

# Report on Banks

October 2013



BANCO CENTRAL  
DE LA REPÚBLICA ARGENTINA

# **Report on Banks**

October 2013

Year XI, N° 2



**BANCO CENTRAL  
DE LA REPÚBLICA ARGENTINA**

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Note | Information for October 2013 available by November 28, 2013 is included. This Report is focused on the performance of the financial system, including breakdowns by homogeneous sub-sectors. The data reported (particularly, those referring to profitability) are provisional and are subject to changes. Except otherwise provided, end-of-month data are included.

*Published on December 26, 2013*

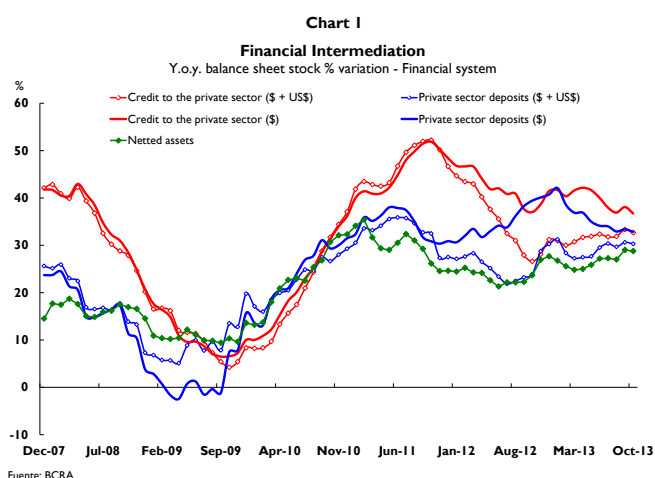
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## Summary

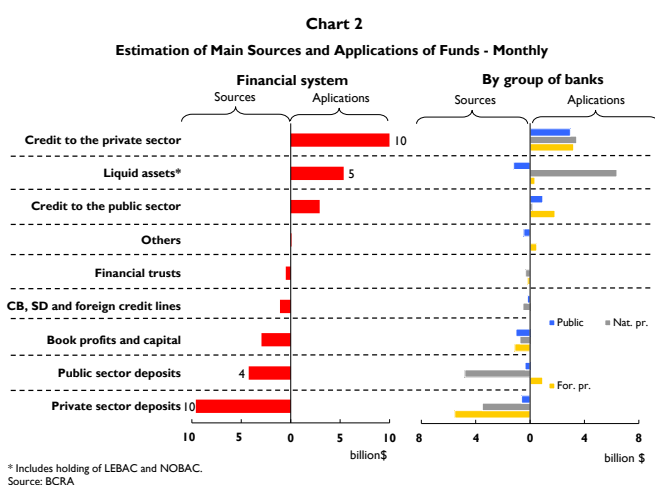
- **In October, the levels of financial intermediation with companies and households went up based on the growth of loans and deposits denominated in domestic currency.** The operation of financial institutions was conducted within a framework of adequate liquidity and solvency levels. An expansion of the infrastructure for the provision of financial services was recorded during the third quarter, with increases in employment, in the number of ATMs and of branches.
- **In this period, lending in pesos to the private sector went up 2.3% (36.7% year-on-year - y.o.y.) subject to the influence of seasonal factors impacting on the use of credit cards.** Total financing (in pesos and dollars) grew 2.1% (32.7% y.o.y.) in October, posting a 0.8% hike (33.9% y.o.y.) in lending to companies and a 3.7% hike (31.4% y.o.y.) in financing to households.
- The BCRA continues to encourage banks' lending to companies through the **Credit Line for Productive Investment (LCIP)**. As from its implementation—in the second half of 2012—up to the present, disbursements have been made for around \$42 billion. On a supplementary basis, through the **Bicentenary Productive Financing Program (PFPB)**, the BCRA has already awarded over \$7.6 billion distributed through fourteen financial institutions, and almost 76% of the total has been effectively allocated to companies.
- **In October, the ratio of non-performing loans to the private sector continued to stand at around 1.8% of total financing.** The delinquency rate of loans to households contracted slightly to 2.8%, while the rate corresponding to the productive sector remained stable at 1%. The financial system continued to show high provision levels, and the coverage of the non-performing portfolio reached 137.5%.
- **The balance sheet stock of total deposits in pesos in the financial system grew 2% in October (30.1% y.o.y.),** with a similar monthly growth rate in deposits of the private sector (32.8% y.o.y.) and of the public sector (23.7% y.o.y.). Among deposits of the private sector in pesos, there was a remarkable increase of time deposits (3.7% or 39.7% y.o.y.). The balance sheet stock of total deposits (including pesos and dollars) recorded a 2% increase (28.2% y.o.y.) during this period.
- **The liquidity (pesos and dollars) of the financial system in relation to total deposits stood at 24.8% in October,** thus exceeding by 0.1 p.p. the value recorded in September. Meanwhile, **the broad liquidity ratio** (also including holdings of LEBAC and NOBAC) **stood at 38.1% of total deposits,** remaining unchanged with respect to the previous months. Both liquidity ratios accrued a 1.1 p.p. year-on-year reduction. Besides, **the coverage of short-term liabilities with liquid assets in a broad sense reached 43.7% at closing of the third quarter** (latest information available), with a slight contraction with respect to the value recorded a year ago, even though similar recent years' average.
- **The consolidated financial system net worth grew 2.7% in October, thus accumulating a 31.8% y.o.y. increase, mainly due to the profits accrued.** The financial system regulatory capital compliance accounted for 13.5% of risk weighted assets (RWA) in October, while Tier 1 capital compliance accounted for 12.2% of RWA. **In October, the compliance in excess of the regulatory requirement (capital position) for the ensemble of financial institutions stood at 73.3%.**
- In October, the profits accrued by the financial system stood at 3.8%a. of assets, showing a slight contraction with respect to September 2013. **In 10 months of 2013, the ensemble of financial institutions accumulated a ROA of 3.1%a., exceeding 0.2 p.p. the figures recorded in the same period of 2012.** In year-on-year terms, all the groups of banks improved their accumulated book profits.

# I. Activity

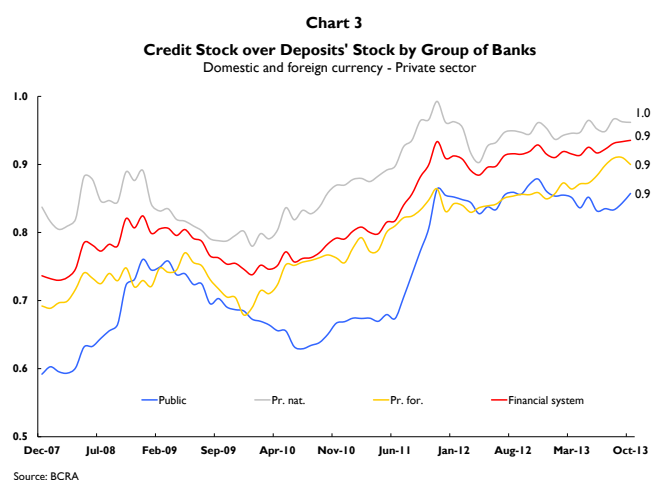


**Banks' financial intermediation in pesos with the private sector continued growing in October** (see Chart 1). Lending to companies and households in domestic currency accumulated a year-on-year (y.o.y.) increase of 36.7%, while deposits of these sectors grew 32.8%. Besides, the netted assets of the financial system increased 28.8% in the last twelve months.

In October, the main use of funds of the ensemble of financial institutions was the increase of lending to the private sector for \$10 billion, which was primarily funded by an expansion of deposits of this sector for the same amount (see Chart 2)<sup>1</sup>. Thus, **the gradual increase of financial intermediation with the private sector has turned into a higher share of lending and deposits in banks' balance sheet**. During this month, financing by banks to companies and households totaled 52% of netted assets (+1.6 p.p. against October 2012). On the side of funding (liabilities and net worth), deposits of the private sector accounted for 55.4% of the total (+0.7 p.p. against October 2012). In addition, net worth has remarkably gained share in total funding, in line with the profits accrued by the sector.



Starting from low levels, in recent years banks have been intensifying financial intermediation. In particular, **the ratio of balance sheet lending to private sector and balance sheet deposits of the private sector increased in the last twelve months and also against the levels recorded in previous periods** (see Chart 3). Thus, in October, each \$1 of private sector deposits was matched by \$0.9 of lending to companies and households.

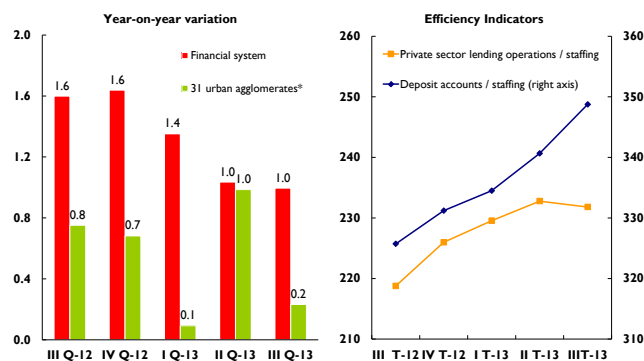


**The staffing of the financial system kept on growing during the third quarter of the year**—latest information available— up to a headcount of 105,250 employees. In recent periods, the pace of expansion of bank employment exceeded the pace shown by the economy as a whole (see Chart 4). **The year-on-year increase of staffing occurs simultaneously with an increase in the number of lending transactions to the private sector and of deposit accounts managed per employee**. Concurrently, the operational infrastructure of the financial system continued expanding in the last year, with a 1.6% increase in terms of branches, and a 12.4% hike in terms of available ATMs.

**The use of several means of payment other than cash expanded during October**. Both the value and number of cleared checks accumulated year-on-year increases of 27.8% and 0.4%, respectively. A slight increase was

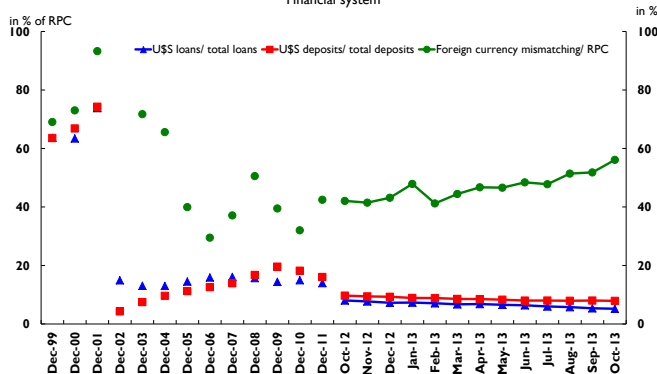
<sup>1</sup> In October, an increase of liquid assets—in broad sense— was recorded, which was mainly funded with an increase of deposits of the public sector.

**Chart 4**  
**Financial System Employment**



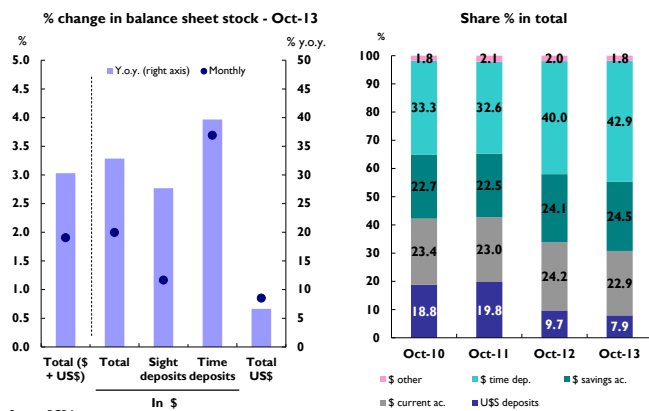
\* It is considered full employment (employed - underemployed) surveyed for the 31 urban agglomerates  
Source: BCRA and INDEC

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



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

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



Source: BCRA

observed this month in the ratio between the number of bounced checks due to insufficient funds and the total of cleared checks, up to 1%. In turn, **instant transfers have continued to expand. The value of transactions through this method increased 64% y.o.y. as at October.** It is worth stating that as from September, the BCRA increased the value as from which transfers through electronic means generate no cost for the user<sup>2</sup>, from \$10,000 up to \$20,000.

The ensemble of financial institutions continued posting an active mismatching of foreign currency<sup>3</sup> in broad terms (taking into consideration net undelivered foreign currency term purchases)<sup>4</sup>. In October, this mismatching increased 4.9 p.p. of RPC (adjusted stockholders' equity) up to 56.7%. It is worth mentioning that the **ensemble of banks operates with low and decreasing dollarization levels in relation to banks' balance sheets**: in this period, the balance of lending in foreign currency only accounted for 5.2% of total lending to the private sector, whereas the balance sheet stock of deposits in such currency totaled 7.9% of total deposits of the private sector (see Chart 5).

## II. Deposits and liquidity

In October, the balance sheet stock of deposits in domestic currency in the financial system rose 2% (see Chart 6), boosted by both deposits of the public and the private sector, since both items recorded a similar change. **The growth of deposits of the private sector in pesos was mainly driven by time deposits, which expanded 3.7% between ends of months.** In turn, deposits in dollars<sup>5</sup> of the private sector in the financial system slightly contracted in this period. In this context, total deposits (including pesos and dollars) posted a 2% monthly increase.

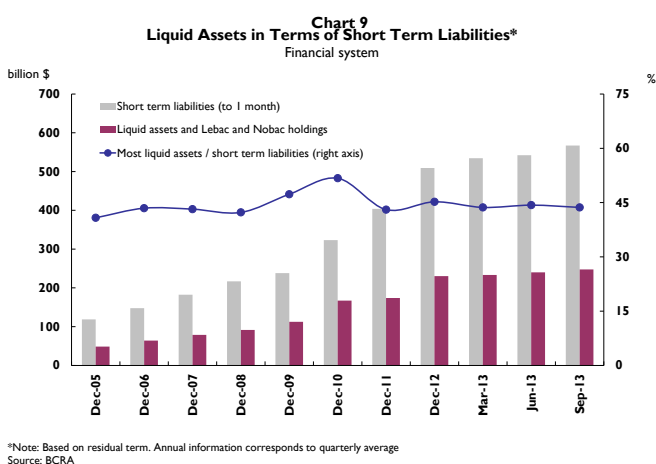
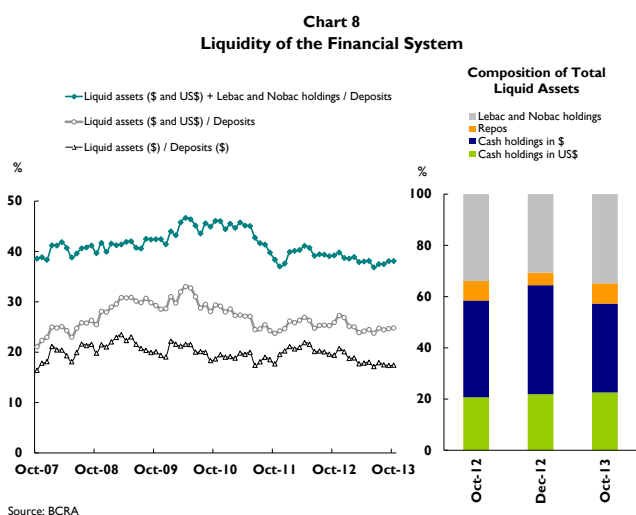
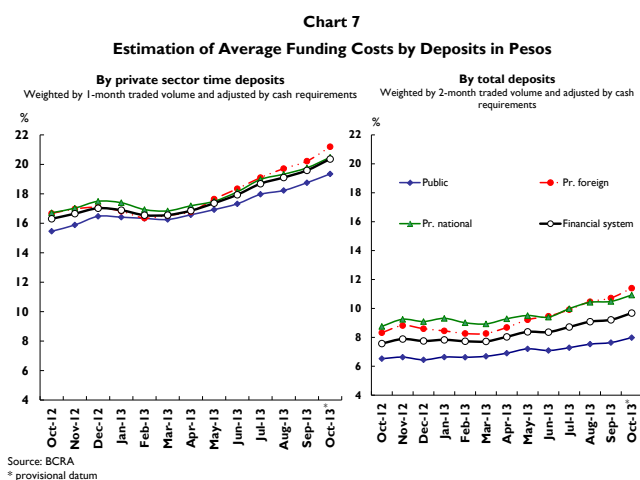
In the last 12 months, deposits in domestic currency in the financial system expanded at a 30.1% rate, with a 32.8% increase of private sector deposits and a 23.7% rise of those of the public sector. **In the segment of private sector deposits in pesos, time deposits stood out, since they accumulated a 39.7% y.o.y. growth.** As a result of their momentum, time deposits increased their share by almost 3 p.p. in the total stock of private sector deposits during last year (see Chart 6). The balance sheet stock of total deposits of the non-financial sector (including pesos and dollars) went up 28.2% y.o.y. as at October.

<sup>2</sup> Communication "A" 5473.

<sup>3</sup> Assets in excess of liabilities.

<sup>4</sup> For further detail, see Chapter V of the Financial Stability Report - Second Half 2013.

<sup>5</sup> In original currency.



The cost of funding calculated on the basis of deposits in pesos showed a slight increase in October (see Chart 7). Thus, such cost would be 2 p.p. above the one recorded a year ago, with a higher rise in private banks.

The liquidity (pesos and dollars) of the financial system relative to total deposits stood at 24.8% in October, up 0.1 p.p. against the value of the previous month, and down 1.1 p.p. against the value recorded a year ago (see Chart 8). Meanwhile, **the broad liquidity ratio<sup>6</sup> stood at 38.1% of total deposits**, with no changes in this month and down 1.1 p.p. against October 2012. Regarding the financial system liquidity composition, during the last twelve months, there has been a fall in the share of liquid assets in pesos, which was offset by liquid assets in dollars, holdings of LEBACs and NOBACs, and repo transactions with the BCRA.

The coverage of short-term liabilities with higher liquidity assets stood at levels similar to the average of recent years during the third quarter of 2013 (latest information available), and reached **43.7%** (see Chart 9). On a year-on-year comparison, the indicator posted a 1.4 p.p. fall due to the higher expansion of liabilities with residual terms below 30 days relative to higher liquidity assets.

### III. Financing

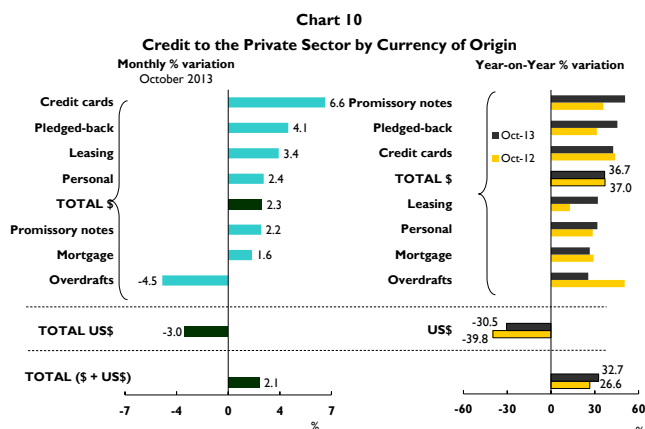
In October, lending in pesos to the private sector went up 2.3%<sup>7</sup>. The monthly performance was mostly boosted by credit cards, within the framework of seasonal factors (see Chart 10). Meanwhile, loans in foreign currency kept on contracting (-3% against September). Total lending to the private sector (in domestic and foreign currency) grew 2.1%<sup>8</sup> in this period.

In year-on-year terms, loans in pesos granted to companies and households went up 36.7%, a change similar to that observed in the same period of 2012. The growth of credit lines in pesos was mainly driven by promissory notes, pledged-back loans and credit cards, with year-on-year increases exceeding 40%. **The positive evolution of lending in pesos to the private sector together with the reduction of loans in foreign currency led to a 32.7% y.o.y. increase of total lending to the private sector, up more than 6 p.p.**

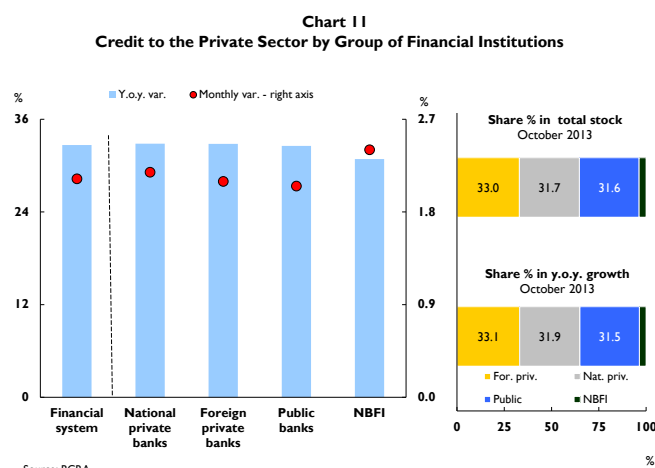
<sup>6</sup> This ratio takes into account liquid assets (compliance with the minimum “cash requirement” and other concepts, mainly cash in banks and correspondents) plus the net credit balance for repo transactions of the financial institutions with the BCRA using LEBACs and NOBACs plus the LEBACs and NOBACs balance not related to repo transactions with the BCRA.

<sup>7</sup> In October, three financial trust issues for a total of \$497 million were recorded; all of them corresponded to personal loan securitizations. Thus, if the balance sheet stock is adjusted by these assets securitized during October (using lending given by banks as underlying assets), the monthly change of lending in pesos to the private sector would reach 2.4%.

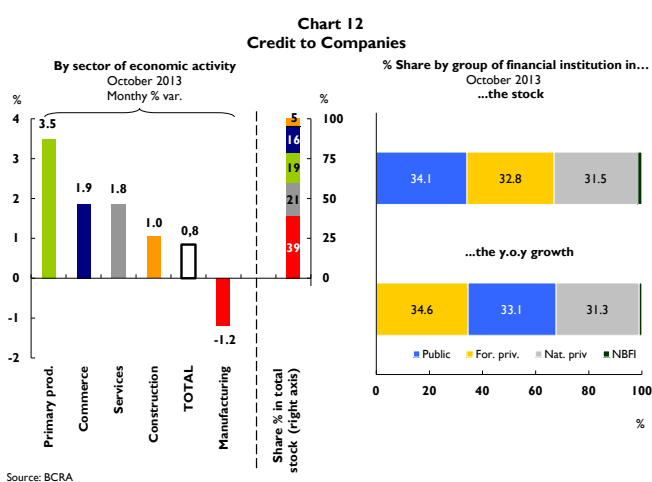
<sup>8</sup> If the balance sheet stock is adjusted by these assets securitized during October, the monthly growth of total financing (in pesos and in dollars) to companies and households would reach 2.2%.



Note: Total considers balance sheet stock including accrued interest and CER adjustments. Variations in currency of origin.  
Source: BCRA



Source: BCRA



Source: BCRA

against the value recorded in October 2012. The year-on-year expansion of loans to the private sector turned out to be generalized and widespread among all groups of banks (see Chart 11).

Lending to companies<sup>9</sup> went up 0.8% in October. Loans to primary production posted the most significant monthly change (see Chart 12). **In the last 12 months, lending to companies kept on driving the expansion of total financing to the private sector.** In this period, lending to companies grew 33.9% y.o.y., exceeding by almost 12 p.p. the value recorded a year ago. Foreign private banks and public banks contributed 68% of the increase of total lending to companies in the last 12 months.

As from the implementation of the **Credit Line for Productive Investment (LCIP)** in the second half of 2012 to the present, disbursements have been made for around \$42 billion<sup>10</sup>, and this accounts for almost 10% of the total amount given in pesos to legal persons<sup>11</sup> from July 2012 to October 2013. As a result of the LCIP, the segment of small and medium-sized enterprises (SMEs) increased their share in the amount of loans in pesos granted to legal persons (see Chart 13).

On a supplementary basis, within the framework of the **Bicentenary Productive Financing Program (PFPB)**, the BCRA has already allocated \$7.6 billion, out of which almost 76% of the total (\$5.8 billion) has been effectively disbursed through 14 financial institutions. Lending to the manufacturing sector continued posting the highest share in the amount disbursed, with 67% of the total. More than 83% of loans given through the PFPB were granted by public banks.

With a favorable performance in all credit lines, **in October lending to households expanded 3.7%, mostly driven by credit cards** (see Chart 14). On a year-on-year comparison, lending to households went up 31.4%, with a remarkable momentum of loans for consumption (personal loans and credit cards), which accounted for more than 82% of the rise of total lending to households in the last 12 months. Even though loans granted by public banks and by non-banking financial institutions posted the highest relative year-on-year growth, private banks continued to account for the largest part of the increase of lending to households.

Given the evolution of lending interest rates and of the cost of funding, **the current levels of spreads of domestic currency transactions have been slightly**

<sup>9</sup> Information obtained from the Debtors' Database (in pesos and in foreign currency). Loans to companies include those granted to legal persons and commercial loans granted to natural persons. In turn, loans to households are those given to natural persons unless they have a commercial purpose.

<sup>10</sup> For further information, see Box 3 of the Financial Stability Report - Second Half 2013.

<sup>11</sup> Overdrafts are excluded.



higher than those recorded in October 2012 in almost all groups of financial institutions (see Chart 15).

## IV. Portfolio quality

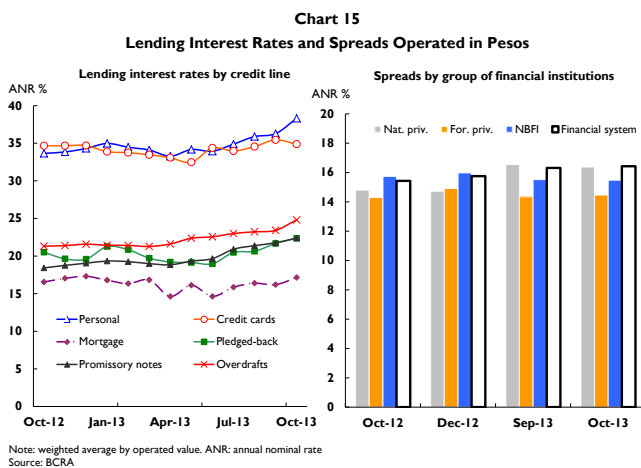
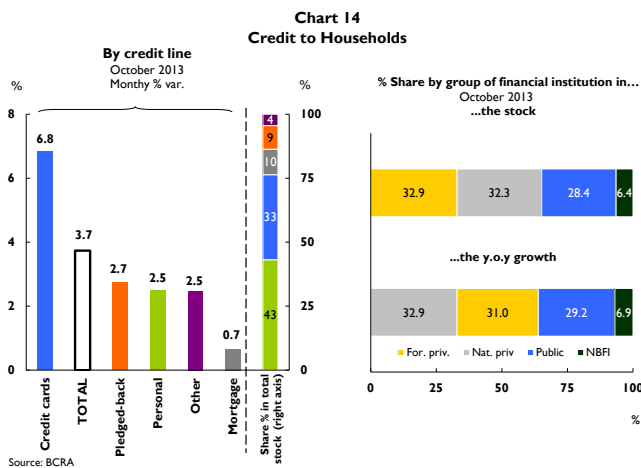
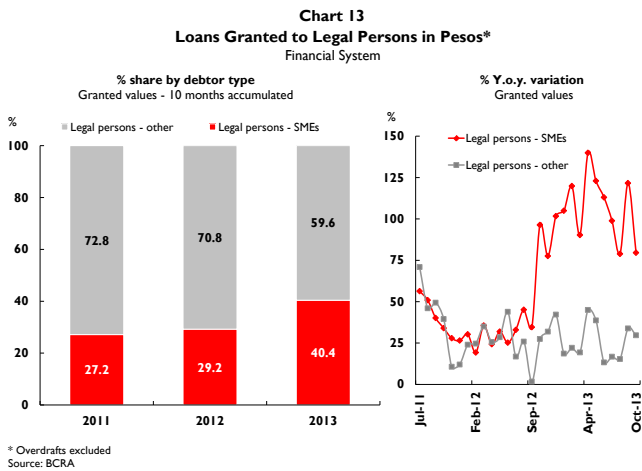
In October, the ratio of non-performing loans to the private sector remained at 1.8% of total lending. This level is lower than that recorded by mid-2013, and is in line with the value posted twelve months ago. The decrease of the delinquency rate in recent months was mainly due to the performance of loans to households (see Chart 16) and was recorded in all groups of financial institutions.

During the month, the ratio of non-performing loans to companies stood at 1% of the total portfolio, a level that has been stable for the last twelve months (see Chart 17). In year-on-year terms, the evolution by sector of the delinquency rate for lending to the productive sector has shown slightly heterogeneous performances, with decreases in the segments of commerce and service providers, and slight increases in the remaining segments.

In October, the ratio of non-performing loans to households slightly contracted, down to 2.8% of lending. This was due to the fact that the monthly growth of financing to households was relatively higher than the growth of the non-performing portfolio. Even though decreases were observed in the ratio of non-performing loans of all credit lines, credit cards were the main factor behind the delinquency rate contraction (see Chart 17). The non-banking financial institutions and foreign private banks posted contractions in the delinquency of loans to households against September figures.

Financing to the private sector covered by preferred guarantees —which kept a 16.7% share of the total— maintained the non-performing ratio at 1.2% in this period, whereas lending without such guarantees remained at 1.9% and, in both cases, values were similar to those of October 2012.

The coverage of the non-performing portfolio of loans to the private sector with provisions kept on increasing in October, and reached 137.5% of financing (see Chart 18). Excluding the minimum regulatory provisions corresponding to the performing portfolio, the coverage ratio would reach 80.5% at aggregate level, a value that largely exceeds the minimum provisions required on non-performing loans (49.2%). Thus, the financial system continues to show high provisioning levels.



## V. Solvency

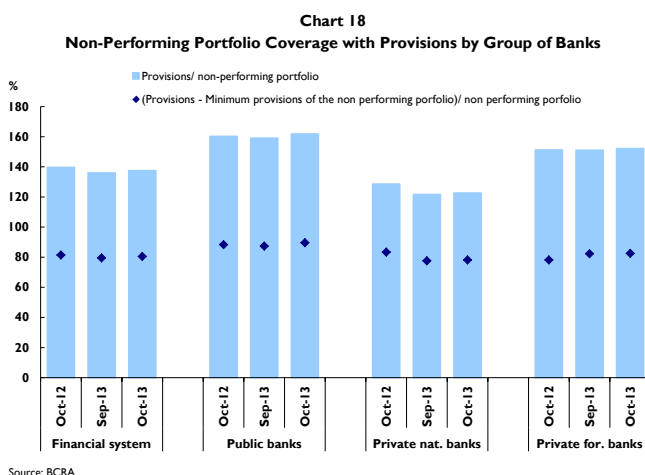
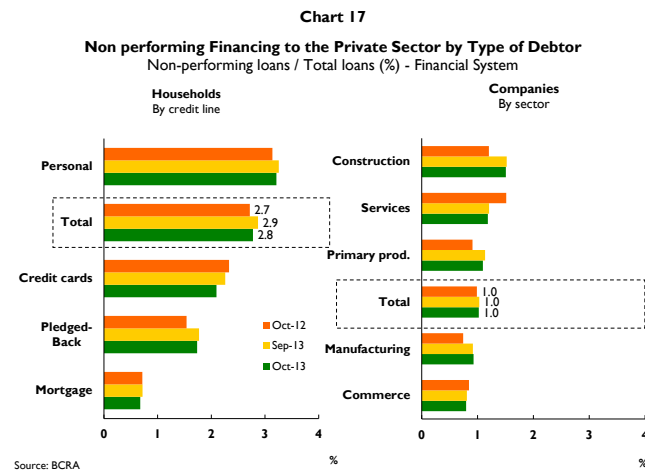
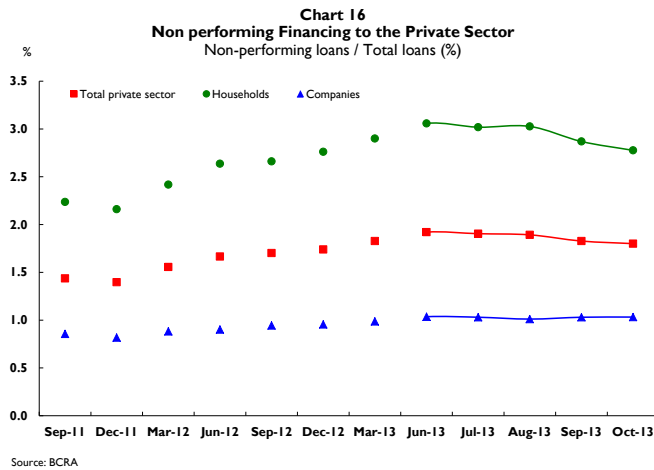
The consolidated financial system net worth grew **2.7% in October**, and accumulated a **31.8% hike in y.o.y. terms** (see Chart 19). The increase of the net worth continues to be boosted in particular by book profits. In turn, during this month, a private financial institution distributed dividends for an amount equivalent to \$70 million. Since banking assets recorded an increase relatively lower than the expansion of the net worth —both monthly and in year-on-year terms—, the leverage ratio showed a slight contraction.

The financial system regulatory capital compliance reached 13.5% of total risk weighted assets (RWA) in October, increasing slightly against September. Tier 1 capital compliance accounted for 12.2% of RWA. In turn, **during this period, the compliance in excess of the requirement of capital as stated in the regulations stood at 73.3% for the ensemble of institutions, up 10 p.p. against October 2012.**

**In October, the book profits of the financial system stood at 3.8%a. of assets**, slightly contracting against September. The monthly drop of profits was mainly explained by a lower financial margin. Thus, **in the first 10 months of 2013, profits accrued by the ensemble of banks climbed to 3.1%a. of assets** (see Chart 20), up 0.2 p.p. against October 2012. In year-on-year terms, all the groups of banks improved their accumulated book profits.

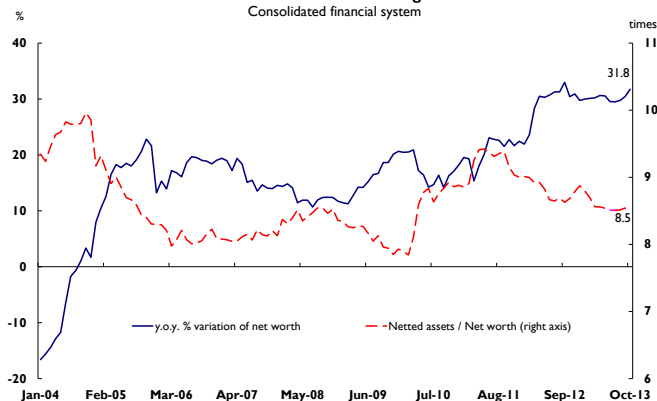
**In October, the financial margin of banks fell 0.8 p.p. of assets, down to 10.6%a.** (see Chart 21) mainly because of the lower gains from securities and due to the items related to the foreign exchange market evolution (specifically, those related to adjustments for foreign currency forward transactions). These changes were partially offset by a monthly increase of net revenues on account of interest. In turn, **so far in 2013 the financial margin reached 10%a. of assets, up 0.9 p.p. against the first 10-month period of 2012;** this increase is explained by a general improvement of all the components. In this period, all the groups of banks increased their accumulated financial margin in year-on-year terms.

**In this month, the net income from services of the financial system stood at 4.3%a. of assets**, posting a slight increase against September, driven by public banks and national private banks. Thus, **in year-to-date terms, the accumulated income from services stood in line with the level per month, with a moderate rise against the first 10-month period of 2012**, led by foreign private banks.



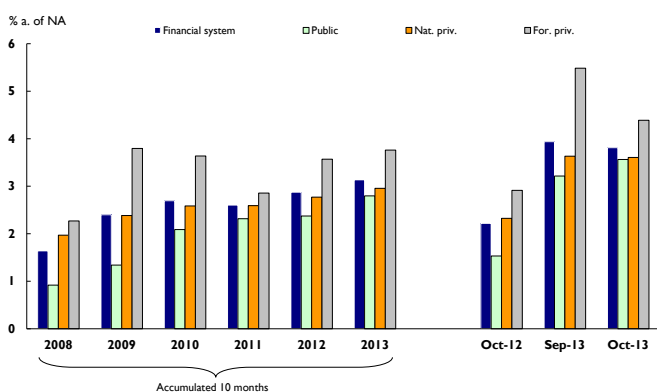
The operating costs of the financial system stood at 6.9%a. of assets in October, slightly above the figure recorded in September. In year-to-date terms, these costs reached 7.1%a. of assets, with a slight increase against the same period of 2012. In October, loan loss provisions fell 0.2 p.p. of assets, on a monthly basis, down to 0.8%a., a situation observed in both public and private banks. In year-on-year terms, the accumulated loan loss provisions slightly increased up to 1%a. of assets, mainly accounted for by foreign private banks.

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



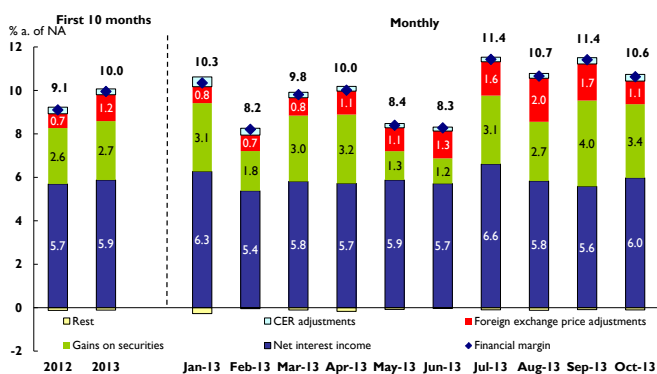
Source: BCRA

**Chart 20**  
Profitability by Group of Banks  
As % of annualized netted assets



Source: BCRA

**Chart 21**  
Financial Margin  
As % annualized of netted assets - Financial system



Source: BCRA

## Latest regulations

This section contains a summary of the main regulations related to the business of financial intermediation issued during the month (referenced by the date on which they came into force).

### **Communication “A” 5485 – October 4, 2013**

The Central Bank will evaluate the final resolutions passed by the Financial Information Unit (UIF) which establish sanctions for natural and legal persons. In addition, it is established that the applications for the opening of new branches or the expansion of activities must be accompanied by a mitigation plan against asset laundering and terrorist financing risk. In turn, this communication sets forth that institutions may not distribute profits whenever they are subject to any sanctions by the UIF that the BCRA may deem to be significant —within the framework of procedures stated in the rules on “Distribution of profits”.

### **Communication “A” 5489 – October 25, 2013**

This provision amends the rule on “Overdrafts from the Central Bank to financial institutions to be allocated to lending to the productive sector” with respect to guarantees. As from the introduction of this change, up to a maximum of 25% of the amount of guarantees required for all current transactions of the institution with the Central Bank to be allocated to lending to the productive sector—which must account for at least 125% of the balance owed of overdrafts— will be allowed to comprise the following assets: (i) monetary regulation instruments of the BCRA; and/or (ii) government securities issued by the provinces or the City of Buenos Aires, provided that they are included in the volatility list published by the BCRA. On a supplementary basis, some adjustments are made with respect to the treatment to be afforded in case of misuse by the institutions and/or the borrowers of funds allocated to them. In such cases, it is established that the BCRA will debit from the institution’s current account, in addition to punitive interest, the principal due originated in the transaction in which the breach relating to the use of funds was detected, which amount will be considered due and payable and the proportional interest accrued as from the closing of the previous month to the date when the breach was detected. In turn, the provisions regarding projects failing to comply with the terms and conditions that made it possible for them to be included in the Program are amended and it is established that, in addition to considering the lending to be due and payable, the provisions above will also apply. Finally, an obligation is included for the financial institution to promptly notify the Central Bank whenever such institution may verify that the borrower used the funds in breach of the specifications under this regime.

### **Communication “A” 5491 – October 31, 2013**

This provision establishes the suspension until December 31, 2013 of application of the provisions set forth in the rules on “Protection of financial services users”, with respect to charges and commissions not admitted for insurance taking out and management, for generation of account statement or mailing of account statements via virtual resources and for assessment, allocation and management of lending, for pledge-backed loan agreements executed up to September 30, 2013.

# Methodology

- (a) Aggregate balance sheet information is taken from the monthly accounting information system (unconsolidated balance sheets). In order to calculate aggregate data for the financial system, for financial institution that have not provided data for the month reviewed, the most recent information available is repeated in the aggregate balance sheet. On the other hand, for profitability analysis only the banks providing data for that month are considered.
- (b) Due to possible lack of data for some banks at the time this Report was drafted, and due to possible corrections to the data provided by financial institutions later, the data included is of a preliminary nature –particularly for the last month included-. Therefore, and due to the fact that the most recent data available always used, data in connection with earlier periods may not match what was mentioned in earlier issues of the Report. In such cases, the latter release should be regarded as being of better quality.
- (c) Unless otherwise indicated, data about deposits and loans refer to balance sheet information, and do not necessarily agree with those compiled by the Centralized Information Requirement System (SISCEN). Reasons for discrepancies include the precise date considered in order to calculate monthly changes and the items included in the definition adopted in either case.
- (d) Profit ratio calculations are based on monthly results estimated from changes in the aggregate result amounts during the current fiscal year. Profit ratios are annualized with the exception of those ,.
- (e) Initially, the breakdown by group of banks was determined by the majority of decision making role -in terms of voting rights at shareholder meetings- distinguishing between private sector financial institutions (national or foreign depending on their residence) and public banks. In order to increase depth of the analysis, private sector institutions were also classed according to the geographic coverage and business scope of their operations. Investment banking is defined as those specializing in large corporations and investor sector, which in general do not rely on deposits from the private sector for their funding. On the other hand, retail banks were divided into those carrying out business nationwide, those located in certain geographic regions -municipalities, provinces, or regions- and institutions specialized in a financial sector niche market -usually smaller institutions-. Finally, it is worth noting that the classifications defined above are solely for analytical purposes and does not mean it is the only methodology criteria by which to group them; while on the other hand, the listing of features for each financial entity group has been established in a general manner.
- (f) Indicators exhibited in Tables 1 and 5 of Statistical Appendix: 1.- (Minimum cash compliance at the BCRA in pesos and foreign currency + Other cash holding in pesos and foreign currency + Creditor net balance for BCRA repo transactions with Lebac and Nobac) / Total deposits; 2.- (Position in government securities (without Lebac and Nobac) + Loans to the public sector + Compensations receivable) / Total assets; 3.- (Loans to the non-financial private sector + Leasing) / Total assets; 4.- Non-performing portfolio with the non-financial private sector / Loans to the non-financial private sector; 5.- (Total non-performing portfolio – Loan loss provisions) / Net worth. Non-performing portfolio includes loans classified into situations 3, 4, 5 and 6; 6.- Cumulated annual result / Average monthly netted assets - % annualized; 7.- Cumulated annual result / Average monthly net worth - % annualized; 8.- (Financial margin (Net interest income + CER and CVS adjustments + Gains on securities + Foreign exchange price adjustments + Other financial income) + Service income margin) / Cumulated annual operating costs; 9.- Capital compliance (Responsabilidad Patrimonial Computable) / Risk - adjusted assets according to the regulation of BCRA about Minimum Capital Compliance; 10.- Capital compliance Tier 1 / Risk weighted assets, according to the BCRA rule on minimum capital; 11.- (Capital compliance - Capital requirement) / Capital requirement. Included exemptions.

# Glossary

**%a.:** annualized percentage.

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

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

**CABA:** Ciudad Autónoma de Buenos Aires

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

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

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

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

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

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

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

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

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

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

**mill.:** million.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**RWA:** Risk weighted assets.

**SME:** Small and Medium Enterprises.

**US\$:** United States dollars

# Statistics annex<sup>1</sup> | Financial system

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

	Dec 05	Dec 06	Dec 07	Dec 08	Dec 09	Dec 10	Dec 11	Oct 2012	Dec 12	Sep 2013	Oct 2013
As %											
1.- Liquidity	20.1	22.5	23.0	27.9	28.6	28.0	24.7	25.9	26.8	24.7	24.8
2.- Credit to the public sector	31.5	22.5	16.3	12.7	14.4	12.1	10.7	9.8	9.7	8.9	8.8
3.- Credit to the private sector	25.8	31.0	38.2	39.4	38.3	39.8	47.4	48.3	49.5	49.8	49.6
4.- Private non-performing loans	7.6	4.5	3.2	3.1	3.5	2.1	1.4	1.8	1.7	1.8	1.8
5.- Net worth exposure to the private sector	-2.5	-0.8	-1.5	-1.7	-1.3	-3.2	-4.3	-2.9	-3.1	-2.8	-2.9
6.- ROA	0.9	1.9	1.5	1.6	2.3	2.8	2.7	2.9	2.9	3.1	3.1
7.- ROE	7.0	14.3	11.0	13.4	19.2	24.4	25.3	25.6	25.7	26.5	27.2
8.- Efficiency	151	167	160	167	185	179	179	189	190	199	201
9a.- Capital compliance	-	-	-	-	-	-	-	-	-	13.4	13.5
9b.- Capital compliance (credit risk)	15.3	16.9	16.9	16.9	18.8	17.7	15.6	16.9	17.1	-	-
10a.- Capital compliance Tier I	-	-	-	-	-	-	-	-	-	12.1	12.2
10b.- Capital compliance Tier I (credit risk)	14.1	14.1	14.6	14.2	14.5	13.1	10.9	12.5	11.9	-	-
11.- Excess capital compliance	173.5	134.0	92.8	89.8	99.8	86.9	68.6	63.3	58.7	70.9	73.3

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

Data subject to changes

Source: BCRA

n.a.: non available

## Chart 2 | Balance Sheet

In million of current pesos	Dec 08	Dec 09	Dec 10	Dec 11	Oct 12	Dec 12	Sep 13	Oct 13	Change (in %)		
									Last month	2013	Last 12 months
<b>Assets</b>	<b>346,762</b>	<b>387,381</b>	<b>510,304</b>	<b>628,381</b>	<b>747,915</b>	<b>790,026</b>	<b>942,719</b>	<b>965,922</b>	<b>2.5</b>	<b>22.3</b>	<b>29.1</b>
Cash disposal <sup>1</sup>	58,676	71,067	93,085	104,389	127,952	148,254	154,947	156,077	0.7	5.3	22.0
Public bonds	65,255	86,318	117,951	112,906	130,200	123,491	161,029	166,931	3.7	35.2	28.2
Lebac/Nobac	37,093	43,867	76,948	71,050	92,172	84,057	114,109	118,012	3.4	40.4	28.0
Portfolio	25,652	34,748	61,855	59,664	74,124	70,569	94,088	94,898	0.9	34.5	28.0
Repo <sup>2</sup>	11,442	9,119	15,093	11,386	18,048	13,488	20,021	23,114	15.4	71.4	28.1
Private bonds	203	307	209	212	296	251	442	482	9.0	92.3	62.8
Loans	154,719	169,868	230,127	332,317	401,536	433,925	514,735	524,654	1.9	20.9	30.7
Public sector	17,083	20,570	25,907	31,346	37,226	39,951	41,632	42,566	2.2	6.5	14.3
Private sector	132,844	145,247	199,202	291,708	354,648	383,674	460,952	470,618	2.1	22.7	32.7
Financial sector	4,793	4,052	5,018	9,263	9,662	10,299	12,150	11,470	-5.6	11.4	18.7
Provisions over loans	-4,744	-5,824	-6,232	-7,173	-8,993	-9,596	-11,620	-11,848	2.0	23.5	31.7
Other netted credits due to financial intermediation	38,152	33,498	39,009	40,805	44,402	38,769	59,777	64,528	7.9	66.4	45.3
Corporate bonds and subordinated debt	912	1,146	1,433	1,657	2,024	2,255	3,709	3,887	4.8	72.3	92.0
Unquoted trusts	5,714	5,942	6,824	7,967	9,726	10,822	12,080	12,563	4.0	16.1	29.2
Leasing	3,935	2,933	3,936	6,222	6,629	7,203	8,383	8,664	3.4	20.3	30.7
Shares in other companies	7,236	6,711	7,921	9,123	11,219	11,682	13,855	14,326	3.4	22.6	27.7
Fixed assets and miscellaneous	7,903	8,239	9,071	10,111	10,742	11,251	13,021	13,341	2.5	18.6	24.2
Foreign branches	3,153	3,926	3,283	3,525	4,186	4,354	5,065	5,087	0.4	16.8	21.5
Other assets	12,275	10,337	11,943	15,944	19,746	20,441	23,086	23,680	2.6	15.8	19.9
<b>Liabilities</b>	<b>305,382</b>	<b>339,047</b>	<b>452,752</b>	<b>558,264</b>	<b>660,823</b>	<b>699,205</b>	<b>831,499</b>	<b>851,693</b>	<b>2.4</b>	<b>21.8</b>	<b>28.9</b>
Deposits	236,217	271,853	376,344	462,517	557,940	595,764	701,635	715,517	2.0	20.1	28.2
Public sector <sup>3</sup>	67,151	69,143	115,954	129,885	160,094	163,691	192,752	196,998	2.2	20.3	23.1
Private sector <sup>3</sup>	166,378	199,278	257,595	328,463	393,822	427,857	503,571	513,168	1.9	19.9	30.3
Current account	39,619	45,752	61,306	76,804	95,368	103,192	114,330	117,278	2.6	13.7	23.0
Savings account	50,966	62,807	82,575	103,636	109,691	125,210	140,721	140,592	-0.1	12.3	28.2
Time deposits	69,484	83,967	104,492	135,082	174,822	183,736	230,796	238,068	3.2	29.6	36.2
Other netted liabilities due to financial intermediation	57,662	52,114	60,029	76,038	76,990	75,106	96,890	101,354	4.6	34.9	31.6
Interbanking obligations	3,895	3,251	4,201	7,947	8,211	8,329	9,831	9,120	-7.2	9.5	11.1
BCRA lines	1,885	270	262	1,920	3,314	3,535	4,658	4,736	1.7	34.0	42.9
Outstanding bonds	5,984	5,033	3,432	6,856	8,613	9,101	12,311	12,887	4.7	41.6	49.6
Foreign lines of credit	4,541	3,369	3,897	6,467	5,873	4,992	4,838	5,255	8.6	5.3	-10.5
Other <sup>1</sup>	13,974	14,891	17,426	24,137	21,790	26,280	28,384	28,446	0.2	8.2	30.5
Subordinated debts	1,763	1,922	2,165	2,065	2,603	2,647	3,076	3,163	2.8	19.5	21.5
Other liabilities	9,740	13,159	14,213	17,644	23,290	25,688	29,899	31,659	5.9	23.2	35.9
<b>Net worth</b>	<b>41,380</b>	<b>48,335</b>	<b>57,552</b>	<b>70,117</b>	<b>87,092</b>	<b>90,820</b>	<b>111,220</b>	<b>114,229</b>	<b>2.7</b>	<b>25.8</b>	<b>31.2</b>
<b>Memo</b>											
<b>Netted assets</b>	<b>321,075</b>	<b>364,726</b>	<b>482,532</b>	<b>601,380</b>	<b>719,773</b>	<b>767,744</b>	<b>907,427</b>	<b>926,783</b>	<b>2.1</b>	<b>20.7</b>	<b>28.8</b>
<b>Consolidated netted assets</b>	<b>312,002</b>	<b>357,118</b>	<b>472,934</b>	<b>586,805</b>	<b>703,741</b>	<b>750,598</b>	<b>887,496</b>	<b>907,423</b>	<b>2.2</b>	<b>20.9</b>	<b>28.9</b>

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

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

Source: BCRA

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

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

## Chart 3 | Profitability Structure

Amount in million of pesos	Annual					First 10 months		Monthly			Last
	2008	2009	2010	2011	2012	2012	2013	Aug-13	Sep-13	Oct-13	12 months
Financial margin	20,462	28,937	35,490	43,670	61,667	49,909	69,205	7,742	8,565	8,148	80,963
Net interest income	9,573	14,488	17,963	24,903	38,365	31,211	40,848	4,237	4,189	4,578	48,002
CER and CVS adjustments	2,822	1,196	2,434	1,725	2,080	1,669	1,833	163	218	234	2,245
Foreign exchange price adjustments	2,307	2,588	2,100	3,025	4,127	3,123	7,256	1,096	869	940	8,260
Gains on securities	4,398	11,004	13,449	14,228	17,356	14,096	18,829	1,975	2,964	2,599	22,089
Other financial income	1,362	-339	-457	-211	-261	-191	438	271	324	-204	368
Service income margin	10,870	13,052	16,089	21,391	28,172	22,811	29,940	3,173	3,168	3,265	35,301
Loan loss provisions	-2,839	-3,814	-3,267	-3,736	-6,127	-4,803	-6,787	-674	-769	-631	-8,111
Operating costs	-18,767	-22,710	-28,756	-36,365	-47,318	-38,499	-49,273	-5,122	-5,089	-5,263	-58,093
Tax charges	-2,318	-3,272	-4,120	-6,047	-8,981	-7,180	-11,402	-1,566	-1,274	-1,219	-13,203
Adjust. to the valuation of gov. Securities <sup>1</sup>	-1,757	-262	-214	-336	-338	-276	-309	-33	-33	-32	-370
Amort. payments for court-ordered releases	-994	-703	-635	-290	-274	-200	-94	-8	-8	-10	-168
Other	1,441	918	2,079	2,963	2,475	2,249	2,123	198	364	-20	2,349
Total results before tax <sup>2</sup>	6,100	12,145	16,665	21,251	29,276	24,011	33,402	3,710	4,924	4,237	38,667
Income tax	-1,342	-4,226	-4,904	-6,531	-9,861	-8,260	-11,620	-1,166	-1,970	-1,315	-13,222
<b>Total result<sup>2</sup></b>	<b>4,757</b>	<b>7,920</b>	<b>11,761</b>	<b>14,720</b>	<b>19,415</b>	<b>15,752</b>	<b>21,782</b>	<b>2,544</b>	<b>2,954</b>	<b>2,921</b>	<b>25,446</b>
Adjusted Result <sup>3</sup>	7,508	8,885	12,610	15,345	20,027	16,228	22,185	2,585	2,995	2,964	25,984
<b>Annualized indicators - As % of netted assets</b>											
Financial margin	6.7	8.6	8.5	8.0	9.2	9.1	10.0	10.7	11.4	10.6	9.9
Net interest income	3.1	4.3	4.3	4.6	5.7	5.7	5.9	5.8	5.6	6.0	5.9
CER and CVS adjustments	0.9	0.4	0.6	0.3	0.3	0.3	0.3	0.2	0.3	0.3	0.3
Foreign exchange price adjustments	0.8	0.8	0.5	0.6	0.6	0.6	1.0	1.5	1.2	1.2	1.0
Gains on securities	1.4	3.3	3.2	2.6	2.6	2.6	2.7	2.7	4.0	3.4	2.7
Other financial income	0.4	-0.1	-0.1	0.0	0.0	0.0	0.1	0.4	0.4	-0.3	0.0
Service income margin	3.6	3.9	3.8	3.9	4.2	4.2	4.3	4.4	4.2	4.3	4.3
Loan loss provisions	-0.9	-1.1	-0.8	-0.7	-0.9	-0.9	-1.0	-0.9	-1.0	-0.8	-1.0
Operating costs	-6.1	-6.7	-6.9	-6.7	-7.0	-7.0	-7.1	-7.1	-6.8	-6.9	-7.1
Tax charges	-0.8	-1.0	-1.0	-1.1	-1.3	-1.3	-1.6	-2.2	-1.7	-1.6	-1.6
Adjust. to the valuation of gov. Securities <sup>1</sup>	-0.6	-0.1	-0.1	-0.1	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0
Amort. payments for court-ordered releases	-0.3	-0.2	-0.2	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.5	0.3	0.5	0.5	0.4	0.4	0.3	0.3	0.5	0.0	0.3
Total results before tax <sup>2</sup>	2.0	3.6	4.0	3.9	4.3	4.4	4.8	5.1	6.6	5.5	4.7
Income tax	-0.4	-1.3	-1.2	-1.2	-1.5	-1.5	-1.7	-1.6	-2.6	-1.7	-1.6
<b>ROA<sup>2</sup></b>	<b>1.6</b>	<b>2.3</b>	<b>2.8</b>	<b>2.7</b>	<b>2.9</b>	<b>2.9</b>	<b>3.1</b>	<b>3.5</b>	<b>3.9</b>	<b>3.8</b>	<b>3.1</b>
ROA adjusted <sup>3</sup>	2.5	2.6	3.0	2.8	3.0	3.0	3.2	3.6	4.0	3.9	3.2
ROE before tax	17.2	29.5	34.5	36.5	38.8	39.1	41.7	44.1	56.8	47.6	41.1
ROE <sup>2</sup>	13.4	19.2	24.4	25.3	25.7	25.6	27.2	30.2	34.1	32.8	27.1

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

(<sup>2</sup>) As of January 2008, data to calculate financial system consolidated result is available. This indicator excludes results and asset headings related to shares and participation in other local financial entities.

(<sup>3</sup>) Excluding amortization of payments for court-ordered releases and the effects of Com. "A" 3911 and 4084.

Source: BCRA

## Chart 4 | Portfolio Quality

As percentage	Dec 05	Dec 06	Dec 07	Dec 08	Dec 09	Dec 10	Dec 11	Oct 12	Dec 12	Sep 13	Oct 13
<b>Non-performing loans (overall)</b>	<b>5.2</b>	<b>3.4</b>	<b>2.7</b>	<b>2.7</b>	<b>3.0</b>	<b>1.8</b>	<b>1.2</b>	<b>1.6</b>	<b>1.5</b>	<b>1.6</b>	<b>1.6</b>
Provisions / Non-performing loans	115	108	115	117	115	148	176	143	144	138	140
(Total non-performing - Provisions) / Overall financing	-0.8	-0.3	-0.4	-0.5	-0.5	-0.9	-0.9	-0.7	-0.7	-0.6	-0.6
(Total non-performing - Provisions) / Net worth	-2.6	-0.9	-1.6	-1.8	-1.7	-3.6	-4.6	-3.2	-3.4	-3.0	-3.1
<b>Non-performing loans to the non-financial private sector</b>	<b>7.6</b>	<b>4.5</b>	<b>3.2</b>	<b>3.1</b>	<b>3.5</b>	<b>2.1</b>	<b>1.4</b>	<b>1.8</b>	<b>1.7</b>	<b>1.8</b>	<b>1.8</b>
Provisions / Non-performing loans	115	108	114	116	112	143	171	140	141	136	138
(Total non-performing - Provisions) / Overall financing	-1.1	-0.3	-0.5	-0.5	-0.4	-0.9	-1.0	-0.7	-0.7	-0.6	-0.7
(Total non-performing - Provisions) / Net worth	-2.5	-0.8	-1.5	-1.7	-1.3	-3.2	-4.3	-2.9	-3.1	-2.8	-2.9

Source: BCRA

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



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

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

As %	Dec 05	Dec 06	Dec 07	Dec 08	Dec 09	Dec 10	Dec 11	Oct 2012	Dec 12	Sep 2013	Oct 2013
1.- Liquidity	21.5	23.7	25.7	34.1	29.8	26.0	26.7	27.2	27.6	26.4	27.1
2.- Credit to the public sector	28.5	16.3	9.5	6.3	6.1	4.7	3.4	3.0	3.1	3.1	3.0
3.- Credit to the private sector	31.1	37.9	46.6	44.0	43.3	50.3	54.5	56.2	58.4	58.5	57.6
4.- Private non-performing loans	6.3	3.6	2.5	2.8	3.3	2.0	1.4	1.8	1.8	1.9	1.9
5.- Net worth exposure to the private sector	-0.4	-1.4	-2.0	-1.8	-1.6	-3.4	-4.4	-3.0	-3.1	-2.8	-2.9
6.- ROA	0.5	2.2	1.6	1.9	3.0	3.2	3.0	3.2	3.2	3.3	3.4
7.- ROE	4.1	15.3	10.9	15.2	22.9	24.5	25.6	26.1	26.4	25.9	26.5
8.- Efficiency	136	158	152	166	195	176	178	188	189	193	195
9a.- Capital compliance	-	-	-	-	-	-	-	-	-	14.2	14.4
9b.- Capital compliance (credit risk)	17.8	18.7	19.2	18.4	22.6	20.3	16.8	18.7	18.3	-	-
10a.- Capital compliance Tier I	-	-	-	-	-	-	-	-	-	13.1	13.3
10b.- Capital compliance Tier I (credit risk)	16.1	15.4	16.8	15.0	17.2	15.2	12.5	14.3	13.4	-	-
11.- Excess capital compliance	155.0	116.6	87.4	87.2	121.3	101.5	72.2	69.2	57.5	72.2	75.7

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

Data subject to changes

Source: BCRA

n.a.: non available

## Chart 6 | Balance Sheet

In million of current pesos	Dic 08	Dic 09	Dic 10	Dic 11	Oct 12	Dic 12	Sep 13	Oct 13	Change (in %)		
									Last month	2013	Last 12 months
<b>Assets</b>	<b>208.888</b>	<b>229.549</b>	<b>280.025</b>	<b>364.122</b>	<b>415.496</b>	<b>432.994</b>	<b>519.139</b>	<b>538.471</b>	<b>3,7</b>	<b>24,4</b>	<b>29,6</b>
Cash disposal <sup>1</sup>	37.044	43.562	49.730	58.877	70.919	85.717	89.178	92.729	4,0	8,2	30,8
Public bonds	29.552	47.949	48.903	50.055	52.011	43.350	55.121	60.569	9,9	39,7	16,5
Lebac/Nobac	23.457	31.575	34.422	34.246	40.997	30.531	40.097	43.595	8,7	42,8	6,3
Portfolio	12.858	27.413	31.148	23.908	30.255	27.656	29.834	30.526	2,3	10,4	0,9
Repo <sup>2</sup>	10.598	4.161	3.274	10.338	10.742	2.874	10.263	13.069	27,3	354,7	21,7
Private bonds	127	233	184	164	168	188	163	219	34,7	16,6	30,3
Loans	98.529	101.722	143.202	202.117	237.751	256.708	307.447	313.258	1,9	22,0	31,8
Public sector	6.249	1.694	1.625	1.215	1.491	1.601	1.619	1.658	2,4	3,6	11,2
Private sector	88.426	96.790	137.308	193.126	227.890	246.560	296.421	302.661	2,1	22,8	32,8
Financial sector	3.854	3.238	4.270	7.777	8.370	8.546	9.407	8.939	-5,0	4,6	6,8
Provisions over loans	-2.871	-3.653	-3.926	-4.574	-5.829	-6.193	-7.584	-7.709	1,7	24,5	32,3
Other netted credits due to financial intermediation	25.265	21.258	20.241	29.338	27.384	18.646	34.273	38.040	11,0	104,0	38,9
Corporate bonds and subordinated debt	699	734	757	796	832	988	2.239	2.347	4,8	137,5	182,2
Unquoted trusts	3.869	4.198	4.500	5.268	6.207	7.084	7.475	7.712	3,2	8,9	24,2
Leasing	3.451	2.569	3.519	5.452	5.723	6.287	7.382	7.636	3,5	21,5	33,4
Shares in other companies	4.538	4.067	4.934	5.998	7.518	7.920	9.684	9.944	2,7	25,6	32,3
Fixed assets and miscellaneous	4.926	5.096	5.808	6.663	7.116	7.592	9.170	9.452	3,1	24,5	32,8
Foreign branches	-178	-202	-215	-240	0	0	0	0	-	-	-
Other assets	8.505	6.946	7.646	10.271	12.735	12.778	14.307	14.332	0,2	12,2	12,5
<b>Liabilities</b>	<b>182.596</b>	<b>198.438</b>	<b>243.766</b>	<b>321.123</b>	<b>361.679</b>	<b>376.774</b>	<b>450.506</b>	<b>468.057</b>	<b>3,9</b>	<b>24,2</b>	<b>29,4</b>
Deposits	135.711	154.387	198.662	253.705	296.719	317.443	371.631	384.560	3,5	21,1	29,6
Public sector <sup>3</sup>	19.600	17.757	23.598	27.664	33.975	33.232	43.690	47.565	8,9	43,1	40,0
Private sector <sup>3</sup>	114.176	134.426	173.203	223.141	260.450	281.698	324.884	333.937	2,8	18,5	28,2
Current account	30.188	35.127	46.297	57.586	72.453	77.269	85.960	89.213	3,8	15,5	23,1
Savings account	32.778	40.999	53.085	66.891	66.033	76.130	82.082	82.502	0,5	8,4	24,9
Time deposit	46.990	54.058	67.568	89.924	112.689	117.888	146.181	151.674	3,8	28,7	34,6
Other netted liabilities due to financial intermediation	39.298	34.235	34.427	53.973	48.355	41.780	58.549	62.411	6,6	49,4	29,1
Interbanking obligations	1.160	1.668	1.903	3.524	3.305	3.473	4.558	3.815	-16,3	9,9	15,4
BCRA lines	649	41	57	456	638	694	688	664	-3,6	-4,3	4,1
Outstanding bonds	5.672	4.626	2.802	5.119	5.922	6.001	7.734	7.938	2,6	32,3	34,0
Foreign lines of credit	2.261	1.262	1.716	4.252	3.041	2.168	1.800	2.020	12,2	-6,8	-33,6
Other	11.125	12.015	13.849	19.059	17.655	21.087	22.178	22.594	1,9	7,1	28,0
Subordinated debts	1.759	1.918	2.148	1.948	2.204	2.253	3.053	3.140	2,8	39,4	42,5
Other liabilities	5.828	7.897	8.528	11.497	14.402	15.297	17.272	17.945	3,9	17,3	24,6
<b>Net worth</b>	<b>26.292</b>	<b>31.111</b>	<b>36.259</b>	<b>42.999</b>	<b>53.818</b>	<b>56.220</b>	<b>68.633</b>	<b>70.415</b>	<b>2,6</b>	<b>25,2</b>	<b>30,8</b>
<b>Memo</b>											
<b>Netted assets</b>	<b>192.074</b>	<b>216.100</b>	<b>267.364</b>	<b>344.101</b>	<b>398.600</b>	<b>425.181</b>	<b>498.585</b>	<b>514.660</b>	<b>3,2</b>	<b>21,0</b>	<b>29,1</b>

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

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

Source: BCRA

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

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

## Chart 7 | Profitability Structure

Amount in million of pesos	Annual					First 10 months		Monthly			Last
	2008	2009	2010	2011	2012	2012	2013	Aug-13	Sep-13	Oct-13	12 months
Financial margin	12,964	19,724	21,837	27,234	38,151	30,944	41,876	4,773	5,121	4,796	49,083
Net interest income	7,727	10,572	12,842	18,518	27,893	22,754	29,422	3,100	3,110	3,386	34,561
CER and CVS adjustments	651	185	244	288	350	288	295	28	30	35	357
Foreign exchange price adjustments	1,620	1,646	1,493	2,064	2,451	1,874	4,093	594	471	560	4,670
Gains on securities	1,637	7,343	7,464	6,358	7,426	5,985	7,329	747	1,154	987	8,770
Other financial income	1,329	-22	-205	6	31	43	737	303	356	-172	724
Service income margin	7,632	9,198	11,345	15,243	20,081	16,332	21,270	2,284	2,223	2,313	25,019
Loan loss provisions	-1,863	-2,751	-2,253	-2,633	-4,416	-3,458	-4,784	-474	-496	-431	-5,742
Operating costs	-12,401	-14,807	-18,819	-23,821	-30,858	-25,120	-32,404	-3,352	-3,354	-3,421	-38,142
Tax charges	-1,715	-2,380	-2,927	-4,300	-6,450	-5,152	-7,960	-899	-934	-884	-9,258
Adjust. to the valuation of gov. Securities <sup>1</sup>	-267	0	47	-40	0	0	0	0	0	0	0
Amort. payments for court-ordered releases	-688	-367	-441	-133	-199	-137	-45	-4	-3	-5	-108
Other	916	398	1,382	1,723	1,867	1,433	1,886	218	228	160	2,321
Total results before tax <sup>2</sup>	4,579	9,014	10,171	13,272	18,176	14,841	19,838	2,546	2,785	2,528	23,173
Income tax	-1,168	-3,001	-2,733	-4,293	-6,089	-5,122	-6,996	-904	-915	-835	-7,963
<b>Total result<sup>2</sup></b>	<b>3,412</b>	<b>6,014</b>	<b>7,438</b>	<b>8,980</b>	<b>12,086</b>	<b>9,719</b>	<b>12,842</b>	<b>1,642</b>	<b>1,870</b>	<b>1,692</b>	<b>15,210</b>
Adjusted Result <sup>3</sup>	4,367	6,381	7,832	9,153	12,285	9,856	12,888	1,646	1,874	1,697	15,317
Annualized indicators - As % of netted assets											
Financial margin	7.3	9.8	9.3	9.0	10.2	10.1	10.9	12.0	12.5	11.3	10.9
Net interest income	4.4	5.3	5.5	6.1	7.4	7.4	7.7	7.8	7.6	8.0	7.7
CER and CVS adjustments	0.4	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Foreign exchange price adjustments	0.9	0.8	0.6	0.7	0.7	0.6	1.1	1.5	1.1	1.3	1.0
Gains on securities	0.9	3.7	3.2	2.1	2.0	2.0	1.9	1.9	2.8	2.3	1.9
Other financial income	0.8	0.0	-0.1	0.0	0.0	0.0	0.2	0.8	0.9	-0.4	0.2
Service income margin	4.3	4.6	4.8	5.0	5.4	5.3	5.6	5.7	5.4	5.5	5.5
Loan loss provisions	-1.1	-1.4	-1.0	-0.9	-1.2	-1.1	-1.3	-1.2	-1.2	-1.0	-1.3
Operating costs	-7.0	-7.4	-8.0	-7.8	-8.2	-8.2	-8.5	-8.4	-8.2	-8.1	-8.5
Tax charges	-1.0	-1.2	-1.2	-1.4	-1.7	-1.7	-2.1	-2.3	-2.3	-2.1	-2.1
Adjust. to the valuation of gov. Securities <sup>1</sup>	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amort. payments for court-ordered releases	-0.4	-0.2	-0.2	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.5	0.2	0.6	0.6	0.5	0.5	0.5	0.5	0.6	0.4	0.5
Total results before tax <sup>2</sup>	2.6	4.5	4.3	4.4	4.9	4.8	5.2	6.4	6.8	6.0	5.1
Income tax	-0.7	-1.5	-1.2	-1.4	-1.6	-1.7	-1.8	-2.3	-2.2	-2.0	-1.8
<b>ROA<sup>2</sup></b>	<b>1.9</b>	<b>3.0</b>	<b>3.2</b>	<b>3.0</b>	<b>3.2</b>	<b>3.2</b>	<b>3.4</b>	<b>4.1</b>	<b>4.6</b>	<b>4.0</b>	<b>3.4</b>
ROA adjusted <sup>3</sup>	2.5	3.2	3.3	3.0	3.3	3.2	3.4	4.1	4.6	4.0	3.4
ROE before tax	20.4	34.4	33.5	37.8	39.8	39.9	41.0	50.1	53.2	47.1	40.8
ROE <sup>2</sup>	15.2	22.9	24.5	25.6	26.4	26.1	26.5	32.3	35.7	31.5	26.8

(<sup>1</sup>) 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.

(<sup>2</sup>) As of January 2008, data to calculate financial system consolidated result is available. This indicator excludes results and asset headings related to shares and participation in other local financial entities.

(<sup>3</sup>) Excluding amortization of payments for court-ordered releases and the effects of Com. "A" 391 I and 4084.

Source: BCRA

## Chart 8 | Portfolio Quality

As percentage	Dec 05	Dec 06	Dec 07	Dec 08	Dec 09	Dec 10	Dec 11	Oct 12	Dec 12	Sep 13	Oct 13
<b>Non-performing loans (overall)</b>	<b>4.4</b>	<b>2.9</b>	<b>2.2</b>	<b>2.5</b>	<b>3.1</b>	<b>1.9</b>	<b>1.3</b>	<b>1.8</b>	<b>1.7</b>	<b>1.8</b>	<b>1.8</b>
Provisions / Non-performing loans	103	114	123	119	116	144	168	139	140	134	135
(Total non-performing - Provisions) / Overall financing	-0.1	-0.4	-0.5	-0.5	-0.5	-0.8	-0.9	-0.7	-0.7	-0.6	-0.6
(Total non-performing - Provisions) / Net worth	-0.4	-1.4	-2.1	-1.9	-1.7	-3.4	-4.4	-3.1	-3.2	-2.9	-3.0
<b>Non-performing loans to the non-financial private sector</b>	<b>6.3</b>	<b>3.6</b>	<b>2.5</b>	<b>2.8</b>	<b>3.3</b>	<b>2.0</b>	<b>1.4</b>	<b>1.8</b>	<b>1.8</b>	<b>1.9</b>	<b>1.9</b>
Provisions / Non-performing loans	102	114	123	118	115	143	167	137	139	133	134
(Total non-performing - Provisions) / Overall financing	-0.1	-0.5	-0.6	-0.5	-0.5	-0.9	-0.9	-0.7	-0.7	-0.6	-0.6
(Total non-performing - Provisions) / Net worth	-0.4	-1.4	-2.0	-1.8	-1.6	-3.4	-4.4	-3.0	-3.1	-2.8	-2.9

Source: BCRA

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