

# Report on Banks

October 2010



BANCO CENTRAL  
DE LA REPÚBLICA ARGENTINA

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October 2009

Year VII, No. 2



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Note | Information for October 2009 available by November 25, 2009 is included. This Report is focussed on the performance of the financial system, including breakdowns by homogeneous subsectors. The data reported (particularly, those referring to profitability) are provisional and are subject to changes later. Except the opposite was indicated the data included corresponds to BCRA Information Regimes (end of month data).

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## Summary

- **The incentives designed by the Central Bank in recent months have enabled financial intermediation activity to recover its dynamism towards the end of 2009 in a situation in which monetary and financial stability has been preserved. These incentives include cuts in repo and reverse repo interest rates on four occasions, increased development of the interest rate futures market through participation via the commonly called “*función giro*”, an automatic mechanism whereby the Central Bank enables buying and selling positions in identical terms to be closed, the recent incorporation of the “*función giro*” for interest rate swap transactions, as well as an increase in the limit for lending to companies to be rated as consumer credit, and simplification of the information required for lending.** Simultaneously with an increase in private sector deposits and lending, bank precautionary liquidity declined slightly from its high levels. It should be noted that bank foreign currency mismatching continues to decline, while solvency indicators have improved across the board for all financial entities.
- **To assist banks in lengthening the terms for fixed-interest rate loans granted, the Central Bank is continuing to develop the interest rate futures market, taking part via the “*función giro*” (originally for transactions with a term of up to one year, and since November for terms of up to two years) as well as auctioning fixed for variable interest rate swaps.**
- **Total financial system deposits rose \$1.45 billion in October (0.6% or 11.3% y.o.y.), driven mainly by private sector deposits in pesos, which rose by over \$5.0 billion during the month, mainly from increased time deposits, despite the lower deposit interest rates.**
- **Financial system liquid assets** (including both domestic and foreign currency items) declined to 29.2% of total deposits in October. The broad liquidity indicator, which includes holdings of Lebac and Nobac not linked to Central Bank repos, stood at 42.4% of total deposits.
- **Loans to the private sector rose \$1.65 billion (1.2% or 4.2% y.o.y.) in October, the largest monthly rise in the last year.** Consumer credit and promissory notes were the most dynamic for the month, with private banks accounting for that increase. **In addition, the average term for loans granted to the private sector has continued to increase.**
- **Credit risk faced by banks remains well within bounds. The non-performing ratio remained at 3.7% of loans to the private sector.** Household lending delinquency dropped slightly in recent months to 5.1%, while that for companies stands at 2.6%. Coverage of the non-performing portfolio by provisions is 122%.
- **Financial system consolidated net worth increased 1.7% in October (18.6% y.o.y.),** mainly as a result of the book profits accrued. Financial system capital compliance increased during the month to a level of 18.6% of risk-weighted assets. System-wide capital compliance stood at almost 100% in excess of the requirement, and was widespread among banks.
- **The monthly book profits for the financial system dropped during the month,** mainly because of lower gains on securities after the high levels recorded in September. In 2009 to date financial system profitability is running above that for 2008 for all the financial entities groupings.

# Activity

*The volume of documents cleared are increasing, almost reaching the level of last year, with fewer rejected checks due to lack of funds*

Incentives designed by the Central Bank have enabled financial intermediation with companies and households to recover its dynamism in the last part of 2009. These incentives have included a cut in repos and reverse repos interest rates on four occasions (for a total of 1.5 p.p.), increased development of the interest rate futures market through participation via the commonly called “*función giro*”, an automatic mechanism whereby the Central Bank enables buying and selling positions in identical terms to be closed, (originally for transactions with a term of up to one year, and since November for terms of up to two years), the incorporation in December of the “*función giro*” for interest rate swap transactions, as well as an increase in the limit for lending to companies to be rated as consumer credit, and simplification of the information required for lending operations.

As a result, financial intermediation with the private sector increased in October, following a notable rise in loans and deposits. Financial system netted assets continued along the growth path outlined in recent periods (see Chart 1), increasing 0.7% for the month (10.3% y.o.y.), mainly because of private banks growth. Over the last 12 months the increase in assets has mainly been led by a rise in liquidity, while funding improves mainly as a result of higher deposits by companies and households.

There has been a notable reduction in foreign liabilities and debt owed to the Central Bank arising in the last 5 years within total liabilities (see Chart 2). In October the rediscounts granted during the 2001-2002 crisis had practically disappeared from bank balance sheets (accounting for just 0.1% of financial system liabilities), and the last of the 24 banks with obligations under the so-called matching schedule made payment of its final installment in December 2009, thus bringing the mechanism to a close.

On the matter of the estimated flow of funds for financial entities as a whole, the principal source of resources during the month was the increase in private sector deposits. On the other hand, lower public sector deposits, increased lending to the private sector and the increment in holdings of Lebac and Nobac (not linked to repos with the Central Bank) provided the most significant uses of funds. Private banks were

Chart 1

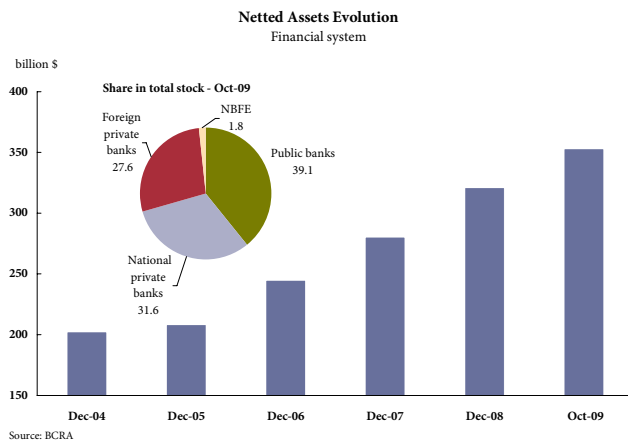


Chart 2

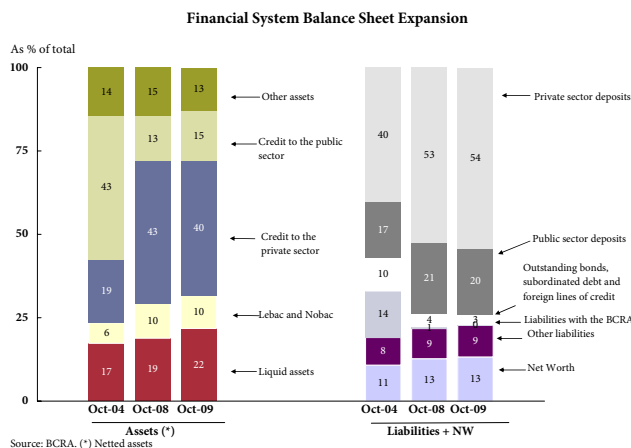
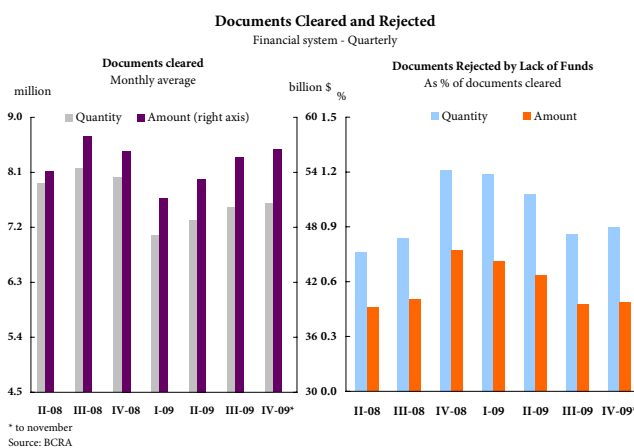
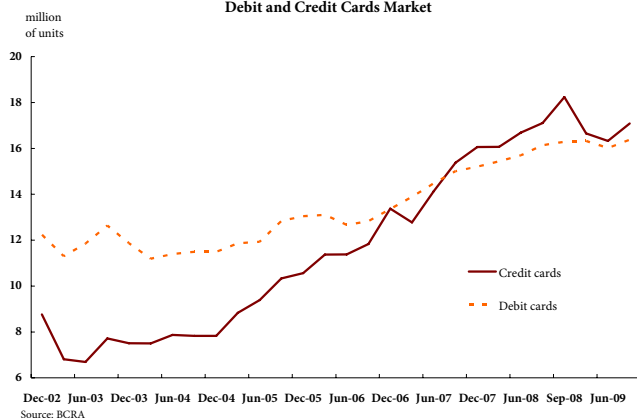


Chart 3



**Chart 4**

**Debit and Credit Cards Market**



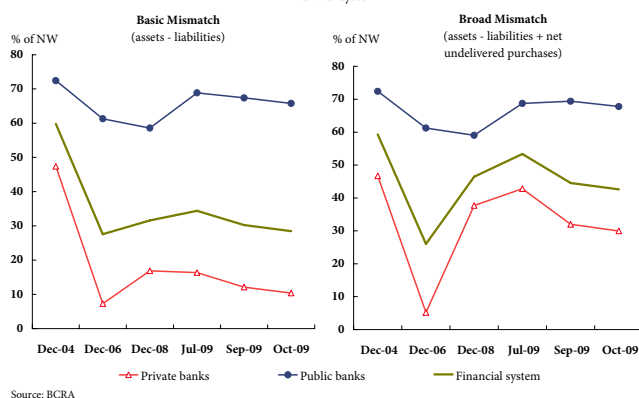
mainly responsible for the increase in lending to the private sector, while the contraction in public sector deposits was registered by official entities.

**The number and value of documents cleared through the financial system continues to grow**, almost reaching the levels seen at the end of 2008. **Rejected checks by lack of funds in terms of documents cleared remained practically unchanged in the last part of 2009**, standing below the levels recorded one year earlier (see Chart 3).

Another indication of increased financial system activity is **the growth in the volume of credit and debit cards issued**, recovering part of the ground lost in the first half of the year (see Chart 4).

**Chart 5**

**Foreign Currency Mismatch**  
Financial system



**Financial system foreign currency mismatching** (both basic and broad) **dropped during the month** because of the reduction in assets in other currencies (mainly due to falling liquidity) was higher than that in liabilities (mostly from a decline in public sector deposits), during a period of stability in net forward purchases of foreign currency with no delivery of the underlying asset. **The broad measure for foreign currency mismatching fell for the third consecutive month, mainly by a reduction seen in private banks** (see Chart 5).

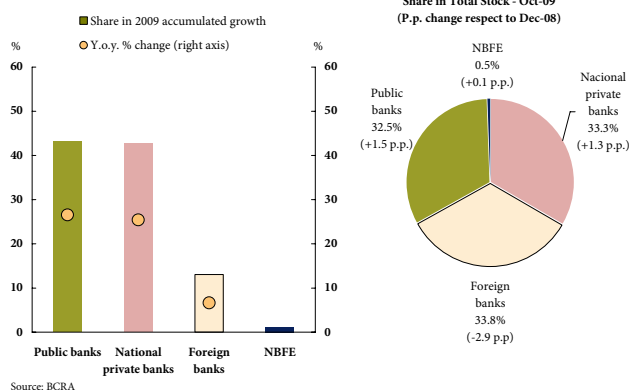
## Deposits and liquidity

**Private sector deposits rose, particularly in the case of peso and time deposits, in a context of lowering bank liquidity respect to previous month**

During a time of declining deposit interest rates as a result of the preservation of financial stability as a consequence of the anti-cyclical policy implemented by the Central Bank<sup>1</sup>, **total financial system deposits rose \$1.45 billion in October** (0.6% or 11.3% y.o.y.). Total deposits in private banks rose \$3.5 billion in October (2.4% or 16.1% y.o.y.), while deposits in public banks dropped back slightly.

**Chart 6**

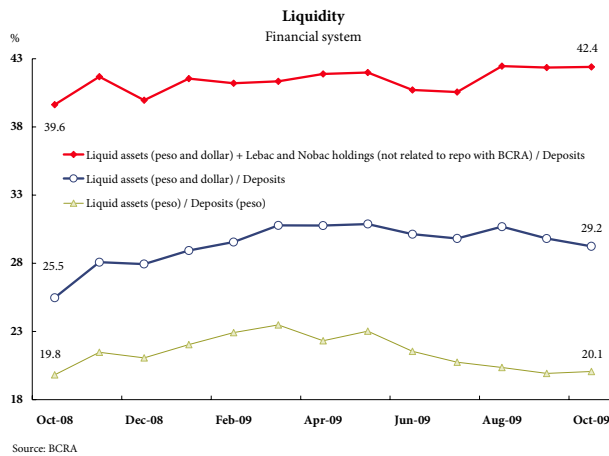
**Private Sector Deposits by Group of Banks**



**Private sector deposits rose 2.4% in October, driven by those in pesos**, which increased for the third consecutive month, reflecting the gradual recovery in domestic currency demand. In particular, time deposits by companies and households in domestic currency went up \$2.8 billion (or 4.7%) in the month, while sight deposits in the same currency increased by \$2.15 billion (or 2.6%). Private sector deposits in foreign currency

<sup>1</sup> In October the Central Bank announced a further cut (0.25 p.p.) in repo interest rates. As a result, over the last four months reference interest rates have posted a total drop of 1.5 p.p., with the repo interest rate for the Central Bank at 11.5% and the reverse repo interest rate at 9.5%.

**Chart 7**

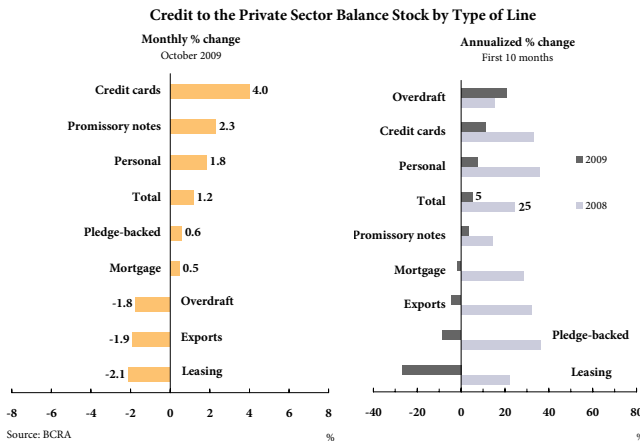


posted a decline for the month, reflecting an improved confidence in the peso.

Private sector deposits have accumulated a rise of 13.5% y.o.y.<sup>2</sup> (compared with an increase of 13.9% y.o.y. in October 2008). **The accumulated increase for 2009 (16.9%a.) was channeled in almost equal parts to public banks (43%) and national private banks (42%)** (see Chart 6). Deposits in pesos account for the growth in private sector deposits over the course of 2009.

**During October bank liquid assets dropped slightly (\$1.05 billion) because of the reduction in net repos with the Central Bank (\$1.65 billion), partly offset by an increase in cash (\$600 million). The liquidity ratio (taking into account items in both domestic and foreign currency) fell by 0.6 p.p. of total deposits in October, to 29.2%** (see Chart 7). The liquidity indicator in pesos stood at 20.1% of total deposits in domestic currency, moderately above the level last September and that of 12 months earlier. Although holdings of Lebac and Nobac not linked to Central Bank repos rose by \$1.8 billion during the month, **the broad liquidity indicator remained unchanged at 42.4% of deposits.**

**Chart 8**

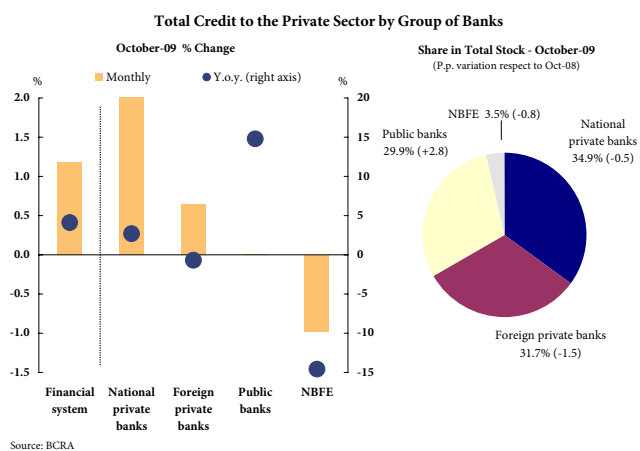


## Financing

### Dynamism of household consumer credit rises

**Lending to private sector went up \$1.65 billion (1.2% or 4.2% y.o.y.) in October, the largest monthly increase for the last 12 months.** If lending stocks are adjusted for the issue of financial trusts during the month, growth would have amounted to 1.3%<sup>3</sup>. The most dynamic lines were consumer loans (credit cards and personal) and promissory notes, followed by collateralized loans (see Chart 8). The remaining commercial loan categories recorded a fall in October. As a result, in the last 3 months private sector lending has mainly been driven by consumer lines (32%a.).

**Chart 9**



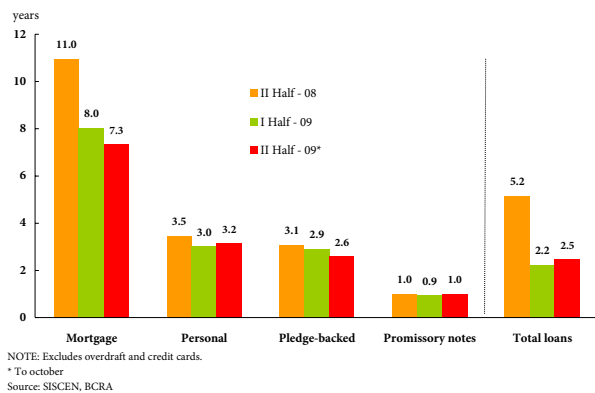
**The monthly increase in lending to private sector has mainly been accounted for by national private banks, and to a lesser extent, by foreign banks** (see Chart 9). Nevertheless, on the basis of the year-on-year increase official banks continue to be the most active, gaining share of lending from the private sector.

**The average maturity for loans granted to the private sector continued to increase marginally** (see Chart 10),

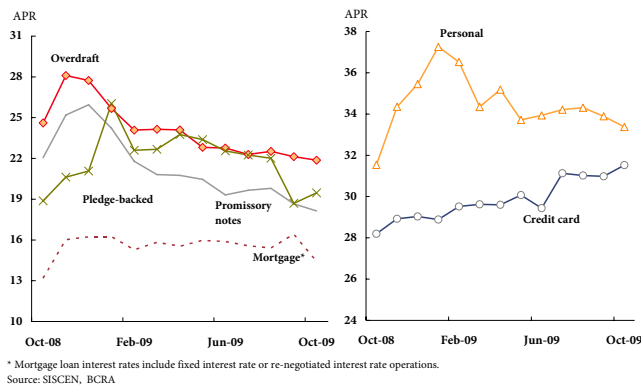
<sup>2</sup> Balance sheet stocks for October 2008 incorporate Pension Fund (AFJP) deposits, which if excluded would take the variation to 18.6% y.o.y.

<sup>3</sup> During the month 5 financial trusts were issued to securitize bank portfolios for an amount of \$233 million, of which \$128 million made use of personal loans as their underlying asset and \$105 million made use of commercial loans.

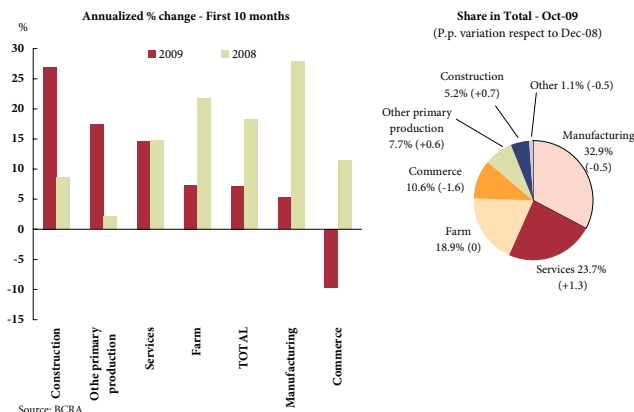
**Chart 10**  
**Lending to the Private Sector**  
 Average maturity weighted by traded amount - Financial system



**Chart 11**  
**Lending Interest Rates in Pesos**  
 Credit to the private sector - Financial system



**Chart 12**  
**Credit to Companies by Economic Sector**



although it is still below the level corresponding to the same period in 2008. Personal loans and promissory notes extended their average duration in the second half of 2009, providing an impulse to the increase in the loans to the private sector<sup>4</sup> average term.

In order to continue to encourage lending to the private sector, during October the Central Bank called a fixed for variable interest rate swaps tender (based on the private bank BADLAR rate), receiving offers for \$260 million, well in excess of the amount up for tender (\$150 million). This step contributes to the creation of a reference for the time structure of peso interest rates covering the mid to long term, encouraging the granting of fixed-rate loans for relatively longer terms than at present. Interest rate futures transactions have been promoted jointly by the Central Bank and the MAE, with this Institution participating by means of the “*función giro*”<sup>5</sup>. It should be noted that during November the Central Bank extended from 1 to 2 years the term for such futures using the “*función giro*”<sup>6</sup>, while at the end of the year making this function available for interest rate swap transactions<sup>7</sup>.

The increase in lending to private sector during the month took place at the same time as lending interest rates were falling (see Chart 11). Overdrafts interest rates, mortgage and personal loans were lower in October, while credit card and pledge-backed loan interest rates increased. The spread in terms of the average interest rate on time deposits is below the levels at the beginning of the year.

Whereas in the first part of the year companies led the increase in bank borrowing, households have recently boosted their participation<sup>8</sup>. During October an increase in lending to families was recorded, particularly notable in consumer credit lines. Loans to the corporate sector also recorded expansion during the month, mainly due to credit lines for the farming sector. In the case of the accumulated growth for 2009 in lending to companies, there has been notable dynamism in the construction sector, primary production and in services (see Chart 12).

<sup>4</sup> During the period collateralized lending (mortgage and pledge-backed loans) have seen a reduction in their terms, although average maturity for loans to the private sector has increased because of the incremented share of the volume traded accounted for by promissory notes and personal loans (over 80% of the total for these four lending lines).

<sup>5</sup> The “*función giro*” is an automatic mechanism whereby the Central Bank enables buying and selling positions in identical terms to be closed with a neutral impact for the Monetary Authority without this Institution having a direct impact on the market.

<sup>6</sup> Com. “A” 5008

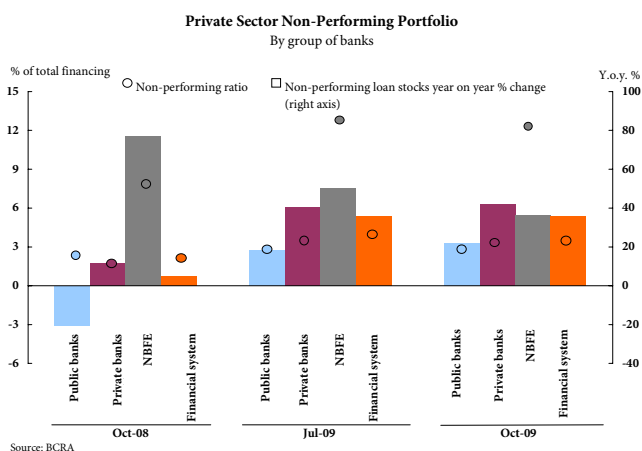
<sup>7</sup> Com. “A” 5016

<sup>8</sup> Loans to households are those granted to individuals, except for commercial loans granted to them. The latter are added to lending to legal entities and treated as loans to companies.



## Portfolio quality

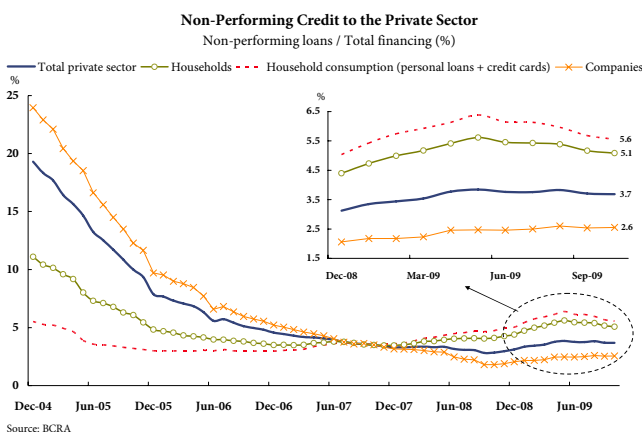
Chart 13



*Private sector loan non-performance has stabilized, with better performance of consumer lending*

The risk of lending to the private sector faced by banks has remained at restricted levels. Non-performance in lending to companies and households in recent months has remained at around 3.7%. The rate of increase in non-performing loans has stabilized in recent periods, with private bank and non-bank financial entities showing a slight decline in their non-performing ratio (see Chart 13). Official banks posted a moderate increase in their non-performance levels, although they remain low.

Chart 14



Household loan delinquency fell for the fourth consecutive month, reaching 5.1% of loans in October (see Chart 14). This reduction has mainly been driven by the behavior of consumer lines, which by falling back 0.8 p.p. since May, reached 5.6%. Company loan non-performance stood at 2.6% in October, rising during the year in the case of all productive sectors except construction.

The financial system has maintained the level of its coverage of the non-performing portfolio by means of provisions at 122%, although the rate has fallen over the year to date in both public and private banks.

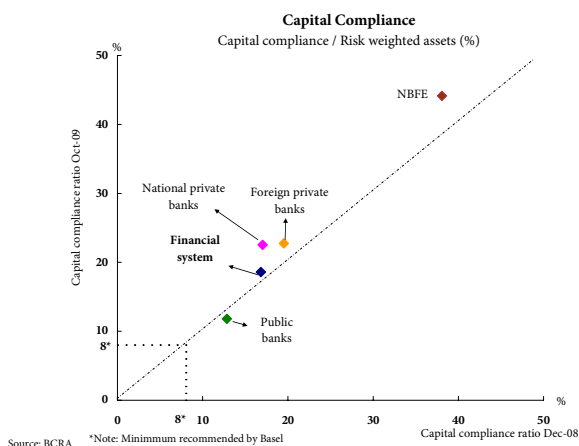
## Solvency

*Financial system solvency has improved over the course of 2009*

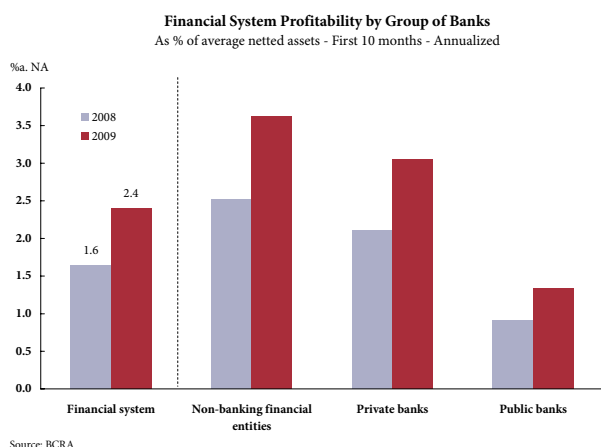
Financial system consolidated net worth expanded by 1.7% in October (18.6% y.o.y.), basically because of the book profits accrued during the month. The increase for the month in net worth has largely been explained by private banks, and to a lesser extent by official banks and non-bank financial entities.

Financial system capital compliance rose in October, reaching 18.6% of risk-weighted assets (RWA). During 2009 this indicator rose by 1.8 p.p. of RWA, mainly from private bank performance (both national and foreign capital) (see Chart 15). Public banks recorded a slight reduction in this ratio in the first 10 months of the year, because of a relatively lower growth in capital compliance compared with the rise in RWA, in line with

Chart 15



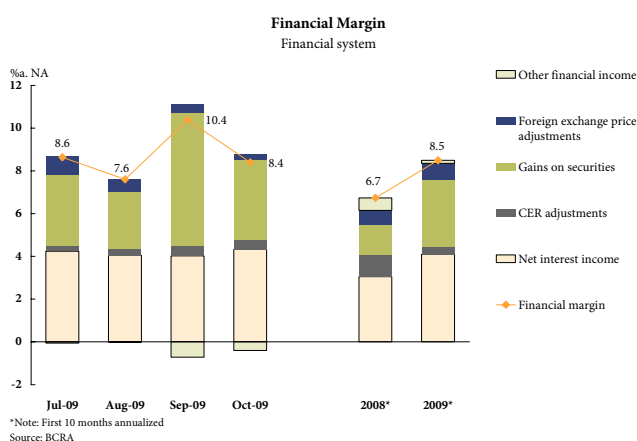
**Chart 16**



the dynamism of lending to the private sector and the incipient increase in lending to the public sector in the period. **Excess capital compliance continues to be widespread among financial entities.** Excess capital compliance as a percentage of total requirement stands at virtually 100% of the requirement at system level.

**October book profits for financial entities as a whole were 2.7%a. of assets,** showing a drop of 1.5 p.p. for the month, mainly because of lower accrual of gains on securities, which had been very significant in September. Private banks were largely responsible for the profits for the month. In 2009 to date the profitability of the financial system has been equivalent to 2.4%a. of assets, higher than in the same period of 2008. This increase in profitability compared with last year is widespread among the various bank groupings (see Chart 16).

**Chart 17**

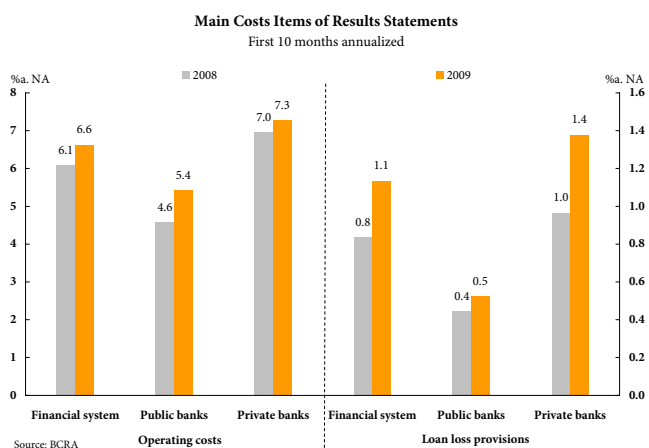


**Financial margin for banks as a whole fell,** standing at 8.4%a. of assets in October, **because of lower gains on securities,** partially offset by higher interest income (see Chart 17). **Over the course of 2009 financial margin has been 8.5%a. of assets,** 1.8 p.p. higher than in the same period of last year.

**Service income margin remained steady at 3.9%a. of assets in October.** During the course of the year this source of income has reached 3.8%a. of assets, growing 0.3 p.p. compared with the same period of 2008.

In the case of income statement expenditure, **during the month loan loss provisions fell,** in part because the September level was high as a result of certain adjustments coinciding with the quarter-end closing, and in part because of the incipient drop in delinquency recorded by loans to the private sector. In the first 10 months of 2009 these disbursements increased by 0.3 p.p. of assets compared with the same period last year. Operating costs rose to 6.6%a. of assets in October, in the first 10 months of the year accumulating an increase of 0.5 p.p. of assets compared with the same period of 2008 (see Chart 18).

**Chart 18**



On the basis of information available at the date of publication of this Report, **it is expected that the financial system would maintain sound solvency indicators through to the end of the year.** In the last part of 2009 it is expected that despite the seasonal increase in operating costs, banks would nevertheless continue to post book profits based on their more stable sources of income, within a scenario of stability that favors the development of financial intermediation with the private sector.

## 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” 4981 – 01/10/09**

Representatives of foreign financial entities not authorized to operate in Argentina may request a license to do so if they are incorporated abroad and are authorized by the competent authority in their country of origin to take in deposits. Entities headquartered in tax heavens shall not be authorized. A mandatory requirement for a deputy representative has been established, to take over the representation role and its inherent obligations; representatives are expressly forbidden to perform any activity tending to obtain financial resources in any manner or form, whether for themselves, for third parties, or for the entity represented.

### **Communication “A” 4982 – 01/10/09**

In view of the declaration of a farming disaster and emergency zone by Law 26.511, from 24 August 2009 to 2 July 2010 all penalties have been suspended in relation to documents rejected on the grounds because of lack of funds, formal defects or rejected registration that may have been presented for payment Over The Counter or by means of deposit to accounts for electronic clearing that have been drawn by natural or legal persons whose business is farming and whose farms are located in any of the jurisdictions contemplated by the law.

### **Communication “A” 4989 – 13/10/09**

Banks may decentralize administrative or non-operational activities to foreign head office or controlling entity branches or subsidiaries as long as they obtain a certificate from the supervisory authority in their country of origin indicating that the head office is subject to internationally-accepted standards and regulations on the prevention of asset laundering and financing of terrorism, as well as to the regular supervision of liquidity and solvency that reflects the basic principles published by the Basel Committee on Banking Supervision.

### **Communication “A” 4996 – 22/10/09**

In the case of entities recorded permissible excesses to credit limits on transactions with the non-financial public sector, the amplified individual credit limits foreseen by Communication “A” 4926 shall be up to the amount resulting from the positive difference between 15% of the adjusted stockholders equity and the excess allowed for each individual relationship foreseen in such limits. Furthermore, the increase in global credit quotas shall not be applicable.

### **Communication “A” 4997 – 22/10/09**

No objection has been made to financial entities acquiring debt certificates (VRD) (issued by the “SISVIAL” Highway Infrastructure Trust) for a total face value of \$ 300 million without exceeding the applicable cap on credit assistance to the non-financial public sector.

### **Communication “A” 5000 – 22/10/09**

The new dates for the coming into force of the “Center for checks reported as lost, stolen or adulterated” and the incorporation of the data to be indicated on the back of such checks when they are delivered by their beneficiaries to third parties for collection purposes have been set on December 1, 2009 and January 4, 2010, respectively.

## Methodology

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

# Glossary

**%a.:** annualized percentage.

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

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

**ASE:** Adjusted stockholders' equity, for 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	Oct 2008	2008	Sep 2009	Oct 2009
1.- Liquidity	22.3	26.1	23.1	25.0	23.4	19.6	22.8	29.1	29.6	20.1	22.5	23.0	25.5	27.9	29.8	29.2
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	12.5	12.8	14.2	14.2
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	40.1	39.4	37.3	37.7
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	2.8	3.1	3.7	3.7
5.- Net worth exposure to the private sector	24.9	22.5	20.6	24.7	26.2	21.9	17.3	12.4	-1.0	-4.1	-3.3	-3.0	-3.3	-3.3	-2.6	-2.5
6.- ROA	0.6	1.0	0.5	0.2	0.0	0.0	-8.9	-2.9	-0.5	0.9	1.9	1.5	1.6	1.6	2.4	2.4
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	14.1	13.4	19.7	19.9
8.- Efficiency	142	136	138	142	147	143	189	69	125	151	167	160	168	167	186	186
9.- Capital compliance	23.8	20.8	20.3	21.0	20.1	21.4	-	14.5	14.0	15.3	16.8	16.9	17.1	16.8	18.0	18.6
10.- Excess capital compliance	64	73	49	54	58	54	-	116	185	173	134	93	91	90	96	99

Source: BCRA

## Chart 2 | Balance Sheet

In million of current pesos	Dec 00	Dec 01	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Oct 08	Dec 08	Sep 09	Oct 09	Change (in %)			
													Last month	2009	Last 12 months	
<b>Assets</b>	<b>163,550</b>	<b>123,743</b>	<b>187,532</b>	<b>186,873</b>	<b>212,562</b>	<b>221,962</b>	<b>258,384</b>	<b>297,963</b>	<b>340,928</b>	<b>346,762</b>	<b>376,935</b>	<b>377,152</b>	<b>0.1</b>	<b>8.8</b>	<b>10.6</b>	
Liquid assets <sup>1</sup>	20,278	13,005	17,138	27,575	29,154	20,819	37,991	46,320	56,684	58,676	66,973	67,551	0.9	15.1	19.2	
Public bonds	10,474	3,694	31,418	45,062	55,382	66,733	64,592	62,678	62,492	65,255	83,255	83,670	0.5	28.2	33.9	
Lebac/Nobac	-	-	-	-	17,755	28,340	29,289	36,022	40,556	37,093	46,141	45,972	-0.4	23.9	13.4	
Portfolio	-	-	-	-	11,803	21,067	25,767	31,598	33,529	25,652	32,857	32,857	0.0	28.1	-2.0	
Repo <sup>2</sup>	-	-	-	-	5,953	7,273	3,521	4,424	7,026	11,442	13,284	13,115	-1.3	14.6	86.7	
Private bonds	633	543	332	198	387	389	813	382	204	203	320	347	8.3	71.0	69.8	
Loans	83,277	77,351	84,792	68,042	73,617	84,171	103,668	132,157	154,923	154,719	160,445	162,465	1.3	5.0	4.9	
Public sector	15,164	22,694	44,337	33,228	30,866	25,836	20,874	16,772	17,064	17,083	19,163	19,329	0.9	13.1	13.3	
Private sector	64,464	52,039	38,470	33,398	41,054	55,885	77,832	110,355	132,508	132,844	137,573	139,317	1.3	4.9	5.1	
Financial sector	3,649	2,617	1,985	1,417	1,697	2,450	4,962	5,030	5,352	4,793	3,709	3,819	2.9	-20.3	-28.6	
Provisions over loans	-6,907	-6,987	-11,952	-9,374	-7,500	-4,930	-3,728	-4,089	-4,384	-4,744	-5,566	-5,643	1.4	18.9	28.7	
Other netted credits due to financial intermediation	42,361	21,485	39,089	27,030	32,554	26,721	26,039	29,712	36,861	38,152	38,822	35,812	-7.8	-6.1	-2.8	
Corporate bonds and subordinated debt	794	751	1,708	1,569	1,018	873	773	606	1,016	912	1,224	1,161	-5.2	27.2	14.3	
Unquoted trusts	2,053	2,065	6,698	4,133	3,145	3,883	4,881	5,023	5,733	5,714	5,926	5,852	-1.3	2.4	2.1	
Compensation receivable	0	0	17,111	14,937	15,467	5,841	763	377	349	357	17	17	0.0	-95.3	-95.2	
Other	39,514	18,669	13,572	6,392	12,924	16,124	19,622	23,706	29,764	31,169	31,654	28,782	-9.1	-7.7	-3.3	
Leasing	786	771	567	397	611	1,384	2,262	3,469	4,100	3,935	3,097	3,031	-2.1	-23.0	-26.1	
Shares in other companies	2,645	2,688	4,653	4,591	3,871	4,532	6,392	6,430	7,188	7,236	6,569	6,676	1.6	-7.7	-7.1	
Fixed assets and miscellaneous	4,939	4,804	8,636	8,164	7,782	7,546	7,619	7,643	7,830	7,903	8,202	8,190	-0.1	3.6	4.6	
Foreign branches	1,115	1,057	3,522	3,144	3,524	3,647	2,782	2,912	3,066	3,153	4,264	4,246	-0.4	34.7	38.5	
Other assets	3,950	5,334	9,338	12,043	13,180	10,950	9,953	10,347	11,962	12,275	10,554	10,808	2.4	-11.9	-9.7	
<b>Liabilities</b>	<b>146,267</b>	<b>107,261</b>	<b>161,446</b>	<b>164,923</b>	<b>188,683</b>	<b>195,044</b>	<b>225,369</b>	<b>261,143</b>	<b>300,313</b>	<b>305,382</b>	<b>331,003</b>	<b>330,409</b>	<b>-0.2</b>	<b>8.2</b>	<b>10.0</b>	
Deposits	86,506	66,458	75,001	94,635	116,655	136,492	170,898	205,550	236,868	236,217	262,122	263,578	0.6	11.6	11.3	
Public sector <sup>3</sup>	7,204	950	8,381	16,040	31,649	34,019	45,410	48,340	67,274	67,151	73,181	70,289	-4.0	4.7	4.5	
Private sector <sup>3</sup>	78,397	43,270	59,698	74,951	83,000	100,809	123,431	155,048	166,965	166,378	184,997	189,486	2.4	13.9	13.5	
Current account	6,438	7,158	11,462	15,071	18,219	23,487	26,900	35,245	37,184	39,619	40,343	41,193	2.1	4.0	10.8	
Savings account	13,008	14,757	10,523	16,809	23,866	29,078	36,442	47,109	46,813	50,966	56,784	57,766	1.7	13.3	23.4	
Time deposit	53,915	18,012	19,080	33,285	34,944	42,822	54,338	65,952	76,373	69,484	81,193	83,588	2.9	20.3	9.4	
CEDRO	0	0	12,328	3,217	1,046	17	13	0	0	0	0	0	-	-	-	
Other netted liabilities due to financial intermediation	55,297	36,019	75,737	61,690	64,928	52,072	46,037	46,225	52,164	57,662	55,163	52,640	-4.6	-8.7	0.9	
Interbanking obligations	3,545	2,550	1,649	1,317	1,461	2,164	4,578	4,310	4,520	3,895	2,920	3,029	3.7	-22.3	-33.0	
BCRA lines	102	4,470	27,837	27,491	27,726	17,005	7,686	2,362	1,948	1,885	622	482	-22.5	-74.4	-75.3	
Outstanding bonds	4,954	3,777	9,096	6,675	7,922	6,548	6,603	6,938	6,138	5,984	5,480	5,328	-2.8	-11.0	-13.2	
Foreign lines of credit	8,813	7,927	25,199	15,196	8,884	4,684	4,240	3,864	5,151	4,541	3,611	3,461	-4.2	-23.8	-32.8	
Other	37,883	17,295	11,955	11,012	18,934	21,671	22,930	28,752	34,407	41,357	42,530	40,342	-5.1	-2.5	17.2	
Subordinated debts	2,255	2,260	3,712	2,028	1,415	1,381	1,642	1,672	1,723	1,763	1,884	1,887	0.2	7.0	9.5	
Other liabilities	2,210	2,524	6,997	6,569	5,685	5,099	6,792	7,695	9,558	9,740	11,834	12,304	4.0	26.3	28.7	
<b>Net worth</b>	<b>17,283</b>	<b>16,483</b>	<b>26,086</b>	<b>21,950</b>	<b>23,879</b>	<b>26,918</b>	<b>33,014</b>	<b>36,819</b>	<b>40,614</b>	<b>41,380</b>	<b>45,932</b>	<b>46,743</b>	<b>1.8</b>	<b>13.0</b>	<b>15.1</b>	
<b>Memo</b>																
Netted assets	129,815	110,275	185,356	184,371	202,447	208,275	244,791	280,336	320,070	321,075	350,748	353,070	0.7	10.0	10.3	
Consolidated netted assets	125,093	106,576	181,253	181,077	198,462	203,286	235,845	271,652	310,591	312,002	343,545	345,810	0.7	10.8	11.3	

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

Source: BCRA

# Statistics Annex | Financial System (cont.)

## Chart 3 | Profitability Structure

Amount in million of pesos	Annual										First 10 months		Monthly			Last
	2000	2001	2002 <sup>1</sup>	2003	2004	2005	2006	2007	2008	2008	2009	Aug-09	Sep-09	Oct-09	12 months	
Financial margin	7,291	6,943	13,991	1,965	6,075	9,475	13,262	15,134	20,526	16,979	23,635	2,164	3,000	2,440	29,575	
Net interest income	5,106	4,625	-3,624	-943	1,753	3,069	4,150	5,744	9,574	7,689	11,412	1,151	1,162	1,257	14,213	
CER and CVS adjustments	0	0	8,298	2,315	1,944	3,051	3,012	2,624	2,822	2,545	935	88	140	130	1,379	
Foreign exchange price adjustments	185	268	5,977	-890	866	751	944	1,357	2,304	1,757	2,106	161	111	75	3,276	
Gains on securities	1,481	1,490	3,639	1,962	1,887	2,371	4,923	5,144	4,462	3,508	8,776	769	1,794	1,095	9,262	
Other financial income	519	559	-299	-480	-375	233	235	264	1,363	1,480	407	-4	-208	-117	1,445	
Service income margin	3,582	3,604	4,011	3,415	3,904	4,781	6,243	8,248	10,868	8,822	10,612	1,083	1,137	1,131	13,672	
Loan loss provisions	-3,056	-3,096	-10,007	-2,089	-1,511	-1,173	-1,198	-1,894	-2,832	-2,108	-3,160	-252	-394	-253	-4,105	
Operating costs	-7,375	-7,362	-9,520	-7,760	-7,998	-9,437	-11,655	-14,634	-18,748	-15,336	-18,450	-1,900	-1,840	-1,928	-23,538	
Tax charges	-528	-571	-691	-473	-584	-737	-1,090	-1,537	-2,315	-1,865	-2,698	-266	-313	-275	-3,422	
Income tax	-446	-262	-509	-305	-275	-581	-595	-1,032	-1,342	-1,280	-3,774	-235	-512	-358	-4,081	
Adjust. to the valuation of gov. securities <sup>2</sup>	0	0	0	-701	-320	-410	-752	-837	-1,757	-1,476	-167	-15	-7	-22	-577	
Amort. payments for court-ordered releases	0	0	0	-1,124	-1,686	-1,867	-2,573	-1,922	-994	-765	-299	-45	-45	-46	-596	
Other	535	702	-3,880	1,738	1,497	1,729	2,664	2,380	1,366	1,163	984	75	193	92	1,014	
Monetary results	0	0	-12,558	69	0	0	0	0	0	0	0	0	0	0	0	
<b>Total results<sup>3</sup></b>	<b>3</b>	<b>-42</b>	<b>-19,162</b>	<b>-5,265</b>	<b>-898</b>	<b>1,780</b>	<b>4,306</b>	<b>3,905</b>	<b>4,773</b>	<b>4,134</b>	<b>6,683</b>	<b>609</b>	<b>1,218</b>	<b>781</b>	<b>7,943</b>	
Adjusted results <sup>4</sup>	-	-	-	-3,440	1,337	4,057	7,631	6,665	7,523	6,374	7,149	669	1,271	849	9,116	
<b>Annualized indicators - As % of netted assets</b>																
Financial margin	5.7	5.7	6.5	1.1	3.1	4.6	5.8	5.7	6.7	6.7	8.5	7.6	10.4	8.4	9.0	
Net interest income	4.0	3.8	-1.7	-0.5	0.9	1.5	1.8	2.2	3.1	3.0	4.1	4.0	4.0	4.3	4.3	
CER and CVS adjustments	0.0	0.0	3.9	1.3	1.0	1.5	1.3	1.0	0.9	1.0	0.3	0.3	0.5	0.4	0.4	
Foreign exchange price adjustments	0.1	0.2	2.8	-0.5	0.4	0.4	0.4	0.5	0.8	0.7	0.8	0.6	0.4	0.3	1.0	
Gains on securities	1.2	1.2	1.7	1.1	1.0	1.2	2.2	1.9	1.5	1.4	3.2	2.7	6.2	3.8	2.8	
Other financial income	0.4	0.5	-0.1	-0.3	-0.2	0.1	0.1	0.1	0.4	0.6	0.1	0.0	-0.7	-0.4	0.4	
Service income margin	2.8	3.0	1.9	1.9	2.0	2.3	2.7	3.1	3.6	3.5	3.8	3.8	3.9	3.9	4.1	
Loan loss provisions	-2.4	-2.6	-4.7	-1.1	-0.8	-0.6	-0.5	-0.7	-0.9	-0.8	-1.1	-0.9	-1.4	-0.9	-1.2	
Operating costs	-5.8	-6.1	-4.4	-4.2	-4.1	-4.6	-5.1	-5.5	-6.1	-6.1	-6.6	-6.7	-6.4	-6.6	-7.1	
Tax charges	-0.4	-0.5	-0.3	-0.3	-0.3	-0.4	-0.5	-0.6	-0.8	-0.7	-1.0	-0.9	-1.1	-0.9	-1.0	
Income tax	-0.3	-0.2	-0.2	-0.2	-0.1	-0.3	-0.3	-0.4	-0.4	-0.5	-1.4	-0.8	-1.8	-1.2	-1.2	
Adjust. to the valuation of gov. securities <sup>2</sup>	0.0	0.0	0.0	-0.4	-0.2	-0.2	-0.3	-0.3	-0.6	-0.6	-0.1	-0.1	0.0	-0.1	-0.2	
Amort. payments for court-ordered releases	0.0	0.0	0.0	-0.6	-0.9	-0.9	-1.1	-0.7	-0.3	-0.3	-0.1	-0.2	-0.2	-0.2	-0.2	
Other	0.4	0.6	-1.8	0.9	0.8	0.8	1.2	0.9	0.4	0.5	0.4	0.3	0.7	0.3	0.3	
Monetary results	0.0	0.0	-5.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
<b>ROA<sup>3</sup></b>	<b>0.0</b>	<b>0.0</b>	<b>-8.9</b>	<b>-2.9</b>	<b>-0.5</b>	<b>0.9</b>	<b>1.9</b>	<b>1.5</b>	<b>1.6</b>	<b>1.6</b>	<b>2.4</b>	<b>2.1</b>	<b>4.2</b>	<b>2.7</b>	<b>2.4</b>	
ROA adjusted <sup>4</sup>	0.0	0.0	-8.9	-1.9	0.7	2.0	3.4	2.5	2.5	2.5	2.6	2.3	4.4	2.9	2.8	
<b>ROE<sup>3</sup></b>	<b>0.0</b>	<b>-0.2</b>	<b>-59.2</b>	<b>-22.7</b>	<b>-4.2</b>	<b>7.0</b>	<b>14.3</b>	<b>11.0</b>	<b>13.4</b>	<b>14.1</b>	<b>19.9</b>	<b>17.6</b>	<b>34.7</b>	<b>21.9</b>	<b>20.1</b>	

(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 4 | Portfolio Quality

As percentage	Dec 00	Dec 01	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Oct 08	Dec 08	Sep 09	Oct 09
Non-performing loans (overall)	12.9	13.1	18.1	17.7	10.7	5.2	3.4	2.7	2.4	2.7	3.2	3.2
<b>Non-performing loans to the non-financial private sector</b>	<b>16.0</b>	<b>19.1</b>	<b>38.6</b>	<b>33.5</b>	<b>18.6</b>	<b>7.6</b>	<b>4.5</b>	<b>3.2</b>	<b>2.8</b>	<b>3.1</b>	<b>3.7</b>	<b>3.7</b>
Provisions / Non-performing loans	61.1	66.4	73.8	79.2	102.9	124.5	129.9	129.6	133.7	131.4	122.2	121.6
(Total non-performing - Provisions) / Overall financing	5.0	4.4	4.7	3.7	-0.3	-1.3	-1.0	-0.8	-0.8	-0.8	-0.7	-0.7
(Total non-performing - Provisions) / Net worth	26.2	21.6	17.2	11.9	-1.0	-4.1	-3.3	-3.0	-3.3	-3.3	-2.6	-2.5

(\*) 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	Oct 2008	2008	Sep 2009	Oct 2009
1.- Liquidity	23.6	26.9	22.8	24.3	24.1	23.6	24.8	27.6	29.2	21.5	23.7	25.7	29.0	34.1	31.8	30.7
2.- Credit to the public sector	13.5	13.7	13.6	16.1	14.7	20.8	50.0	47.7	41.6	28.5	16.3	9.5	7.4	6.3	6.2	6.2
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	48.0	44.0	42.6	42.5
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	2.5	2.8	3.5	3.4
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	-3.6	-3.4	-2.8	-2.7
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	2.1	1.9	2.9	3.1
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	16.5	15.2	22.9	23.7
8.- Efficiency	144	135	139	146	152	151	168	93	115	136	158	152	169	166	198	199
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	18.5	18.3	21.4	22.5
10.- Excess capital compliance	33	47	27	60	49	43	-	88	157	155	116	87	85	86	116	123

Source: BCRA

## Chart 6 | Balance Sheet

In million of current pesos	Dec 00	Dec 01	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Oct 08	Dec 08	Sep 09	Oct 09	Change (in %)			
													Last month	2009	Last 12 months	
<b>Assets</b>	<b>119,371</b>	<b>82,344</b>	<b>118,906</b>	<b>116,633</b>	<b>128,065</b>	<b>129,680</b>	<b>152,414</b>	<b>175,509</b>	<b>195,233</b>	<b>208,888</b>	<b>218,258</b>	<b>223,295</b>	<b>2.3</b>	<b>6.9</b>	<b>14.4</b>	
Liquid assets <sup>(1)</sup>	13,920	10,576	11,044	14,500	15,893	14,074	22,226	29,418	34,103	37,044	41,126	40,319	-2.0	8.8	18.2	
Public bonds	7,583	1,627	19,751	22,260	24,817	29,966	27,663	24,444	19,898	29,552	44,084	47,934	8.7	62.2	140.9	
Lebac/Nobac	0	0	-	-	8,359	15,227	15,952	17,684	15,430	23,457	29,773	33,461	12.4	42.6	116.9	
Portfolio	0	0	-	-	5,611	12,899	14,220	15,639	11,482	12,858	23,884	23,884	0.0	85.7	108.0	
Repo <sup>(2)</sup>	0	0	-	-	2,749	2,328	1,732	2,045	3,948	10,598	5,888	9,576	62.6	-9.6	142.6	
Private bonds	563	451	273	172	333	307	683	310	123	127	190	216	13.3	70.0	75.2	
Loans	56,035	52,319	51,774	47,017	50,741	56,565	69,294	88,898	100,540	98,529	95,053	96,912	2.0	-1.6	-3.6	
Public sector	8,172	13,803	25,056	23,571	21,420	15,954	10,036	6,413	6,274	6,249	1,726	1,793	3.9	-71.3	-71.4	
Private sector	45,103	36,636	26,074	22,816	28,213	39,031	55,632	78,587	90,144	88,426	90,366	92,150	2.0	4.2	2.2	
Financial sector	2,760	1,880	644	630	1,107	1,580	3,626	3,898	4,121	3,854	2,961	2,969	0.3	-23.0	-28.0	
Provisions over loans	-3,248	-3,957	-7,463	-5,225	-3,717	-2,482	-2,227	-2,365	-2,671	-2,871	-3,468	-3,531	1.8	23.0	32.2	
Other netted credits due to financial intermediation	36,600	13,037	27,212	22,148	25,753	16,873	18,387	17,084	21,694	25,265	22,592	22,616	0.1	-10.5	4.2	
Corporate bonds and subordinated debt	724	665	1,514	1,394	829	675	618	430	804	699	850	787	-7.4	12.6	-2.1	
Unquoted trusts	1,609	1,637	6,205	3,571	2,362	2,444	2,982	3,456	3,915	3,869	4,332	4,177	-3.6	7.9	6.7	
Compensation receivable	0	0	15,971	13,812	14,657	5,575	760	377	349	357	17	17	0.0	-95.3	-95.2	
Other	34,267	10,735	3,523	3,370	7,905	8,179	14,027	12,822	16,626	20,339	17,393	17,635	1.4	-13.3	6.1	
Leasing	776	752	553	387	592	1,356	2,126	3,149	3,621	3,451	2,708	2,649	-2.2	-23.3	-26.9	
Shares in other companies	1,651	1,703	3,123	2,791	1,892	2,416	4,042	3,762	4,568	4,538	3,847	3,928	2.1	-13.4	-14.0	
Fixed assets and miscellaneous	3,225	3,150	5,198	4,902	4,678	4,575	4,677	4,685	4,867	4,926	5,096	5,072	-0.5	2.9	4.2	
Foreign branches	75	112	-109	-136	-53	-148	-139	-154	-173	-178	-203	-202	-0.4	13.7	17.1	
Other assets	2,190	2,574	7,549	7,816	7,137	6,178	5,682	6,277	8,661	8,505	7,233	7,383	2.1	-13.2	-14.8	
<b>Liabilities</b>	<b>107,193</b>	<b>70,829</b>	<b>103,079</b>	<b>101,732</b>	<b>113,285</b>	<b>112,600</b>	<b>131,476</b>	<b>152,153</b>	<b>169,371</b>	<b>182,596</b>	<b>188,849</b>	<b>193,260</b>	<b>2.3</b>	<b>5.8</b>	<b>14.1</b>	
Deposits	57,833	44,863	44,445	52,625	62,685	75,668	94,095	116,719	127,878	135,711	145,029	148,493	2.4	9.4	16.1	
Public sector <sup>(3)</sup>	1,276	950	1,636	3,077	6,039	6,946	7,029	7,564	11,086	19,600	19,086	19,052	-0.2	-2.8	71.9	
Private sector <sup>(3)</sup>	55,917	43,270	38,289	47,097	55,384	67,859	85,714	107,671	115,109	114,176	123,736	127,046	2.7	11.3	10.4	
Current account	4,960	7,158	8,905	11,588	13,966	17,946	20,604	27,132	27,925	30,188	30,657	31,349	2.3	3.8	12.3	
Savings account	9,409	14,757	6,309	10,547	14,842	18,362	23,165	30,169	29,644	32,778	36,055	37,134	3.0	13.3	25.3	
Time deposit	39,030	18,012	11,083	18,710	22,729	27,736	38,043	45,770	53,055	46,990	52,630	54,205	3.0	15.4	2.2	
CEDRO	0	0	9,016	2,409	798	3	1	0	0	0	0	0	-	-	-	
Other netted liabilities due to financial intermediation	46,271	22,629	49,341	42,367	45,083	32,349	31,750	29,323	33,966	39,298	34,732	35,164	1.2	-10.5	3.5	
Interbanking obligations	2,293	1,514	836	726	1,070	1,488	3,383	1,979	1,596	1,160	1,143	1,286	12.5	10.8	-19.4	
BCRA lines	83	1,758	16,624	17,030	17,768	10,088	3,689	675	641	649	70	36	-49.1	-94.5	-94.4	
Outstanding bonds	4,939	3,703	9,073	6,674	7,922	6,548	6,413	6,686	5,826	5,672	5,176	4,978	-3.8	-12.2	-14.6	
Foreign lines of credit	5,491	4,644	15,434	9,998	5,444	2,696	2,249	1,833	2,933	2,261	1,209	1,256	3.9	-44.4	-57.2	
Other	33,466	11,010	7,374	7,939	12,878	11,530	16,015	18,150	22,970	29,555	27,134	27,608	1.7	-6.6	20.2	
Subordinated debts	1,668	1,700	3,622	1,850	1,304	1,319	1,642	1,668	1,719	1,759	1,880	1,884	0.2	7.1	9.6	
Other liabilities	1,420	1,637	5,671	4,890	4,213	3,264	3,989	4,443	5,808	5,828	7,208	7,719	7.1	32.4	32.9	
<b>Net worth</b>	<b>12,178</b>	<b>11,515</b>	<b>15,827</b>	<b>14,900</b>	<b>14,780</b>	<b>17,080</b>	<b>20,938</b>	<b>23,356</b>	<b>25,861</b>	<b>26,292</b>	<b>29,409</b>	<b>30,035</b>	<b>2.1</b>	<b>14.2</b>	<b>16.1</b>	
<b>Memo</b>																
<b>Netted assets</b>	<b>88,501</b>	<b>73,796</b>	<b>117,928</b>	<b>115,091</b>	<b>121,889</b>	<b>123,271</b>	<b>143,807</b>	<b>166,231</b>	<b>183,055</b>	<b>192,074</b>	<b>204,399</b>	<b>208,915</b>	<b>2.2</b>	<b>8.8</b>	<b>14.1</b>	

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

Source: BCRA



## Statistics Annex | Private Banks (cont.)

### Chart 7 | Profitability Structure

Amount in million of pesos	Annual									First 10 months		Monthly			Last
	2000	2001	2002 <sup>1</sup>	2003	2004	2005	2006	2007	2008	2008	2009	Aug-09	Sep-09	Oct-09	12 months
Financial margin	5,441	5,282	10,628	2,575	3,415	5,253	7,778	8,960	12,964	10,882	16,399	1,437	2,177	1,747	20,221
Net interest income	3,598	3,519	-304	107	1,214	2,069	2,826	4,191	7,727	6,208	8,359	803	802	893	10,656
CER and CVS adjustments	0	0	1,476	1,082	900	1,215	858	662	651	611	141	9	24	16	225
Foreign exchange price adjustments	160	256	6,189	-312	666	576	740	990	1,620	1,237	1,341	104	95	82	1,947
Gains on securities	1,232	962	3,464	1,892	959	1,259	3,154	2,888	1,637	1,386	6,066	514	1,426	858	5,867
Other financial income	450	546	-197	-195	-322	134	199	229	1,329	1,439	493	5	-170	-102	1,525
Service income margin	2,554	2,598	2,782	2,341	2,774	3,350	4,459	5,881	7,632	6,223	7,496	774	792	809	9,627
Loan loss provisions	-2,173	-2,464	-6,923	-1,461	-1,036	-714	-737	-1,174	-1,863	-1,406	-2,274	-187	-317	-181	-2,889
Operating costs	-5,263	-5,224	-6,726	-5,310	-5,382	-6,303	-7,741	-9,735	-12,401	-10,129	-12,015	-1,243	-1,184	-1,251	-15,383
Tax charges	-379	-418	-512	-366	-393	-509	-769	-1,105	-1,715	-1,390	-1,952	-194	-220	-201	-2,483
Income tax	-393	-216	-337	-295	-202	-217	-365	-380	-1,168	-983	-2,646	-217	-403	-265	-3,061
Adjust. to the valuation of gov. securities <sup>2</sup>	0	0	0	-665	-51	-201	-170	-100	-267	-264	-14	-2	11	-1	-43
Amort. payments for court-ordered releases	0	0	0	-791	-1,147	-1,168	-1,182	-1,466	-688	-520	-155	-30	-28	-24	-371
Other	307	615	-4,164	1,178	846	1,156	1,641	1,576	916	660	205	81	64	53	281
Monetary results	0	0	-10,531	-20	0	0	0	0	0	0	0	0	0	0	0
<b>Total results<sup>3</sup></b>	<b>93</b>	<b>174</b>	<b>-15,784</b>	<b>-2,813</b>	<b>-1,176</b>	<b>648</b>	<b>2,915</b>	<b>2,457</b>	<b>3,412</b>	<b>3,072</b>	<b>5,044</b>	<b>418</b>	<b>893</b>	<b>685</b>	<b>5,900</b>
<b>Adjusted results<sup>4</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-1,357</b>	<b>252</b>	<b>2,016</b>	<b>4,267</b>	<b>4,023</b>	<b>4,367</b>	<b>3,856</b>	<b>5,214</b>	<b>449</b>	<b>910</b>	<b>710</b>	<b>6,313</b>
<i>Annualized indicators - As % of netted assets</i>															
Financial margin	6.2	6.4	7.6	2.3	2.9	4.3	5.9	5.8	7.3	7.5	9.9	8.6	12.9	10.2	10.4
Net interest income	4.1	4.3	-0.2	0.1	1.0	1.7	2.1	2.7	4.4	4.3	5.1	4.8	4.8	5.2	5.5
CER and CVS adjustments	0.0	0.0	1.1	0.9	0.8	1.0	0.6	0.4	0.4	0.1	0.1	0.1	0.1	0.1	0.1
Foreign exchange price adjustments	0.2	0.3	4.4	-0.3	0.6	0.5	0.6	0.6	0.9	0.8	0.8	0.6	0.6	0.5	1.0
Gains on securities	1.4	1.2	2.5	1.7	0.8	1.0	2.4	1.9	0.9	1.0	3.7	3.1	8.5	5.0	3.0
Other financial income	0.5	0.7	-0.1	-0.2	-0.3	0.1	0.2	0.1	0.8	1.0	0.3	0.0	-1.0	-0.6	0.8
Service income margin	2.9	3.2	2.0	2.0	2.4	2.7	3.4	3.8	4.3	4.3	4.5	4.6	4.7	4.7	4.9
Loan loss provisions	-2.5	-3.0	-5.0	-1.3	-0.9	-0.6	-0.6	-0.8	-1.1	-1.0	-1.4	-1.1	-1.9	-1.1	-1.5
Operating costs	-6.0	-6.4	-4.8	-4.6	-4.6	-5.1	-5.9	-6.3	-7.0	-7.0	-7.3	-7.4	-7.0	-7.3	-7.9
Tax charges	-0.4	-0.5	-0.4	-0.3	-0.3	-0.4	-0.6	-0.7	-1.0	-1.0	-1.2	-1.2	-1.3	-1.2	-1.3
Income tax	-0.4	-0.3	-0.2	-0.3	-0.2	-0.2	-0.3	-0.2	-0.7	-0.7	-1.6	-1.3	-2.4	-1.5	-1.6
Adjust. to the valuation of gov. securities <sup>2</sup>	0.0	0.0	0.0	-0.6	0.0	-0.2	-0.1	-0.1	-0.2	-0.2	0.0	0.0	0.1	0.0	0.0
Amort. payments for court-ordered releases	0.0	0.0	0.0	-0.7	-1.0	-1.0	-0.9	-0.9	-0.4	-0.4	-0.1	-0.2	-0.2	-0.1	-0.2
Other	0.4	0.7	-3.0	1.0	0.7	0.9	1.2	1.0	0.5	0.5	0.1	0.5	0.4	0.3	0.1
Monetary results	0.0	0.0	-7.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>ROA<sup>3</sup></b>	<b>0.1</b>	<b>0.2</b>	<b>-11.3</b>	<b>-2.5</b>	<b>-1.0</b>	<b>0.5</b>	<b>2.2</b>	<b>1.6</b>	<b>1.9</b>	<b>2.1</b>	<b>3.1</b>	<b>2.5</b>	<b>5.3</b>	<b>4.0</b>	<b>3.0</b>
<b>ROA adjusted<sup>4</sup></b>	<b>0.1</b>	<b>0.2</b>	<b>-11.3</b>	<b>-1.2</b>	<b>0.2</b>	<b>1.6</b>	<b>3.2</b>	<b>2.6</b>	<b>2.5</b>	<b>2.6</b>	<b>3.2</b>	<b>2.7</b>	<b>5.4</b>	<b>4.1</b>	<b>3.2</b>
<b>ROE<sup>3</sup></b>	<b>0.8</b>	<b>1.4</b>	<b>-79.0</b>	<b>-19.1</b>	<b>-8.1</b>	<b>4.1</b>	<b>15.3</b>	<b>10.9</b>	<b>15.2</b>	<b>16.5</b>	<b>23.7</b>	<b>18.9</b>	<b>40.0</b>	<b>30.2</b>	<b>23.6</b>

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

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

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

Source: BCRA

### Chart 8 | Portfolio Quality

As percentage	Dec 00	Dec 01	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Oct 08	Dec 08	Sep 09	Oct 09
Non-performing loans (overall)	8.3	9.9	19.8	15.7	8.9	4.4	2.9	2.2	2.2	2.5	3.3	3.3
<b>Non-performing loans to the non-financial private sector</b>	<b>9.8</b>	<b>14.0</b>	<b>37.4</b>	<b>30.4</b>	<b>15.3</b>	<b>6.3</b>	<b>3.6</b>	<b>2.5</b>	<b>2.5</b>	<b>2.8</b>	<b>3.5</b>	<b>3.4</b>
Provisions / Non-performing loans	67.7	75.7	73.4	79.0	97.0	114.3	129.3	141.3	139.6	134.1	125.3	124.0
(Total non-performing - Provisions) / Overall financing	2.7	2.4	5.3	3.3	0.4	-0.6	-0.9	-0.9	-0.9	-0.9	-0.8	-0.8
(Total non-performing - Provisions) / Net worth	13.4	11.4	18.6	11.2	1.3	-2.2	-3.0	-3.6	-3.6	-3.4	-2.8	-2.7

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

Source: BCRA