

Report on Banks

November 2011



BANCO CENTRAL
DE LA REPÚBLICA ARGENTINA

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November 2011

Year IX, No. 3



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DE LA REPÚBLICA ARGENTINA**

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Note | Information for November 2011 available by December 29, 2011 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 later. Except the opposite was indicated the data included corresponds to BCRA Information Regimes (end of month data).

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Summary

- **Bank lending to the private sector increased in November, while delinquency ratio remained at historically low levels. As a result, the sector accrued greater profits and improved its efficiency indicators, at the same time as displaying significant prudential capital and liquidity margins.** Following the measures introduced by the Central Bank during 2010 and 2011 with the objective of extending banking services to the population, there has been a 62% increase in the number of immediate value transfers during the second half of 2011, to almost 1.5 million in December (of which almost 96% were for amounts of under \$10,000), the number of free universal accounts has reached around 93,000, and 67 branch openings in areas relatively less well-served by banks were authorized in 2011.
- **In November public and private sector deposit stocks in local currency continued the growth trend that had been observed in previous periods.** Total private sector peso deposits were up almost 2% for the month (30.4% y.o.y.), with time deposits recording a relatively more dynamic performance. **During the month of November total stocks of deposits in foreign currency fell sharply.** In response to this situation, the Central Bank made a temporary change to minimum cash requirements in relation to determination of the basis for calculation of daily minimum compliance. **Overall, total financial system deposit stocks fell 0.6% in November, although still posting significant year-on-year growth of almost 24%.**
- **The broad liquidity indicator for the banking sector** (which takes into account items in pesos and foreign currency, as well as Central Bank bills and notes) **fell by 1.3 p.p. of total deposits for the month to 37%, mainly because of a reduction in holdings of Lebac and Nobac and cash in foreign currency.** This indicator accumulated a year-on-year decline of 9 p.p. during a time of growth in financial intermediation by banks with the private sector. The liquidity indicator that includes only items in pesos (excluding positions in Lebac and Nobac) posted a slight increase for the month, reaching similar level to those for November 2010 (19.5% of deposits in pesos).
- **Lending to the private sector was up 1.9% in November**, with a slight slowing of the monthly growth rate that had been recorded in 2011. **The increase for the month in loans was driven mainly by public banks.** In year-on-year terms, lending to the private sector expanded by 50.3%, 15.5 p.p. higher than the rate recorded in November 2010. **Almost 60% of the growth in lending to the private sector was explained by increased lending to companies. Lending to the private sector totaled 51.1% of financial system assets in November, increasing its weighting by almost 9 p.p. in the last 12 months, the largest year-on-year increase for the last 10 years.**
- **In November, private sector non-performance loan ratios remained at low and stable levels** of around 1.4%, with a reduction over the year of 0.7 p.p., derived from both a drop in the stock of non-performing loans and the dynamism of private sector lending. Coverage of the non-performing loan portfolio by provisions stood at 172% for the month, 29 p.p. higher than at the end of 2010.
- **Consolidated financial system net worth rose 1.8% in November**, mainly as a result of book profits, and to a lesser extent, capital contributions. Financial system capital requirement compliance held steady during the month at around 15.8% of risk-weighted assets (RWA). **All groups of banks record a comfortable capital in excess in terms of local capital requirement.**
- Following the increase recorded in the previous month, in November **banking profitability was in line with the annual average, reaching 2.4%a. of assets.** The drop in profits for the month was mainly explained by lower gains on securities. **During the year, profits posted by the sector rose to 2.6%a. of assets.** During 2011 the main **financial system efficiency indicators continued to evidence significant improvement**, the result of a relatively greater increase in the more stable types of income (interest and service revenue), compared with the behavior of the main outflows (operating costs and loan loss charges) on the income statement.

Activity

Lending to the private sector continues to gain share of banking system assets, while time deposits have increased their relative importance for bank funding

Notwithstanding the high level of volatility on international markets, during November lending to the private sector has continued to increase. Private sector financing was up 1.9% for the month, accumulating a year-on-year (y.o.y.) variation of 50.3%, driven mainly by lending to companies (see Chart 1). Private sector deposits posted a temporary drop for the month, explained mainly by the fall in foreign currency deposits. Nevertheless, despite this falling trend for the month private sector deposits have posted a year-on-year increase of 27.4%, with a similar performance being recorded by both sight and time deposits. In this context, financial system netted assets¹ rose 0.6% in November, totaling an increase of 24.5% y.o.y.

As a consequence of the monthly expansion recorded, private sector lending reached 51.1% of financial system assets² in November, increasing 8.6 p.p. in the last 12 months. On the funding side, total time deposits continued to gain in significance, slightly exceeding the share of total sight accounts (see Chart 2).

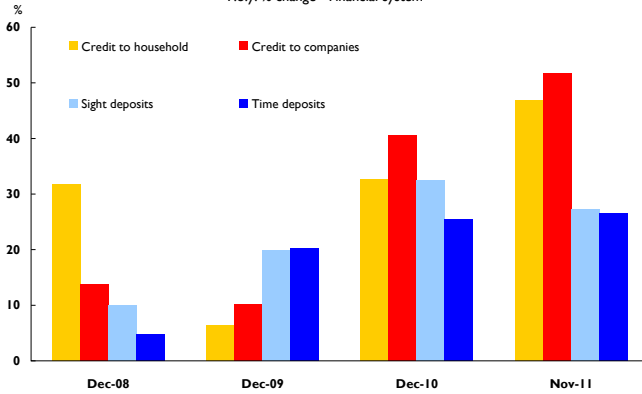
In November the principal source of funds for banks³ was the reduction in holdings of Lebac and Nobac (\$8.6 billion), followed by the increase in total public sector deposits (\$2.7 billion). The main uses of funds during the month included higher stocks of lending to the private sector (\$5.7 billion). During the period there was a temporary reduction in private sector deposits (\$5.5 billion), driven by deposits in dollars, as well as an increase in liquid assets (\$1.6 billion) consisting of items in domestic currency.

In November broad foreign currency mismatching⁴ in the banking system rose slightly. The drop in foreign currency liabilities for the month (mainly from the fall in private sector deposits) exceeded the reduction in assets in the same currency (mainly from the drop in liquidity), leading to a slight increase in the broad foreign currency mismatching for the banking system, which stood at 42% of net worth (see Chart 3).

Towards the end of the year the volume of checks cleared by the financial system continued to grow. In the fourth quarter of 2011 the value of cleared

Chart 1

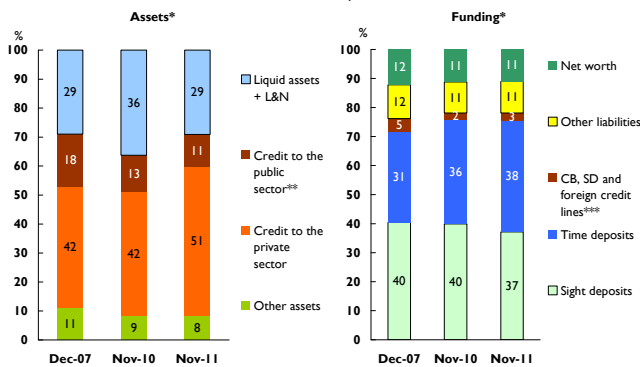
Financial Intermediation with the Private Sector
Y.o.y. % change - Financial system



Source: BCRA

Chart 2

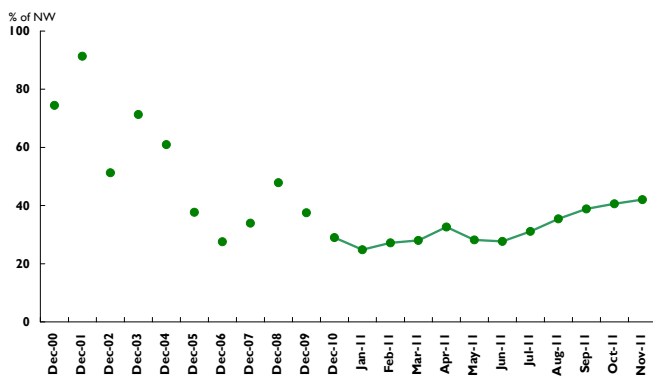
Financial System Asset Composition
Financial system



Note: *Consolidated and netted items. **Include public securities and loans. ***Corporate bonds (CB) and Subordinated debt (SD).
Source: BCRA

Chart 3

Broad Foreign Currency Mismatching* of the Financial System



* Assets - Liabilities + Net undelivered foreign currency term purchases (memorandum).
Source: BCRA

¹ Assets are netted taking into consideration accounting duplications from repo, forward and unsettled spot transactions.

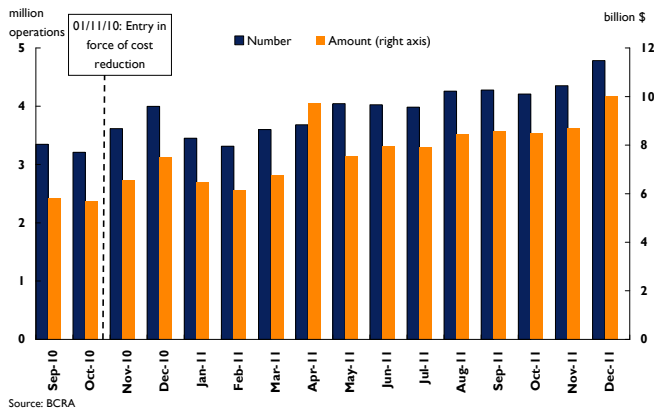
² Netted and consolidated assets.

³ Change estimated on the basis of variations in balance sheet stocks.

⁴ Include the difference between assets and liabilities, as well as net undelivered foreign exchange term purchases.

Chart 4

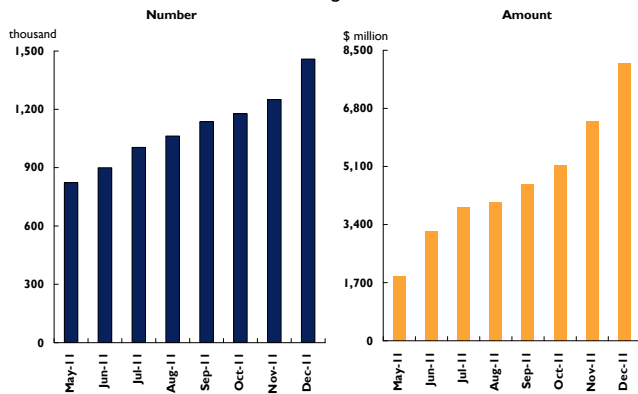
Total Number and Amounts of Transfers for Less Than \$10,000



Source: BCRA

Chart 5

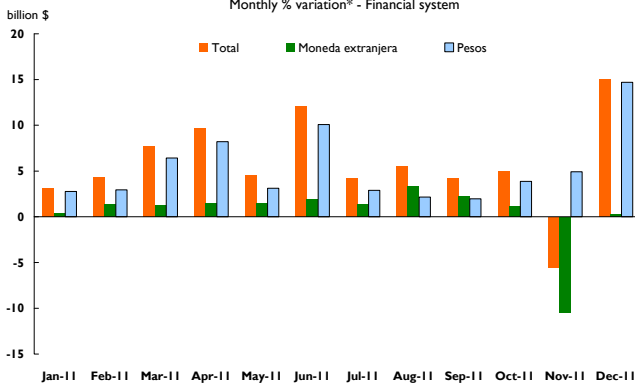
Banking Transfers*



*Note: Monthly number and amount data. ImmediateTransfers (Communication "A" 5194).
Source: BCRA

Chart 6

Private Sector Deposits
Monthly % variation* - Financial system



* Note: Dec-11 data from SISCEN
Source: BCRA

documents rose by 1.8% compared with the previous quarter, showing year on year growth of 23.2%. The ratio for bounced checks by non-sufficient funds compared with total checks cleared has risen in the last few months of 2011 to 0.6%, in part reflecting seasonal factors, as during this stage of the year liquidity requirements rise for both companies and consumers.

Since the end of 2010 the Central Bank has been adopting measures with the aim of facilitating bank transfers and extending access by the population to banking services. These measures have included a significant reduction in the cost of making transfers - particularly in the lower amount segment- and encouragement for the immediate banking transfer modality. The number of monthly transfers for amounts of under \$10,000 has recorded an increase of 49% from the time the measures were introduced (October 2010) through December 2011 (see Chart 4). In terms of amount, during December transfers for values of \$10,000 continued to grow at a faster rate than total transfers (33.7% y.o.y. vs 25.5 y.o.y.). In the last month of 2011 almost 1.5 million immediate value transfers were made (for an amount of approximately \$8.1 billion), posting an increase of 62% compared with June 2011 (see Chart 5).

With the aim of increasing the use of banking services, at the end of 2010 the Free Universal Account (CGU) was created, and by the end of January 2012 it had gained almost 93,000 users⁵, a significant portion of which had been opened in public banks. Furthermore, the Central Bank re-introduced the Settlement Check (ChC), a useful tool for carrying out high-value banking transactions. Since its introduction through to the present, 2,173 checks have been issued in local currency for almost \$155 million, as well as 3,977 checks in foreign currency for US\$224 million.

Deposits and liquidity

During the month, total deposits in pesos maintained their upward trend led by time deposits, at the same time as there was a temporary decline in private sector dollar-denominated deposits

Total deposit stocks fell slightly in November (-0.6%). The drop for the month was driven by foreign currency deposits (-16.5% for the month⁶), in particular because of losses from private sector accounts, and to a lesser extent from those of the public sector. It should be noted that in December⁷ private sector deposit stocks

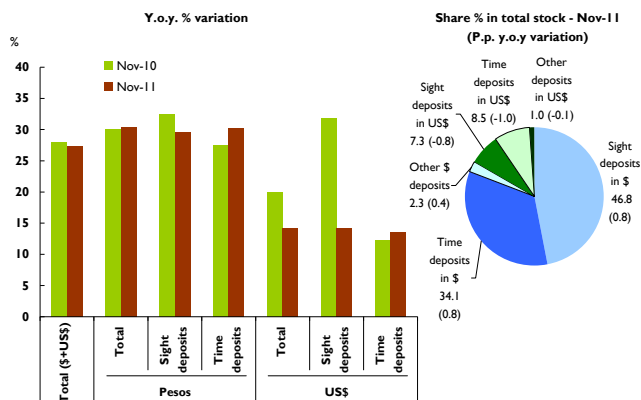
⁵ About 10,800 CGU are in the process of being validated, pending the completion of verification process of requirements for applicants.

⁶ In foreign currency.

⁷ Based on SISCEN data.

Chart 7

Non-Financial Private Sector Deposits



Source: BCRA

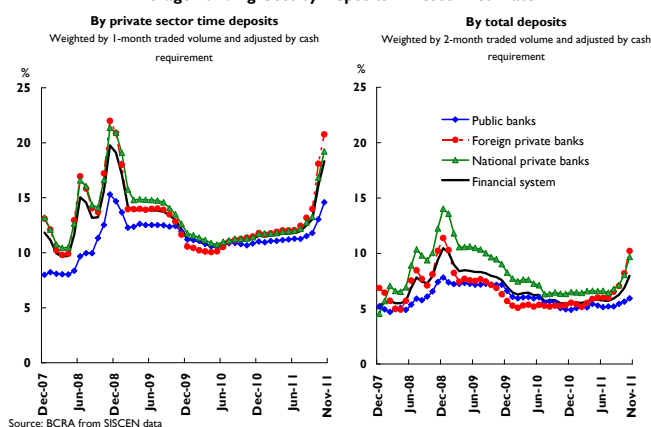
were already showing signs of recovery (see Chart 6), reversing the performance seen in November.

During the month local currency deposit stocks continued their upward trend, growing by 2.1%. The increase for the month in peso deposits was driven by accounts held by the public sector (2.2%) as well as by those of the private sector (1.9%). The latter were accounted for mainly by time deposits (2.9%) and to a lesser extent, by sight accounts (1.1%).

The total stock of private sector deposits was up 27.4% compared with November 2010, showing a growth rate similar to that of 12 months earlier. **Private sector time deposits in pesos were the most dynamic (30.3% y.o.y.),** with an increase in their growth rate compared with November 2010. Private sector sight accounts in pesos also posted a significant year-on-year increase (29.6%). Private sector foreign currency deposit stocks posted a more moderate increase (14.2%). As a result, **compared with November 2010 deposits in pesos (both sight and time) recorded an increased weighting in total private sector deposits** (see Chart 7).

Chart 8

Average Funding Cost by Deposits in Pesos - Estimate

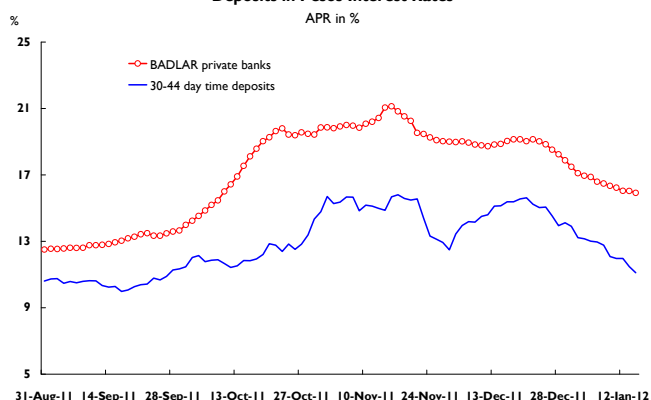


Source: BCRA from SISSEN data

Estimates of the cost of banking system funding by peso deposits⁸ recorded an increase of 1.1 p.p. in November to 8%. For all groups of banks **the rise for the month was caused mainly by increased interest rates paid on time deposits,** while traded volumes remained steady over the month. As a result, the funding cost to the financial system by deposits in pesos rose 2.5 p.p. compared with November 2010, with a slightly higher rise for private banks (see Chart 8). Nevertheless, following the peaks seen in November, **leading deposit interest rates began to decline** (see Chart 9).

Chart 9

Deposits in Pesos Interest Rates



Source: SISSEN, BCRA

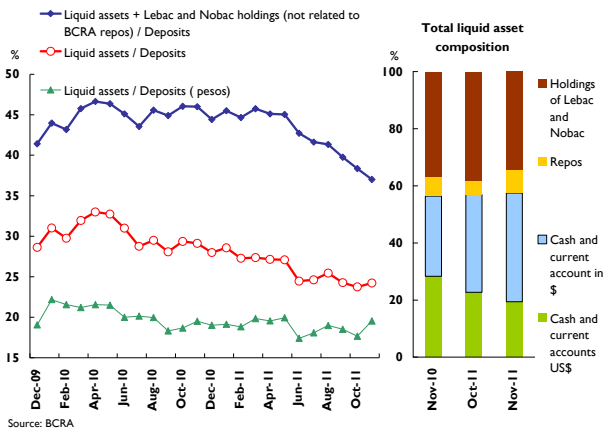
Within the context of sustained growth in lending to the private sector, the broad liquidity indicator for the banking system as a whole (which takes into account in both peso and foreign currency items, as well as Central Bank bills and notes) **fell by 1.3 p.p. of total deposits during the month, to 37%.** This reduction was mainly explained by **lower holdings of Lebac and Nobac and foreign currency cash** (see Chart 10). The financial system liquidity indicator that includes only items in pesos (excluding Lebac and Nobac not linked to Central Bank repos) rose during the month to 19.5%.

To prevent the temporary fall in foreign currency deposits from having a significant impact on export credit, **the Central Bank introduced changes to minimum cash regulations**⁹. Specifically, as from November 1, in calculating the minimum daily foreign currency reserve requirement, the basis for calculation

⁸ Estimated on the basis of interest rates traded, weighted by volume of transactions.

⁹ Communication "A" 5246.

Chart 10
Liquidity - Financial system

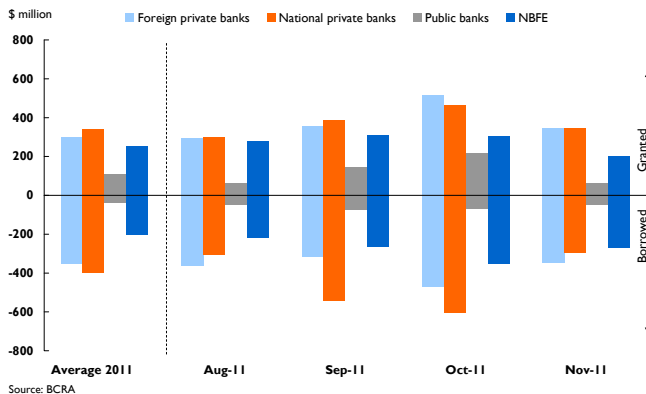


should exclude the shortfall in the application of resources corresponding to deposits in such currency¹⁰. It should be mentioned that the daily stock of bank current accounts in dollars at the Central Bank cannot be less than 50% of the Minimum Cash requirement of the previous month. In this context, as from November only the requirement on deposits will be taken into account, whereas previously the total requirement (including the shortfall in the application of resources) was considered.

Call market interest rates, as well as trading volumes on this market, began to decline as from mid-November. The call interest rate fell on average by 0.5 p.p. for the month to 10.9%, while average daily trading volume was down 12% compared with October, at \$1.277 billion. **National private banks and public banks were net sources of funds offers on the call market in November, while foreign private banks and non-banking financial entities were bidders** (see Chart 11). In other words, in November national private banks and non-banking financial entities exchanged bid and offer roles compared with the average situation in 2011.

Chart 11
Call Market in National Currency

Daily average traded amount by group of financial entities



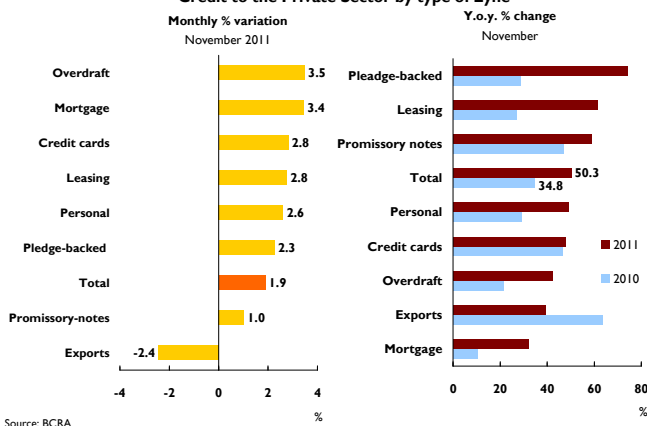
Financing

Lending to the private sector rose in November, driven mainly by public banks

Private sector loan stocks went up 1.9%¹¹ in November, showing a slightly lower rhythm of monthly growth than had been recorded in 2011. All credit lines recorded increases for the month, except for export credit. **The increase for the month in loans was driven mainly by public banks.** In year-on-year terms, private sector lending rose 50.3%, 15.5 p.p. above the level recorded in November 2010 (see Chart 12). Pledge-backed loans, leasing and promissory notes posted the highest year-on-year growth rates.

Chart 12

Credit to the Private Sector by type of Lyne

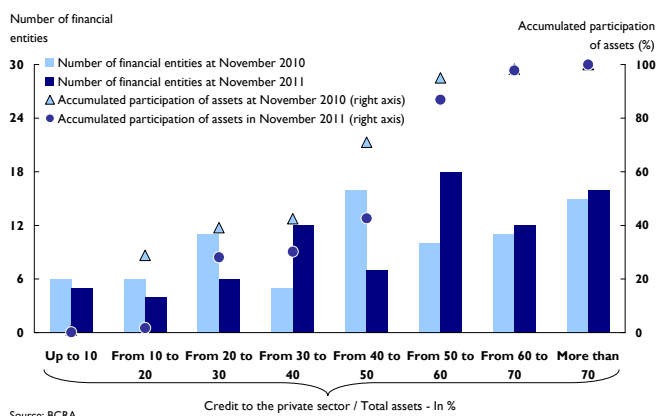


On the basis of this growth, **lending to the private sector gained share in total financial system assets.** This improvement reached all uniform groups of financial entity, and public banks in particular. This increase in the share of lending to the private sector in total assets was widespread among banks. In particular, comparison with November 2010 shows a greater number of banks with lending to the private sector in terms of assets in excess of 50% (see Chart 13).

¹⁰ The shortfall in the application of foreign currency resources is defined as the portion of the deposits in such currency not applied by the bank to foreign currency lending.

¹¹ If balance sheet stocks are adjusted for the assets securitized during the month (using bank loans as underlying assets), the variation in lending to the private sector would amount to 2%. During the month 5 financial trusts were issued, 3 using bank loans as underlying assets, and 2 using credit card coupons, for a total of \$360 million.

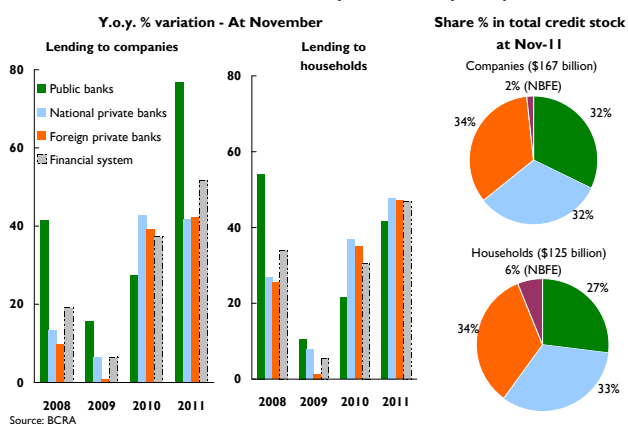
Chart 13
Credit to the Private Sector in Terms of Total Assets



Source: BCRA

Chart 14

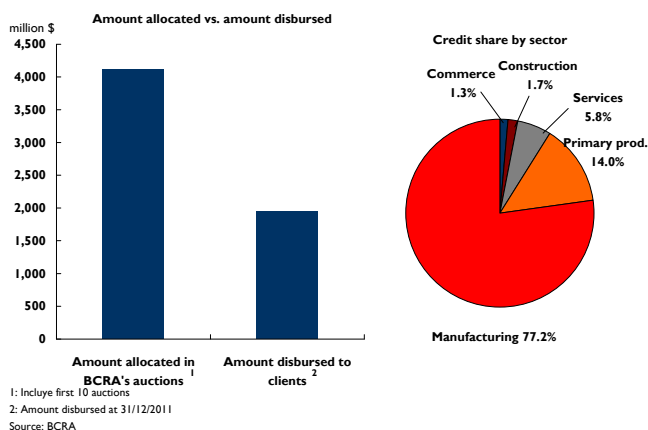
Credit to the Private Sector by Debtor and by Group of Banks



Source: BCRA

Chart 15

Bicentenary Productive Financing Program



1: Include first 10 auctions
 2: Amount disbursed at 31/12/2011
 Source: BCRA

In November lending to households rose 3%, with notable dynamism for the month in mortgage and pledge-backed lines, compared with consumer loans (personal loans and credit card). Lending to companies rose 1.3% for the month, driven by primary production sector. **In year-on-year terms, the growth rhythm for lending to companies was greater than that for lending to households for the seventeenth consecutive month.** In the last 12 months, lending for production purposes has accounted for almost 60% of growth in lending to the private sector.

The year-on-year expansion in lending to the productive sector was more dynamic among public banks (see Chart 14), with an increase of 77% y.o.y. at November. As a result, 32% of company loans were granted by public banks, 4.6 p.p. more than one year ago. In the case of household loans, the year-on-year growth rate was more evenly spread among the different groups of banks.

Within the framework of the **Bicentenary Productive Financing Program**¹², the Central Bank has awarded 13 financial entities a total of \$4.115 billion by means of 10 auctions. At the end of 2011, participating banks had already assisted a total of 134 companies, with effective disbursement of credit for \$1.943 billion out of a total amount committed by the banks to their customers of \$2.578 billion. More than 77% of the amount provided by banks under this Program has been channeled to the manufacturing sector (see Chart 15).

During November, peso lending interest rates increased for all loan lines. The increase for the month was led mainly by private banks, both national and foreign banks. In general, the increase for the month in lending interest rates was greater than the rise recorded in the cost of funding, giving rise to an increase in spreads for all bank groups (see Chart 16).

In November, the non-performance ratio for loans to the private sector remained low and stable, at around 1.4%. Over the course of the year this indicator dropped 0.7 p.p. reflecting the combined effect of a drop in the stock of non-performing loans and greater dynamism in private sector loan stocks. **The improvement in 2011 in loan quality took place in both loans to companies and household lending** (see Chart 17). The ratio for coverage of non-performing private sector loans by provisions stood at 172% for the month, 29 p.p. higher than at the end of 2010.

¹² The purpose of this Program is to provide funding to financial institutions to be channeled towards lending for investment.

Solvency

In November, solvency indicators remained high, with monthly profitability level in line with the annual average

Consolidated financial system net worth increased 1.8% in November (21.7% y.o.y.), led mainly by profit accruals, and in lesser measure, by new capital contributions (\$10 million by one foreign private bank). Private entities posted the relative largest increase for the month, while in comparison with the previous year, public banks have been the most dynamic.

The capital compliance ratio remained steady in November, at around 15.8% of risk-weighted assets (RWA). The financial system continued to record capital positions in excess of regulatory requirements equivalent to 64% of the latter. All groups of banks have recorded a comfortable excess of capital in terms of requirements (see Chart 18).

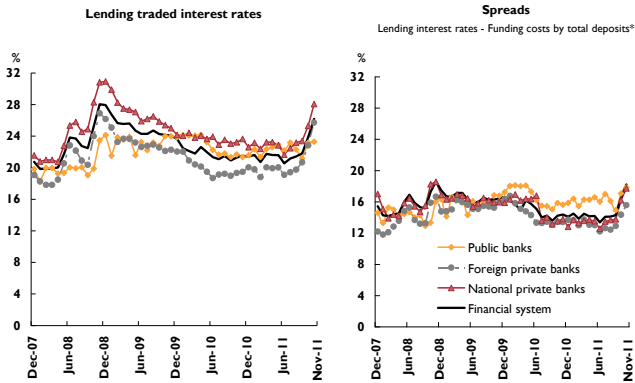
Following the significant increase recorded in the previous month, **in November financial system book profits fell back to a level more in line with the annual average, standing at 2.4%a. of assets.** The decline for the month in profitability was explained mainly by lower gains on securities, following the extraordinary results posted in October based on the widespread price recovery that took place that month. **Profits accrued by the financial system during the first 11 months of 2011 totaled 2.6%a. of assets, 0.2 p.p. under the level recorded one year earlier (see Chart 19).**

Banking system financial margin for the month fell by 3.5 p.p. of assets to 7.8%a., as a result of lower gains on securities and foreign exchange price adjustments. Net interest income was up 0.2 p.p. of assets at 5.1%a., the highest monthly figure since the end of the local financial crisis in 2001-2002. **In the year to date, financial margin totaled 7.8%a. of assets, down 0.5 p.p. compared with the same period of 2010** as a result of lower gains on securities and CER adjustments, partially compensated for by greater net interest income, foreign exchange price adjustments, and other financial results (see Chart 20).

In November, net **interest income represented 65% of the financial margin, a level above that seen during the course of the year and in the first 11 months of 2010.** This performance is in line with the increased volume of financial intermediation, during a period in which it is estimated that the implicit interest rate differential in local currency would have recorded a slight increase in the margin (see Chart 21). Although more moderate, this behavior by the spread for implicit

Chart 16

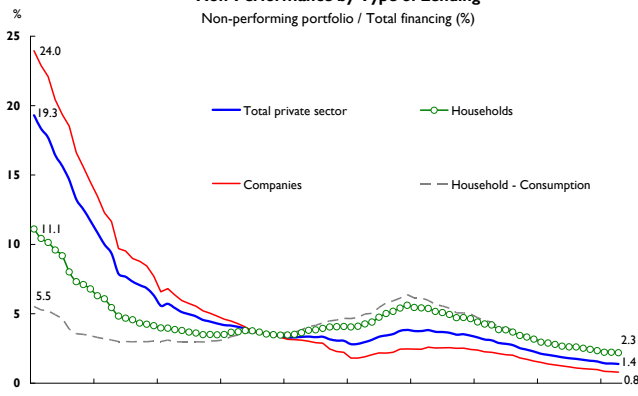
Lending Interest Rates and Spreads by National Currency Operations



* Weighted by 2-month traded volume and adjusted by cash requirement
Source: BCRA from SISGEN data

Chart 17

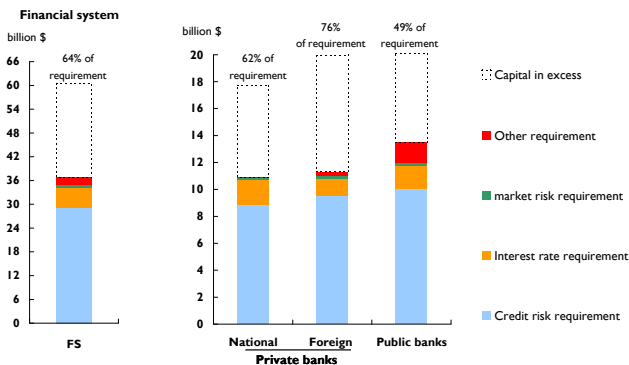
Non-Performance by Type of Lending
Non-performing portfolio / Total financing (%)



Source: BCRA

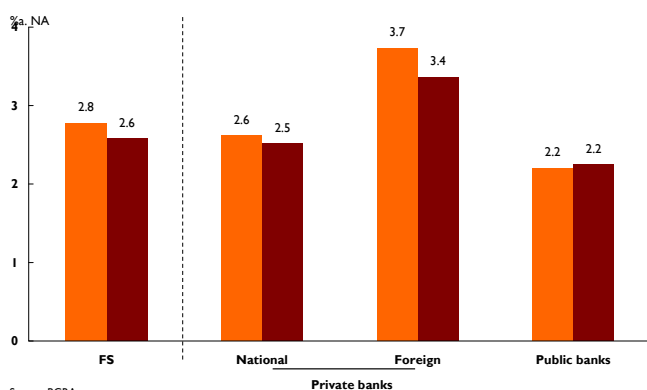
Chart 18

Capital Requirements and Capital Compliance by Group of Banks
November 2011



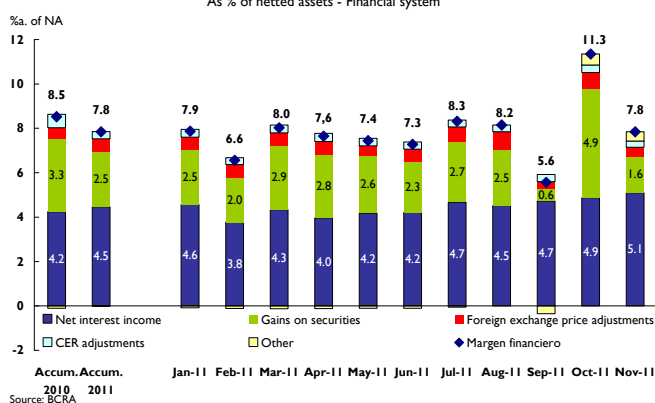
Note: Both capital compliance and capital requirement are adjusted by franchises
Source: BCRA

Chart 19
Profitability by Group of Banks
 11-month accumulated



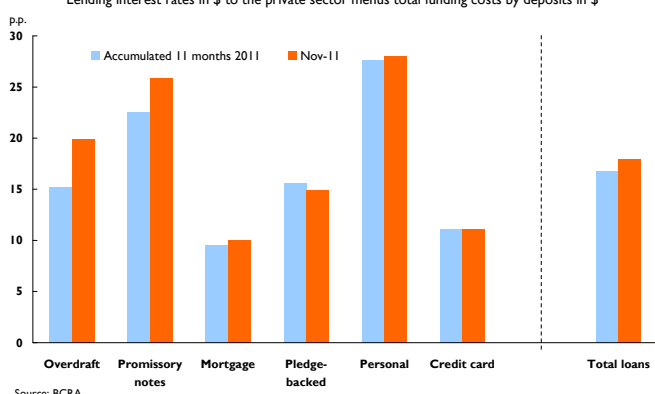
Source: BCRA

Chart 20
Financial Margin
 As % of netted assets - Financial system



Source: BCRA

Chart 21
Spreads over Implicit Interest Rates of the Financial System
 Lending interest rates in % to the private sector minus total funding costs by deposits in %



Source: BCRA

interest rates is consistent with that corresponding to interest rates traded (see Page 9).

Financial system service income margin remained steady for the month at around 4% a. of assets. **Over the course of 2011 net service income margin increased slightly compared with the same period of the previous year, to 3.9% a. of assets**, a rise seen mainly in the case of private banks. In 2011, the ratio of loan-related service income margin in the case of private sector loans in pesos remained at levels similar to that seen in 2010, at around 2.2% a.

Financial system operating costs reached 6.9% a. of assets in November, slightly above the level for the previous month. The change for the month was mainly explained by the performance of public banks. **In the year to date, this expenditure amounted to 6.7% a. of assets, slightly less than in the same period of the previous year.** During the month loan loss provisions fell¹³ to 0.6% a. of assets. Therefore, in a context of lower level of credit portfolio non-performance, **loan loss provisions totaled 0.7% a. of assets during 2011, 0.1 p.p. below the level recorded 12 months earlier** (see Chart 22).

Sources of income considered to be more stable -service income margin and net interest income- have been gaining share on the income statement over the course of the year, at the expense of headings presenting greater volatility (such as gains on securities). Furthermore, the main expenditure items -operating costs and loan loss provisions - lost weighting over the comparison period. As a result, **ratio for the coverage of operating costs with the more stable income sources** (net of loan loss provisions) **increased 8 p.p. compared with 2010**, to a level of 116% in the first 11 months of 2011.

¹³ Last month the financial system accrued greater loan loss charges following an adjustment by one large private institution.

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” 5243 – 03/11/11

Lending to non-financial public sector. On the matter of exclusions, changes have been made to the conditions for the energy sector.

Communication “A” 5246 – 11/11/11

Minimum cash requirement. As from 1/11/2011, when calculating minimum daily requirements in foreign currency, the basis for calculation is to exclude the shortfall in the application of resources corresponding to foreign currency deposits.

Communication “A” 5253 – 17/11/11

Lending to non-financial public sector. There are no objections for financial entities to acquire Treasury Bills to be issued as part of the “Program for the issue of Treasury Bills by the Province of Cordoba,” for a face value of up to \$500 million, without exceeding applicable maximum limits on credit assistance to the non-financial public sector.

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. 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 entities (national or foreign depending on their residence) and public banks. In order to increase depth of the analysis, private sector entities 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 entities specialized 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.- (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 (with out 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 minus requirements, included forbearances) / Capital requirements.

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. 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.

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. 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.

NBFE: Non-banking financial entity.

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

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

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

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

ON: Corporate bonds (Obligaciones Negociables).

OS: Subordinated debt (Obligaciones Subordinadas).

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

PN: Net worth (Patrimonio Neto).

p.p.: percentage points.

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

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

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

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

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

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

RWA: Risk weighted assets.

SME: Small and Medium Enterprises.

US\$: United States dollars

Statistics annex | Financial system

Chart 1 | Financial Soundness Indicators (see Methodology)

As %	2002	2003	2004	2005	2006	2007	2008	2009	Nov 2010	2010	Oct 2011	Nov 2011
1.- Liquidity	22.8	29.1	29.6	20.1	22.5	23.0	27.9	28.6	29.1	28.0	23.7	24.2
2.- Credit to the public sector	48.9	47.0	40.9	31.5	22.5	16.3	12.7	14.4	11.7	12.2	10.1	10.5
3.- Credit to the private sector	20.8	18.1	19.6	25.8	31.0	38.2	39.4	38.3	38.9	39.8	46.6	47.1
4.- Private non-performing loans	38.6	33.5	18.6	7.6	4.5	3.2	3.1	3.5	2.3	2.1	1.4	1.4
5.- Net worth exposure to the private sector	16.6	11.5	1.1	-2.5	-0.8	-1.5	-1.7	-1.3	-2.9	-3.2	-4.4	-4.3
6.- ROA	-8.9	-2.9	-0.5	0.9	1.9	1.5	1.6	2.3	2.8	2.8	2.6	2.6
7.- ROE	-59.2	-22.7	-4.2	7.0	14.3	11.0	13.4	19.2	24.0	24.4	24.3	24.1
8.- Efficiency	189	69	125	151	167	160	167	185	182	179	177	176
9.- Capital compliance	-	14.5	14.0	15.3	16.9	16.9	16.9	18.8	17.8	17.7	15.8	15.8
10.- Capital compliance Tier I	-	-	13.5	14.1	14.1	14.6	14.2	14.5	13.3	13.1	11.1	11.1
11.- Excess capital compliance	-	116	185	173	134	93	90	100	87	86	63	64

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	Dec 09	Nov 10	Dec 10	Oct 11	Nov 11	Change (in %)			
													Last month	2011	Last 12 months	
Assets	187,532	186,873	212,562	221,962	258,384	297,963	346,762	387,381	497,541	510,304	612,088	617,661	0.9	21.0	24.1	
Cash disposal ¹	17,138	27,575	29,154	20,819	37,991	46,320	58,676	71,067	94,320	93,085	98,843	95,630	-3.3	2.7	1.4	
Public bonds	31,418	45,062	55,382	66,733	64,592	62,678	65,255	86,318	116,046	117,951	115,866	113,311	-2.2	-3.9	-2.4	
Lebac/Nobac	-	-	17,755	28,340	29,289	36,022	37,093	43,867	74,216	76,948	76,890	72,836	-5.3	-5.3	-1.9	
Portfolio	-	-	11,803	21,067	25,767	31,598	25,652	34,748	61,340	61,855	66,092	57,484	-13.0	-7.1	-6.3	
Repo ²	-	-	5,953	7,273	3,521	4,424	11,442	9,119	12,876	15,093	10,799	15,352	42.2	1.7	19.2	
Private bonds	332	198	387	389	813	382	203	307	217	209	217	223	2.4	6.5	2.8	
Loans	84,792	68,042	73,617	84,171	103,668	132,157	154,719	169,868	219,270	230,127	316,950	325,084	2.6	41.3	48.3	
Public sector	44,337	33,228	30,866	25,836	20,874	16,772	17,083	20,570	24,159	25,907	29,099	31,156	7.1	20.3	29.0	
Private sector	38,470	33,398	41,054	55,885	77,832	110,355	132,844	145,247	189,936	199,202	279,438	284,818	1.9	43.0	50.0	
Financial sector	1,985	1,417	1,697	2,450	4,962	5,030	4,793	4,052	5,175	5,018	8,412	9,109	8.3	81.5	76.0	
Provisions over loans	-11,952	-9,374	-7,500	-4,930	-3,728	-4,089	-4,744	-5,824	-6,120	-6,232	-7,049	-7,033	-0.2	12.9	14.9	
Other netted credits due to financial intermediation	39,089	27,030	32,554	26,721	26,039	29,712	38,152	33,498	39,277	39,009	43,926	46,406	5.6	19.0	18.2	
Corporate bonds and subordinated debt	1,708	1,569	1,018	873	773	606	912	1,146	1,524	1,433	1,753	1,800	2.7	25.6	18.2	
Unquoted trusts	6,698	4,133	3,145	3,883	4,881	5,023	5,714	5,942	6,427	6,824	7,584	7,873	3.8	15.4	22.5	
Compensation receivable	17,111	14,937	15,467	5,841	763	377	357	16	0	0	0	0	0.0	-33.3	-33.3	
Other	13,572	6,392	12,924	16,124	19,622	23,706	31,169	26,395	31,326	30,752	34,589	36,732	6.2	19.4	17.3	
Leasing	567	397	611	1,384	2,262	3,469	3,935	2,933	3,769	3,936	6,087	6,087	2.8	54.6	61.5	
Shares in other companies	4,653	4,591	3,871	4,532	6,392	6,430	7,236	6,711	7,687	7,921	8,799	8,887	1.0	12.2	15.6	
Fixed assets and miscellaneous	8,636	8,164	7,782	7,546	7,619	7,643	7,903	8,239	8,849	9,071	9,834	9,931	1.0	9.5	12.2	
Foreign branches	3,522	3,144	3,524	3,647	2,782	2,912	3,153	3,926	3,271	3,283	3,522	3,527	0.2	7.5	7.8	
Other assets	9,338	12,043	13,180	10,950	9,953	10,347	12,275	10,337	10,956	11,943	15,258	15,609	2.3	30.7	42.5	
Liabilities	161,446	164,923	188,683	195,044	225,369	261,143	305,382	339,047	441,354	452,752	545,218	549,604	0.8	21.4	24.5	
Deposits	75,001	94,635	116,655	136,492	170,898	205,550	236,217	271,853	363,672	376,344	452,186	449,619	-0.6	19.5	23.6	
Public sector ³	8,381	16,040	31,649	34,019	45,410	48,340	67,151	69,143	115,452	115,954	130,343	133,038	2.1	14.7	15.2	
Private sector ³	59,698	74,951	83,000	100,809	123,431	155,048	166,378	199,278	245,289	257,595	317,923	312,397	-1.7	21.3	27.4	
Current account	11,462	15,071	18,219	23,487	26,900	35,245	39,619	45,752	58,081	61,306	73,128	74,173	1.4	21.0	27.7	
Savings account	10,523	16,809	23,866	29,078	36,442	47,109	50,966	62,807	74,638	82,575	101,994	94,755	-7.1	14.8	27.0	
Time deposits	19,080	33,285	34,944	42,822	54,338	65,952	69,484	83,967	102,859	104,492	130,294	130,579	0.2	25.0	26.9	
CEDRO	12,328	3,217	1,046	17	13	0	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	52,114	60,919	60,029	74,315	81,086	9.1	35.1	33.1	
Interbanking obligations	1,649	1,317	1,461	2,164	4,578	4,310	3,895	3,251	4,305	4,201	7,125	7,834	10.0	86.5	82.0	
BCRA lines	27,837	27,491	27,726	17,005	7,686	2,362	1,885	270	216	262	1,526	1,835	20.2	599.1	748.7	
Outstanding bonds	9,096	6,675	7,922	6,548	6,603	6,938	5,984	5,033	3,599	3,432	6,772	6,782	0.1	97.6	88.4	
Foreign lines of credit	25,199	15,196	8,884	4,684	4,240	3,864	4,541	3,369	3,802	3,897	5,568	6,283	12.9	61.3	65.3	
Other	11,955	11,012	18,934	21,671	22,930	28,752	41,357	40,191	48,997	48,236	53,323	58,352	9.4	21.0	19.1	
Subordinated debts	3,712	2,028	1,415	1,381	1,642	1,672	1,763	1,922	2,186	2,165	1,969	1,994	1.3	-7.9	-8.8	
Other liabilities	6,997	6,569	5,685	5,099	6,792	7,695	9,740	13,159	14,577	14,213	16,749	16,904	0.9	18.9	16.0	
Net worth	26,086	21,950	23,879	26,918	33,014	36,819	41,380	48,335	56,187	57,552	66,870	68,057	1.8	18.3	21.1	
Memo																
Netted assets	185,356	184,371	202,447	208,275	244,791	280,336	321,075	364,726	470,143	482,532	582,016	585,559	0.6	21.4	24.5	
Consolidated netted assets	181,253	181,077	198,462	203,286	235,845	271,652	312,002	357,118	460,495	472,934	568,570	571,349	0.5	20.8	24.1	

(¹) Includes margin accounts with the BCRA. (²) Booked value from balance sheet (it includes all the counterparties). (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	2010	2010	2011	Sep-11	Oct-11	Nov-11	12 months
Financial margin	13,991	1,965	6,075	9,475	13,262	15,134	20,462	28,937	35,490	32,306	38,717	2,646	5,460	3,796	41,901
Net interest income	-3,624	-943	1,753	3,069	4,150	5,744	9,573	14,488	17,963	16,064	22,025	2,244	2,345	2,467	23,924
CER and CVS adjustments	8,298	2,315	1,944	3,051	3,012	2,624	2,822	1,196	2,434	2,301	1,609	152	161	134	1,743
Foreign exchange price adjustments	5,977	-890	866	751	944	1,357	2,307	2,588	2,100	1,940	2,838	153	364	205	2,998
Gains on securities	3,639	1,962	1,887	2,371	4,923	5,144	4,398	11,004	13,449	12,409	12,280	265	2,351	788	13,320
Other financial income	-299	-480	-375	233	235	264	1,362	-339	-457	-408	-36	-168	240	202	-85
Service income margin	4,011	3,415	3,904	4,781	6,243	8,248	10,870	13,052	16,089	14,508	19,317	1,916	1,940	1,944	20,897
Loan loss provisions	-10,007	-2,089	-1,511	-1,173	-1,198	-1,894	-2,839	-3,814	-3,267	-2,889	-3,312	-331	-459	-267	-3,690
Operating costs	-9,520	-7,760	-7,998	-9,437	-11,655	-14,634	-18,767	-22,710	-28,756	-25,677	-32,900	-3,156	-3,282	-3,343	-35,979
Tax charges	-691	-473	-584	-737	-1,090	-1,537	-2,318	-3,272	-4,120	-3,682	-5,311	-508	-580	-572	-5,749
Adjust. to the valuation of gov. securities ²	0	-701	-320	-410	-752	-837	-1,757	-262	-214	-201	-315	-25	-27	-24	-328
Amort. payments for court-ordered releases	0	-1,124	-1,686	-1,867	-2,573	-1,922	-994	-703	-635	-600	-256	-24	-28	-25	-292
Other	-3,880	1,738	1,497	1,729	2,664	2,380	1,441	918	2,079	1,315	2,625	395	280	108	3,389
Monetary results	-12,558	69	0	0	0	0	0	0	0	0	0	0	0	0	0
Total results before tax ¹	-18,653	-4,960	-623	2,360	4,901	4,938	6,100	12,145	16,665	15,080	18,565	913	3,305	1,616	20,150
Income tax	-509	-305	-275	-581	-595	-1,032	-1,342	-4,226	-4,904	-4,555	-5,836	-307	-1,230	-471	-6,185
Resultado total³	-19,162	-5,265	-898	1,780	4,306	3,905	4,757	7,920	11,761	10,525	12,729	607	2,075	1,145	13,965
Resultado ajustado ⁴	-	-3,440	1,337	4,057	7,631	6,665	7,508	8,885	12,610	11,326	13,300	656	2,129	1,194	14,584
Annualized indicators - As % of netted assets															
Financial margin	6.5	1.1	3.1	4.6	5.8	5.7	6.7	8.6	8.5	8.5	7.8	5.6	11.3	7.8	7.9
Net interest income	-1.7	-0.5	0.9	1.5	1.8	2.2	3.1	4.3	4.3	4.2	4.5	4.7	4.9	5.1	4.5
CER and CVS adjustments	3.9	1.3	1.0	1.5	1.3	1.0	0.9	0.4	0.6	0.6	0.3	0.3	0.3	0.3	0.3
Foreign exchange price adjustments	2.8	-0.5	0.4	0.4	0.4	0.5	0.8	0.8	0.5	0.5	0.6	0.3	0.8	0.4	0.6
Gains on securities	1.7	1.1	1.0	1.2	2.2	1.9	1.4	3.3	3.2	3.3	2.5	0.6	4.9	1.6	2.5
Other financial income	-0.1	-0.3	-0.2	0.1	0.1	0.1	0.4	-0.1	-0.1	-0.1	0.0	-0.4	0.5	0.4	0.0
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	4.0	4.0	4.0	3.9
Loan loss provisions	-4.7	-1.1	-0.8	-0.6	-0.5	-0.7	-0.9	-1.1	-0.8	-0.8	-0.7	-0.7	-1.0	-0.6	-0.7
Operating costs	-4.4	-4.2	-4.1	-4.6	-5.1	-5.5	-6.1	-6.7	-6.9	-6.8	-6.7	-6.6	-6.8	-6.9	-6.7
Tax charges	-0.3	-0.3	-0.3	-0.4	-0.5	-0.6	-0.8	-1.0	-1.0	-1.0	-1.1	-1.1	-1.2	-1.2	-1.1
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	-0.1	-0.1	-0.1	-0.1	-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	0.0	-0.1	-0.1	-0.1
Other	-1.8	0.9	0.8	0.8	1.2	0.9	0.5	0.3	0.5	0.3	0.5	0.8	0.6	0.2	0.6
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	0.0
Total results before tax ¹	-8.7	-2.7	-0.3	1.1	2.2	1.9	2.0	3.6	4.0	4.0	3.8	1.9	6.9	3.3	3.8
Income tax	-0.2	-0.2	-0.1	-0.3	-0.3	-0.4	-0.4	-1.3	-1.2	-1.2	-1.2	-0.6	-2.6	-1.0	-1.2
ROA³	-8.9	-2.9	-0.5	0.9	1.9	1.5	1.6	2.3	2.8	2.8	2.6	1.3	4.3	2.4	2.6
ROA adjusted ⁴	-8.9	-1.9	0.7	2.0	3.4	2.5	2.5	2.6	3.0	3.0	2.7	1.4	4.4	2.5	2.7
ROE before tax ³	-57.6	-21.4	-2.9	9.3	16.2	13.9	17.2	29.5	34.5	34.4	35.1	18.3	63.8	30.7	35.2
ROE ³	-59.2	-22.7	-4.2	7.0	14.3	11.0	13.4	19.2	24.4	24.0	24.1	12.1	40.0	21.7	24.4

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

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

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

Source: BCRA

Chart 4 | Portfolio Quality

As percentage	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Dec 08	Dec 09	Nov 10	Dec 10	Oct 11	Nov 11
Non-performing loans (overall)	18.1	17.7	10.7	5.2	3.4	2.7	2.7	3.0	2.0	1.8	1.3	1.2
Provisions / Non-performing loans	72	77	98	115	108	115	117	115	142	148	177	178
(Total non-performing - Provisions) / Overall financing	5.0	4.1	0.2	-0.8	-0.3	-0.4	-0.5	-0.5	-0.8	-0.9	-1.0	-0.9
(Total non-performing - Provisions) / Net worth	18.2	13.3	0.8	-2.6	-0.9	-1.6	-1.8	-1.7	-3.3	-3.6	-4.7	-4.7
Non-performing loans to the non-financial private sector	38.6	33.5	18.6	7.6	4.5	3.2	3.1	3.5	2.3	2.1	1.4	1.4
Provisions / Non-performing loans	74	79	97	115	108	114	116	112	137	143	171	172
(Total non-performing - Provisions) / Overall financing	10.1	7.0	0.6	-1.1	-0.3	-0.5	-0.5	-0.4	-0.8	-0.9	-1.0	-1.0
(Total non-performing - Provisions) / Net worth	16.6	11.5	1.1	-2.5	-0.8	-1.5	-1.7	-1.3	-2.9	-3.2	-4.4	-4.3

Source: BCRA

n.d.: no disponible

Statistics annex | Private banks

Chart 5 | Financial Soundness Indicators (see Metodology)

As %	2002	2003	2004	2005	2006	2007	2008	2009	Nov 2010	2010	Oct 2011	Nov 2011
1.- Liquidity	24.8	27.6	29.2	21.5	23.7	25.7	34.1	29.8	27.6	26.0	26.4	26.7
2.- Credit to the public sector	50.0	47.7	41.6	28.5	16.3	9.5	6.3	6.1	4.4	4.4	3.1	3.1
3.- Credit to the private sector	22.4	19.9	22.5	31.1	37.9	46.6	44.0	43.3	48.7	50.3	55.2	54.9
4.- Private non-performing loans	37.4	30.4	15.3	6.3	3.6	2.5	2.8	3.3	2.2	2.0	1.4	1.4
5.- Net worth exposure to the private sector	19.0	12.9	3.6	-0.4	-1.4	-2.0	-1.8	-1.6	-2.9	-3.4	-4.7	-4.5
6.- ROA	-11.3	-2.5	-1.0	0.5	2.2	1.6	1.9	3.0	3.1	3.2	2.7	2.7
7.- ROE	-79.0	-19.1	-8.1	4.1	15.3	10.9	15.2	22.9	24.1	24.5	23.6	23.7
8.- Efficiency	168	93	115	136	158	152	166	195	177	176	175	175
9.- Capital compliance	-	14.0	15.1	17.8	18.6	19.2	18.3	22.6	20.5	20.4	17.1	16.8
10.- Capital compliance Tier I	-	-	14.7	16.1	15.3	16.7	14.9	17.2	15.6	15.2	13.2	12.8
11.- Excess capital compliance	-	88	157	155	116	87	86	121	102	100	70	69

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	Dec 09	Nov 10	Dec 10	Oct 11	Nov 11	Change (in %)		
													Last month	2011	Last 12 months
Assets	118,906	116,633	128,065	129,680	152,414	175,509	208,888	229,549	274,798	280,025	349,931	352,949	0.9	26.0	28.4
Cash disposal ¹	11,044	14,500	15,893	14,074	22,226	29,418	37,044	43,562	48,617	49,730	59,491	55,109	-7.4	10.8	13.4
Public bonds	19,751	22,260	24,817	29,966	27,663	24,444	29,552	47,949	48,711	48,903	41,894	46,054	9.9	-5.8	-5.5
Lebac/Nobac	-	-	8,359	15,227	15,952	17,684	23,457	31,575	34,392	34,422	28,916	31,559	9.1	-8.3	-8.2
Portfolio	-	-	5,611	12,899	14,220	15,639	12,858	27,413	29,884	31,148	22,554	20,764	-7.9	-33.3	-30.5
Repo ²	-	-	2,749	2,328	1,732	2,045	10,598	4,161	4,508	3,274	6,362	10,795	69.7	229.7	139.5
Private bonds	273	172	333	307	683	310	127	233	188	184	159	171	7.6	-7.1	-9.0
Loans	51,774	47,017	50,741	56,565	69,294	88,898	98,529	101,722	136,199	143,202	196,523	197,547	0.5	37.9	45.0
Public sector	25,056	23,571	21,420	15,954	10,036	6,413	6,249	1,694	1,605	1,625	1,318	1,315	-0.3	-19.1	-18.1
Private sector	26,074	22,816	28,213	39,031	55,632	78,587	88,426	96,790	130,506	137,308	187,936	188,552	0.3	37.3	44.5
Financial sector	644	630	1,107	1,580	3,626	3,898	3,854	3,238	4,087	4,270	7,269	7,680	5.7	79.9	87.9
Provisions over loans	-7,463	-5,225	-3,717	-2,482	-2,227	-2,365	-2,871	-3,653	-3,848	-3,926	-4,505	-4,453	-1.2	13.4	15.7
Other netted credits due to financial intermediation	27,212	22,148	25,753	16,873	18,387	17,084	25,265	21,258	23,822	20,241	29,527	31,366	6.2	55.0	31.7
Corporate bonds and subordinated debt	1,514	1,394	829	675	618	430	699	734	845	757	881	922	4.7	21.8	9.1
Unquoted trusts	6,205	3,571	2,362	2,444	2,982	3,456	3,869	4,198	4,337	4,500	4,854	5,214	7.4	15.9	20.2
Compensation receivable	15,971	13,812	14,657	5,575	760	377	357	16	0	0	0	0	-	-	-
Other	3,523	3,370	7,905	8,179	14,027	12,822	20,339	16,311	18,640	14,984	23,792	25,229	6.0	68.4	35.4
Leasing	553	387	592	1,356	2,126	3,149	3,451	2,569	3,357	3,519	5,203	5,340	2.6	51.7	59.1
Shares in other companies	3,123	2,791	1,892	2,416	4,042	3,762	4,538	4,067	4,768	4,934	5,730	5,842	2.0	18.4	22.5
Fixed assets and miscellaneous	5,198	4,902	4,678	4,575	4,677	4,685	4,926	5,096	5,616	5,808	6,413	6,485	1.1	11.7	15.5
Foreign branches	-109	-136	-53	-148	-139	-154	-178	-202	-214	-215	-235	-238	1.3	10.8	10.9
Other assets	7,549	7,816	7,137	6,178	5,682	6,277	8,505	6,946	7,584	7,646	9,731	9,726	0.0	27.2	28.2
Liabilities	103,079	101,732	113,285	112,600	131,476	152,153	182,596	198,438	239,471	243,766	309,274	311,461	0.7	27.8	30.1
Deposits	44,445	52,625	62,685	75,668	94,095	116,719	135,711	154,387	190,960	198,662	245,887	242,903	-1.2	22.3	27.2
Public sector ³	1,636	3,077	6,039	6,946	7,029	7,564	19,600	17,757	25,233	23,598	28,906	29,843	3.2	26.5	18.3
Private sector ³	38,289	47,097	55,384	67,859	85,714	107,671	114,176	134,426	163,987	173,203	214,498	210,421	-1.9	21.5	28.3
Current account	8,905	11,588	13,966	17,946	20,604	27,132	30,188	35,127	43,488	46,297	54,173	55,799	3.0	20.5	28.3
Savings account	6,309	10,547	14,842	18,362	23,165	30,169	32,778	40,999	47,817	53,085	66,657	60,001	-10.0	13.0	25.5
Time deposit	11,083	18,710	22,729	27,736	38,043	45,770	46,990	54,058	66,139	67,568	84,918	85,738	1.0	26.9	29.6
CEDRO	9,016	2,409	798	3	1	0	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	34,235	37,982	34,427	50,667	55,838	10.2	62.2	47.0
Interbanking obligations	836	726	1,070	1,488	3,383	1,979	1,160	1,668	2,046	1,903	2,918	3,447	18.2	81.1	68.5
BCRA lines	16,624	17,030	17,768	10,088	3,689	675	649	41	39	57	405	433	6.8	661.6	1,007.6
Outstanding bonds	9,073	6,674	7,922	6,548	6,413	6,686	5,672	4,626	2,952	2,802	5,389	5,393	0.1	92.4	82.7
Foreign lines of credit	15,434	9,998	5,444	2,696	2,249	1,833	2,261	1,262	1,705	1,716	3,346	4,036	20.7	135.2	136.7
Other	7,374	7,939	12,878	11,530	16,015	18,150	29,555	26,638	31,240	27,949	38,610	42,529	10.2	52.2	36.1
Subordinated debts	3,622	1,850	1,304	1,319	1,642	1,668	1,759	1,918	2,168	2,148	1,951	1,977	1.3	-8.0	-8.8
Other liabilities	5,671	4,890	4,213	3,264	3,989	4,443	5,828	7,897	8,360	8,528	10,768	10,742	-0.2	26.0	28.5
Net worth	15,827	14,900	14,780	17,080	20,938	23,356	26,292	31,111	35,326	36,259	40,657	41,489	2.0	14.4	17.4
Memo															
Netted assets	117,928	115,091	121,889	123,271	143,807	166,231	192,074	216,100	259,250	267,364	329,768	331,121	0.4	23.8	27.7

(¹) Includes margin accounts with the BCRA. (²) Booked value from balance sheet (it includes all the counterparties). (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		Mensual			Last
	2002 ¹	2003	2004	2005	2006	2007	2008	2009	2010	2010	2011	Sep-11	Oct-11	Nov-11	12 months	
Financial margin	10,628	2,575	3,415	5,253	7,778	8,960	12,964	19,724	21,837	19,643	24,072	1,540	3,368	2,493	26,266	
Net interest income	-304	107	1,214	2,069	2,826	4,191	7,727	10,572	12,842	11,407	16,461	1,671	1,769	1,785	17,896	
CER and CVS adjustments	1,476	1,082	900	1,215	858	662	651	185	244	310	266	25	26	22	200	
Foreign exchange price adjustments	6,189	-312	666	576	740	990	1,620	1,646	1,493	1,353	1,924	168	237	116	2,064	
Gains on securities	3,464	1,892	959	1,259	3,154	2,888	1,637	7,343	7,464	6,751	5,250	-175	1,087	362	5,963	
Other financial income	-197	-195	-322	134	199	229	1,329	-22	-205	-178	170	-149	250	209	143	
Service income margin	2,782	2,341	2,774	3,350	4,459	5,881	7,632	9,198	11,345	10,224	13,736	1,388	1,401	1,376	14,857	
Loan loss provisions	-6,923	-1,461	-1,036	-714	-737	-1,174	-1,863	-2,751	-2,253	-1,952	-2,327	-229	-322	-179	-2,629	
Operating costs	-6,726	-5,310	-5,382	-6,303	-7,741	-9,735	-12,401	-14,807	-18,819	-16,851	-21,579	-2,077	-2,145	-2,167	-23,547	
Tax charges	-512	-366	-393	-509	-769	-1,105	-1,715	-2,380	-2,927	-2,619	-3,836	-382	-414	-419	-4,144	
Adjust. to the valuation of gov. securities ²	0	-665	-51	-201	-170	-100	-267	0	47	40	-40	0	0	0	-33	
Amort. payments for court-ordered releases	0	-791	-1,147	-1,168	-1,182	-1,466	-688	-367	-441	-423	-117	-11	-15	-10	-135	
Other	-4,164	1,178	846	1,156	1,641	1,576	916	398	1,382	1,166	1,510	269	61	101	1,727	
Monetary results	-10,531	-20	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total results before tax ³	-15,447	-2,518	-973	865	3,279	2,836	4,579	9,014	10,171	9,228	11,419	499	1,934	1,195	12,363	
Income tax	-337	-295	-202	-217	-365	-380	-1,168	-3,001	-2,733	-2,572	-3,888	-253	-666	-416	-4,049	
Resultado total³	-15,784	-2,813	-1,176	648	2,915	2,457	3,412	6,014	7,438	6,656	7,532	246	1,268	778	8,314	
Resultado ajustado ⁴	-	-1,357	252	2,016	4,267	4,023	4,367	6,381	7,832	7,039	7,688	257	1,283	789	8,482	
<i>Annualized indicators - As % of netted assets</i>																
Financial margin	7.6	2.3	2.9	4.3	5.9	5.8	7.3	9.8	9.3	9.2	8.7	5.7	12.4	9.1	8.8	
Net interest income	-0.2	0.1	1.0	1.7	2.1	2.7	4.4	5.3	5.5	5.4	6.0	6.2	6.5	6.5	6.0	
CER and CVS adjustments	1.1	0.9	0.8	1.0	0.6	0.4	0.4	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	
Foreign exchange price adjustments	4.4	-0.3	0.6	0.5	0.6	0.6	0.9	0.8	0.6	0.6	0.7	0.6	0.9	0.4	0.7	
Gains on securities	2.5	1.7	0.8	1.0	2.4	1.9	0.9	3.7	3.2	3.2	1.9	-0.7	4.0	1.3	2.0	
Other financial income	-0.1	-0.2	-0.3	0.1	0.2	0.1	0.8	0.0	-0.1	-0.1	0.1	-0.6	0.9	0.8	0.0	
Service income margin	2.0	2.0	2.4	2.7	3.4	3.8	4.3	4.6	4.8	4.8	5.0	5.2	5.2	5.0	5.0	
Loan loss provisions	-5.0	-1.3	-0.9	-0.6	-0.6	-0.8	-1.1	-1.4	-1.0	-0.9	-0.8	-0.9	-1.2	-0.7	-0.9	
Operating costs	-4.8	-4.6	-4.6	-5.1	-5.9	-6.3	-7.0	-7.4	-8.0	-7.9	-7.8	-7.8	-7.9	-7.9	-7.9	
Tax charges	-0.4	-0.3	-0.3	-0.4	-0.6	-0.7	-1.0	-1.2	-1.2	-1.2	-1.4	-1.4	-1.5	-1.5	-1.4	
Adjust. to the valuation of gov. securities ²	0.0	-0.6	0.0	-0.2	-0.1	-0.1	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	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	0.0	0.0	-0.1	0.0	0.0	
Other	-3.0	1.0	0.7	0.9	1.2	1.0	0.5	0.2	0.6	0.5	0.5	1.0	0.2	0.4	0.6	
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	0.0	
Total results before tax ³	-11.1	-2.2	-0.8	0.7	2.5	1.8	2.6	4.5	4.3	4.3	4.1	1.9	7.1	4.4	4.2	
Income tax	-0.2	-0.3	-0.2	-0.2	-0.3	-0.2	-0.7	-1.5	-1.2	-1.2	-1.4	-0.9	-2.4	-1.5	-1.4	
ROA³	-11.3	-2.5	-1.0	0.5	2.2	1.6	1.9	3.0	3.2	3.1	2.7	0.9	4.7	2.9	2.8	
ROA adjusted ⁴	-11.3	-1.2	0.2	1.6	3.2	2.6	2.5	3.2	3.3	3.3	2.8	1.0	4.7	2.9	2.9	
ROE before tax ³	-77.3	-17.1	-6.7	5.5	17.2	12.6	20.4	34.4	33.5	33.5	35.9	16.7	62.5	37.8	35.8	
ROE ³	-79.0	-19.1	-8.1	4.1	15.3	10.9	15.2	22.9	24.5	24.1	23.7	8.3	41.0	24.6	24.0	

(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	Dec 09	Nov 10	Dec 10	Oct 11	Nov 11
Non-performing loans (overall)	19.8	15.7	8.9	4.4	2.9	2.2	2.5	3.1	2.1	1.9	1.3	1.3
Provisions / Non-performing loans	71	73	89	103	114	123	119	116	135	144	172	171
(Total non-performing - Provisions) / Overall financing	5.7	4.2	1.0	-0.1	-0.4	-0.5	-0.5	-0.5	-0.7	-0.8	-0.9	-0.9
(Total non-performing - Provisions) / Net worth	20.0	14.4	3.4	-0.4	-1.4	-2.1	-1.9	-1.7	-3.0	-3.4	-4.8	-4.6
Non-performing loans to the non-financial private sector	37.4	30.4	15.3	6.3	3.6	2.5	2.8	3.3	2.2	2.0	1.4	1.4
Provisions / Non-performing loans	72	75	88	102	114	123	118	115	135	143	170	170
(Total non-performing - Provisions) / Overall financing	10.3	7.6	1.8	-0.1	-0.5	-0.6	-0.5	-0.5	-0.8	-0.9	-1.0	-1.0
(Total non-performing - Provisions) / Net worth	19.0	12.9	3.6	-0.4	-1.4	-2.0	-1.8	-1.6	-2.9	-3.4	-4.7	-4.5

Source: BCRA