

Report on Banks

November 2010



BANCO CENTRAL
DE LA REPÚBLICA ARGENTINA

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November 2010

Year VIII, No. 3



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Note | Information for November 2010 available by December 22, 2010 is included. This Report is focussed on the performance of the financial system, including breakdowns by homogeneous sub-sectors. The data reported (particularly, those referring to profitability) are provisional and are subject to changes later. Except the opposite was indicated the data included corresponds to BCRA Information Regimes (end of month data).

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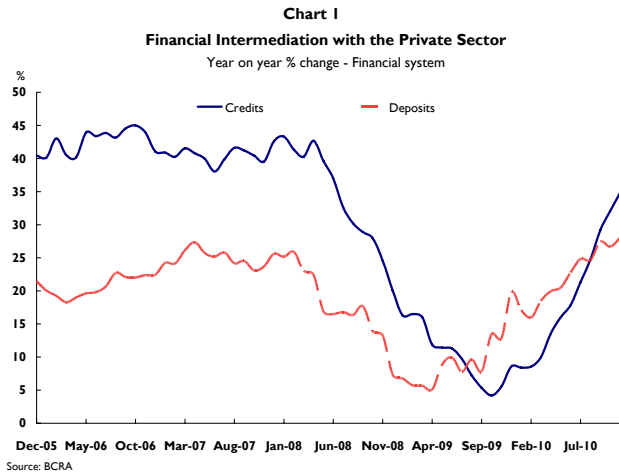
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Summary

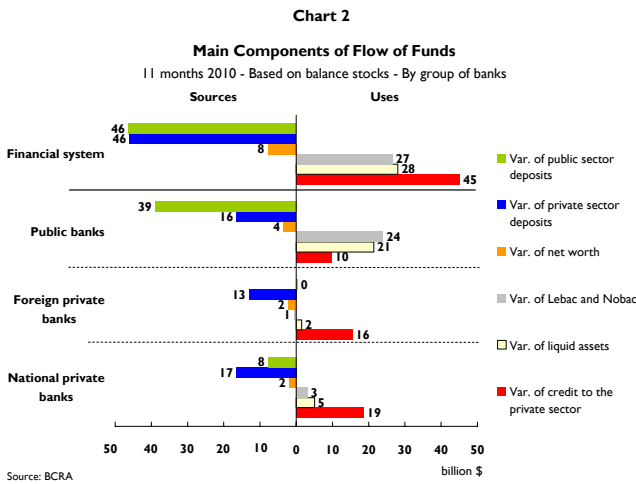
- **The growth pace of financial intermediation increased in November within a context of high solvency indicators.** Unlike what happened during the previous year, in 2010 lending to the private sector should be highlighted as banks' primary fund use, which was mainly funded through deposits.
- In spite of the gradual expansion of financial system operating infrastructure over the last years, there still exists a high level of geographical concentration in the provision of banking services. **In order to expand banking, the Central Bank authorized a set of new measures to open branches, especially considering if the request to set up a branch in jurisdictions having high banking levels is related to an equivalent request in zones with fewer provisions of financial services.**
- With the purpose of expanding the financial system infrastructure, the BCRA adopted a set of measures to contribute to achieving a more extended use of banking services. In this regard, the **Free Universal Account (“Cuenta Gratuita Universal”) was implemented** (the number of accounts opened reached 29,800 by early 2011), the **Settlement Check (“Cheque Cancelatorio”) was put in place** (transactions accumulated amounted to \$57.4 million -almost 1,000 checks in pesos- and US\$46.2 million -890 checks in foreign currency-) and **the cost of bank transfers was reduced.** With respect to the latter, total amount of transfers carried out in December 2010 increased 25% against the amount recorded in October 2010 (the amount had gone up 12.5% in November).
- **Total financial system deposits stock increased 2% over the month**, mainly receiving the momentum of private sector deposits, which grew 2.2% during the month (28% year on year –y.o.y.-). **In November, financial system's liquidity (in pesos and in foreign currency) stood at 29.1% of total deposits**, evidencing a slight monthly reduction (a 0.6 p.p. rise in y.o.y. terms).
- **In November, and according to balance sheet information, lending to the private sector recorded a 3.4% rise (35% y.o.y.), with a generalized increase among credit lines.** Thus, the rise of lending to the private sector continued accelerating until reaching a 34%a. cumulative over the first 11 months of 2010 (28 p.p. above the value recorded over the same period in 2009). **Lending to companies continued increasing its expansion pace during the last part of 2010 exhibiting a higher growth than that of loans for households' consumption in year to date terms.**
- **The ratio of non-performing loans to the private sector amounted to 2.3% in November, after recording a 0.1 p.p. fall over the month.** The delinquency level exhibited a 1.2 p.p. drop during the year, reaching to all financial entities groups. **The financial system's non-performing portfolio continued reflecting a high coverage level by provisions (157%).**
- **Within the Bicentenary Productive Financing Program (“Prograna de Financiamiento Productivo del Bicentenario”), the BCRA held the third fund auction in January. The total amount allocated was \$455 million.** Financial entities will pay a 9% nominal annual interest rate. With these funds, financial entities will grant loans to the productive sector with a total financial cost of 9.9%. Loans will be in pesos and will have at least two and half years maturity. When adding the three auctions held to date, the total amount allocated by the BCRA reached \$1.025 billion.
- **The evolution of credit to the private sector over the month took place with a slight fall in the financial system lending to the public sector which reached a level of 12.1% of total assets.** It should be considered that the stock of public sector deposits in the financial system's aggregate remains higher than lending provided to this sector for an amount equivalent to 11% of total assets as of November 2010.
- **Financial system's consolidated net worth increased 2.7% in November (or 17.1% y.o.y.), mainly resulting from book profits. Capital compliance stood at 17.7% of risk-weighted assets. Financial system book profits totaled 3.5% annualized (a.) of assets over the month**, with a 0.3 p.p. fall against October. In 2010 accumulated financial system's ROA reached 2.8%a., 0.4 p.p. more than the figure recorded in the same period of 2009.

Activity

In a context of financial intermediation growth, the BCRA ordered new measures for the expansion of banking services

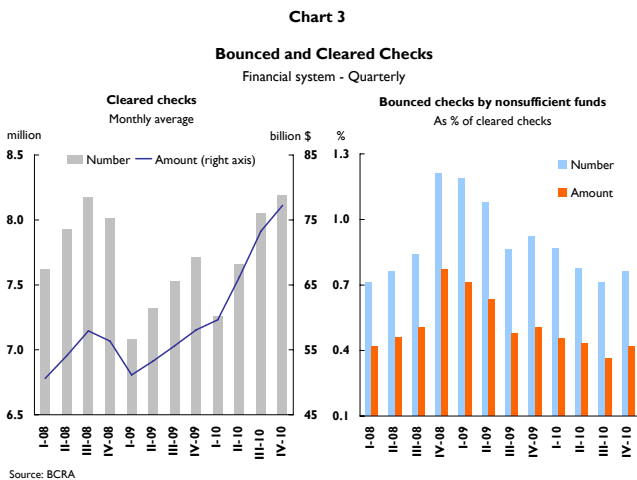


Banks' financial intermediation with the private sector continued expanding during November. Netted assets of financial entities grew 1.9% over the month, accumulating a 32% year-on-year (y.o.y.) growth and more than trebling the figure observed 12 months ago. This monthly rise was mainly encouraged by private banks. The growth pace of lending to the private sector reached 34.8% y.o.y. in November whilst the expansion of deposits by this sector was 28% y.o.y. (see Chart 1).



During November, the financial system's major source of funds (estimated based on changes in balance sheet stock) was the rise of private sector deposits (\$5.3 billion) and, to a lesser extent, the increase in public sector deposits (\$2.1 billion). Regarding the use of funds, increase in lending to the private sector was observed over the month (\$6.6 billion), as well as in Lebac and Nobac holdings (\$1.9 billion) and liquid assets (\$1.3 billion). Private banks accounted for the monthly hike in loans and deposits by the private sector mainly.

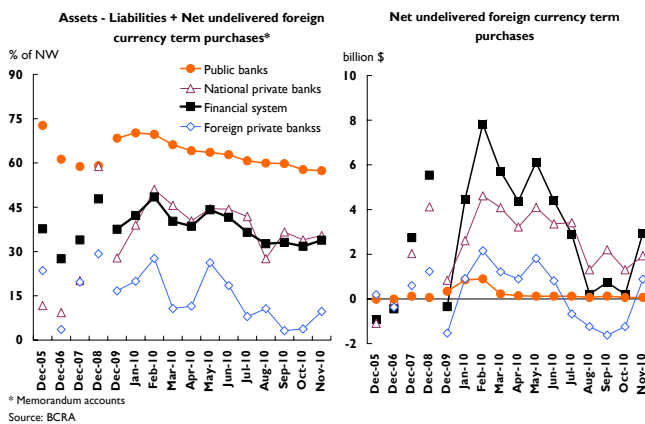
Unlike what happened during last year, **lending to the private sector should be highlighted in the 2010 cumulative as banks' main use of funds and it was derived from deposits primarily.** The rise in total deposits balance sheet stock between January and November 2010 (\$92 billion) was distributed equally between the public and private sector. Regarding banks' uses, the increase in loans to the private sector (\$45 billion) was followed by hikes in liquid assets (\$28 billion) and Lebac and Nobac holdings (\$27 billion). **National private banks led the rise of lending to the private sector in 2010** (see Chart 2). On the other hand, public banks accounted for the rise of public sector deposits, liquid assets, and Lebac and Nobac holdings primarily.



Both the number and the amount of cleared checks continued growing by the end of 2010, evidencing the highest record of the last years over the fourth quarter. Meanwhile, **and in line with the seasonal performance, bounced checks by nonsufficient funds rose slightly by the end of 2010.** Over the last quarter of the year, 0.76% of the number of cleared checks (0.42% of the amount) was bounced by nonsufficient funds (see Chart 3).

Chart 4

Currency Mismatching



Banks' foreign currency mismatching increased slightly in November even though it remains below the levels observed at the beginning of 2010. Financial system foreign currency mismatching (including net undelivered term purchases of foreign currency) stood at 33.8% of net worth over the month, 2 p.p. more than in October and this change was mainly accounted by the rise of net foreign currency term purchases by foreign private banks (see Chart 4).

Despite the gradual expansion of financial system's operating infrastructure observed over the last years, with rises in the number of automatic teller machines (ATM's) and branches, there is still a high degree of concentration in the provision of financial services throughout the country. Particularly, in localities having more than 500 inhabitants, about half already have at least one financial service¹, whilst only 16% of them have at least five services (see Chart 5). Localities with more financial services correspond to the centre and south zone of the country while absence of such services and less coverage by the financial system are more relevant in the north (see Chart 6).

Chart 5

Financial Infrastructure Coverage in Argentina

Population with at least 500 inhabitants
 Population with at least 1 banking service*
 Population with at least 5 banking services



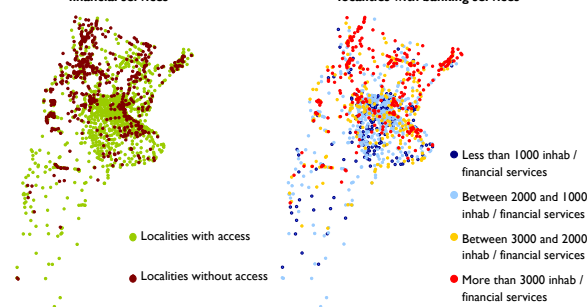
*Note: The presence of a financial service is identified when a financial entity is represented through: (i) Headquarters, (ii) Head Office, (iii) Branch, (iv) Agency, (v) Regional Office, (vi) Travelling Branch (Agencia móvil), (vii) Automatic Teller Machine and Self-Service Terminal, or (viii) Office aimed at providing specific services (or at clients' companies). Data as of March 2010
 Source: BCRA

Within this framework and in order to promote the extension of banking access for all the population, particularly, in areas with scarce or insufficient supply of financial services, the Central Bank (Communication "A" 5167 dated December 30th) approved new measures to authorize the opening of branches. As from 2011, this Institution will consider, especially, if the request to open branches in jurisdictions having higher level of banking services in the country is related to a simultaneous opening of the same number of branches in zones with less provision of financial services. This relationship will not be taken into account in the case of public banks given their role for banking promotion and coverage they already play², specialized banks (with at least 5 branches) and those that are present in areas that are less supplied (when such presence exceeds the market's average). Furthermore, the possibility to use "travelling branches" ("*agencias móviles*") for those private financial entities acting as financial agents for local governments was expanded recently.

Chart 6

Financial Infrastructure Coverage in Argentina

Localities with and without access to financial services
 Level of access to financial services of localities with banking services

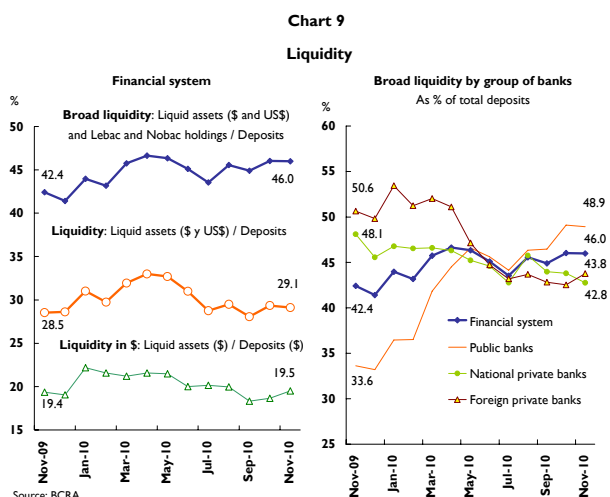
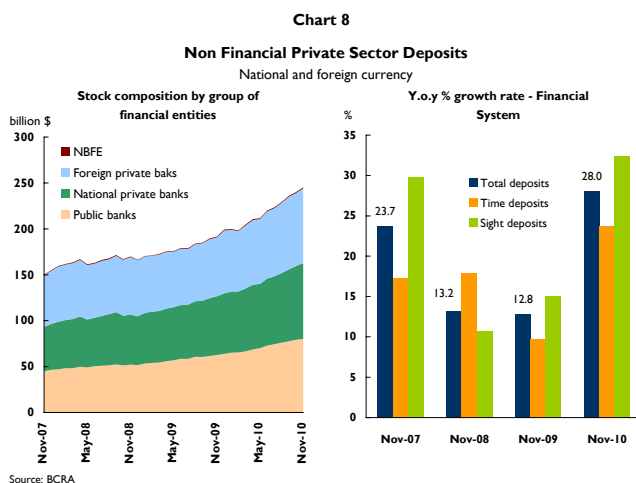
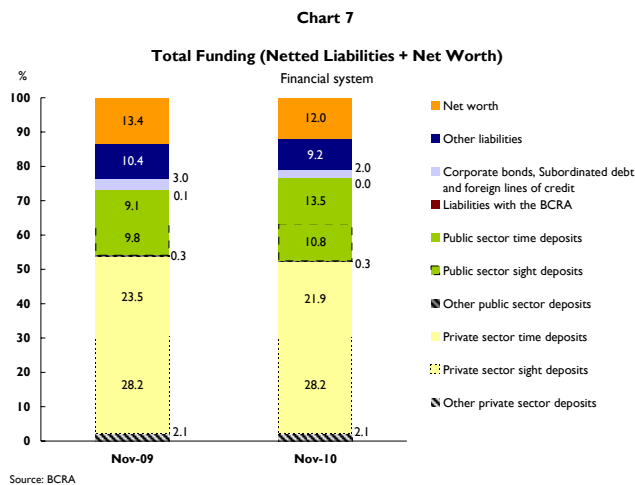


*Note: The presence of a financial service is identified when a financial entity is represented through: (i) Headquarters, (ii) Head Office, (iii) Branch, (iv) Agency, (v) Regional Office, (vi) Travelling Branch (Agencia móvil), (vii) Automatic Teller Machine and Self-Service Terminal, or (viii) Office aimed at providing specific services (or at clients' companies). Data as of March 2010
 Source: BCRA

In addition, the BCRA (Communication "A" 5168 dated December 30th) ordered the amendment to the minimum capital requirements to update the classification of jurisdictions where financial entities

¹ The presence of a financial service is identified when a financial entity is represented through: (i) Headquarters, (ii) Head Office, (iii) Branch, (iv) Agency, (v) Regional Office, (vi) Travelling Branch (*Agencia móvil*), (vii) Automatic Teller Machine and Self-Service Terminal, or (viii) Office aimed at providing specific services (or at clients' companies).

² See Report on Banks of February 2010 (page 5).



are established. In this regard, this Institution relaxed **initial and basic capital requirements for credit cooperatives** requesting the setting up of all their offices in localities, municipalities or towns (as the case may be according to the relevant jurisdiction) where no more than two operating offices of financial entities are authorized.

For the purposes of generating further use of financial services, mainly by the population segment with little or no financial access, the BCRA implemented the **Free Universal Account**. Since it entered in effect (Communication "A" 5127 dated October 24th), the number of accounts opened under this method has almost reached 29,800. Furthermore, **this Institution put in place Settlement Checks to discourage the use of cash and extend banking access**. Ten days after the start of 2011, transactions carried out through settlement checks reached a total amount of \$57.4 million (almost 1,000 checks in pesos) and US\$46.2 million (890 checks in foreign currency).

In furtherance of a similar purpose, the BCRA ordered, as from November 2010, that transfer costs executed within the financial system be reduced (Communication "A" 5127). In this context, the total number of transfers made in December grew 25% against October 2010, with similar hikes in the different transaction sizes. In terms of amounts, the segment below \$10,000 grew 31% over the period mentioned, exceeding the expansion of segments with a higher relative size.

Deposits and liquidity

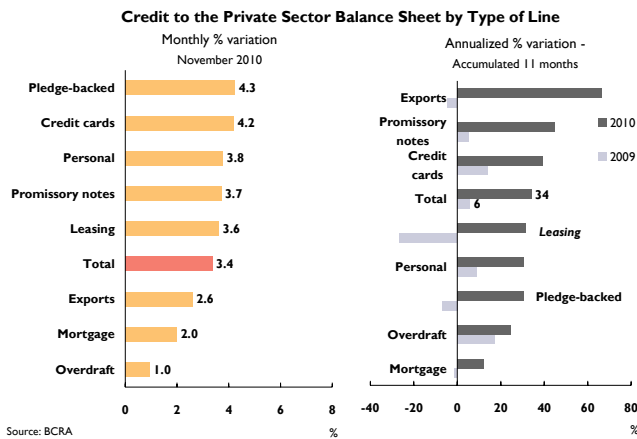
Over the month, private sector deposits boosted total deposits, while the financial system liquidity indicator slightly reduced

Balance sheet deposits stock in the financial entities increased 2% in November³, boosted mainly by time deposits and, to a lesser extent, by sight accounts. **Private sector deposits led this increase**, exhibiting a 2.2% monthly growth while the public sector balance sheet deposits stock expanded 1.8% over the period. In general, **borrowing interest rates on peso transactions did not evidence significant changes during the month**.

Thus, total deposits in the financial system over the last 12 months accumulated a 37.7% expansion. **Public sector deposits** (considering both peso and foreign

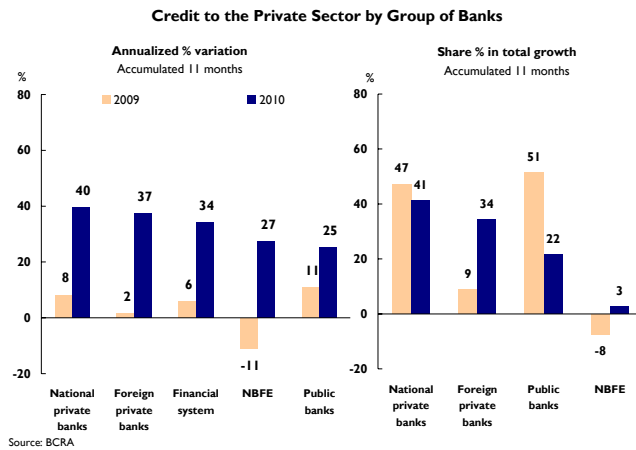
³ Non-financial sector total deposit stocks increased 2.1% in November, according to balance sheet information.

Chart 10



currency) evidenced a higher year-on-year momentum, growing 68.4% resulting from time deposits (they practically doubled against November 2009) and sight accounts (45.6% y.o.y.). Particularly, the stock of public sector deposits in pesos expanded 57% y.o.y. Therefore, **public sector deposits increased their relevance in total funding** (see Chart 7). On the other hand, **private sector deposits climbed 28% y.o.y. in November showing a change that was mainly boosted by sight accounts (32.4% y.o.y.), and, to a lesser extent, by time deposits (23.8% y.o.y.)** (see Chart 8). The year on year growth pace of private sector deposits was similar between public and private banks.

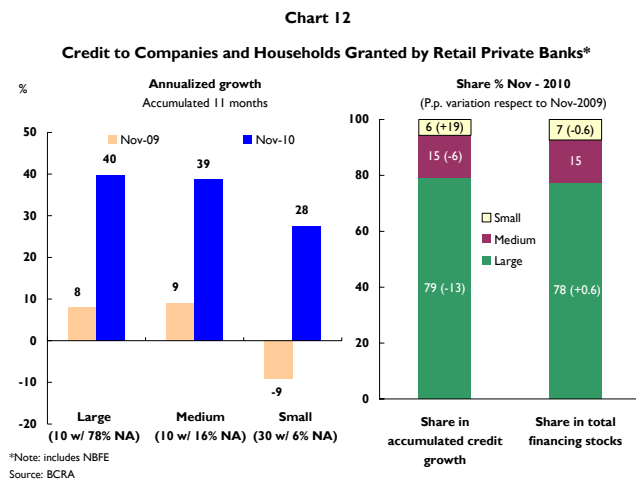
Chart 11



The rise of total deposits over the month exceeded the one observed in the stock of financial system liquid assets leading to a slight liquidity ratio reduction. Particularly, the liquidity indicator, which includes items expressed in pesos and in foreign currency, stood at 29.1% of deposits in November, 0.2 p.p. below the level observed in October. The broad liquidity indicator (which includes bills and notes that are not related to repos with the BCRA) remained stable during the month, at about 46% of deposits. While foreign private banks increased their broad liquidity indicator, national private banks and public banks reduced it. **In year-on-year terms, the financial system broad liquidity ratio increased specially as a result of the performance exhibited by public banks** (see Chart 9).

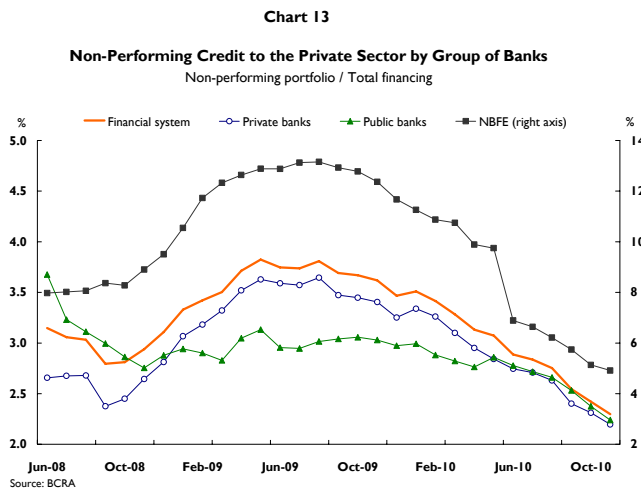
Financing

The expansion pace of lending to the private sector continued to increase in a framework of falling non-performing ratio



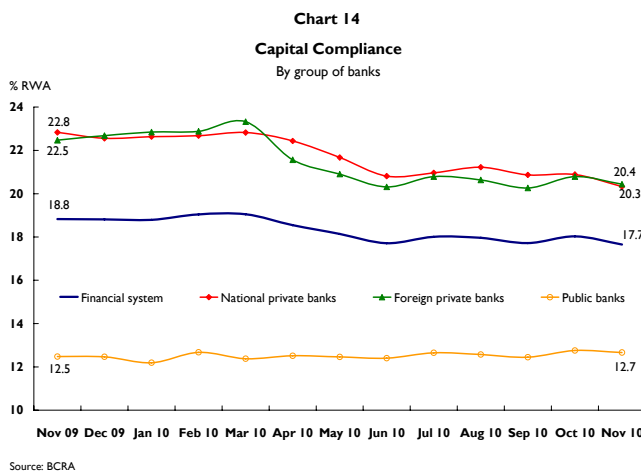
According to balance sheet information, loans to the private sector in November increased 3.4%⁴ (35% y.o.y.). All credit lines expanded over the month. Therefore, **the growth of credit to the private sector continued accelerating until reaching 34% a. as of November 2010, in year to date terms, with a significant rise in the lines mainly granted to companies such as export financing and promissory notes** (see Chart 10). However, the rise of private sector loans was essentially led by short term lines and therefore at present just a quarter of the total balance has a maturity term exceeding 2 years.

⁴ If balance sheet stocks are adjusted for the assets securitized during the month (using loans granted by banks as underlying assets), the change in lending to the private sector would amount to 3.6%. During November, four financial trust issues were recorded using bank loan portfolios as underlying assets for a total of \$350 million, out of which \$116 million corresponded to securitizations of mortgage loans and \$234 million, to personal loans.



All financial entities exhibited a monthly rise in loans to the private sector. In 2010, both national and foreign private banks exhibited the greatest momentum and contributed the most to the expansion of lending (accounting for three quarter thereof) (see Chart 11). Regarding retail private banks, the ten entities having a relative larger size accounted for almost 80% of the rise in lending to the private sector so far this year and have therefore continued increasing their share in the total balance against late 2009 (see Chart 12).

With the aim to lengthen term of credit supply in pesos to the productive sector, the BCRA held the third fund auction. On this occasion, and out of a total of \$470 million auctioned, \$455 million were allocated among five banks. It should be noted that financial entities will pay a 9% nominal annual rate on the funds allocated, while the total financial cost for the corresponding borrowers shall be 9.9%. Loans shall be in pesos and at a term of at least two and a half years. **When considering the three auctions conducted as of yet, the total allocated by the BCRA reached \$1.025 billion, exhibiting the interest this system has caused in the market.**



The non-performing ratio for loans to the private sector reached a new historical minimum amounting to 2.3% in November after evidencing a 0.1 p.p. fall over the month. The level of delinquency during the year fell 1.2 p.p., and this was observed in all homogeneous groups of financial entities (see Chart 13), and was accounted for the fall of the non-performing stock and greater momentum shown by the total lending stock. On the other hand, the coverage level of non-performing loans by provision reached 157% in November, 30 p.p. above the value recorded by late 2009.

The evolution of lending to the private sector took place together with a slight fall in credit by the financial system to the public sector, which stood at 12.1% of assets in November (-0.3 p.p. against October) accounted for by official financial entities and private ones. It should be noted that the stock of public sector deposits in the financial system's aggregate remains being higher than lending granted to this sector by an amount equivalent to 11% of total assets as of November 2010.

Solvency

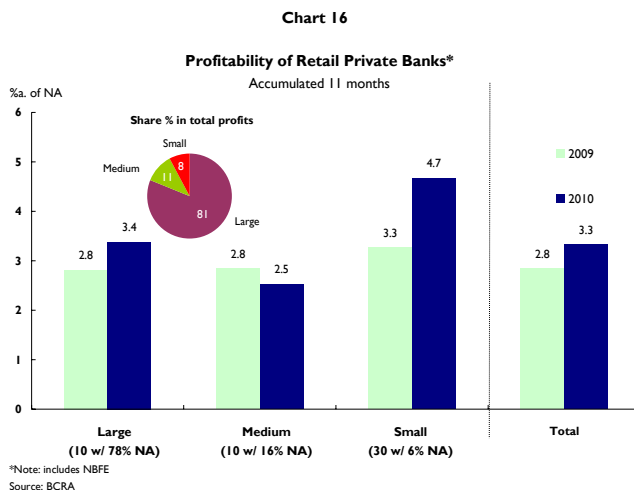
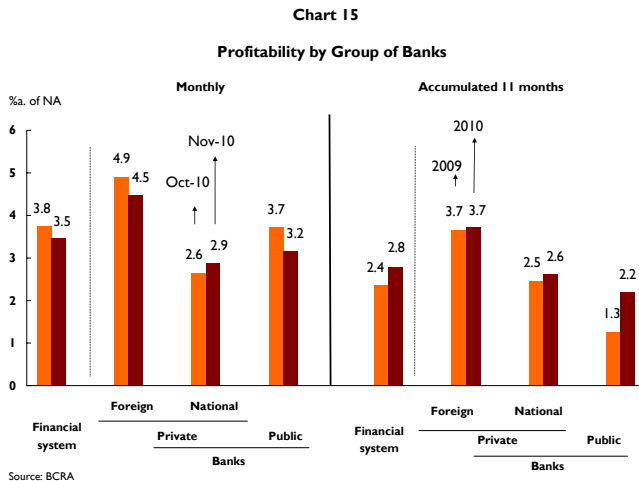
Financial system net worth expanded in November resulting from book profits

Financial system net worth increased 2.7% in November mainly as a consequence of book profits accrued over the month. This monthly rise was observed in all homogeneous groups of financial entities with the exception of non-banking financial entities (NBFE)⁵. Net worth expanded 17.1%⁶ y.o.y.

Within a context where the level of financial intermediation with the private sector continued growing, **the capital compliance ratio amounted to 17.7% of risk-weighted assets (RWA) in November**, after posting a 0.3 p.p. decline over the month especially on account of the performance exhibited by private banks (both national and foreign) (see Chart 14). The financial system capital position fell slightly in October, down to 86% of the regulatory requirement, primarily due to private banks.

Financial system book profits reached 3.5%a. of assets in the month with a 0.3 p.p. drop respect to October accounted for by public and foreign private banks (see Chart 15). **Financial system year-to-date ROA in 2010 reached 2.8%a., 0.4 p.p. more than the value recorded over the same period in 2009, especially on account of public banks, which raised their book profits from 0.9 p.p. of assets to 2.2%a.** Concerning the group of retail entities, they increased their profits by 0.5 p.p. of assets in 2010 in y.o.y. terms up to 3.3%a., reflecting the improvement in the performance of entities of a larger size and smaller ones (considering assets), and this was partly offset by lower profits in the case of medium-sized entities (see Chart 16).

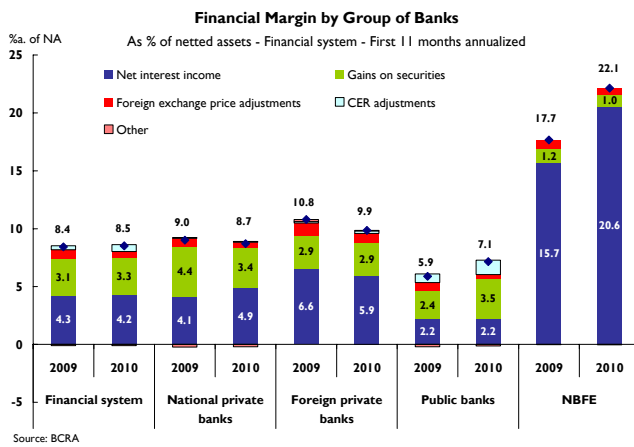
Financial margin of banks recorded a 1.4 p.p. of assets monthly drop down to 8.5%a. Gains on securities, CER adjustments and net interest income fell over the month whilst the rise in foreign exchange price adjustments counteracted these falls partially. Therefore, the financial margin stood at 8.5%a. of year-to-date assets in 2010, 0.1 p.p. higher in y.o.y. terms; this movement was accounted for by NBFE and public banks within a context of slight reduction in private entities (see Chart 17).



⁵ A non-banking financial entity allocated about \$150 million of accumulated profits from previous fiscal years for a future payment of dividends.

⁶ This significant year-on-year rise of non-allocated profits even took place when in April and May 2010, some private entities distributed dividends for about \$2.5 billion.

Chart 17

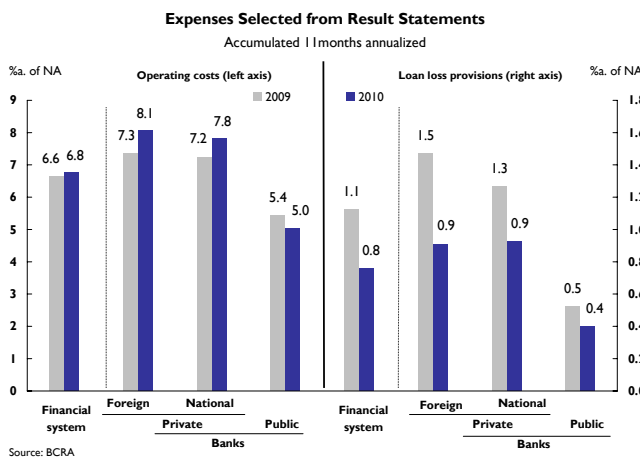


Service income margin grew 0.2 p.p. over the month, up to 3.9%a. of assets, primarily spurred by public banks. Year to date service income margin totalled 3.8%a. of assets, remaining stable against the same period in 2009.

Loan loss provisions decreased slightly in November to 0.6%a. of assets. **These expenditures reached 0.8%a. of assets over the first eleven months of 2010, 0.3 p.p. lower than the amount recorded in the same period in 2009, in line with the improvement in the credit portfolio quality** (see Chart 18).

Operating costs in November fell 0.1 p.p. of banks' assets down to 6.5%a. **These accrued expenditures accumulated 6.8%a. of assets, 0.2 p.p. more in y.o.y. terms within a recovery framework in the employment level in the sector and some salary adjustments.** Particularly, payroll spending⁷ rose by 0.2 p.p. of assets in 2010 to 4.1%a., boosted by private banks (both foreign and national).

Chart 18



According to information available as of the date this report was published, the financial system is expected to end the year exhibiting high solvency levels with positive perspectives regarding banking activity in 2011. It has been anticipated that accounting benefits will be recorded in December resulting from net interest income and service income margin in a context where lending to the private sector would remain consolidating as banks' main use of funds. A slight increase in operating costs has been predicted for the last month of the year while the ongoing improvement evidenced in the credit portfolio quality would keep loan loss provisions at reduced levels.

⁷ Only remunerations and social contributions are included.

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” 5137 – 02/11/10

It was ordered that as from November 15th 2010 financial entities shall display posters containing information on basic characteristics of the Free Universal Account (“*Cuenta Gratuita Universal*”) and costs to be applied to transfers among deposit accounts in pesos, as per the models attached to the Communication, in all their branches, places having access to offices and where accounts may be opened and transfers may be made.

Communication “A” 5146 – 19/11/10

It was ordered that as from November 26th 2010 financial entities shall display posters containing information on basic characteristics of Settlement Checks (“*Cheque cancelatorio*”), as per the model attached to the Communication, in all their branches, places having access to offices and where accounts may be opened and deposits and payments may be made.

Communication “A” 5147 – 23/11/10

Sight accounts for judicial purposes were included in the regulation on “saving deposits, wages account, universal free account and special accounts” as from December 1st 2010. Such provisions will be applied provided they are compatible with those issued by public authorities from different jurisdictions.

Communication “A” 5149 – 26/11/10

Concerning term investments and deposits and in the case of term investments with an early settlement option of public sector holders, the term to exercise the settlement option is modified and may not be less than 3 days (in the past, it could not be less than 10 days).

Methodology

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

Glossary

%a.: annualized percentage.

%i.a.: interannual percentage.

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

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

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

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

CEDRO: Certificado de Depósito Reprogramado. Rescheduled Stabilization Coefficient.

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

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

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

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

Lebac and Nobac: Bills and notes of the BCRA.

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

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

mill.: million.

NBFE: Non-banking financial entity.

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

Net worth exposure to 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 | Financial system

Chart 1 | Financial Soundness Indicators (see Methodology)

As %	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	Nov 2009	2009	Oct 2010	Nov 2010
1.- Liquidity	22.3	26.1	23.1	25.0	23.4	19.6	22.8	29.1	29.6	20.1	22.5	23.0	27.9	28.5	28.6	29.3	29.1
2.- Credit to the public sector	16.9	16.2	16.2	18.0	17.3	23.0	48.9	47.0	40.9	31.5	22.5	16.3	12.7	14.5	14.5	12.4	12.1
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	39.4	38.2	38.3	38.2	38.9
4.- Private non-performing loans	16.2	13.8	12.2	14.0	16.0	19.1	38.6	33.5	18.6	7.6	4.5	3.2	3.1	3.6	3.5	2.4	2.3
5.- Net worth exposure to the private sector	24.9	22.5	20.6	24.7	26.2	21.9	17.3	12.4	-1.0	-4.1	-3.3	-3.0	-3.3	-2.6	-2.8	-4.3	-4.5
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	2.4	2.3	2.7	2.8
7.- ROE	4.1	6.3	3.9	1.7	0.0	-0.2	-59.2	-22.7	-4.2	7.0	14.3	11.0	13.4	19.4	19.2	23.2	23.9
8.- Efficiency	142	136	138	142	147	143	189	69	125	151	167	160	167	185	185	181	182
9.- Capital compliance	23.8	20.8	20.3	21.0	20.1	21.4	-	14.5	14.0	15.3	16.9	16.9	16.9	18.8	18.8	18.0	17.7
10.- Excess capital compliance	64	73	49	54	58	54	-	116	185	173	134	93	90	101	100	89	86

Source: BCRA

Chart 2 | Balance Sheet

In million of current pesos	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Dec 08	Nov 09	Dec 09	Oct 10	Nov 10	Change (in %)					
												Last month	2010	Last 12 months			
Assets	187,532	186,873	212,562	221,962	258,384	297,963	346,762	377,053	387,381	490,316	497,538	1.5	28.4	32.0			
Liquid assets ¹	17,138	27,575	29,154	20,819	37,991	46,320	58,676	68,584	71,067	93,926	94,320	0.4	32.7	37.5			
Public bonds	31,418	45,062	55,382	66,733	64,592	62,678	65,255	83,100	86,318	115,266	116,045	0.7	34.4	39.6			
Lebac/Nobac	-	-	17,755	28,340	29,289	36,022	37,093	45,380	43,867	73,365	74,215	1.2	69.2	63.5			
Portfolio	-	-	11,803	21,067	25,767	31,598	25,652	36,669	34,748	59,457	61,338	3.2	76.5	67.3			
Repo ²	-	-	5,953	7,273	3,521	4,424	11,442	8,711	9,119	13,908	12,876	-7.4	41.2	47.8			
Private bonds	332	198	387	389	813	382	203	348	307	304	217	-28.6	-29.5	-37.8			
Loans	84,792	68,042	73,617	84,171	103,668	132,157	154,719	165,215	169,868	213,151	219,267	2.9	29.1	32.7			
Public sector	44,337	33,228	30,866	25,836	20,874	16,772	17,083	20,268	20,570	24,496	24,159	-1.4	17.4	19.2			
Private sector	38,470	33,398	41,054	55,885	77,832	110,355	132,844	141,147	145,247	183,828	189,933	3.3	30.8	34.6			
Financial sector	1,985	1,417	1,697	2,450	4,962	5,030	4,793	3,801	4,052	4,827	5,175	7.2	27.7	36.2			
Provisions over loans	-11,952	-9,374	-7,500	-4,930	-3,728	-4,089	-4,744	-5,704	-5,824	-6,112	-6,113	0.0	5.0	7.2			
Other netted credits due to financial intermediation	39,089	27,030	32,554	26,721	26,039	29,712	38,152	32,667	33,498	39,588	39,276	-0.8	17.2	20.2			
Corporate bonds and subordinated debt	1,708	1,569	1,018	873	773	606	912	1,197	1,146	1,275	1,524	19.5	33.0	27.3			
Unquoted trusts	6,698	4,133	3,145	3,883	4,881	5,023	5,714	5,909	5,942	6,083	6,427	5.7	8.2	8.8			
Compensation receivable	17,111	14,937	15,467	5,841	763	377	357	17	16	0	0	-12.5	-99.9	-99.9			
Other	13,572	6,392	12,924	16,124	19,622	23,706	31,169	25,544	26,395	32,230	31,326	-2.8	18.7	22.6			
Leasing	567	397	611	1,384	2,262	3,469	3,935	2,966	2,933	3,637	3,769	3.6	28.5	27.1			
Shares in other companies	4,653	4,591	3,871	4,532	6,392	6,430	7,236	6,741	6,711	7,752	7,680	-0.9	14.4	13.9			
Fixed assets and miscellaneous	8,636	8,164	7,782	7,546	7,619	7,643	7,903	8,237	8,239	8,731	8,849	1.3	7.4	7.4			
Foreign branches	3,522	3,144	3,524	3,647	2,782	2,912	3,153	4,258	3,926	3,249	3,271	0.7	-16.7	-23.2			
Other assets	9,338	12,043	13,180	10,950	9,953	10,347	12,275	10,641	10,337	10,825	10,955	1.2	6.0	3.0			
Liabilities	161,446	164,923	188,683	195,044	225,369	261,143	305,382	329,418	339,047	435,316	441,354	1.4	30.2	34.0			
Deposits	75,001	94,635	116,655	136,492	170,898	205,550	236,217	264,074	271,853	356,463	363,670	2.0	33.8	37.7			
Public sector ³	8,381	16,040	31,649	34,019	45,410	48,340	67,151	68,545	69,143	113,371	115,452	1.8	67.0	68.4			
Private sector ³	59,698	74,951	83,000	100,809	123,431	155,048	166,378	191,612	199,278	239,996	245,286	2.2	23.1	28.0			
Current account	11,462	15,071	18,219	23,487	26,900	35,245	39,619	42,691	45,752	56,296	58,079	3.2	26.9	36.0			
Savings account	10,523	16,809	23,866	29,078	36,442	47,109	50,966	57,559	62,807	73,784	74,638	1.2	18.8	29.7			
Time deposit	19,080	33,285	34,944	42,822	54,338	65,952	69,484	83,799	83,967	100,568	102,859	2.3	22.5	22.7			
CEDRO	12,328	3,217	1,046	17	13	0	0	0	0	0	0	-	-	-			
Other netted liabilities due to financial intermediation	75,737	61,690	64,928	52,072	46,037	46,225	57,662	50,723	52,114	62,998	60,919	-3.3	16.9	20.1			
Interbanking obligations	1,649	1,317	1,461	2,164	4,578	4,310	3,895	3,035	3,251	3,972	4,305	8.4	32.4	41.9			
BCRA lines	27,837	27,491	27,726	17,005	7,686	2,362	1,885	375	270	204	216	6.2	-19.8	-42.4			
Outstanding bonds	9,096	6,675	7,922	6,548	6,603	6,938	5,984	5,368	5,033	4,244	3,599	-15.2	-28.5	-33.0			
Foreign lines of credit	25,199	15,196	8,884	4,684	4,240	3,864	4,541	3,562	3,369	3,738	3,802	1.7	12.8	6.7			
Other	11,955	11,012	18,934	21,671	22,930	28,752	41,357	38,383	40,191	50,841	48,997	-3.6	21.9	27.7			
Subordinated debts	3,712	2,028	1,415	1,381	1,642	1,672	1,763	1,898	1,922	1,964	2,186	11.3	13.7	15.2			
Other liabilities	6,997	6,569	5,685	5,099	6,792	7,695	9,740	12,722	13,159	13,891	14,579	5.0	10.8	14.6			
Net worth	26,086	21,950	23,879	26,918	33,014	36,819	41,380	47,635	48,335	55,000	56,184	2.2	16.2	17.9			
Memo																	
Netted assets	185,356	184,371	202,447	208,275	244,791	280,336	321,075	355,874	364,726	461,147	469,883	1.9	28.8	32.0			
Consolidated netted assets	181,253	181,077	198,462	203,286	235,845	271,652	312,002	348,444	357,118	451,526	460,235	1.9	28.9	32.1			

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

Source: BCRA

Statistics annex | Financial system (cont.)

Chart 3 | Profitability Structure

Amount in million of pesos	Annual								First 11 months		Monthly			Last
	2002 ¹	2003	2004	2005	2006	2007	2008	2009	2009	2010	Sep-10	Oct-10	Nov-10	12 months
Financial margin	13,991	1,965	6,075	9,475	13,262	15,134	20,462	28,937	25,939	32,291	3,413	3,786	3,318	35,289
Net interest income	-3,624	-943	1,753	3,069	4,150	5,744	9,573	14,488	13,085	16,064	1,494	1,575	1,537	17,467
CER and CVS adjustments	8,298	2,315	1,944	3,051	3,012	2,624	2,822	1,196	1,054	2,301	255	285	214	2,443
Foreign exchange price adjustments	5,977	-890	866	751	944	1,357	2,307	2,588	2,549	1,940	211	135	198	1,979
Gains on securities	3,639	1,962	1,887	2,371	4,923	5,144	4,398	11,004	9,564	12,393	1,499	1,829	1,381	13,833
Other financial income	-299	-480	-375	233	235	264	1,362	-339	-313	-408	-46	-38	-13	-433
Service income margin	4,011	3,415	3,904	4,781	6,243	8,248	10,870	13,052	11,804	14,508	1,419	1,420	1,505	15,756
Loan loss provisions	-10,007	-2,089	-1,511	-1,173	-1,198	-1,894	-2,839	-3,814	-3,463	-2,883	-244	-262	-239	-3,235
Operating costs	-9,520	-7,760	-7,998	-9,437	-11,655	-14,634	-18,767	-22,710	-20,438	-25,677	-2,543	-2,528	-2,508	-27,949
Tax charges	-691	-473	-584	-737	-1,090	-1,537	-2,318	-3,272	-2,980	-3,673	-366	-399	-388	-3,965
Income tax	-509	-305	-275	-581	-595	-1,032	-1,342	-4,226	-3,824	-4,496	-813	-547	-293	-4,897
Adjust. to the valuation of gov. securities ²	0	-701	-320	-410	-752	-837	-1,757	-262	-257	-201	-2	-2	-14	-207
Amort. payments for court-ordered releases	0	-1,124	-1,686	-1,867	-2,573	-1,922	-994	-703	-594	-600	-32	-110	-29	-709
Other	-3,880	1,738	1,497	1,729	2,664	2,380	1,441	918	1,078	1,254	231	77	-5	1,094
Monetary results	-12,558	69	0	0	0	0	0	0	0	0	0	0	0	0
Total results³	-19,162	-5,265	-898	1,780	4,306	3,905	4,757	7,920	7,265	10,521	1,063	1,434	1,348	11,176
Adjusted results ⁴	-	-3,440	1,337	4,057	7,631	6,665	7,508	8,885	8,116	11,323	1,097	1,546	1,390	12,092
Annualized indicators - As % of netted assets														
Financial margin	6.5	1.1	3.1	4.6	5.8	5.7	6.7	8.6	8.4	8.5	9.3	9.9	8.5	8.6
Net interest income	-1.7	-0.5	0.9	1.5	1.8	2.2	3.1	4.3	4.3	4.2	4.1	4.1	4.0	4.3
CER and CVS adjustments	3.9	1.3	1.0	1.5	1.3	1.0	0.9	0.4	0.3	0.6	0.7	0.7	0.6	0.6
Foreign exchange price adjustments	2.8	-0.5	0.4	0.4	0.4	0.5	0.8	0.8	0.8	0.5	0.6	0.4	0.5	0.5
Gains on securities	1.7	1.1	1.0	1.2	2.2	1.9	1.4	3.3	3.1	3.3	4.1	4.8	3.6	3.4
Other financial income	-0.1	-0.3	-0.2	0.1	0.1	0.1	0.4	-0.1	-0.1	-0.1	-0.1	-0.1	0.0	-0.1
Service income margin	1.9	1.9	2.0	2.3	2.7	3.1	3.6	3.9	3.8	3.8	3.9	3.7	3.9	3.9
Loan loss provisions	-4.7	-1.1	-0.8	-0.6	-0.5	-0.7	-0.9	-1.1	-1.1	-0.8	-0.7	-0.7	-0.6	-0.8
Operating costs	-4.4	-4.2	-4.1	-4.6	-5.1	-5.5	-6.1	-6.7	-6.6	-6.8	-6.9	-6.6	-6.5	-6.8
Tax charges	-0.3	-0.3	-0.3	-0.4	-0.5	-0.6	-0.8	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0
Income tax	-0.2	-0.2	-0.1	-0.3	-0.3	-0.4	-0.4	-1.3	-1.2	-1.2	-2.2	-1.4	-0.8	-1.2
Adjust. to the valuation of gov. securities ²	0.0	-0.4	-0.2	-0.2	-0.3	-0.3	-0.6	-0.1	-0.1	-0.1	0.0	0.0	0.0	-0.1
Amort. payments for court-ordered releases	0.0	-0.6	-0.9	-0.9	-1.1	-0.7	-0.3	-0.2	-0.2	-0.2	-0.1	-0.3	-0.1	-0.2
Other	-1.8	0.9	0.8	0.8	1.2	0.9	0.5	0.3	0.4	0.3	0.6	0.2	0.0	0.3
Monetary results	-5.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ROA³	-8.9	-2.9	-0.5	0.9	1.9	1.5	1.6	2.3	2.4	2.8	2.9	3.8	3.5	2.7
ROA adjusted ⁴	-8.9	-1.9	0.7	2.0	3.4	2.5	2.5	2.6	2.6	3.0	3.0	4.1	3.6	3.0
ROE ³	-59.2	-22.7	-4.2	7.0	14.3	11.0	13.4	19.2	19.4	23.9	25.8	33.2	30.5	23.4

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

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

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

Source: BCRA

Chart 4 | Portfolio Quality

As percentage	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Dec 08	Nov 09	Dec 09	Oct 10	Nov 10
Non-performing loans (overall)	18.1	17.7	10.7	5.2	3.4	2.7	2.7	3.1	3.0	2.1	2.0
Non-performing loans to the non-financial private sector	38.6	33.5	18.6	7.6	4.5	3.2	3.1	3.6	3.5	2.4	2.3
Provisions / Non-performing loans	73.8	79.2	102.9	124.5	129.9	129.6	131.4	123.1	126.2	152.0	156.5
(Total non-performing - Provisions) / Overall financing	4.7	3.7	-0.3	-1.3	-1.0	-0.8	-0.8	-0.7	-0.8	-1.1	-1.1
(Total non-performing - Provisions) / Net worth	17.2	11.9	-1.0	-4.1	-3.3	-3.0	-3.3	-2.6	-2.9	-4.3	-4.5

(*) 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	2008	Nov 2009	2009	Oct 2010	Nov 2010
1.- Liquidity	23.6	26.9	22.8	24.3	24.1	23.6	24.8	27.6	29.2	21.5	23.7	25.7	34.1	29.8	29.8	28.3	27.6
2.- Credit to the public sector	13.5	13.7	13.6	16.1	14.7	20.8	50.0	47.7	41.6	28.5	16.3	9.5	6.3	6.2	6.2	4.8	4.6
3.- Credit to the private sector	51.0	46.7	47.6	44.6	38.4	45.4	22.4	19.9	22.5	31.1	37.9	46.6	44.0	43.0	43.3	48.1	48.7
4.- Private non-performing loans	11.1	8.5	7.7	8.9	9.8	14.0	37.4	30.4	15.3	6.3	3.6	2.5	2.8	3.4	3.3	2.3	2.2
5.- Net worth exposure to the private sector	21.6	14.3	13.2	11.5	13.4	11.4	18.6	11.2	1.9	-2.2	-3.0	-3.6	-3.4	-2.8	-3.1	-4.1	-4.4
6.- ROA	0.6	0.7	0.5	0.3	0.1	0.2	-11.3	-2.5	-1.0	0.5	2.2	1.6	1.9	3.0	3.0	3.1	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	15.2	23.3	22.9	23.5	24.0
8.- Efficiency	144	135	139	146	152	151	168	93	115	136	158	152	166	198	195	177	177
9.- Capital compliance	15.9	15.4	14.6	18.9	18.0	17.6	-	14.0	15.1	17.8	18.6	19.2	18.3	22.5	22.6	20.8	20.4
10.- Excess capital compliance	33	47	27	60	49	43	-	88	157	155	116	87	86	121	121	104	102

Source: BCRA

Chart 6 | Balance Sheet

In million of current pesos	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Dec 08	Nov 09	Dec 09	Oct 10	Nov 10	Change (in %)					
												Last month	2010	Last 12 months			
Assets	118,906	116,633	128,065	129,680	152,414	175,509	208,888	223,020	229,549	270,358	274,792	1.6	19.7	23.2			
Liquid assets ¹	11,044	14,500	15,893	14,074	22,226	29,418	37,044	40,802	43,562	50,495	48,617	-3.7	11.6	19.2			
Public bonds	19,751	22,260	24,817	29,966	27,663	24,444	29,552	47,695	47,949	47,184	48,709	3.2	1.6	2.1			
Lebac/Nobac	-	-	8,359	15,227	15,952	17,684	23,457	33,471	31,575	32,364	34,391	6.3	8.9	2.7			
Portfolio	-	-	5,611	12,899	14,220	15,639	12,858	28,846	27,413	28,023	29,883	6.6	9.0	3.6			
Repo ²	-	-	2,749	2,328	1,732	2,045	10,598	4,626	4,161	4,341	4,508	3.9	8.3	-2.5			
Private bonds	273	172	333	307	683	310	127	213	233	204	188	-7.9	-19.4	-11.9			
Loans	51,774	47,017	50,741	56,565	69,294	88,898	98,529	98,014	101,722	132,104	136,196	3.1	33.9	39.0			
Public sector	25,056	23,571	21,420	15,954	10,036	6,413	6,249	1,786	1,694	1,581	1,605	1.5	-5.2	-10.1			
Private sector	26,074	22,816	28,213	39,031	55,632	78,587	88,426	93,358	96,790	126,725	130,503	3.0	34.8	39.8			
Financial sector	644	630	1,107	1,580	3,626	3,898	3,854	2,870	3,238	3,797	4,087	7.6	26.2	42.4			
Provisions over loans	-7,463	-5,225	-3,717	-2,482	-2,227	-2,365	-2,871	-3,576	-3,653	-3,843	-3,848	0.1	5.3	7.6			
Other netted credits due to financial intermediation	27,212	22,148	25,753	16,873	18,387	17,084	25,265	21,084	21,258	23,322	23,821	2.1	12.1	13.0			
Corporate bonds and subordinated debt	1,514	1,394	829	675	618	430	699	805	734	733	845	15.3	15.1	5.0			
Unquoted trusts	6,205	3,571	2,362	2,444	2,982	3,456	3,869	4,155	4,198	4,151	4,337	4.5	3.3	4.4			
Compensation receivable	15,971	13,812	14,657	5,575	760	377	357	17	16	0	0	-	-	-			
Other	3,523	3,370	7,905	8,179	14,027	12,822	20,339	16,108	16,311	18,438	18,639	1.1	14.3	15.7			
Leasing	553	387	592	1,356	2,126	3,149	3,451	2,591	2,569	3,241	3,357	3.6	30.7	29.6			
Shares in other companies	3,123	2,791	1,892	2,416	4,042	3,762	4,538	3,995	4,067	4,869	4,768	-2.1	17.2	19.3			
Fixed assets and miscellaneous	5,198	4,902	4,678	4,575	4,677	4,685	4,926	5,077	5,096	5,521	5,616	1.7	10.2	10.6			
Foreign branches	-109	-136	-53	-148	-139	-154	-178	-202	-202	-216	-214	-0.9	6.0	5.9			
Other assets	7,549	7,816	7,137	6,178	5,682	6,277	8,505	7,327	6,946	7,478	7,583	1.4	9.2	3.5			
Liabilities	103,079	101,732	113,285	112,600	131,476	152,153	182,596	192,460	198,438	235,797	239,469	1.6	20.7	24.4			
Deposits	44,445	52,625	62,685	75,668	94,095	116,719	135,711	148,284	154,387	187,971	190,958	1.6	23.7	28.8			
Public sector ³	1,636	3,077	6,039	6,946	7,029	7,564	19,600	17,757	26,375	25,233	25,233	-4.3	42.1	40.2			
Private sector ³	38,289	47,097	55,384	67,859	85,714	107,671	114,176	127,916	134,426	159,913	163,985	2.5	22.0	28.2			
Current account	8,905	11,588	13,966	17,946	20,604	27,132	30,188	32,250	35,127	41,901	43,486	3.8	23.8	34.8			
Savings account	6,309	10,547	14,842	18,362	23,165	30,169	32,778	37,232	40,999	46,890	47,817	2.0	16.6	28.4			
Time deposit	11,083	18,710	22,729	27,736	38,043	45,770	46,990	53,834	54,058	64,625	66,139	2.3	22.3	22.9			
CEDRO	9,016	2,409	798	3	1	0	0	0	0	0	0	-	-	-			
Other netted liabilities due to financial intermediation	49,341	42,367	45,083	32,349	31,750	29,323	39,298	34,433	34,235	37,701	37,983	0.7	10.9	10.3			
Interbanking obligations	836	726	1,070	1,488	3,383	1,979	1,160	1,406	1,668	1,803	2,046	13.4	22.6	45.5			
BCRA lines	16,624	17,030	17,768	10,088	3,689	675	649	36	41	36	39	7.8	-4.9	7.4			
Outstanding bonds	9,073	6,674	7,922	6,548	6,413	6,686	5,672	4,974	4,626	3,747	2,952	-21.2	-36.2	-40.7			
Foreign lines of credit	15,434	9,998	5,444	2,696	2,249	1,833	2,261	1,353	1,262	1,643	1,705	3.8	35.1	26.0			
Other	7,374	7,939	12,878	11,530	16,015	18,150	29,555	26,663	26,638	30,471	31,240	2.5	17.3	17.2			
Subordinated debts	3,622	1,850	1,304	1,319	1,642	1,668	1,759	1,895	1,918	1,946	2,168	11.4	13.0	14.4			
Other liabilities	5,671	4,890	4,213	3,264	3,989	4,443	5,828	7,849	7,897	8,179	8,360	2.2	5.9	6.5			
Net worth	15,827	14,900	14,780	17,080	20,938	23,356	26,292	30,560	31,111	34,561	35,323	2.2	13.5	15.6			
Memo																	
Netted assets	117,928	115,091	121,889	123,271	143,807	166,231	192,074	210,121	216,100	254,446	259,244	1.9	20.0	23.4			

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

Source: BCRA

Statistics annex | Private banks (cont.)

Chart 7 | Profitability Structure

Amount in million of pesos	Annual								First 11 months		Monthly			Last 12 months
	2002 ¹	2003	2004	2005	2006	2007	2008	2009	2009	2010	Sep-10	Oct-10	Nov-10	
Financial margin	10,628	2,575	3,415	5,253	7,778	8,960	12,964	19,724	17,981	19,640	1,942	2,147	1,881	21,382
Net interest income	-304	107	1,214	2,069	2,826	4,191	7,727	10,572	9,627	11,407	1,069	1,129	1,136	12,352
CER and CVS adjustments	1,476	1,082	900	1,215	858	662	651	185	162	310	58	41	25	333
Foreign exchange price adjustments	6,189	-312	666	576	740	990	1,620	1,646	1,593	1,353	141	117	128	1,406
Gains on securities	3,464	1,892	959	1,259	3,154	2,888	1,637	7,343	6,657	6,748	705	876	587	7,433
Other financial income	-197	-195	-322	134	199	229	1,329	-22	-59	-178	-30	-17	5	-142
Service income margin	2,782	2,341	2,774	3,350	4,459	5,881	7,632	9,198	8,318	10,224	991	996	1,027	11,103
Loan loss provisions	-6,923	-1,461	-1,036	-714	-737	-1,174	-1,863	-2,751	-2,487	-1,952	-182	-193	-192	-2,216
Operating costs	-6,726	-5,310	-5,382	-6,303	-7,741	-9,735	-12,401	-14,807	-13,304	-16,851	-1,726	-1,627	-1,608	-18,354
Tax charges	-512	-366	-393	-509	-769	-1,105	-1,715	-2,380	-2,149	-2,619	-253	-273	-271	-2,850
Income tax	-337	-295	-202	-217	-365	-380	-1,168	-3,001	-2,852	-2,572	-330	-290	-189	-2,721
Adjust. to the valuation of gov. securities ²	0	-665	-51	-201	-170	-100	-267	0	-9	40	5	12	4	49
Amort. payments for court-ordered releases	0	-791	-1,147	-1,168	-1,182	-1,466	-688	-367	-315	-423	-15	-95	-14	-476
Other	-4,164	1,178	846	1,156	1,641	1,576	916	398	356	1,166	226	98	135	1,208
Monetary results	-10,531	-20	0	0	0	0	0	0	0	0	0	0	0	0
Total results³	-15,784	-2,813	-1,176	648	2,915	2,457	3,412	6,014	5,540	6,652	658	775	774	7,126
Adjusted results ⁴	-	-1,357	252	2,016	4,267	4,023	4,367	6,381	5,863	7,035	668	858	784	7,553
Annualized indicators - As % of netted assets														
Financial margin	7.6	2.3	2.9	4.3	5.9	5.8	7.3	9.8	9.8	9.2	9.5	10.2	8.8	9.3
Net interest income	-0.2	0.1	1.0	1.7	2.1	2.7	4.4	5.3	5.3	5.4	5.2	5.4	5.3	5.4
CER and CVS adjustments	1.1	0.9	0.8	1.0	0.6	0.4	0.4	0.1	0.1	0.1	0.3	0.2	0.1	0.1
Foreign exchange price adjustments	4.4	-0.3	0.6	0.5	0.6	0.6	0.9	0.8	0.9	0.6	0.7	0.6	0.6	0.6
Gains on securities	2.5	1.7	0.8	1.0	2.4	1.9	0.9	3.7	3.6	3.2	3.4	4.2	2.7	3.2
Other financial income	-0.1	-0.2	-0.3	0.1	0.2	0.1	0.8	0.0	0.0	-0.1	-0.1	-0.1	0.0	-0.1
Service income margin	2.0	2.0	2.4	2.7	3.4	3.8	4.3	4.6	4.6	4.8	4.8	4.7	4.8	4.8
Loan loss provisions	-5.0	-1.3	-0.9	-0.6	-0.6	-0.8	-1.1	-1.4	-1.4	-0.9	-0.9	-0.9	-0.9	-1.0
Operating costs	-4.8	-4.6	-4.6	-5.1	-5.9	-6.3	-7.0	-7.4	-7.3	-7.9	-8.4	-7.7	-7.5	-8.0
Tax charges	-0.4	-0.3	-0.3	-0.4	-0.6	-0.7	-1.0	-1.2	-1.2	-1.2	-1.2	-1.3	-1.3	-1.2
Income tax	-0.2	-0.3	-0.2	-0.2	-0.3	-0.2	-0.7	-1.5	-1.6	-1.2	-1.6	-1.4	-0.9	-1.2
Adjust. to the valuation of gov. securities ²	0.0	-0.6	0.0	-0.2	-0.1	-0.1	-0.2	0.0	0.0	0.0	0.0	0.1	0.0	0.0
Amort. payments for court-ordered releases	0.0	-0.7	-1.0	-1.0	-0.9	-0.9	-0.4	-0.2	-0.2	-0.2	-0.1	-0.4	-0.1	-0.2
Other	-3.0	1.0	0.7	0.9	1.2	1.0	0.5	0.2	0.2	0.5	1.1	0.5	0.6	0.5
Monetary results	-7.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ROA³	-11.3	-2.5	-1.0	0.5	2.2	1.6	1.9	3.0	3.0	3.1	3.2	3.7	3.6	3.1
ROA adjusted ⁴	-11.3	-1.2	0.2	1.6	3.2	2.6	2.5	3.2	3.2	3.3	3.3	4.1	3.7	3.3
ROE³	-79.0	-19.1	-8.1	4.1	15.3	10.9	15.2	22.9	23.3	24.0	25.7	28.6	27.9	23.6

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

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

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

Source: BCRA

Chart 8 | Portfolio Quality

As percentage	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Dec 08	Nov 09	Dec 09	Oct 10	Nov 10
Non-performing loans (overall)	19.8	15.7	8.9	4.4	2.9	2.2	2.5	3.2	3.1	2.2	2.1
Non-performing loans to the non-financial private sector	37.4	30.4	15.3	6.3	3.6	2.5	2.8	3.4	3.3	2.3	2.2
Provisions / Non-performing loans	73.4	79.0	97.0	114.3	129.3	141.3	134.1	125.7	128.9	146.5	152.3
(Total non-performing - Provisions) / Overall financing	5.3	3.3	0.4	-0.6	-0.9	-0.9	-0.9	-0.8	-0.9	-1.0	-1.1
(Total non-performing - Provisions) / Net worth	18.6	11.2	1.3	-2.2	-3.0	-3.6	-3.4	-2.8	-3.1	-4.1	-4.4

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

Source: BCRA