

Report on Banks

November 2012



BANCO CENTRAL
DE LA REPÚBLICA ARGENTINA

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Note | Information for November 2012 available by December 27th, 2012, 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 subject to changes. Except otherwise provided, end-of the month data is included

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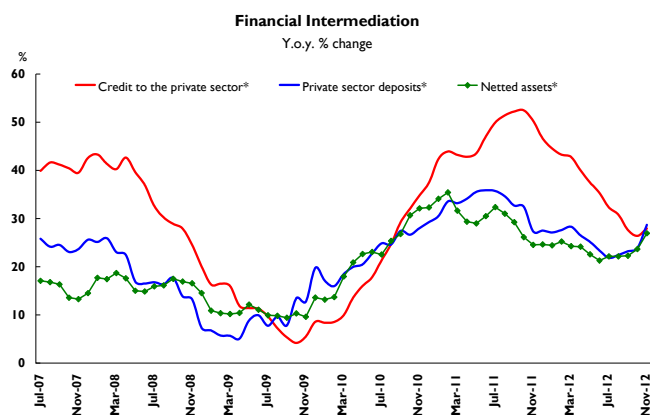
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Summary

- **In November, lending granted to the private sector exhibited the greatest monthly rise of 2012. This evolution took place in a context of sharp expansion evidenced by deposits in pesos from the private and public sectors, which allowed raising bank liquidity levels.**
- **The balance of lending to the private sector** (in domestic and foreign currency) **climbed 3.1% over the month, up 27.9% in year-on-year (y.o.y.) terms.** Loans in pesos led to a rise in credit to the private sector (3.5% over the month and 38.6% y.o.y.), accounting for 92% of the total balance. **Financing granted to the private sector over the last 3 months was boosted by loans given to companies, a segment that grew 37.1% in annualized terms (a.)** (3.3% rise in November); meanwhile, loans granted to households rose 29.9%a. (2.1% over the month).
- **The evolution evidenced by loans granted to companies has reflected, amongst other factors, the effect derived from several measures implemented by the BCRA aimed at promoting productive investment.** The “**Credit Line for Productive Investment**” should be underscored over the period under study. which exceeded the target set for loans to be issued in 2012 (\$14.9 billion). The **BCRA renewed this tool**, effective as from January 2013, subject to the same general conditions and considering as benchmark a 5% of the balance of deposits in pesos from the private sector as of November 2012. Thus, these new credit lines amount to the tune of \$17 billion.
- **The non-performance ratio for loans to the private sector remained low and stable at 1.8% over the month.** Coverage of the private sector non-performing portfolio with provisions stood at 140% in November.
- **In November, total deposits stocks** (in domestic and foreign currency) **within the financial system climbed 3.4% (28.3% y.o.y.), with deposits from the public sector expanding 6.4% (28% y.o.y.) and those from the private sector increasing 2.1% (28.7% y.o.y.).** Private sector deposits were boosted by both sight accounts in pesos (which grew 2.8%) and time deposits (which increased 1.8%). **The y.o.y. hike exhibited by deposits was led by private sector time deposits in pesos which expanded 50.7% y.o.y.**
- **The financial system liquidity indicator** (in domestic and foreign currency) **stood at 27.3% of deposits, rising 1.4 p.p. in November.** The liquidity indicator that includes LEBAC and NOBAC holdings showed a 0.6 p.p. increase in deposits over the month and reached 39.8%.
- **The use of electronic means of payments, aimed at channeling transactions conducted by companies and households, intensified over the last year on account of the measures implemented by the BCRA.** The quantity of instant transfers rose 2.7% in November (2.6% in terms of value), going up 70% y.o.y. (97% y.o.y. in terms of value). In turn, the quantity and value of direct debits to pay services improved 11.4% y.o.y. and 47% y.o.y., respectively.
- **Financial system consolidated net worth increased 2.2% (30.9% y.o.y.)** over the month, primarily led by profits accrued. **The capital compliance ratio for the financial system remained stable** to the tune of 16.9% of credit risk-weighted assets (RWA). On the other hand, **the financial system capital position** (defined as excess in capital compliance) **stood at 61.5% of the total regulatory requirement.**
- The group of financial institutions accrued profits for 2.8%a. of assets over the month, up 0.6 p.p. against October, primarily due to greater profits on securities. **In year-to-date terms (y.t.d.), up to November the financial system return on assets (ROA) increased 0.3 p.p. against the figure recorded over the same 11 months of last year, reaching 2.9 %a.**

I. Activity

Chart 1

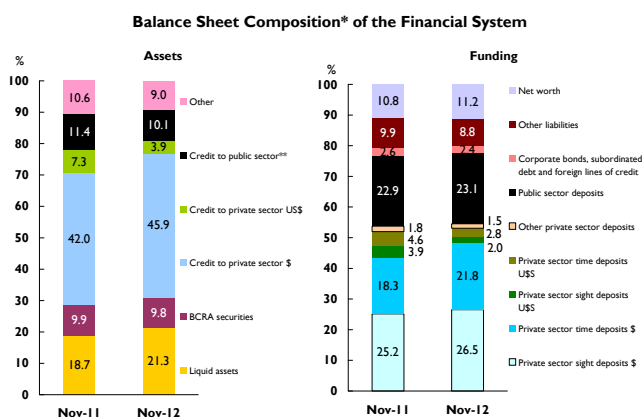


* Financial system. Include national and foreign currency.
Source: BCRA

Banking lending granted to the private sector raised its momentum in November. The balance of credit to companies and households¹ expanded 3.1%, up 27.9% (y.o.y.) (see Chart 1). In turn, netted and consolidated assets of the group of financial institutions climbed 3.3% monthly (27.3% y.o.y.). **Private sector deposits¹ also rose over the period**, up 2.1% against October (28.7% y.o.y.).

In November, the main funding source² for banks was the rise observed in deposits (\$10.3 billion from the public sector and \$8.2 billion from the private sector). **The hike observed in lending to the private sector** (\$11.7 billion) **was the the most relevant use of funds at an aggregate level in November**, followed by the net rise of assets with greater liquidity (\$10.7 billion, a flow that includes a fall in LEBAC and NOBAC holdings by \$2 billion).

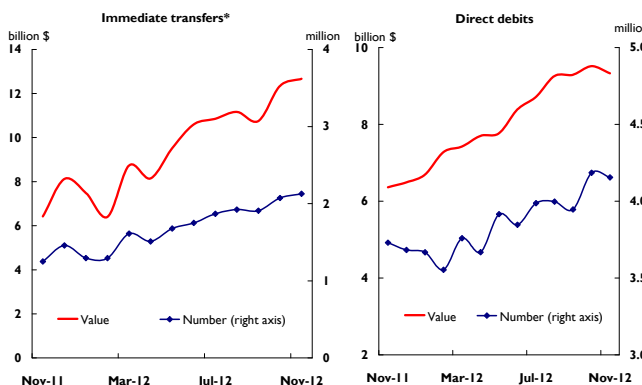
Chart 2



*Netted and consolidated. **Includes securities and loans.
Source: BCRA

Lending in pesos to the private sector gained share in financial system aggregate asset over the last 12 months and accounted for 45.9% of the total in November, almost 4 p.p. more in a y.o.y comparison (see Chart 2). The relative relevance of liquid assets³ also increased over the period. On the other hand, credit to the private sector in foreign currency, lending to the public sector and LEBAC and NOBAC holdings reduced their weighing in the total portfolio of bank assets. Regarding funding —liabilities and net worth— **private sector time deposits in pesos accounted for 21.8% of the total, up 3.5 p.p. against November 2011**. Private sector sight deposits in pesos also raised their share in the total funding of financial institutions in the last year, public sector total deposits posting the same performance.

Chart 3
Means of Payment



*Immediate transfers through Link and Banelco
Source: BCRA

Within a framework of financial intermediation growth, a boost in electronic means of payment aimed at channeling traditional transactions conducted by companies and households should be highlighted. The quantity of instant transfers⁴ increased 2.7% in November (2.6% in terms of value), up 70% y.o.y. (97% y.o.y. in terms of value) (see Chart 3). Thus, the annualized monthly value of this set of transfers accounted for 6.6% of GDP, up 2.7 p.p. against November 2011. Meanwhile, although the quantity and value of **direct debits** to make payments of services fell

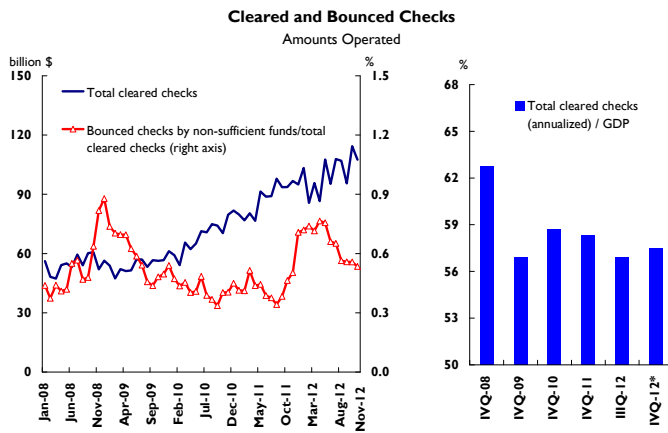
¹ Based on balance sheet stocks corresponding to items in domestic and foreign currency.

² Estimated on the basis of changes in balance sheet stocks.

³ Defined as the addition of banks' minimum cash compliance balance with the BCRA and the net creditor balance for repo transactions of institutions against this Bank.

⁴ Communication "A" 5194 released on March 18th, 2011.

Chart 4

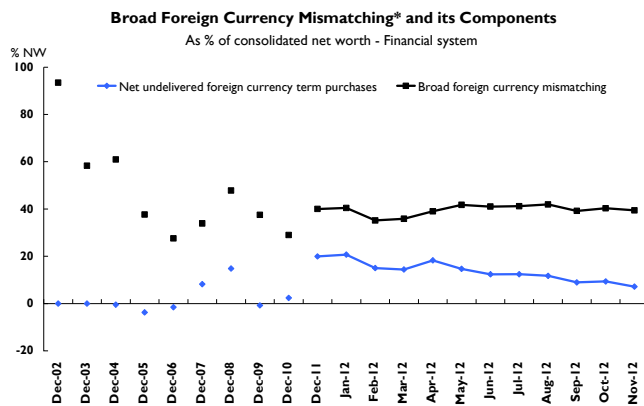


* at November (quarterly)
Source: BCRA

slightly over the month, they improved 11.4% y.o.y. and 47% y.o.y., respectively. Hence, the annualized monthly value of direct debits reached 4.9% of GDP, 1 p.p. higher than 12 months ago.

The value and quantity of checks cleared in November decreased against October. In y.o.y. terms, the value of instruments cleared increased 11%, whilst the quantity went down 6.4%. **The ratio of rejected checks on account of insufficient funds continued dropping in terms of the total value cleared in November** (see Chart 4), standing below the levels observed at the end of 2011 and the start of 2012.

Chart 5

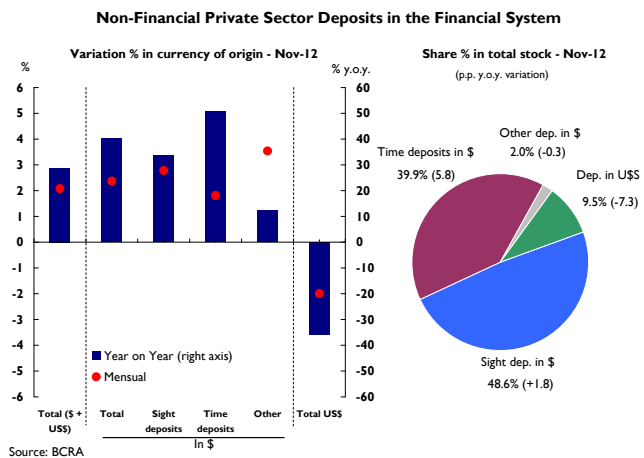


* Assets - Liabilities + Net undelivered foreign currency term purchases (memorandum account)
Source: BCRA

On the other hand, **the broad foreign currency mismatching⁵ for the group of banks decreased over the month down to 39.4% of net worth** (see Chart 5). The drop registered over the period resulted primarily from a decline in net term currency purchases by private banks. **Apart from preserving a moderate currency mismatching, the financial system has posted low dollarization levels of assets and liabilities, well below figures registered in previous periods.** Particularly, total assets in foreign currency accounted for only 12.2% of total assets from the financial system in November (down 3.8 p.p. y.o.y. and 57 p.p. below the average recorded between 1999 and 2001), whilst total liabilities in dollars accounted for 9.9% of total liabilities over the period (declining 5.6 p.p. y.o.y. and 59 p.p. lower than the average recorded from 1999 to 2001).

II. Deposits and liquidity

Chart 6

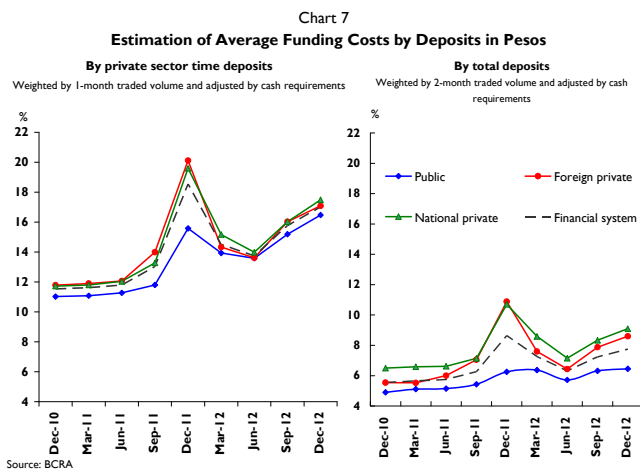


Source: BCRA

Total deposits (in domestic and foreign currency) in the financial system increased 3.4% in November, driven by deposits by the public sector (6.4%) and private sector (2.1%). **Private sector deposits in pesos rose 2.4%, due to sight deposits (2.8%) and, to a lesser extent, time deposits (1.8%)** (see Chart 6). Meanwhile, private sector deposits in dollars (currency of origin) shrank 2% in the month.

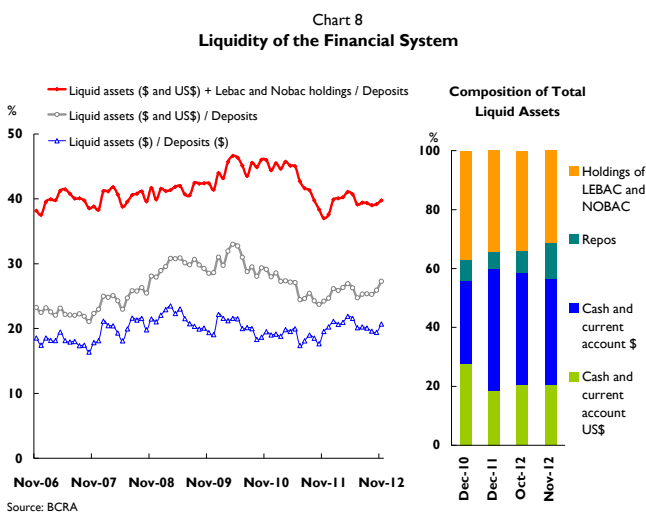
Total deposit stocks rose 28.3% y.o.y., private and public sector accounts evolving similarly. This y.o.y. observed hike in deposits is primarily explained by private sector deposits in pesos, which grew 40.1% year-to-date. **Time deposits were the most dynamic (50.7% y.o.y.) in this segment, gaining share in private sector total deposits in the last 12 months (5.8 p.p.).** In

⁵ It includes the difference between assets and liabilities, as well as forward purchases and sales of foreign currency recorded in memorandum accounts (undelivered items).



contrast, private sector accounts in dollars dropped 35.9% since November 2011.

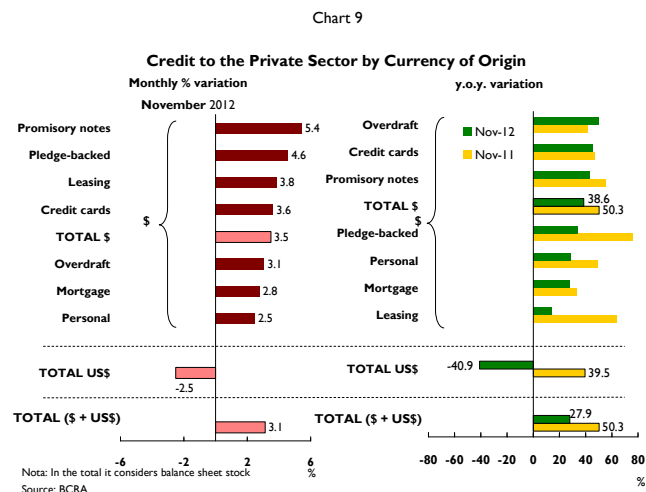
Interest rates on time deposits in pesos increased over the last months of the year while these deposits gained weighing amongst total deposits. Consequently, **the bank funding cost by deposits in pesos rose in the fourth quarter of 2012**, primarily in private institutions (national and foreign). Nevertheless, **by the end of 2012, this indicator continued evidencing a lower value than that observed at the end of the previous year** (see Chart 7).



Financial system liquidity (liquid assets in pesos and in dollars in terms of deposits) reached 27.3%, after growing 1.4 p.p. in November (see Chart 8). Meanwhile, the broad liquidity ratio (which includes LEBAC and NOBAC holdings) exhibited a more moderate monthly increase (0.6 p.p.), reaching 39.8%. In terms of the structure of liquid assets, a rise in the share of repo transactions was observed both on a monthly and y.o.y. comparison basis.

III. Financing

Lending to the private sector rose 3.1%⁶ in November thereby evidencing the greatest monthly hike of 2012. This performance was driven by loans in pesos, posting a 3.5% expansion over the period. On another note, loans in foreign currency continued going down (-2.5%)⁷ (see Chart 9). Particularly, promissory notes, pledge-backed notes and leasing were the most dynamic lines in pesos. **In y.o.y terms, total financing to companies and households expanded 27.9% and loans in pesos climbed 38.6%.** The y.o.y. growth observed in financing in pesos has been boosting lending in all groups of financial institutions, particularly in public banks. Thus, 92% of the total stock of bank loans to the private sector was granted in pesos as of November 2012 (up 7 p.p. y.o.y.) (see Chart 10).

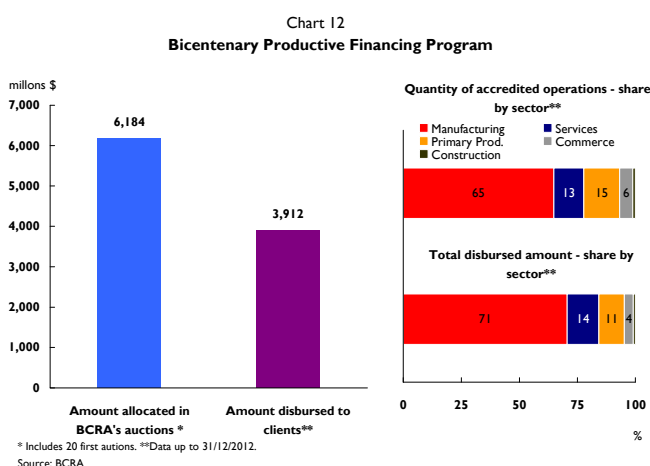
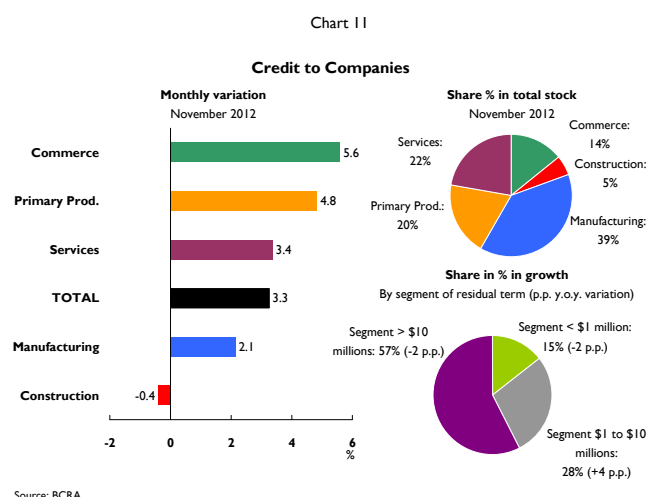
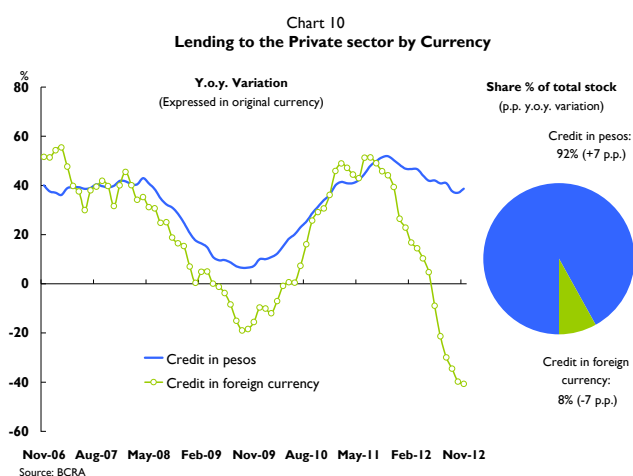


The monthly rise exhibited by loans to the private sector channeled to companies⁸ climbed 3.3% in November (see Chart 11). Almost all economic sectors raised their loans over the period. Manufacturing continued holding the greatest share in the balance of lending to companies, with 39% of the total. **Loans**

⁶ If balance sheet stocks are adjusted by the assets securitized during November (using bank loans granted as underlying assets), the monthly change in private sector lending would amount to 3.3%. During this period, five financial trusts were issued for a total of \$566 million, four of those trusts corresponded to securitizations of personal loans (\$506 million) and the remaining one of the trusts corresponded to credit card coupon securitizations (\$60 million).

⁷ Considering monthly changes in currency of origin.

⁸ It includes total balances (in domestic and foreign currency). Loans to companies include those granted to legal persons as well as commercial loans granted to natural persons.



granted to companies expanded 24.6% over the last 12 months. Particularly, loans to companies with higher residual stock (surpassing \$10 million) accounted for 57% of the y.o.y. growth rate, although loans between \$1 million and \$10 million were the most dynamic. **Public banks boosted the y.o.y. increase in loans granted to companies, representing almost 45% thereof,** followed by national private banks (31%).

The growth registered by financing to companies has reflected the effect of the “**Credit Line for Productive Investment**”⁹ and of the “**Bicentenary Productive Financing Program**”¹⁰. By means of the former, **the target set for 2012 with regards to loans to be granted (\$14.9 billion) was far surpassed.** Meanwhile, **the BCRA renewed this tool**¹¹ in order to continue deepening lending for productive investment, under the same general conditions, **considering, as benchmark, 5% of total deposit stocks in pesos from the private sector as of November 2012.** Hence, **the new credit line amounted to about \$17 billion.** Institutions shall grant loans before June 30th, 2013, and such term may be extended up to December 2013 in cases of more than one disbursement.

Meanwhile, the BCRA has allocated a total of \$6.2 billion to 14 institutions through 20 auctions under the “**Bicentenary Productive Financing Program**”. Banks participating in the program granted companies over 63% of the amount allocated (\$3.9 billion) by the end of 2012 (see Chart 12). Since the implementation of the program, 265 projects from different economic sectors have been approved; additionally, the manufacturing and primary production sectors recorded the greatest relative share in total transactions credited (65% and 15%, respectively). In terms of the amount effectively granted, loans to the manufacturing sector and service companies held the greatest share in the total balance.

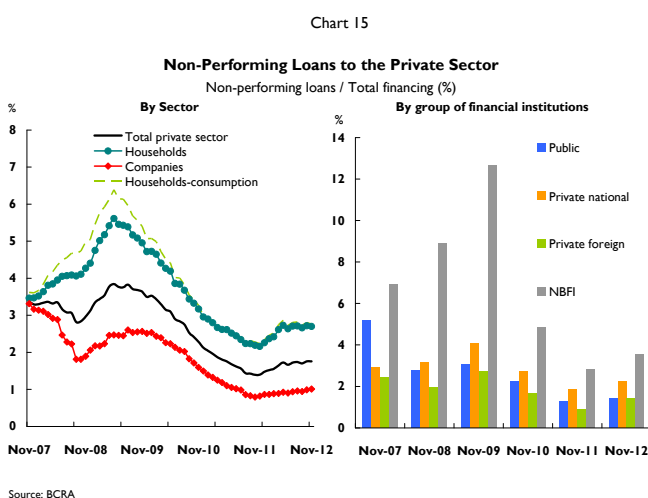
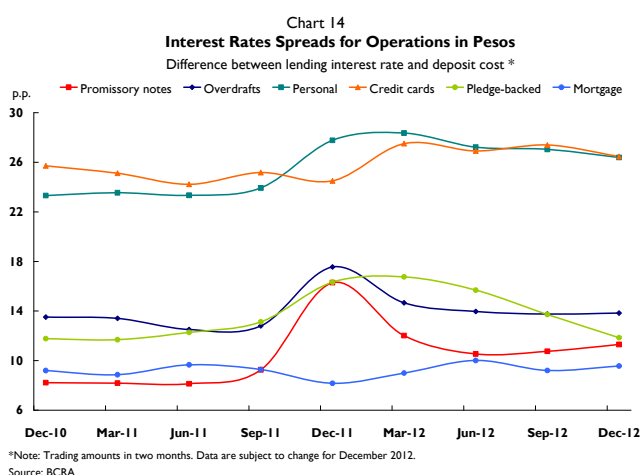
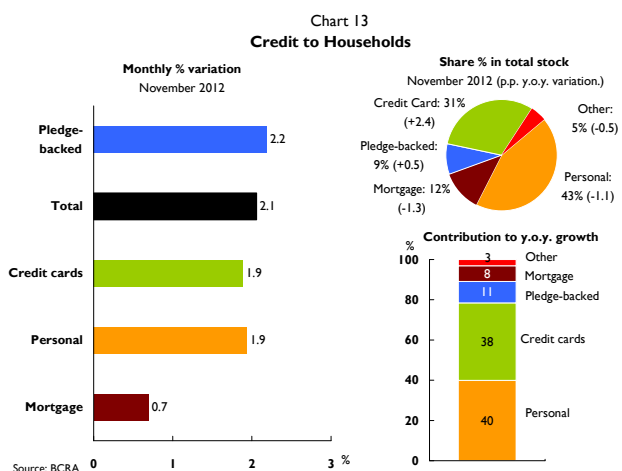
Loans to households¹² **expanded 2.1% in November and grew 31.8% y.o.y.** All credit lines increased over the period and pledge-backed lines were the most dynamic. In y.o.y. terms, loans for consumption purposes were the ones that contributed the most to the rise in financing granted to households, in a context where personal loans lost share in the last 12 months in the total balance financed to this sector (-1.1 p.p. y.o.y.), down to 43% of the total (see Chart 13). Meanwhile, credit cards and, to a lesser extent, pledge-backed loans, increased their share of the total.

⁹ Communication “A” 5319 and “A” 5338.

¹⁰ Communication “A” 5303.

¹¹ Communication “A” 5380.

¹² Including total balances (in domestic and foreign currency). Loans granted to natural persons are considered within financing to households unless they server commercial purposes.



Lending interest rates in pesos grew slightly in the last quarter of the year for the financial system aggregate, boosted by private bank lending rates. Nevertheless, **lending interest rates recorded by the end of 2012 were lower than those registered at the end of last year in almost all credit lines.** Particularly, lending rates on commercial loans (overdrafts and promissory notes) and on pledge-backed loans evidenced the most dramatic relative y.o.y. drops. **The decline observed in the average lending rate in the last 12 months was greater compared to the fall evidenced in the funding cost, leading to a spread reduction in pesos in all groups of financial institutions,** especially in national private and public banks. Interest rate spreads amongst credit lines performed heterogeneously: the ones corresponding to commercial, pledge-backed and personal loans decreased, whilst spreads recorded in credit cards and mortgage loans rose slightly (see Chart 14).

The hike in lending to the private sector developed within a framework where the financial sector gross exposure to the public sector¹³ decreased, standing at 9.5% of total assets in November, falling 1.2 p.p. in the last 12 months. On the other hand, if public sector deposits are considered, this sector continued exhibiting a net creditor position 12.2% of total assets in relation to the financial system.

The non-performing ratio for loans granted to households and companies remained low and stable, at 1.8% in November. This indicator increased slightly in the last 12 months in all financial institution groups, even though it remained below the value recorded in previous years (see Chart 15). This slight rise was particularly evidenced in credit lines aimed at households. In this context, **coverage of the private sector non-performing portfolio with provisions stood at about 140% over the month.**

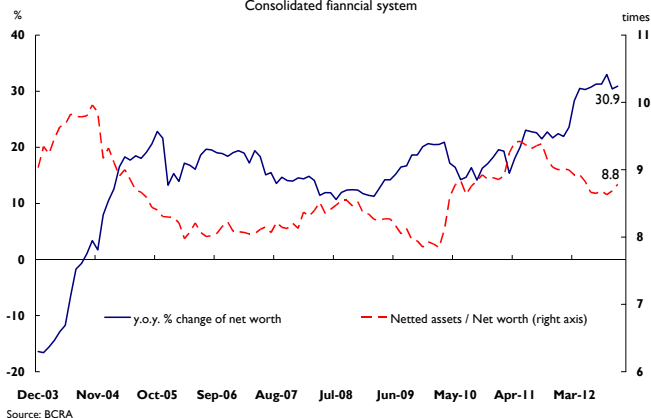
IV. Solvency

Financial system consolidated net worth rose 2.2% in November (30.9% y.o.y.) (see Chart 16), driven by profits accrued during the month and, to a lesser extent, new capital contributions¹⁴. All groups of financial institutions expanded their net worth over the period. The relative growth observed in banking assets exceeded the increase of net worth in November, leading to a

¹³ (Position in government securities (without LEBAC and NOBAC) + Loans to the public sector + Compensations receivable + Bonds and Participation Certificates in financial trusts with securities from the public sector as underlying items + Other credits to the public sector) / Total Assets.

¹⁴ Total amounting to \$35 million.

Chart 16
Net Worth and Leverage
Consolidated financial system

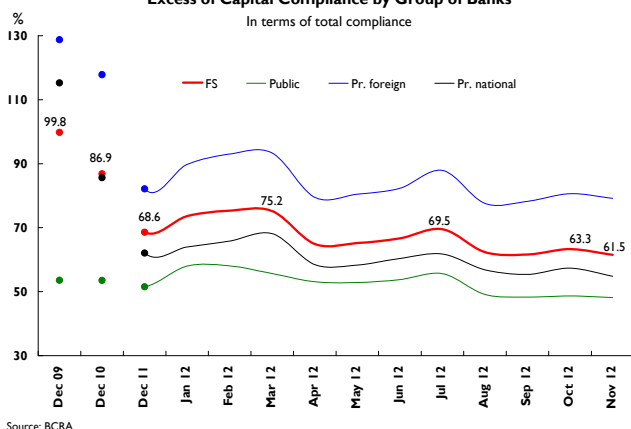


slight monthly rise in the sector's leverage up to 8.8 times, even though this level remained below the level recorded a year ago.

The capital compliance ratio of the group of banks remained stable in November, at about 16.9% of credit risk-weighted assets (RWA). **The capital position (defined as excess in capital compliance) of the financial system stood at 61.5% of the total legal requirement** (see Chart 17), almost 2 p.p. lower than last month. This drop was basically explained by the regulatory change in the operational risk capital requirement, under the compliance schedule set ¹⁵.

In November, the group of financial institutions recorded profits totaling 2.8%a. of assets (see Chart 18), up 0.6 p.p. against the month before, a performance observed in all bank groups. **The financial system ROA stood at 2.9%a. in 2012, up 0.3 p.p. y.o.y..** This rise was observed in all bank groups, especially in foreign private banks.

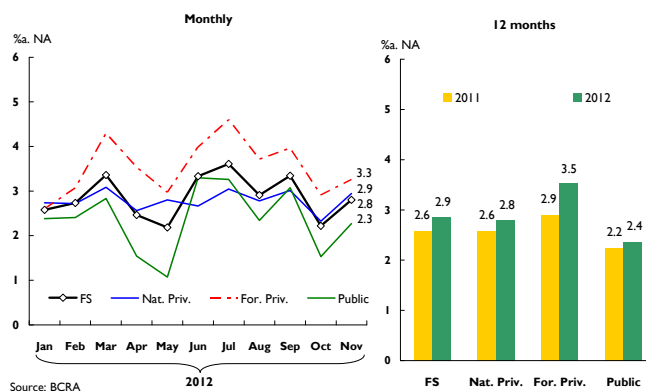
Chart 17
Excess of Capital Compliance by Group of Banks
In terms of total compliance



Banks' financial margin rose 0.5 p.p. of assets in November up to 8.6%a. (see Chart 19). The monthly rise resulted mainly from greater profits obtained from securities, which was recorded in all groups of financial institutions. **In y.t.d terms as of November 2012, the financial margin expanded 1.3 p.p. of assets y.o.y. up to 9.1%a.** This change was primarily boosted by net revenue derived from interest.

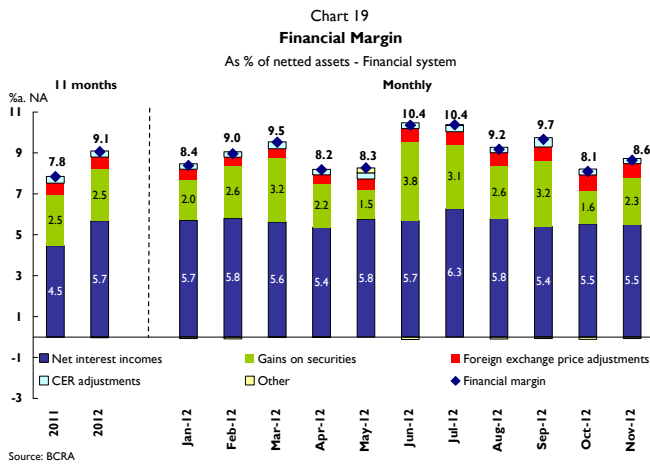
Net income from financial system services fell slightly over the month, reaching levels similar to the annual average, i.e. 4.2%a. of assets. This income statement posted a 0.3 p.p. y.t.d. rise in 2012 mainly due to the momentum observed in private financial institutions (see Chart 20). Higher net income from services on a cumulative basis was partly explained by an improvement in commissions on credit transactions and other income headings. The Central Bank and authorities from domestic and foreign banks operating in Argentina agreed to limit, for 2013, rises in fees and commissions financial institutions charge for some services.

Chart 18
Profitability by Group of Banks
As % of netted assets



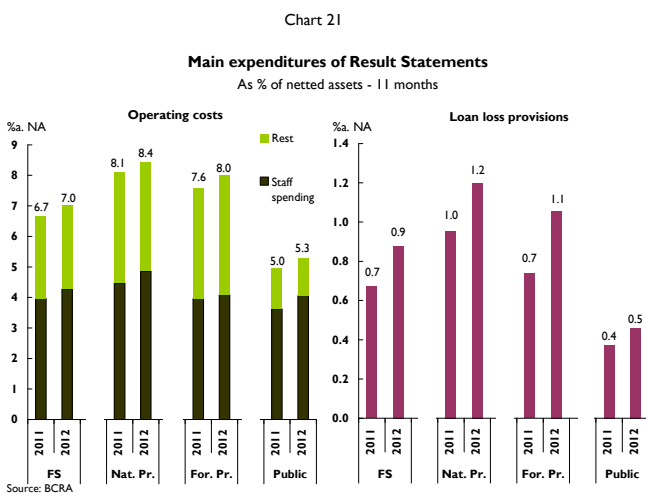
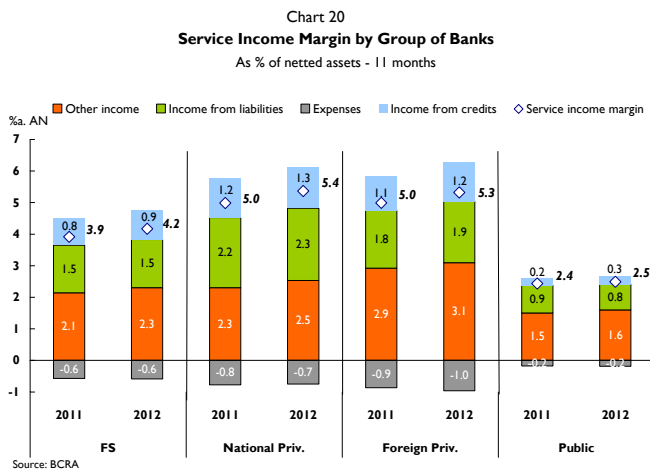
Financial system loan loss provisions remained stable against last month, totaling 0.9%a. of assets. Thus, the monthly record was aligned with the y.t.d level in 2012, which increased 0.2 p.p. of assets against the value recorded over the same period in 2011 (see Chart 21), a change mainly explained by private banks. In turn, **operating costs stood at 7%a. of assets over the month, staying at the same value than the one recorded the month before. In y.t.d. terms,**

¹⁵ Communication "A" 5346.



expenditure amounted to 7%a. of assets, up 0.3 p.p. against the same level in 2011. All groups of banks recorded more operating costs in y.t.d. terms against 2011.

Coverage of operating costs with income derived from interest and services (net of loan loss provisions) stood at 128% in the first 11 months of the year, 12 p.p. above the figure recorded in the previous year. This indicator rose in public and private banks.



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” 5368 – 09/11/2012

Lending to institutions and companies pertaining to the non-financial public sector of the Federal Government and provincial or municipal governments or the Government of the Autonomous City of Buenos Aires shall not be deemed financing to the non-financial public sector, provided that all conditions are complied with; to wit, having their own budget and current income derived from the trade of goods and/or services derived from their customary business activity; that the use of lending is the purchase of capital goods, the execution of investment projects that imply infrastructure works aimed at increasing productive capacity and/or working capital financing to facilitate the production of capital goods, amongst other issues. These operations are also excluded from regulations regarding credit rating.

Communication “A” 5369 – 09/11/2012

Financial institution minimum capital. The capital requirement regime was modified in order to consider credit risk and capital compliance by financial institutions operating in the country. The new regulation is aimed at enhancing the financial system, stimulating the granting of credit to sustain economic growth and adapting the Argentine regulation to international criteria. The main changes shall become effective as from January 1st, 2013. The changes are related to the application of predetermined ratios to weigh risks of credit exposure, which are the following:

- Management of the retail portfolio and loans for housing purposes. Lending to natural persons and MiPyMEs (micro, small and medium-sized enterprises) shall be subject to a weighting factor of 75% and mortgage loans for a single housing unit shall be subject to a weighting factor of 35%, provided that specific conditions are met. In both cases, the new regulation reduces the weighting factor against the current ones, set at 100% and 50%, respectively.
- Management of exposure with the non-financial public sector: exposure —direct or through a trust— to the public sector represented and funded in pesos, shall be weighed at 0%. Loans granted to the public sector but represented in another currency shall continue being weighed at 100%.
- Management of securitizations. Capital for all credits transferred to a trust shall be kept, if the transferor remains exposed to some extent. These provisions shall be applied to new operations conducted by institutions as from January 1st, 2013.
- Loans in arrears (over 90 days). Loans in arrears will be subject to risk weighting factors which reduce as loan loss provision rises.

Furthermore, provisions regarding minimum capital for interest rate risk are rendered void. Nevertheless, financial institutions shall continue managing this risk subject to the revision of the SEFyC; the latter being empowered to determine the need to comply with a higher capital requirement. Finally, amendments to adjusted stockholder's equity shall be effective as from February 1st, 2013.

Methodology

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

Glossary

%a.: annualized percentage.

%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.

CABA: Ciudad Autónoma de Buenos Aires

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

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

CEDRO: Certificado de Depósito Reprogramado. Scheduled Stabilization Coefficient.

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

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

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

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

Lebac and Nobac: Bills and notes of the BCRA.

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

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

mill.: million.

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 annex¹ | Financial system

Chart 1 | Financial Soundness Indicators (see Methodology)

As %	Dec 05	Dec 06	Dec 07	Dec 08	Dec 09	Dec 10	Nov 2011	Dec 11	Oct 2012	Nov 2012
1.- Liquidity	20.1	22.5	23.0	27.9	28.6	28.0	24.2	24.7	25.9	27.3
2.- Credit to the public sector	31.5	22.5	16.3	12.7	14.4	12.1	10.7	10.7	9.8	9.5
3.- Credit to the private sector	25.8	31.0	38.2	39.4	38.3	39.8	47.1	47.4	48.3	47.5
4.- Private non-performing loans	7.6	4.5	3.2	3.1	3.5	2.1	1.4	1.4	1.8	1.8
5.- Net worth exposure to the private sector	-2.5	-0.8	-1.5	-1.7	-1.3	-3.2	-4.3	-4.3	-3.0	-3.0
6.- ROA	0.9	1.9	1.5	1.6	2.3	2.8	2.6	2.7	2.9	2.9
7.- ROE	7.0	14.3	11.0	13.4	19.2	24.4	24.1	25.3	25.6	25.6
8.- Efficiency	151	167	160	167	185	179	176	179	189	189
9.- Capital compliance	15.3	16.9	16.9	16.9	18.8	17.7	15.7	15.6	16.9	16.9
10.- Capital compliance Tier I	14.1	14.1	14.6	14.2	14.5	13.1	11.1	10.9	12.5	12.3
11.- Excess capital compliance	173	134	93	90	100	87	69	69	63	62

Source: BCRA

Chart 2 | Balance Sheet

In million of current pesos	Dec 08	Dec 09	Dec 10	Nov 11	Dec 11	Oct 12	Nov 12	Change (in %)		
								Last month	2012	Last 12 months
Assets	346,762	387,381	510,304	617,680	628,381	747,916	784,369	4.9	24.8	27.0
Cash disposal ¹	58,676	71,067	93,085	95,630	104,389	127,952	129,253	1.0	23.8	35.2
Public bonds	65,255	86,318	117,951	113,302	112,906	130,200	140,902	8.2	24.8	24.4
Lebac/Nobac	37,093	43,867	76,948	72,836	71,050	92,172	101,588	10.2	43.0	39.5
Portfolio	25,652	34,748	61,855	57,484	59,664	74,124	72,098	-2.7	20.8	25.4
Repo ²	11,442	9,119	15,093	15,352	11,386	18,048	29,490	63.4	159.0	92.1
Private bonds	203	307	209	223	212	296	290	-2.1	37.0	30.2
Loans	154,719	169,868	230,127	325,084	332,317	401,537	412,772	2.8	24.2	27.0
Public sector	17,083	20,570	25,907	31,156	31,346	37,226	37,301	0.2	19.0	19.7
Private sector	132,844	145,247	199,202	284,818	291,708	354,690	365,757	3.1	25.4	28.4
Financial sector	4,793	4,052	5,018	9,109	9,263	9,622	9,714	1.0	4.9	6.6
Provisions over loans	-4,744	-5,824	-6,232	-7,007	-7,173	-8,992	-9,179	2.1	28.0	31.0
Other netted credits due to financial intermediation	38,152	33,498	39,009	46,416	40,805	44,402	57,564	29.6	41.1	24.0
Corporate bonds and subordinated debt	912	1,146	1,433	1,800	1,657	2,024	2,224	9.9	34.3	23.5
Unquoted trusts	5,714	5,942	6,824	7,873	7,967	9,726	9,931	2.1	24.7	26.1
Leasing	3,935	2,933	3,936	6,087	6,222	6,629	6,861	3.5	10.3	12.7
Shares in other companies	7,236	6,711	7,921	8,889	9,123	11,218	11,438	2.0	25.4	28.7
Fixed assets and miscellaneous	7,903	8,239	9,071	9,931	10,111	10,742	10,951	1.9	8.3	10.3
Foreign branches	3,153	3,926	3,283	3,527	3,525	4,186	4,214	0.7	19.5	19.5
Other assets	12,275	10,337	11,943	15,599	15,944	19,746	19,302	-2.2	21.1	23.7
Liabilities	305,382	339,047	452,752	549,624	558,264	660,825	695,421	5.2	24.6	26.5
Deposits	236,217	271,853	376,344	449,619	462,517	557,940	576,669	3.4	24.7	28.3
Public sector ³	67,151	69,143	115,954	133,138	129,885	160,094	170,382	6.4	31.2	28.0
Private sector ³	166,378	199,278	257,595	312,297	328,463	393,822	402,022	2.1	22.4	28.7
Current account	39,619	45,752	61,306	74,173	76,804	95,368	98,290	3.1	28.0	32.5
Savings account	50,966	62,807	82,575	94,755	103,636	109,691	111,901	2.0	8.0	18.1
Time deposits	69,484	83,967	104,492	130,479	135,082	174,822	177,144	1.3	31.1	35.8
Other netted liabilities due to financial intermediation	57,662	52,114	60,029	81,087	76,038	76,990	92,245	19.8	21.3	13.8
Interbanking obligations	3,895	3,251	4,201	7,834	7,947	8,211	8,137	-0.9	2.4	3.9
BCRA lines	1,885	270	262	1,835	1,920	3,314	3,443	3.9	79.3	87.6
Outstanding bonds	5,984	5,033	3,432	6,782	6,856	8,613	9,280	7.7	35.4	36.8
Foreign lines of credit	4,541	3,369	3,897	6,283	6,467	5,873	5,572	-5.1	-13.8	-11.3
Other ¹	13,974	14,891	17,426	24,597	24,137	21,790	24,297	11.5	0.7	-1.2
Subordinated debts	1,763	1,922	2,165	1,994	2,065	2,603	2,633	1.1	27.5	32.0
Other liabilities	9,740	13,159	14,213	16,924	17,644	23,291	23,873	2.5	35.3	41.1
Net worth	41,380	48,335	57,552	68,055	70,117	87,092	88,948	2.1	26.9	30.7
Memo										
Netted assets	321,075	364,726	482,532	585,578	601,380	719,774	743,405	3.3	23.6	27.0
Consolidated netted assets	312,002	357,118	472,934	571,369	586,805	703,783	727,187	3.3	23.9	27.3

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

(³) Does not include accrual on interest or CER.

Source: BCRA

¹ Note | Data available in Excel in www.bcra.gov.ar

Statistics annex 1 | Financial system (cont)

Chart 3 | Profitability Structure

Amount in million of pesos	Annual				11 months		Monthly			Last 12 months
	2008	2009	2010	2011	2011	2012	Sep-12	Oct-12	Nov-12	
Financial margin	20,462	28,937	35,490	43,670	38,702	55,222	5,619	4,817	5,313	60,190
Net interest income	9,573	14,488	17,963	24,903	22,025	34,588	3,141	3,287	3,377	37,466
CER and CVS adjustments	2,822	1,196	2,434	1,725	1,612	1,820	257	171	151	1,933
Foreign exchange price adjustments	2,307	2,588	2,100	3,025	2,832	3,552	393	451	429	3,746
Gains on securities	4,398	11,004	13,449	14,228	12,269	15,501	1,870	977	1,405	17,459
Other financial income	1,362	-339	-457	-211	-36	-239	-43	-69	-49	-414
Service income margin	10,870	13,052	16,089	21,391	19,317	25,416	2,394	2,643	2,605	27,490
Loan loss provisions	-2,839	-3,814	-3,267	-3,736	-3,315	-5,345	-561	-508	-544	-5,766
Operating costs	-18,767	-22,710	-28,756	-36,365	-32,900	-42,770	-3,926	-4,164	-4,271	-46,235
Tax charges	-2,318	-3,272	-4,120	-6,047	-5,311	-8,039	-768	-860	-859	-8,774
Adjust. to the valuation of gov. securities ²	-1,757	-262	-214	-336	-315	-306	-28	-31	-30	-327
Amort. payments for court-ordered releases	-994	-703	-635	-290	-257	-211	-59	-18	-12	-244
Other	1,441	918	2,079	2,963	2,642	2,352	244	263	105	2,673
Total results before tax ³	6,100	12,145	16,665	21,251	18,563	26,319	2,914	2,142	2,308	29,007
Income tax	-1,342	-4,226	-4,904	-6,531	-5,836	-8,846	-971	-823	-586	-9,541
Total result³	4,757	7,920	11,761	14,720	12,728	17,474	1,943	1,319	1,722	19,466
Adjusted Result ⁴	7,508	8,885	12,610	15,345	13,299	17,991	2,030	1,368	1,764	20,038
Annualized indicators - As % of netted assets										
Financial margin	6.7	8.6	8.5	8.0	7.8	9.1	9.7	8.1	8.6	9.1
Net interest income	3.1	4.3	4.3	4.6	4.5	5.7	5.4	5.5	5.5	5.7
CER and CVS adjustments	0.9	0.4	0.6	0.3	0.3	0.3	0.4	0.3	0.2	0.3
Foreign exchange price adjustments	0.8	0.8	0.5	0.6	0.6	0.6	0.7	0.8	0.7	0.6
Gains on securities	1.4	3.3	3.2	2.6	2.5	2.5	3.2	1.6	2.3	2.6
Other financial income	0.4	-0.1	-0.1	0.0	0.0	0.0	-0.1	-0.1	-0.1	-0.1
Service income margin	3.6	3.9	3.8	3.9	3.9	4.2	4.1	4.4	4.2	4.2
Loan loss provisions	-0.9	-1.1	-0.8	-0.7	-0.7	-0.9	-1.0	-0.9	-0.9	-0.9
Operating costs	-6.1	-6.7	-6.9	-6.7	-6.7	-7.0	-6.8	-7.0	-7.0	-7.0
Tax charges	-0.8	-1.0	-1.0	-1.1	-1.1	-1.3	-1.3	-1.4	-1.4	-1.3
Adjust. to the valuation of gov. securities ²	-0.6	-0.1	-0.1	-0.1	-0.1	-0.1	0.0	-0.1	0.0	0.0
Amort. payments for court-ordered releases	-0.3	-0.2	-0.2	-0.1	-0.1	0.0	-0.1	0.0	0.0	0.0
Other	0.5	0.3	0.5	0.5	0.5	0.4	0.4	0.4	0.2	0.4
Total results before tax ³	2.0	3.6	4.0	3.9	3.8	4.3	5.0	3.6	3.8	4.4
Income tax	-0.4	-1.3	-1.2	-1.2	-1.2	-1.5	-1.7	-1.4	-1.0	-1.4
ROA³	1.6	2.3	2.8	2.7	2.6	2.9	3.3	2.2	2.8	3.0
ROA adjusted ⁴	2.5	2.6	3.0	2.8	2.7	3.0	3.5	2.3	2.9	3.0
ROE before tax ³	17.2	29.5	34.5	36.5	35.1	38.5	43.9	31.7	33.4	39.3
ROE ³	13.4	19.2	24.4	25.3	24.1	25.6	29.2	19.5	24.9	26.4

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

(2) 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.

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

Source: BCRA

Chart 4 | Portfolio Quality

As percentage	Dec 05	Dec 06	Dec 07	Dec 08	Dec 09	Dec 10	Nov 11	Dec 11	Oct 12	Nov 12
Non-performing loans (overall)	5.2	3.4	2.7	2.7	3.0	1.8	1.2	1.2	1.6	1.6
Provisions / Non-performing loans	115	108	115	117	115	148	177	176	144	144
(Total non-performing - Provisions) / Overall financing	-0.8	-0.3	-0.4	-0.5	-0.5	-0.9	-0.9	-0.9	-0.7	-0.7
(Total non-performing - Provisions) / Net worth	-2.6	-0.9	-1.6	-1.8	-1.7	-3.6	-4.6	-4.6	-3.2	-3.3
Non-performing loans to the non-financial private sector	7.6	4.5	3.2	3.1	3.5	2.1	1.4	1.4	1.8	1.8
Provisions / Non-performing loans	115	108	114	116	112	143	172	171	140	140
(Total non-performing - Provisions) / Overall financing	-1.1	-0.3	-0.5	-0.5	-0.4	-0.9	-1.0	-1.0	-0.7	-0.7
(Total non-performing - Provisions) / Net worth	-2.5	-0.8	-1.5	-1.7	-1.3	-3.2	-4.3	-4.3	-3.0	-3.0

Source: BCRA

¹ Note | Data available in Excel in www.bcra.gov.ar

Statistics annex¹ | Private banks

Chart 5 | Financial Soundness Indicators (see Methodology)

As %	Dec 05	Dec 06	Dec 07	Dec 08	Dec 09	Dec 10	Nov 2011	Dec 11	Oct 2012	Nov 2012
1.- Liquidity	21.5	23.7	25.7	34.1	29.8	26.0	26.7	26.7	27.2	27.3
2.- Credit to the public sector	28.5	16.3	9.5	6.3	6.1	4.7	3.3	3.4	3.1	3.3
3.- Credit to the private sector	31.1	37.9	46.6	44.0	43.3	50.3	54.9	54.5	56.2	57.0
4.- Private non-performing loans	6.3	3.6	2.5	2.8	3.3	2.0	1.4	1.4	1.8	1.8
5.- Net worth exposure to the private sector	-0.4	-1.4	-2.0	-1.8	-1.6	-3.4	-4.5	-4.4	-3.1	-3.1
6.- ROA	0.5	2.2	1.6	1.9	3.0	3.2	2.7	3.0	3.2	3.2
7.- ROE	4.1	15.3	10.9	15.2	22.9	24.5	23.7	25.6	26.1	26.0
8.- Efficiency	136	158	152	166	195	176	175	178	188	188
9.- Capital compliance	17.8	18.6	19.2	18.4	22.6	20.3	16.8	16.8	18.7	18.7
10.- Capital compliance Tier I	16.1	15.3	16.8	15.0	17.2	15.2	12.8	12.5	14.3	14.0
11.- Excess capital compliance	155	116	87	87	121	102	71	72	69	67

Source: BCRA

Chart 6 | Balance Sheet

In million of current pesos	Dec 08	Dec 09	Dec 10	Nov 11	Dec 11	Oct 12	Nov 12	Change (in %)		
								Last month	2012	Last 12 months
Assets	208,888	229,549	280,025	352,949	364,122	415,496	422,171	1.6	15.9	19.6
Cash disposal ¹	37,044	43,562	49,730	55,109	58,877	70,919	76,828	8.3	30.5	39.4
Public bonds	29,552	47,949	48,903	46,054	50,055	52,011	48,629	-6.5	-2.9	5.6
Lebac/Nobac	23,457	31,575	34,422	31,559	34,246	40,997	36,472	-11.0	6.5	15.6
Portfolio	12,858	27,413	31,148	20,764	23,908	30,255	29,396	-2.8	23.0	41.6
Repo ²	10,598	4,161	3,274	10,795	10,338	10,742	7,076	-34.1	-31.6	-34.5
Private bonds	127	233	184	171	164	168	163	-3.2	-0.6	-4.7
Loans	98,529	101,722	143,202	197,547	202,117	237,752	244,579	2.9	21.0	23.8
Public sector	6,249	1,694	1,625	1,315	1,215	1,491	1,514	1.5	24.6	15.2
Private sector	88,426	96,790	137,308	188,552	193,126	227,931	234,593	2.9	21.5	24.4
Financial sector	3,854	3,238	4,270	7,680	7,777	8,330	8,472	1.7	8.9	10.3
Provisions over loans	-2,871	-3,653	-3,926	-4,453	-4,574	-5,830	-5,922	1.6	29.5	33.0
Other netted credits due to financial intermediation	25,265	21,258	20,241	31,366	29,338	27,384	24,837	-9.3	-15.3	-20.8
Corporate bonds and subordinated debt	699	734	757	922	796	832	976	17.4	22.6	5.9
Unquoted trusts	3,869	4,198	4,500	5,214	5,268	6,207	6,349	2.3	20.5	21.8
Leasing	3,451	2,569	3,519	5,340	5,452	5,723	5,955	4.1	9.2	11.5
Shares in other companies	4,538	4,067	4,934	5,842	5,998	7,518	7,693	2.3	28.2	31.7
Fixed assets and miscellaneous	4,926	5,096	5,808	6,485	6,663	7,116	7,298	2.6	9.5	12.5
Foreign branches	-178	-202	-215	-238	-240	0	0	-	-	-
Other assets	8,505	6,946	7,646	9,726	10,271	12,735	12,111	-4.9	17.9	24.5
Liabilities	182,596	198,438	243,766	311,461	321,123	361,679	367,177	1.5	14.3	17.9
Deposits	135,711	154,387	198,662	242,903	253,705	296,719	302,914	2.1	19.4	24.7
Public sector ³	19,600	17,757	23,598	29,943	27,664	33,975	35,114	3.4	26.9	17.3
Private sector ³	114,176	134,426	173,203	210,321	223,141	260,450	265,360	1.9	18.9	26.2
Current account	30,188	35,127	46,297	55,799	57,586	72,453	74,344	2.6	29.1	33.2
Savings account	32,778	40,999	53,085	60,001	66,891	66,033	67,530	2.3	1.0	12.5
Time deposit	46,990	54,058	67,568	85,638	85,638	112,689	113,634	0.8	26.4	32.7
Other netted liabilities due to financial intermediation	39,298	34,235	34,427	55,838	53,973	48,355	47,610	-1.5	-11.8	-14.7
Interbanking obligations	1,160	1,668	1,903	3,447	3,524	3,305	3,374	2.1	-4.3	-2.1
BCRA lines	649	41	57	433	456	638	664	4.0	45.6	53.3
Outstanding bonds	5,672	4,626	2,802	5,393	5,119	5,922	6,220	5.0	21.5	15.4
Foreign lines of credit	2,261	1,262	1,716	4,036	4,252	3,041	2,696	-11.4	-36.6	-33.2
Other	11,125	12,015	13,849	18,958	19,059	17,655	19,832	12.3	4.1	4.6
Subordinated debts	1,759	1,918	2,148	1,977	1,948	2,204	2,236	1.5	14.8	13.1
Other liabilities	5,828	7,897	8,528	10,742	11,497	14,402	14,417	0.1	25.4	34.2
Net worth	26,292	31,111	36,259	41,489	42,999	53,818	54,993	2.2	27.9	32.5
Memo										
Netted assets	192,074	216,100	267,364	331,121	344,101	398,600	407,891	2.3	18.5	23.2

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

(³) Does not include accrual on interest or CER.

Source: BCRA

¹ Note | Data available in Excel in www.bcra.gov.ar

Statistics annex¹ | Private banks (cont.)

Chart 7 | Profitability Structure

Amount in million of pesos	Annual				11 months		Mensual			Últimos 12 meses
	2008	2009	2010	2011	2011	2012	Sep-12	Oct-12	Nov-12	
Financial margin	12,964	19,724	21,837	27,234	24,072	34,270	3,357	3,092	3,327	37,432
Net interest income	7,727	10,572	12,842	18,518	16,461	25,235	2,316	2,512	2,481	27,291
CER and CVS adjustments	651	185	244	288	266	314	35	28	26	336
Foreign exchange price adjustments	1,620	1,646	1,493	2,064	1,924	2,122	223	253	248	2,262
Gains on securities	1,637	7,343	7,464	6,358	5,250	6,576	799	339	591	7,684
Other financial income	1,329	-22	-205	6	170	23	-15	-40	-20	-140
Service income margin	7,632	9,198	11,345	15,243	13,736	18,159	1,698	1,871	1,828	19,666
Loan loss provisions	-1,863	-2,751	-2,253	-2,633	-2,327	-3,828	-393	-386	-370	-4,134
Operating costs	-12,401	-14,807	-18,819	-23,821	-21,579	-27,914	-2,606	-2,685	-2,793	-30,156
Tax charges	-1,715	-2,380	-2,927	-4,300	-3,836	-5,775	-538	-650	-623	-6,240
Adjust. to the valuation of gov. securities ²	-267	0	47	-40	-40	0	0	0	0	0
Amort. payments for court-ordered releases	-688	-367	-441	-133	-117	-143	-53	-11	-6	-159
Other	916	398	1,382	1,723	1,510	1,553	184	140	120	1,766
Total results before tax ³	4,579	9,014	10,171	13,272	11,419	16,323	1,649	1,371	1,482	18,176
Income tax	-1,168	-3,001	-2,733	-4,293	-3,888	-5,561	-535	-511	-439	-5,966
Total result³	3,412	6,014	7,438	8,980	7,532	10,762	1,114	860	1,043	12,210
Adjusted Result ⁴	4,367	6,381	7,832	9,153	7,688	10,904	1,168	871	1,049	12,369
<i>Annualized indicators - As % of netted assets</i>										
Financial margin	7.3	9.8	9.3	9.0	8.7	10.1	10.5	9.4	9.9	10.2
Net interest income	4.4	5.3	5.5	6.1	6.0	7.4	7.2	7.6	7.4	7.4
CER and CVS adjustments	0.4	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Foreign exchange price adjustments	0.9	0.8	0.6	0.7	0.7	0.6	0.7	0.8	0.7	0.6
Gains on securities	0.9	3.7	3.2	2.1	1.9	1.9	2.5	1.0	1.8	2.1
Other financial income	0.8	0.0	-0.1	0.0	0.1	0.0	0.0	-0.1	-0.1	0.0
Service income margin	4.3	4.6	4.8	5.0	5.0	5.3	5.3	5.7	5.4	5.3
Loan loss provisions	-1.1	-1.4	-1.0	-0.9	-0.8	-1.1	-1.2	-1.2	-1.1	-1.1
Operating costs	-7.0	-7.4	-8.0	-7.8	-7.8	-8.2	-8.2	-8.2	-8.3	-8.2
Tax charges	-1.0	-1.2	-1.2	-1.4	-1.4	-1.7	-1.7	-2.0	-1.9	-1.7
Adjust. to the valuation of gov. securities ²	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amort. payments for court-ordered releases	-0.4	-0.2	-0.2	0.0	0.0	0.0	-0.2	0.0	0.0	0.0
Other	0.5	0.2	0.6	0.6	0.5	0.5	0.6	0.4	0.4	0.5
Total results before tax ³	2.6	4.5	4.3	4.4	4.1	4.8	5.2	4.2	4.4	4.9
Income tax	-0.7	-1.5	-1.2	-1.4	-1.4	-1.6	-1.7	-1.6	-1.3	-1.6
ROA³	1.9	3.0	3.2	3.0	2.7	3.2	3.5	2.6	3.1	3.3
ROA adjusted ⁴	2.5	3.2	3.3	3.0	2.8	3.2	3.7	2.7	3.1	3.4
ROE before tax ³	20.4	34.4	33.5	37.8	35.9	39.4	40.9	33.4	35.4	40.7
ROE ³	15.2	22.9	24.5	25.6	23.7	26.0	27.7	21.0	24.9	27.3

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

(²) 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.

(³) 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 05	Dec 06	Dec 07	Dec 08	Dec 09	Dec 10	Nov 11	Dec 11	Oct 12	Nov 12
Non-performing loans (overall)	4.4	2.9	2.2	2.5	3.1	1.9	1.3	1.3	1.8	1.7
Provisions / Non-performing loans	103	114	123	119	116	144	171	168	139	141
(Total non-performing - Provisions) / Overall financing	-0.1	-0.4	-0.5	-0.5	-0.5	-0.8	-0.9	-0.9	-0.7	-0.7
(Total non-performing - Provisions) / Net worth	-0.4	-1.4	-2.1	-1.9	-1.7	-3.4	-4.6	-4.4	-3.2	-3.2
Non-performing loans to the non-financial private sector	6.3	3.6	2.5	2.8	3.3	2.0	1.4	1.4	1.8	1.8
Provisions / Non-performing loans	102	114	123	118	115	143	170	167	138	139
(Total non-performing - Provisions) / Overall financing	-0.1	-0.5	-0.6	-0.5	-0.5	-0.9	-1.0	-0.9	-0.7	-0.7
(Total non-performing - Provisions) / Net worth	-0.4	-1.4	-2.0	-1.8	-1.6	-3.4	-4.5	-4.4	-3.1	-3.1

Source: BCRA

¹ Note | Data available in Excel in www.bcr.gov.ar