³	-59.2	-22.7	-4.2	7.0	14.3	11.0	13.4	19.2	19.6	21.9	33.6	22.8	25.4	21.0

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

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

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

Source: BCRA

Chart 4 | Portfolio Quality

As percentage	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Dec 08	Sep 09	Dec 09	Aug 10	Sep 10
Non-performing loans (overall)	18.1	17.7	10.7	5.2	3.4	2.7	2.7	3.2	3.0	2.4	2.2
Non-performing loans to the non-financial private sector	38.6	33.5	18.6	7.6	4.5	3.2	3.1	3.7	3.5	2.8	2.5
Provisions / Non-performing loans	73.8	79.2	102.9	124.5	129.9	129.6	131.4	122.2	126.2	144.0	145.7
(Total non-performing - Provisions) / Overall financing	4.7	3.7	-0.3	-1.3	-1.0	-0.8	-0.8	-0.7	-0.8	-1.0	-1.0
(Total non-performing - Provisions) / Net worth	17.2	11.9	-1.0	-4.1	-3.3	-3.0	-3.3	-2.6	-2.9	-4.1	-4.1

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

Source: BCRA

Statistics annex | Private banks

Chart 5 | Financial Soundness Indicators (see Methodology)

As %	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	Sep 2009	2009	Aug 2010	Sep 2011
1.- Liquidity	23.6	26.9	22.8	24.3	24.1	23.6	24.8	27.6	29.2	21.5	23.7	25.7	34.1	31.8	29.8	28.9	27.6
2.- Credit to the public sector	13.5	13.7	13.6	16.1	14.7	20.8	50.0	47.7	41.6	28.5	16.3	9.5	6.3	6.2	6.2	5.1	4.8
3.- Credit to the private sector	51.0	46.7	47.6	44.6	38.4	45.4	22.4	19.9	22.5	31.1	37.9	46.6	44.0	42.6	43.3	47.5	47.2
4.- Private non-performing loans	11.1	8.5	7.7	8.9	9.8	14.0	37.4	30.4	15.3	6.3	3.6	2.5	2.8	3.5	3.3	2.6	2.4
5.- Net worth exposure to the private sector	21.6	14.3	13.2	11.5	13.4	11.4	18.6	11.2	1.9	-2.2	-3.0	-3.6	-3.4	-2.8	-3.1	-3.8	-4.2
6.- ROA	0.6	0.7	0.5	0.3	0.1	0.2	-11.3	-2.5	-1.0	0.5	2.2	1.6	1.9	2.9	3.0	3.0	3.0
7.- ROE	4.1	6.3	4.3	2.3	0.8	1.4	-79.0	-19.1	-8.1	4.1	15.3	10.9	15.2	22.8	22.9	22.5	22.8
8.- Efficiency	144	135	139	146	152	151	168	93	115	136	158	152	166	198	195	176	176
9.- Capital compliance	15.9	15.4	14.6	18.9	18.0	17.6	-	14.0	15.1	17.8	18.6	19.2	18.3	21.5	22.5	20.9	20.6
10.- Excess capital compliance	33	47	27	60	49	43	-	88	157	155	116	87	86	117	120	105	104

Source: BCRA

Chart 6 | Balance Sheet

In million of current pesos	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Dec 08	Sep 09	Dec 09	Aug 10	Sep 10	Change (in %)					
												Last month	2010	Last months 12			
Assets	118,906	116,633	128,065	129,680	152,414	175,509	208,888	218,258	229,549	254,295	266,479	4.8	16.1	22.1			
Liquid assets ¹	11,044	14,500	15,893	14,074	22,226	29,418	37,044	41,126	43,562	48,652	48,424	-0.5	11.2	17.7			
Public bonds	19,751	22,260	24,817	29,966	27,663	24,444	29,552	44,084	47,949	46,767	47,995	2.6	0.1	8.9			
Lebac/Nobac	-	-	8,359	15,227	15,952	17,684	23,457	29,773	31,575	32,141	33,010	2.7	4.5	10.9			
Portfolio	-	-	5,611	12,899	14,220	15,639	12,858	23,884	27,413	28,471	29,187	2.5	6.5	22.2			
Repo ²	-	-	2,749	2,328	1,732	2,045	10,598	5,888	4,161	3,670	3,823	4.2	-8.1	-35.1			
Private bonds	273	172	333	307	683	310	127	190	233	158	185	16.6	-20.7	-2.9			
Loans	51,774	47,017	50,741	56,565	69,294	88,898	98,529	95,053	101,722	123,083	128,039	4.0	25.9	34.7			
Public sector	25,056	23,571	21,420	15,954	10,036	6,413	6,249	1,726	1,694	1,724	1,516	-12.0	-10.5	-12.1			
Private sector	26,074	22,816	28,213	39,031	55,632	78,587	88,426	90,366	96,790	117,836	122,722	4.1	26.8	35.8			
Financial sector	644	630	1,107	1,580	3,626	3,898	3,854	2,961	3,238	3,523	3,801	7.9	17.4	28.4			
Provisions over loans	-7,463	-5,225	-3,717	-2,482	-2,227	-2,365	-2,871	-3,468	-3,653	-3,864	-3,800	-1.7	4.0	9.6			
Other netted credits due to financial intermediation	27,212	22,148	25,753	16,873	18,387	17,084	25,265	22,592	21,258	19,913	25,280	26.9	18.9	11.9			
Corporate bonds and subordinated debt	1,514	1,394	829	675	618	430	699	850	734	722	731	1.3	-0.4	-14.0			
Unquoted trusts	6,205	3,571	2,362	2,444	2,982	3,456	3,869	4,332	4,198	3,961	4,059	2.5	-3.3	-6.3			
Compensation receivable	15,971	13,812	14,657	5,575	760	377	357	17	0	0	0	-	-	-			
Other	3,523	3,370	7,905	8,179	14,027	12,822	20,339	17,393	16,311	15,231	20,489	34.5	25.6	17.8			
Leasing	553	387	592	1,356	2,126	3,149	3,451	2,708	2,569	2,952	3,071	4.0	19.5	13.4			
Shares in other companies	3,123	2,791	1,892	2,416	4,042	3,762	4,538	3,847	4,067	4,594	4,885	6.3	20.1	27.0			
Fixed assets and miscellaneous	5,198	4,902	4,678	4,575	4,677	4,685	4,926	5,096	5,096	5,405	5,460	1.0	7.1	7.1			
Foreign branches	-109	-136	-53	-148	-139	-154	-178	-203	-215	-216	-216	0.5	6.8	6.4			
Other assets	7,549	7,816	7,137	6,178	5,682	6,277	8,505	7,233	6,946	6,848	7,157	4.5	3.0	-1.1			
Liabilities	103,079	101,732	113,285	112,600	131,476	152,153	182,596	188,849	198,438	221,168	232,656	5.2	17.2	23.2			
Deposits	44,445	52,625	62,685	75,668	94,095	116,719	135,711	145,029	154,387	178,465	184,378	3.3	19.4	27.1			
Public sector ³	1,636	3,077	6,039	6,946	7,029	7,564	19,600	19,086	17,757	24,742	25,674	3.8	44.6	34.5			
Private sector ³	38,289	47,097	55,384	67,859	85,714	107,671	114,176	123,736	134,426	152,279	157,193	3.2	16.9	27.0			
Current account	8,905	11,588	13,966	17,946	20,604	27,132	30,188	30,657	35,127	39,756	41,414	4.2	17.9	35.1			
Savings account	6,309	10,547	14,842	18,362	23,165	30,169	32,778	36,055	40,999	45,362	46,248	2.0	12.8	28.3			
Time deposit	11,083	18,710	22,729	27,736	38,043	45,770	46,990	52,630	54,058	61,187	63,412	3.6	17.3	20.5			
CEDRO	9,016	2,409	798	3	1	0	0	0	0	0	0	-	-	-			
Other netted liabilities due to financial intermediation	49,341	42,367	45,083	32,349	31,750	29,323	39,298	34,732	34,235	33,470	38,595	15.3	12.7	11.1			
Interbanking obligations	836	726	1,070	1,488	3,383	1,979	1,160	1,143	1,668	1,660	2,038	22.8	22.2	78.3			
BCRA lines	16,624	17,030	17,768	10,088	3,689	675	649	70	41	34	36	6.2	-13.5	-49.4			
Outstanding bonds	9,073	6,674	7,922	6,548	6,413	6,686	5,672	5,176	4,626	3,712	3,753	1.1	-18.9	-27.5			
Foreign lines of credit	15,434	9,998	5,444	2,696	2,249	1,833	2,261	1,209	1,262	1,363	1,585	16.3	25.6	31.1			
Other	7,374	7,939	12,878	11,530	16,015	18,150	29,555	27,134	26,638	26,701	31,183	16.8	17.1	14.9			
Subordinated debts	3,622	1,850	1,304	1,319	1,642	1,668	1,759	1,880	1,918	1,976	1,933	-2.2	0.8	2.8			
Other liabilities	5,671	4,890	4,213	3,264	3,989	4,443	5,828	7,208	7,897	7,257	7,751	6.8	-1.8	7.5			
Net worth	15,827	14,900	14,780	17,080	20,938	23,356	26,292	29,409	31,111	33,127	33,823	2.1	8.7	15.0			
Memo																	
Netted assets	117,928	115,091	121,889	123,271	143,807	166,231	192,074	204,399	216,100	241,467	248,825	3.0	15.1	21.7			

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

Source: BCRA

Statistics annex | Private banks (cont.)

Chart 7 | Profitability Structure

Amount in million of pesos	Annual								First 9 months		Monthly			Last
	2002 ¹	2003	2004	2005	2006	2007	2008	2009	2009	2010	Jul-10	Aug-10	Sep-10	12 months
Financial margin	10,628	2,575	3,415	5,253	7,778	8,960	12,964	19,724	14,657	15,610	2,163	1,922	1,940	20,676
Net interest income	-304	107	1,214	2,069	2,826	4,191	7,727	10,572	7,861	9,140	1,122	1,096	1,068	11,852
CER and CVS adjustments	1,476	1,082	900	1,215	858	662	651	185	126	246	22	57	59	305
Foreign exchange price adjustments	6,189	-312	666	576	740	990	1,620	1,646	1,396	1,106	131	117	139	1,356
Gains on securities	3,464	1,892	959	1,259	3,154	2,888	1,637	7,343	5,208	5,283	961	672	703	7,418
Other financial income	-197	-195	-322	134	199	229	1,329	-22	66	-166	-73	-21	-30	-254
Service income margin	2,782	2,341	2,774	3,350	4,459	5,881	7,632	9,198	6,687	8,197	963	955	988	10,708
Loan loss provisions	-6,923	-1,461	-1,036	-714	-737	-1,174	-1,863	-2,751	-2,094	-1,563	-157	-178	-178	-2,220
Operating costs	-6,726	-5,310	-5,382	-6,303	-7,741	-9,735	-12,401	-14,807	-10,764	-13,518	-1,559	-1,531	-1,627	-17,561
Tax charges	-512	-366	-393	-509	-769	-1,105	-1,715	-2,380	-1,751	-2,074	-253	-251	-253	-2,703
Income tax	-337	-295	-202	-217	-365	-380	-1,168	-3,001	-2,381	-2,091	-354	-248	-328	-2,711
Adjust. to the valuation of gov. securities ²	0	-665	-51	-201	-170	-100	-267	0	-17	24	6	4	5	41
Amort. payments for court-ordered releases	0	-791	-1,147	-1,168	-1,182	-1,466	-688	-367	-265	-315	-16	-44	-15	-417
Other	-4,164	1,178	846	1,156	1,641	1,576	916	398	286	833	96	36	126	946
Monetary results	-10,531	-20	0	0	0	0	0	0	0	0	0	0	0	0
Total results³	-15,784	-2,813	-1,176	648	2,915	2,457	3,412	6,014	4,359	5,103	890	666	659	6,758
Adjusted results ⁴	-	-1,357	252	2,016	4,267	4,023	4,367	6,381	4,641	5,394	899	705	669	7,135
Annualized indicators - As % of netted assets														
Financial margin	7.6	2.3	2.9	4.3	5.9	5.8	7.3	9.8	9.9	9.2	11.2	9.6	9.4	9.3
Net interest income	-0.2	0.1	1.0	1.7	2.1	2.7	4.4	5.3	5.3	5.4	5.8	5.5	5.2	5.3
CER and CVS adjustments	1.1	0.9	0.8	1.0	0.6	0.4	0.4	0.1	0.1	0.1	0.1	0.3	0.3	0.1
Foreign exchange price adjustments	4.4	-0.3	0.6	0.5	0.6	0.6	0.9	0.8	0.9	0.6	0.7	0.6	0.7	0.6
Gains on securities	2.5	1.7	0.8	1.0	2.4	1.9	0.9	3.7	3.5	3.1	5.0	3.4	3.4	3.3
Other financial income	-0.1	-0.2	-0.3	0.1	0.2	0.1	0.8	0.0	0.0	-0.1	-0.4	-0.1	-0.1	-0.1
Service income margin	2.0	2.0	2.4	2.7	3.4	3.8	4.3	4.6	4.5	4.8	5.0	4.8	4.8	4.8
Loan loss provisions	-5.0	-1.3	-0.9	-0.6	-0.6	-0.8	-1.1	-1.4	-1.4	-0.9	-0.8	-0.9	-0.9	-1.0
Operating costs	-4.8	-4.6	-4.6	-5.1	-5.9	-6.3	-7.0	-7.4	-7.3	-7.9	-8.1	-7.7	-7.9	-7.9
Tax charges	-0.4	-0.3	-0.3	-0.4	-0.6	-0.7	-1.0	-1.2	-1.2	-1.2	-1.3	-1.3	-1.2	-1.2
Income tax	-0.2	-0.3	-0.2	-0.2	-0.3	-0.2	-0.7	-1.5	-1.6	-1.2	-1.8	-1.2	-1.6	-1.2
Adjust. to the valuation of gov. securities ²	0.0	-0.6	0.0	-0.2	-0.1	-0.1	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amort. payments for court-ordered releases	0.0	-0.7	-1.0	-1.0	-0.9	-0.9	-0.4	-0.2	-0.2	-0.2	-0.1	-0.2	-0.1	-0.2
Other	-3.0	1.0	0.7	0.9	1.2	1.0	0.5	0.2	0.2	0.5	0.5	0.2	0.6	0.4
Monetary results	-7.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ROA³	-11.3	-2.5	-1.0	0.5	2.2	1.6	1.9	3.0	2.9	3.0	4.6	3.3	3.2	3.0
ROA adjusted ⁴	-11.3	-1.2	0.2	1.6	3.2	2.6	2.5	3.2	3.1	3.2	4.7	3.5	3.3	3.2
ROE³	-79.0	-19.1	-8.1	4.1	15.3	10.9	15.2	22.9	22.8	22.8	36.7	25.6	24.8	22.9

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

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

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

Source: BCRA

Chart 8 | Portfolio Quality

As percentage	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Dec 08	Sep 09	Dec 09	Aug 10	Sep 10
Non-performing loans (overall)	19.8	15.7	8.9	4.4	2.9	2.2	2.5	3.3	3.1	2.5	2.3
Non-performing loans to the non-financial private sector	37.4	30.4	15.3	6.3	3.6	2.5	2.8	3.5	3.3	2.6	2.4
Provisions / Non-performing loans	73.4	79.0	97.0	114.3	129.3	141.3	134.1	125.3	128.9	139.4	145.0
(Total non-performing - Provisions) / Overall financing	5.3	3.3	0.4	-0.6	-0.9	-0.9	-0.9	-0.8	-0.9	-1.0	-1.0
(Total non-performing - Provisions) / Net worth	18.6	11.2	1.3	-2.2	-3.0	-3.6	-3.4	-2.8	-3.1	-3.8	-4.2

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

Source: BCRA