

# Report on Banks

February 2010



BANCO CENTRAL  
DE LA REPÚBLICA ARGENTINA

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Year VII, No. 6



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Note | Information for February 2010 available by April 05, 2010 is included. This Report is focussed on the performance of the financial system, including breakdowns by homogeneous subsectors. The data reported (particularly, those referring to profitability) are provisional and are subject to changes later. Except the opposite was indicated the data included corresponds to BCRA Information Regimes (end of month data).

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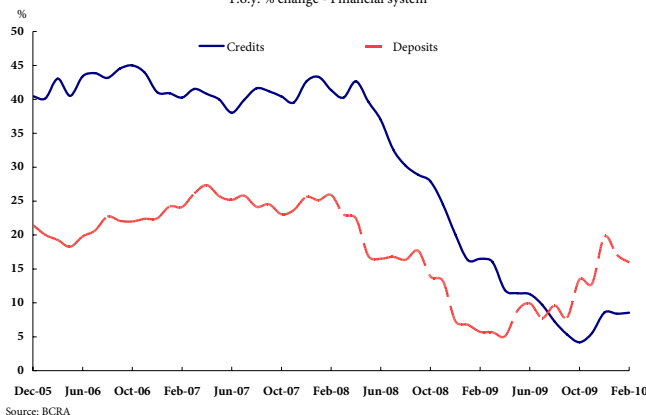
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## Summary

- **Financial system activity rose at a moderate rate in February 2010**, maintaining the recovery recorded in the second half of 2009, while showing the influence of certain seasonal factors. Regarding the provision of means of payment, the amount and number of documents cleared has continued to improve compared with one year earlier, while the downward trend in the percentage of documents rejected by lack of funds has been maintained. **Liquidity remains high, and solvency indicators continue to improve.**
- Although **financial system operating infrastructure has increased moderately in recent months**, the relative availability of automatic teller machines and branches is low in terms of international comparison, while there is still a **high degree of regional concentration**. The number of inhabitants per branch remains particularly high in some geographical regions, regardless of the size of the population in the regions covered.
- **Deposits went up 0.5% in February (14.5% y.o.y.), mainly as a result of an increase in public sector deposits.** Private sector deposits were down slightly during the month, from a drop in sight accounts in part due to seasonal factors, which was partially compensated by an increase in time deposits. In the year-on-year comparison, private sector deposits were 16% higher, having mainly been channeled to public banks (21.1% y.o.y.) and private foreign financial entities (18.7% y.o.y.).
- **Liquidity remains high, although it fell in February, returning to the level of one year earlier.** The liquidity ratio (based on items in both local and foreign currency) stood at 29.8% of total deposits in the month, dropping 1.3 p.p. compared with January. The broad liquidity indicator (which includes holdings of Lebac and Nobac) stood at 43.2% of deposits, slightly lower than in January but higher than the level in February 2009.
- **Lending to the private sector expanded by 1.3% in February (8.6% y.o.y.), mainly driven by private banks.** The increase for the month was widespread across all the credit lines. Bank lending to companies has continued to grow (8.8% y.o.y.), particularly for **construction, services and farming sectors, mainly in the form of promissory notes and overdrafts. Lending to households has been growing at a rate of 7.5% y.o.y. with a notable contribution from consumer credit lines** (personal loans and credit cards). There continue to be significant relative differences in terms of the regional distribution of credit granted to households. This disparity persists when considering these loans in relation to the total formal wage mass estimated for each region.
- **Private sector lending delinquency ratio fell to 3.4% in February.** In recent months the drop in the indicator has been driven by household consumer loans, while corporate lending non-performance has remained stable. **The ratio of coverage of non-performing loans by provision reached 131%, 9 p.p. more than in February 2009.**
- **Solvency indicators have continued to improve.** Consolidated net worth grew 1% in February, totaling an increase of 20.4% y.o.y. Net worth growth has taken place at a higher rate than growth in assets, leading to a drop in leverage levels. At system level, capital compliance reached 19% of risk-weighted assets, representing excess capital compliance equivalent to 102% of the regulatory requirement. **Financial system book profits amounted 1.7%a. of assets in February**, below the level recorded in January, reflecting lower profits for both private and public banks. In the first two months of the year profits accrued by the financial system have totaled 2%a. of assets, slightly above those for the same period of 2009.

**Chart 1**

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



Source: BCRA

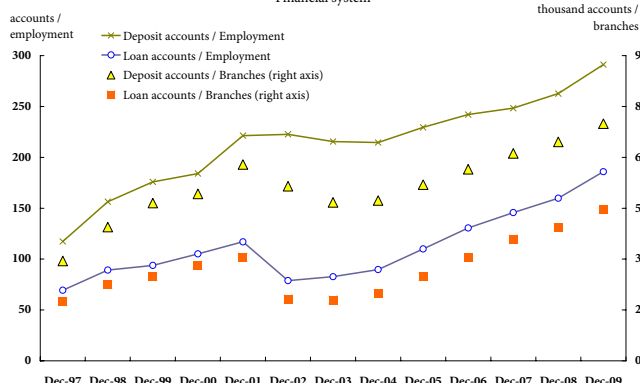
## Activity

*Recent financial intermediation growth has been accompanied by an increase in the number of accounts handled per employee and per branch*

In line with the performance seen in recent months, financial intermediation has continued to grow at moderate rates during February. Financial entities netted assets rose 0.5% compared with January, showing a year-on-year expansion of 13.8%, mainly from the performance of public banks. During the first two months of the year, private sector lending growth rate remained at levels similar to those seen at the end of 2009, while that for companies and households' deposits declined slightly, in part as a result of seasonal factors (see Chart 1).

**Chart 2**

**Number of Accounts in Terms of Employment and Branches**  
Financial system



Source: BCRA

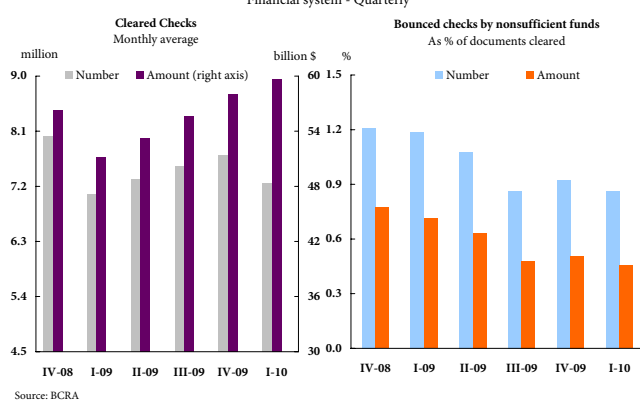
Recent growth in financial intermediation activity was accompanied by certain improvements in banking system efficiency indicators. Since the end of the 2001-2002 crisis, the growth of both credit accounts and deposit accounts has been greater than the rate of increase of employment and bank branches (see Chart 2).

In February the main sources of funds were the reduction that took place in liquid assets (\$3.1 billion) and the increase in public sector deposits (\$2.2 billion). Increased lending to the private sector (\$2.0 billion), larger holdings of Lebac and Nobac (\$1.5 billion) and, to a lesser extent, the drop in companies and households' deposits (\$1.3 billion) were the most important uses of funds during the month. Private banks were mainly responsible for the decline in liquid assets and the rise in lending to the private sector, whereas the increase in public sector deposits took place mainly in official banks.

**Chart 3**

**Cleared and Bounced Checks**

Financial system - Quarterly



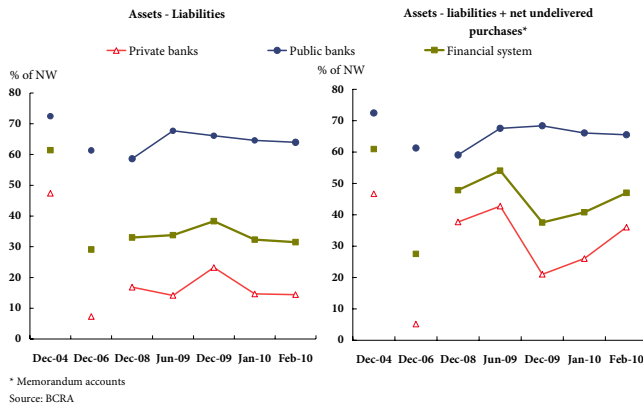
Source: BCRA

As a result, public sector deposits increased their share of financial system funding. Loans to companies and households increased their weighting in netted assets slightly compared with January, standing at 40%<sup>1</sup>, while liquid assets dropped slightly to 32% of assets if holdings of Lebac and Nobac not related to repos with the Central Bank are included.

The amount and number of cleared checks rose in the first quarter of 2010 compared with the same period of 2009 (see Chart 3), with a lower proportion of bounced checks by nonsufficient funds. Bounced documents amounted 0.45% of total cleared in the first

<sup>1</sup> The share of loans in total assets is 37.5%.

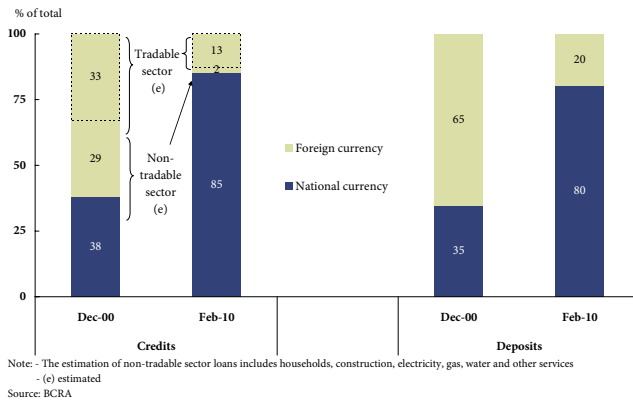
**Chart 4**  
Currency Mismatching  
Financial system



quarter of the year (-0.26 p.p. compared with the same period of the previous year).

**Financial system foreign currency mismatching**, which includes asset and liability items as well as net undelivered forward purchases of foreign currency, **rose in February to 47% of net worth** (see Chart 4), a lower level than five years ago. This movement was driven by the increase in net forward purchases of foreign currency by private banks. **Financial system continues to record low levels of dollarization and an adequate coverage in the face of foreign currency risk**, with households and companies' deposits in foreign currency equivalent to 20% of the total, and loans to the private sector reaching to only 15% of the total credit stock, with the latter being directed at the export sector (see Chart 5).

**Chart 5**  
Financial Intermediation with the Private Sector by Currency  
Financial system

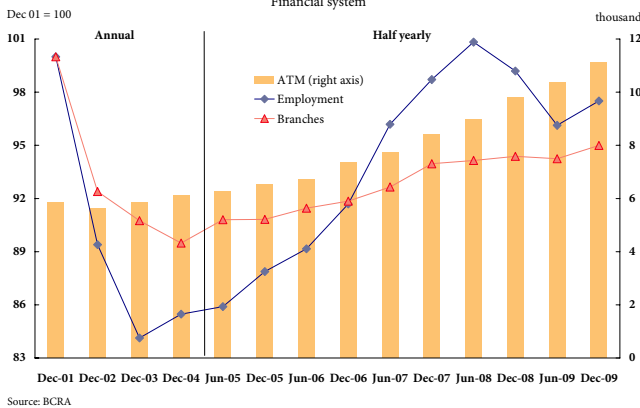


## Infrastructure

*Although progress has been made, there is a low aggregate presence and high geographical concentration in the case of financial system infrastructure*

In line with the growth in financial intermediation and the provision of means of payment, financial system operating infrastructure has increased in recent months. In the second half of 2009 the financial system payroll went up once again (see Chart 6), mainly in the case of private banks, following the reduction in the two previous half-yearly periods caused by the local effects of the international crisis. The number of ATMs and, to a lesser extent, banking branches (offices and other)<sup>2</sup> has continued to increase.

**Chart 6**  
Evolution of Operating Structure  
Financial system



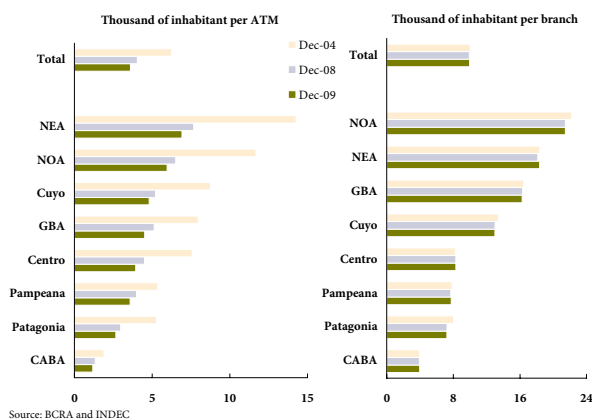
**Progress has been made in improving the geographical coverage offered by financial entities.** In the last year the availability of ATMs has increased in all geographical regions of the country<sup>3</sup> (see Chart 7), while the distribution of bank branches has not altered significantly. As a result, whereas prior to the 2001-2002 crisis the region with the least coverage had 10 times more inhabitants per ATM than the best-provided region, this gap has been narrowed to nearly 6 times<sup>4</sup>.

<sup>2</sup> These include main branches, head offices, branches, agencies, delegations, offices, mobile agencies and non-operating head offices.

<sup>3</sup> The criterion adopted to divide up Argentina's territory into different geographical regions has been as follows: GBA (Region made up of the 24 districts of Greater Buenos Aires), CABA (exclusively the Autonomous City of Buenos Aires), NOA (Northwestern Region: Catamarca, Tucumán, Jujuy, Salta and Santiago del Estero), NEA (Northeastern Region: Corrientes, Formosa, Chaco and Misiones), Cuyo (Mendoza, San Juan, La Rioja and San Luis), Pampeana (Rest of Buenos Aires and La Pampa), Central (Córdoba, Santa Fe and Entre Ríos) and the Patagónica (Santa Cruz, Chubut, Río Negro, Neuquén and Tierra del Fuego).

<sup>4</sup> On the other hand, the difference between the coverage ratio of inhabitants per branch between the locality with the greatest and the lowest coverage by financial services did not change significantly during the period.

**Chart 7**  
Financial System Regional Coverage



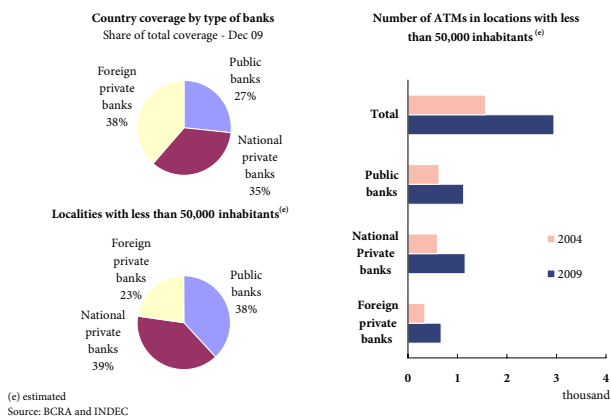
**Growth in the total number of ATMs was widespread, with a greater emphasis on relatively smaller cities.**

The number of ATMs in localities with fewer than 50,000 inhabitants almost doubled<sup>5</sup> in the last 5 years. Although all groups of banks increased the number of ATMs, public banks and private national banks led the trend in this group of localities (see Chart 8). As a result, the proportion of ATMs in those cities increased moderately to 26.5% of the total number installed in the country in 2009<sup>6</sup> (0.5 p.p. more than in 2008). Public banks deployed a larger number of their ATMs in localities with a lower relative population.

Although the change has been more moderate than in the case of ATMs, **it is estimated that the total number of bank branches in localities with populations up to 50,000 inhabitants increased between 2004 and 2009, mainly because of actions by the official banks.** Almost 42.1% of all bank branches were located in cities with fewer than 50,000 inhabitants at the end of 2009<sup>7</sup>, but the proportion rises to 63.8% in the case of public banks.

**Chart 8**

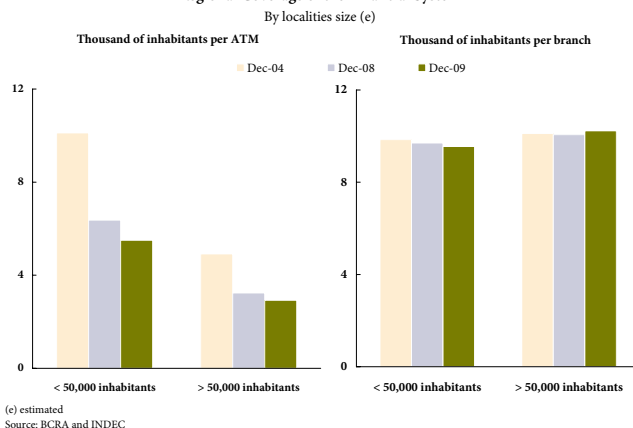
ATM by Group of Banks



The drop in the **ratio of inhabitants per ATM** in the aggregate (see Chart 7) was **widespread in terms of the size of localities** (see Chart 9). **The availability of branches has not changed significantly** either at aggregate level or taking into account the various relative sizes of the cities according to their population. The number of inhabitants per bank branch remains high in certain regions (NOA, NEA, GBA, Cuyo), areas where no significant differences have been noted in the availability of branches between localities of different sizes (see Table 1).

**Chart 9**

Regional Coverage of the Financial System



## Deposits and liquidity

**Total deposits rose during the month, driven by the public sector, while liquidity declined slightly**

Financial system total deposits increased 0.5% in February, mainly from the performance by public sector deposits (+3%). Private sector deposit stocks contracted moderately during the month (-0.7%) compared with January, because of the reduction in sight deposits (largely explained by seasonal factors), that was partly offset by a monthly growth in time deposits. Private sector deposits in pesos fell by 1.3% in February, while deposits denominated in foreign

<sup>5</sup> The number of ATMs in localities with fewer than 50,000 inhabitants rose by 88% between 2004 and 2009. To estimate the population of these localities in 2004 and 2009, data from the 2001 Census was used, applying the growth rate for the corresponding district or department based on projections by the National Institute for Statistics and Census - INDEC.

<sup>6</sup> This proportion would total 13.5% if only localities with fewer than 20,000 inhabitants were to be considered.

<sup>7</sup> 28.6% if only localities with fewer than 20,000 inhabitants were to be considered.

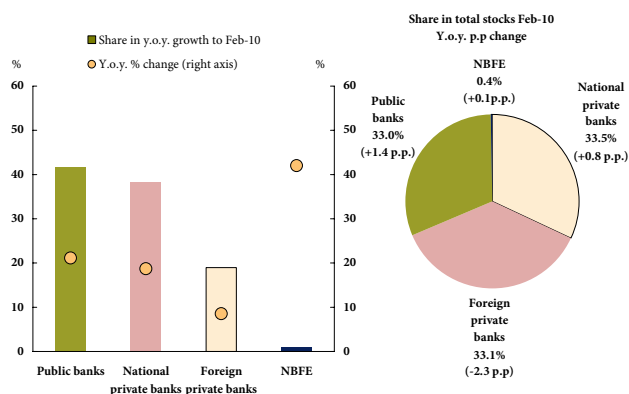
**Table 1**  
**Financial System Regional Coverage**  
 Thousand of inhabitants per branch

	< 50,000 hab. (e)	> 50,000 hab. (e)	Total (e)
Total	9.6	10.2	9.9
CABA	-	3.9	3.9
GBA	13.9	17.8	16.3
Patagonia	6.6	8.0	7.2
Pampeana	6.1	9.6	7.7
Centro	6.5	11.1	8.3
Cuyo	12.7	13.2	13.0
NOA	23.8	19.6	21.5
NEA	17.3	20.1	18.4

(e) estimated

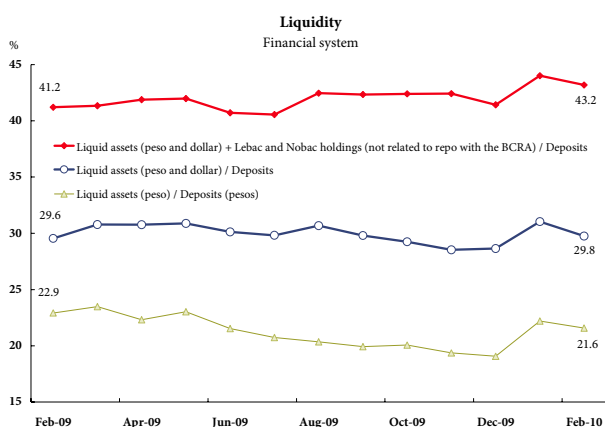
Source: BCRA and INDEC

**Chart 10**  
 Private Sector Deposits by Group of Banks



Source: BCRA

**Chart 11**



Source: BCRA

currency expressed in pesos went up 1.9%<sup>8</sup> mainly from the slight increase in the nominal peso-dollar exchange rate during the month.

**In the last 12 months total deposits have continued to grow at a rate of around 15%, while private sector deposits increased by 16%. Private sector deposits were directed mainly towards both public financial entities (21.1% y.o.y.) and private domestic banks (18.7% y.o.y.), thus increasing their share of the total stock (see Chart 10). In the year-on-year comparison, nominal interest rates for time deposits fell in both the wholesale and retail segments.**

**Financial system liquidity dropped in February, returning to the levels of one year earlier. The liquidity ratio<sup>9</sup> in pesos dropped 0.6 p.p. for the month to 21.6% of domestic currency deposits. Liquidity figures that take into account items in both local and foreign currency declined 1.3 p.p. to 29.8% of total deposits, mainly because of the lower minimum cash compliance that was partially offset for the increase in the net Central Bank repo stock (see Chart 11). The broad financial system liquidity ratio fell slightly in the month, totaling 43.2% of deposits, despite the increase in financial system Lebac and Nobac holdings not related to repos with the Central Bank.**

## Financing

*The monthly increase in lending to the private sector was widespread among credit lines*

**Bank lending to the private sector rose in February in a widespread manner affecting all credit lines, having increased by \$1.85 billion (1.3%)<sup>10</sup>. Promissory notes and overdrafts grew at above the average rate during the month (see Chart 12). Thus, in February the growth rate for lending to companies households reached 9% y.o.y.**

**The monthly increase in lending to the private sector was mainly driven by private financial entities (national and foreign private banks, as well as non-bank financial entities). In year-on-year terms, national private banks had accounted for most of the growth, gaining an increased share of the total balance. Lending interest rates were slightly lower than in January, except in the case of collateralized lending. Compared with 12 months earlier, lending interest rates were also**

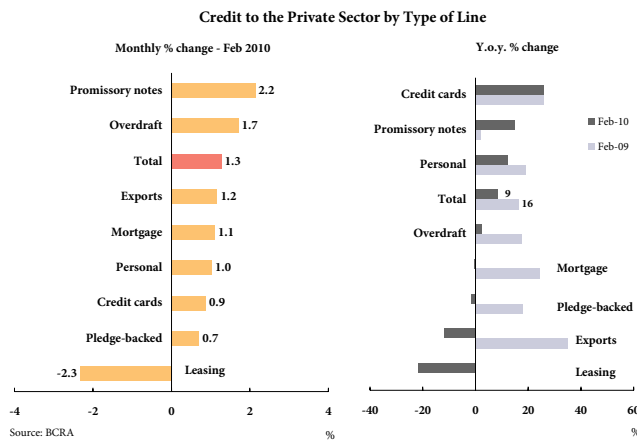
<sup>8</sup> In foreign currency increased 0.9%.

<sup>9</sup> Defined here as the sum of current account deposits in Central Bank, cash in banks and repo position with the Central Bank in terms of total deposits.

<sup>10</sup> If loans stocks were adjusted for financial trusts' issuances during the month, the monthly change in lending to companies and households would total 1.4%.



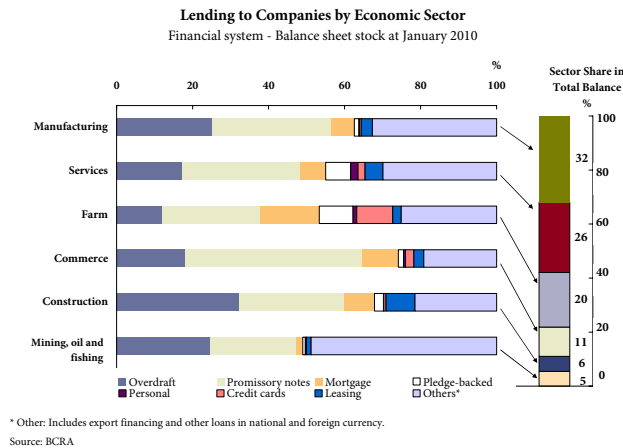
**Chart 12**



lower in general terms, particularly in the case of commercial loans. In terms of spread, during the last year it was lower for commercial loans, while posting a slight increase in the case of consumer loans<sup>11</sup>.

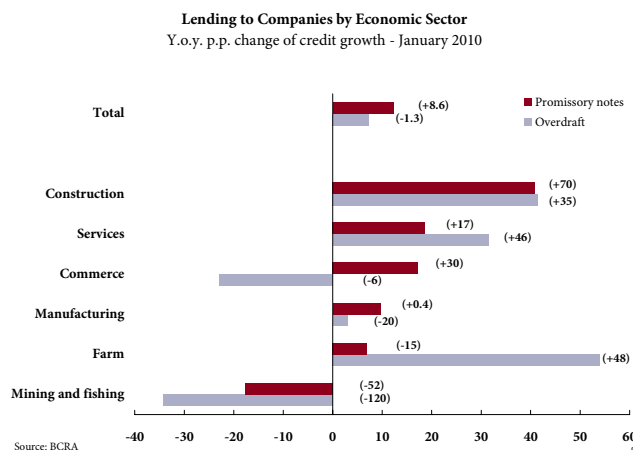
**Lending to the corporate sector<sup>12</sup> maintained its growth rate** (8.8% y.o.y. in January, the latest figure available). Sectors of the economy showing the greatest loan growth in the last 12 months were **construction, service companies and the agricultural sector, with lending mainly taking place by means of promissory notes and overdrafts** (see Chart 13). In the case of these sectors, in the last year the dynamism of overdrafts has exceeded that of promissory notes (see Chart 14). Nevertheless, in the aggregate for the corporate sector, and mainly because of the increase in lending to commerce and industry, over the last twelve months the increase in promissory notes has been greater.

**Chart 13**



**Lending to households has been growing at a rate of 7.5% y.o.y., with a notable contribution from consumer credit lines** (personal loans and credit cards), which have together grown by 15.2% y.o.y. In terms of the geographical distribution of total bank credit granted to employees whose employers comply with the labor legislation, **the CABA region continues to show a high relative participation** (with over 40% of the total). In recent years, the weighting of certain regions relatively less well provided (NOA, Patagonia and Central) has increased slightly. **The relative differences in credit supply, mainly between the CABA and the rest, is maintained even if loan stocks are considered in terms of the formal wage mass estimated by region** (see Chart 15). While in the CABA loans to workers whose employers comply with the labor legislation are equivalent to 2.6 times the monthly wage mass in that region, this ratio stands at between 1 and 1.9 in the remaining geographical regions.

**Chart 14**

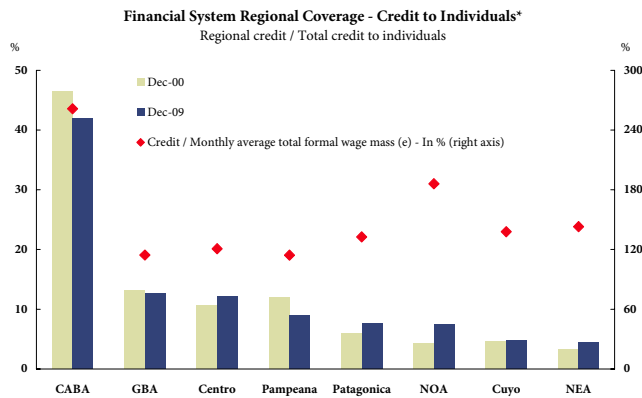


**Financial system exposure to the public sector remained relatively stable during the month at 14.3%**, with a slight increase for public banks. If official sector deposits are taken into account, the public sector continues to be a net financial system creditor (-3.1% of assets).

<sup>11</sup> The spread is calculated on the basis of the difference between the operated lending interest rate for each credit line and the average interest rate weighted by amount paid on total time deposits in pesos, taking into consideration minimum cash requirements.

<sup>12</sup> Loans to companies are those granted to legal persons and commercial loans granted to individuals; remaining loans to individuals are considered within the households heading.

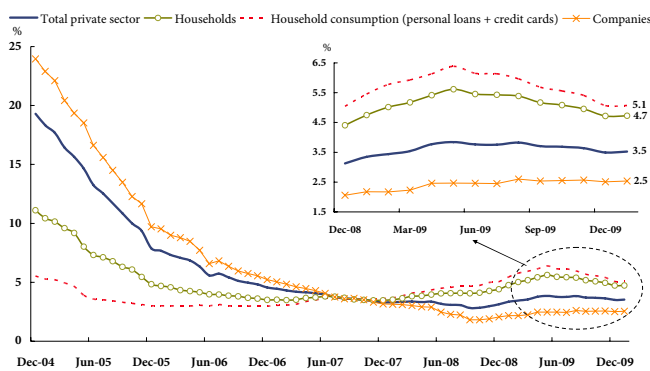
**Chart 15**



\* Its considered only employees whose employers comply with the labour legislation  
Source: BCRA from SISGEN, Dirección General de Coordinación Fiscal con las Provincias, INDEC and Boletín Estadístico de la Seguridad Social (Ministerio de Trabajo, Empleo y Seguridad Social de la Nación).

**Chart 16**

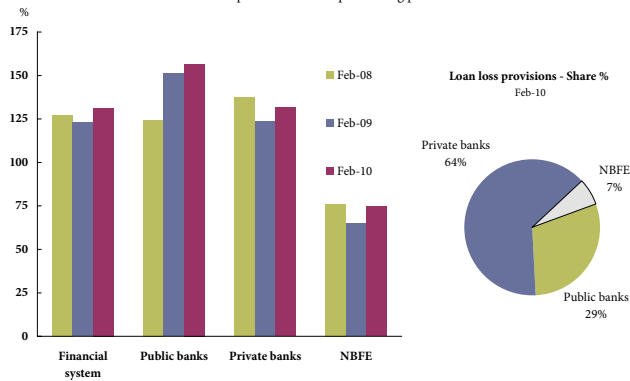
**Non-Performing Credit to the Private Sector**  
Non-performing loans / Total financing (%)



Source: BCRA

**Chart 17**

**Loan Loss Provisions**  
Loan loss provisions / Non-performing portfolio



Source: BCRA

## Portfolio quality

*In recent months household consumer credit lines have led the reduction in the non-performance indicator*

**In February there was a drop in the non-performance ratio for private sector lending**, mainly in the case of public banks. The indicator decreased 0.1 p.p. to 3.4%, accumulating a fall of 0.4 p.p. from the peak in 2009 (May).

**The delinquency decline in recent months has been led by household borrowing, mainly by consumer loans** (see Chart 16). Household loans non-performance stood at 4.7% in January, 0.9 p.p. below the peak recorded in 2009. Consumer delinquency stood at 5.1% of total lending, 1.3 p.p. below the high reached in 2009.

**In recent months the non-performing ratio for loans to the corporate sector has held steady at around 2.5%.** There was a drop in the non-performing balance of loans to the construction and service sectors, while manufacturing continued being the sector with the best credit performance. Loans to companies with residual stock between \$200,000 and \$5 million showed the largest reduction in non-performance in recent months, while larger-size companies posted the lowest non-performance.

**Loan loss provisions continue to exceed the value of the non-performing portfolio.** The level of coverage by provisions of the non-performing portfolio reached 131.4% in February, 8.6 p.p. more than in the same month of 2009. This rise was widespread across all groups of financial entities (see Chart 17).

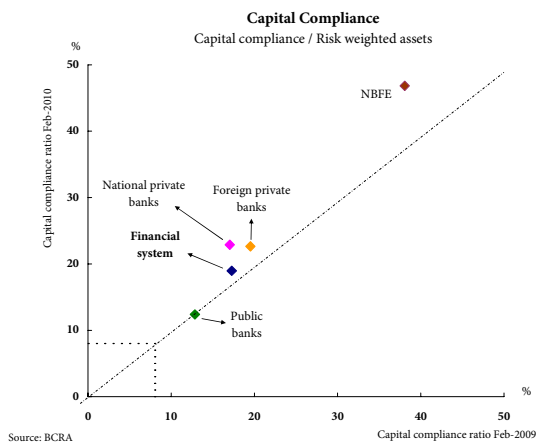
## Solvency

*Financial system solvency ratios have shown improvement*

**Financial system consolidated net worth expanded 1% in February**, accumulating a 20.4% y.o.y. Net worth growth has continued at above the rate in assets, a fact reflected in the reduction in leverage over the last 18 months.

**Financial system capital compliance stood at 19% of risk-weighted assets (RWA) in February**, up 1.7 p.p. over the last 12 months, mainly from the performance by private banks (both national and foreign banks; see Chart 18). Thus, **in the aggregate, capital compliance more than doubles the regulatory requirement.**

**Chart 18**

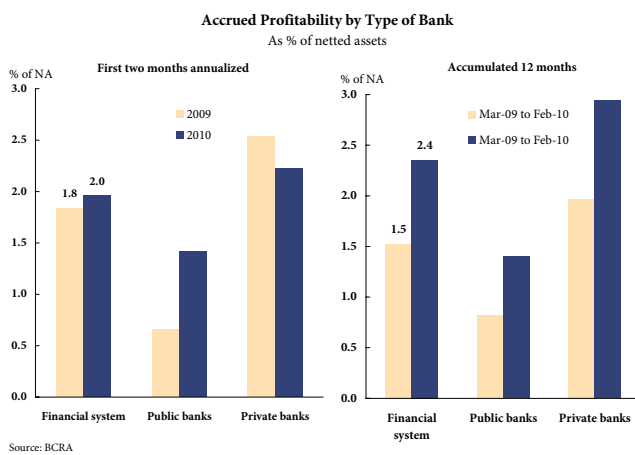


Financial system excess capital compliance was 102%, and this sound position can be seen across all uniform groups of banks.

**Financial entities book profits totaled an annualized (a.) 1.7% of assets in February**, 0.6 p.p. less than in January. The monthly drop in financial margin, driven mainly by lower net interest income, was partly offset by a reduction in operating costs.

Nevertheless, **in the first two months of the year profits accrued by the financial system totaled 2%a. of assets, up 0.2 p.p. compared with the same period of 2009**, in a context of improved profits from public banks and a slight drop in those of private banks (see Chart 19). **In the last 12 months, financial system book profits have reached 2.4%a. of assets**, 0.8 p.p. more than in the same period of the previous year, basically from the better gains on securities and from recurring income.

**Chart 19**

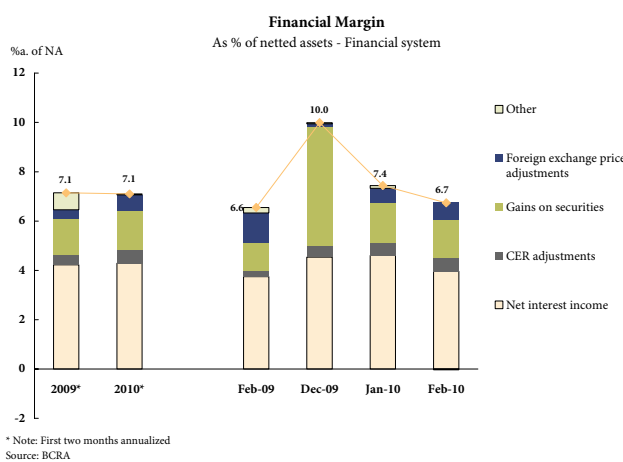


**Banks' financial margin fell by 0.7 p.p. of assets in February to 6.7%a.**, mainly reflecting the effects of **lower net interest income**<sup>13</sup> (see Chart 20). There were lower gains on securities for the month, while foreign exchange price adjustments were higher (within the context of a slight increase in the financial system' foreign currency mismatching, as well as in the nominal exchange rate between ends of months). The total financial margin in the first two months of the year stands at 7.1%a. of assets. **Net income from services fell 0.1 p.p. of assets in the month, to 3.7%a.**

**The main income statements costs headings were lower during the month.** Operating costs were down by 0.5 p.p. of assets in February to 6.3%a. Nevertheless, in the first 2 months of 2010 these costs have risen by 0.3 p.p. of assets compared with the same period of last year, mainly from the figures recorded by private banks. Loan loss provisions have continued to decline to 0.8%a. of assets, in line with the gradual improvement in loan portfolio quality.

**Overall, financial entities are expected to continue to improve their solvency indicators in coming months, providing a sound framework for growth in financial intermediation with the private sector.**

**Chart 20**



<sup>13</sup> This change for the month in interest income has been largely influenced by an accounting adjustment performed by a public bank.

## 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” 5039 – 05/02/10**

Credit to non-financial public sector. No objections have been raised regarding financial entities acquiring debt certificates (VRDs) from the “SISVIAL” Highway Infrastructure Trust under the rules on loans to trusts set up for specific purposes, as long as the applicable caps on credit assistance to the non-financial public sector are not exceeded.

### **Communication “A” 5041 – 11/02/10**

Credit to non-financial public sector. No objections have been raised regarding financial entities acquiring debt certificates (VRDs) from the Water Infrastructure Trust - Decree 1381/01, under the rules on loans to trusts set up for specific purposes, as long as the applicable caps on credit assistance to the non-financial public sector are not exceeded.

## Methodology

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

# Glossary

**%a.:** annualized percentage.

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

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

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

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

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

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

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

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

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

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

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

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

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

**mill.:** million.

**NBFE:** Non-banking financial entity.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**RWA:** Risk weighted assets.

**SME:** Small and Medium Enterprises.

**US\$:** United States dollars.

# Statistics annex | Financial system

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

As %	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	Jan 2009	2009	Jan 2010	Feb 2010
1.- Liquidity	22.3	26.1	23.1	25.0	23.4	19.6	22.8	29.1	29.6	20.1	22.5	23.0	27.9	28.9	28.6	31.0	29.8
2.- Credit to the public sector	16.9	16.2	16.2	18.0	17.3	23.0	48.9	47.0	40.9	31.5	22.5	16.3	12.7	12.5	14.5	14.2	14.3
3.- Credit to the private sector	50.8	47.7	48.4	44.9	39.9	42.7	20.8	18.1	19.6	25.8	31.0	38.2	39.4	38.0	38.4	37.5	37.5
4.- Private non-performing loans	16.2	13.8	12.2	14.0	16.0	19.1	38.6	33.5	18.6	7.6	4.5	3.2	3.1	3.3	3.5	3.5	3.4
5.- Net worth exposure to the private sector	24.9	22.5	20.6	24.7	26.2	21.9	17.3	12.4	-1.0	-4.1	-3.3	-3.0	-3.3	-2.8	-2.8	-3.0	-3.2
6.- ROA	0.6	1.0	0.5	0.2	0.0	0.0	-8.9	-2.9	-0.5	0.9	1.9	1.5	1.6	2.1	2.3	2.3	2.0
7.- ROE	4.1	6.3	3.9	1.7	0.0	0.0	-59.2	-22.7	-4.2	7.0	14.3	11.0	13.4	17.6	19.2	18.0	15.6
8.- Efficiency	142	136	138	142	147	143	189	69	125	151	167	160	167	178	185	166	165
9.- Capital compliance	23.8	20.8	20.3	21.0	20.1	21.4	-	14.5	14.0	15.3	16.8	16.9	16.8	17.1	18.6	18.7	19.0
10.- Excess capital compliance	64	73	49	54	58	54	-	116	185	173	134	93	90	86	98	100	102

Source: BCRA

## Chart 2 | Balance Sheet

In million of current pesos	Dec 00	Dec 01	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Dec 08	Feb 09	Dec 09	Jan 10	Feb 10	Change (in %)			
														Last month	2010	Last 12 months	
<b>Assets</b>	<b>163,550</b>	<b>123,743</b>	<b>187,532</b>	<b>186,873</b>	<b>212,562</b>	<b>221,962</b>	<b>258,384</b>	<b>297,963</b>	<b>346,762</b>	<b>350,611</b>	<b>385,905</b>	<b>392,361</b>	<b>397,243</b>	<b>1.2</b>	<b>2.9</b>	<b>13.3</b>	
Liquid assets <sup>1</sup>	20,278	13,005	17,138	27,575	29,154	20,819	37,991	46,320	58,676	56,841	71,067	72,457	66,538	-8.2	-6.4	17.1	
Public bonds	10,474	3,694	31,418	45,062	55,382	66,733	64,592	62,678	65,255	75,581	84,851	88,892	92,988	4.6	9.6	23.0	
Lebac/Nobac	-	-	-	-	17,755	28,340	29,289	36,022	37,093	43,478	43,867	50,443	55,241	9.5	25.9	27.1	
Portfolio	-	-	-	-	11,803	21,067	25,767	31,598	25,652	28,141	34,748	35,831	37,311	4.1	7.4	32.6	
Repo <sup>2</sup>	-	-	-	-	5,953	7,273	3,521	4,424	11,442	15,338	9,119	14,612	17,930	22.7	96.6	16.9	
Private bonds	633	543	332	198	387	389	813	382	203	188	308	246	220	-10.8	-28.6	16.8	
Loans	83,277	77,351	84,792	68,042	73,617	84,171	103,668	132,157	154,719	150,598	169,882	168,938	172,422	2.1	1.5	14.5	
Public sector	15,164	22,694	44,337	33,228	30,866	25,836	20,874	16,772	17,083	12,707	20,570	20,958	22,556	7.6	9.7	77.5	
Private sector	64,464	52,039	38,470	33,398	41,054	55,885	77,832	110,355	132,844	133,791	145,261	144,166	146,019	1.3	0.5	9.1	
Financial sector	3,649	2,617	1,985	1,417	1,697	2,450	4,962	5,030	4,793	4,100	4,052	3,814	3,846	0.9	-5.1	-6.2	
Provisions over loans	-6,907	-6,987	-11,952	-9,374	-7,500	-4,930	-3,728	-4,089	-4,744	-4,992	-5,828	-5,826	-5,859	0.6	0.5	17.4	
Other netted credits due to financial intermediation	42,361	21,485	39,089	27,030	32,554	26,721	26,039	29,712	38,152	38,400	33,484	35,562	38,301	7.7	14.4	-0.3	
Corporate bonds and subordinated debt	794	751	1,708	1,569	1,018	873	773	606	912	1,044	1,146	1,210	1,124	-7.1	-1.9	7.6	
Unquoted trusts	2,053	2,065	6,698	4,133	3,145	3,883	4,881	5,023	5,714	6,060	5,928	5,856	6,049	3.3	2.0	-0.2	
Compensation receivable	0	0	17,111	14,937	15,467	5,841	763	377	357	368	16	16	16	0.0	0.0	-95.8	
Other	39,514	18,669	13,572	6,392	12,924	16,124	19,622	23,706	31,169	30,929	26,395	28,480	31,113	9.2	17.9	0.6	
Leasing	786	771	567	397	611	1,384	2,262	3,469	3,935	3,636	2,933	2,904	2,836	-2.3	-3.3	-22.0	
Shares in other companies	2,645	2,688	4,653	4,591	3,871	4,532	6,392	6,430	7,236	7,451	6,817	6,908	6,970	0.9	2.3	-6.4	
Fixed assets and miscellaneous	4,939	4,804	8,636	8,164	7,782	7,546	7,619	7,643	7,903	7,971	8,239	8,274	8,353	1.0	1.4	4.8	
Foreign branches	1,115	1,057	3,522	3,144	3,524	3,647	2,782	2,912	3,153	3,243	3,926	3,932	3,972	1.0	1.2	22.5	
Other assets	3,950	5,334	9,338	12,043	13,180	10,950	9,953	10,347	12,275	11,694	10,227	10,075	10,503	4.3	2.7	-10.2	
<b>Liabilities</b>	<b>146,267</b>	<b>107,261</b>	<b>161,446</b>	<b>164,923</b>	<b>188,683</b>	<b>195,044</b>	<b>225,369</b>	<b>261,143</b>	<b>305,382</b>	<b>308,107</b>	<b>337,567</b>	<b>343,321</b>	<b>347,726</b>	<b>1.3</b>	<b>3.0</b>	<b>12.9</b>	
Deposits	86,506	66,458	75,001	94,635	116,655	136,492	170,898	205,550	236,217	241,471	271,796	276,510	277,827	0.5	2.2	15.1	
Public sector <sup>3</sup>	7,204	950	8,381	16,040	31,649	34,019	45,410	48,340	67,151	67,060	69,127	73,121	75,317	3.0	9.0	12.3	
Private sector <sup>3</sup>	78,397	43,270	59,698	74,951	83,000	100,809	123,431	155,048	166,378	171,107	199,237	199,742	198,408	-0.7	-0.4	16.0	
Current account	6,438	7,158	11,462	15,071	18,219	23,487	26,900	35,245	39,619	37,627	45,752	45,543	44,741	-1.8	-2.2	18.9	
Savings account	13,008	14,757	10,523	16,809	23,866	29,078	36,442	47,109	50,966	51,051	62,807	61,409	60,603	-1.3	-3.5	18.7	
Time deposit	53,915	18,012	19,080	33,285	34,944	42,822	54,338	65,952	69,484	76,066	83,926	85,684	86,153	0.5	2.7	13.3	
CEDRO	0	0	12,328	3,217	1,046	17	13	0	0	0	0	0	0	-	-	-	
Other netted liabilities due to financial intermediation	55,297	36,019	75,737	61,690	64,928	52,072	46,037	46,225	57,662	55,627	50,647	51,869	54,763	5.6	8.1	-1.6	
Interbanking obligations	3,545	2,550	1,649	1,317	1,461	2,164	4,578	4,310	3,895	3,311	3,251	3,011	3,072	2.0	-5.5	-7.2	
BCRA lines	102	4,470	27,837	27,491	27,276	17,005	7,686	2,362	1,885	1,486	270	261	261	0.2	-3.2	-82.4	
Outstanding bonds	4,954	3,777	9,096	6,675	7,922	6,548	6,603	6,938	5,984	5,764	5,033	4,652	4,516	-2.9	-10.3	-21.6	
Foreign lines of credit	8,813	7,927	25,199	15,196	8,884	4,684	4,240	3,864	4,541	4,170	3,369	3,139	3,143	0.1	-6.7	-24.6	
Other	37,883	17,295	11,955	11,012	18,934	21,671	22,930	28,752	41,357	40,895	38,724	40,807	43,770	7.3	13.0	7.0	
Subordinated debts	2,255	2,260	3,712	2,028	1,415	1,381	1,642	1,672	1,763	1,794	1,922	1,894	1,926	1.7	0.2	7.4	
Other liabilities	2,210	2,524	6,997	6,569	5,685	5,099	6,792	7,695	9,740	9,216	13,203	13,048	13,209	1.2	0.0	43.3	
<b>Net worth</b>	<b>17,283</b>	<b>16,483</b>	<b>26,086</b>	<b>21,950</b>	<b>23,879</b>	<b>26,918</b>	<b>33,014</b>	<b>36,819</b>	<b>41,380</b>	<b>42,503</b>	<b>48,337</b>	<b>49,040</b>	<b>49,518</b>	<b>1.0</b>	<b>2.4</b>	<b>16.5</b>	
<b>Memo</b>																	
Netted assets	129,815	110,275	185,356	184,371	202,447	208,275	244,791	280,336	321,075	325,135	363,249	367,943	369,851	0.5	1.8	13.8	
Consolidated netted assets	125,093	106,576	181,253	181,077	198,462	203,286	235,845	271,652	312,002	316,558	355,641	360,522	362,303	0.5	1.9	14.5	

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

Source: BCRA

# Statistics annex | Financial system (cont.)

## Chart 3 | Profitability Structure

Amount in million of pesos	Annual										First 2 months		Monthly			Last
	2000	2001	2002 <sup>1</sup>	2003	2004	2005	2006	2007	2008	2009	2009	2010	Dec-09	Jan-10	Feb-10	12 months
Financial margin	7,291	6,943	13,991	1,965	6,075	9,475	13,262	15,134	20,526	28,858	3,825	4,317	2,998	2,261	2,056	29,351
Net interest income	5,106	4,625	-3,624	-943	1,753	3,069	4,150	5,744	9,574	13,917	2,261	2,611	1,362	1,402	1,209	14,267
CER and CVS adjustments	0	0	8,298	2,315	1,944	3,051	3,012	2,624	2,822	1,196	208	318	142	155	163	1,306
Foreign exchange price adjustments	185	268	5,977	-890	866	751	944	1,357	2,304	2,278	189	384	40	173	212	2,474
Gains on securities	1,481	1,490	3,639	1,962	1,887	2,371	4,923	5,144	4,462	11,003	800	980	1,439	498	482	11,183
Other financial income	519	559	-299	-480	-375	233	235	264	1,363	463	367	24	15	34	-10	120
Service income margin	3,582	3,604	4,011	3,415	3,904	4,781	6,243	8,248	10,868	13,057	1,947	2,269	1,252	1,155	1,114	13,379
Loan loss provisions	-3,056	-3,096	-10,007	-2,089	-1,511	-1,173	-1,198	-1,894	-2,832	-3,818	-616	-510	-361	-259	-251	-3,712
Operating costs	-7,375	-7,362	-9,520	-7,760	-7,998	-9,437	-11,655	-14,634	-18,748	-22,699	-3,376	-3,982	-2,261	-2,055	-1,927	-23,305
Tax charges	-528	-571	-691	-473	-584	-737	-1,090	-1,537	-2,315	-3,268	-467	-573	-289	-296	-277	-3,374
Income tax	-446	-262	-509	-305	-275	-581	-595	-1,032	-1,342	-4,038	-432	-423	-213	-182	-241	-4,029
Adjust. to the valuation of gov. securities <sup>2</sup>	0	0	0	-701	-320	-410	-752	-837	-1,757	-184	-53	-49	-6	-24	-25	-180
Amort. payments for court-ordered releases	0	0	0	-1,124	-1,686	-1,867	-2,573	-1,922	-994	-460	128	-67	-103	-31	-36	-655
Other	535	702	-3,880	1,738	1,497	1,729	2,664	2,380	1,366	472	28	208	-370	118	90	651
Monetary results	0	0	-12,558	69	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total results<sup>3</sup></b>	<b>3</b>	<b>-42</b>	<b>-19,162</b>	<b>-5,265</b>	<b>-898</b>	<b>1,780</b>	<b>4,306</b>	<b>3,905</b>	<b>4,773</b>	<b>7,920</b>	<b>984</b>	<b>1,191</b>	<b>649</b>	<b>687</b>	<b>503</b>	<b>8,127</b>
Adjusted results <sup>4</sup>	-	-	-	-3,440	1,337	4,057	7,631	6,665	7,523	8,563	909	1,307	758	742	565	8,961
<i>Annualized indicators - As % of netted assets</i>																
Financial margin	5.7	5.7	6.5	1.1	3.1	4.6	5.8	5.7	6.7	8.5	7.1	7.1	10.0	7.4	6.7	8.5
Net interest income	4.0	3.8	-1.7	-0.5	0.9	1.5	1.8	2.2	3.1	4.1	4.2	4.3	4.5	4.6	4.0	4.1
CER and CVS adjustments	0.0	0.0	3.9	1.3	1.0	1.5	1.3	1.0	0.9	0.4	0.4	0.5	0.5	0.5	0.4	0.4
Foreign exchange price adjustments	0.1	0.2	2.8	-0.5	0.4	0.4	0.4	0.5	0.8	0.7	0.4	0.6	0.1	0.6	0.7	0.7
Gains on securities	1.2	1.2	1.7	1.1	1.0	1.2	2.2	1.9	1.5	3.3	1.5	1.6	4.8	1.6	1.6	3.2
Other financial income	0.4	0.5	-0.1	-0.3	-0.2	0.1	0.1	0.1	0.4	0.1	0.7	0.0	0.1	0.1	0.0	0.0
Service income margin	2.8	3.0	1.9	1.9	2.0	2.3	2.7	3.1	3.6	3.9	3.6	3.7	4.2	3.8	3.7	3.9
Loan loss provisions	-2.4	-2.6	-4.7	-1.1	-0.8	-0.6	-0.5	-0.7	-0.9	-1.1	-1.2	-0.8	-1.2	-0.9	-0.8	-1.1
Operating costs	-5.8	-6.1	-4.4	-4.2	-4.1	-4.6	-5.1	-5.5	-6.1	-6.7	-6.3	-6.6	-7.5	-6.8	-6.3	-6.8
Tax charges	-0.4	-0.5	-0.3	-0.3	-0.3	-0.4	-0.5	-0.6	-0.8	-1.0	-0.9	-0.9	-1.0	-1.0	-0.9	-1.0
Income tax	-0.3	-0.2	-0.2	-0.2	-0.1	-0.3	-0.3	-0.4	-0.4	-1.2	-0.8	-0.7	-0.7	-0.6	-0.8	-1.2
Adjust. to the valuation of gov. securities <sup>2</sup>	0.0	0.0	0.0	-0.4	-0.2	-0.2	-0.3	-0.3	-0.6	-0.1	-0.1	-0.1	0.0	-0.1	-0.1	-0.1
Amort. payments for court-ordered releases	0.0	0.0	0.0	-0.6	-0.9	-0.9	-1.1	-0.7	-0.3	-0.1	0.2	-0.1	-0.3	-0.1	-0.1	-0.2
Other	0.4	0.6	-1.8	0.9	0.8	0.8	1.2	0.9	0.4	0.1	0.1	0.3	-1.2	0.4	0.3	0.2
Monetary results	0.0	0.0	-5.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>ROA<sup>3</sup></b>	<b>0.0</b>	<b>0.0</b>	<b>-8.9</b>	<b>-2.9</b>	<b>-0.5</b>	<b>0.9</b>	<b>1.9</b>	<b>1.5</b>	<b>1.6</b>	<b>2.3</b>	<b>1.8</b>	<b>2.0</b>	<b>2.2</b>	<b>2.3</b>	<b>1.7</b>	<b>2.4</b>
ROA adjusted <sup>4</sup>	0.0	0.0	-8.9	-1.9	0.7	2.0	3.4	2.5	2.5	2.5	1.7	2.2	2.5	2.4	1.9	2.6
<b>ROE<sup>3</sup></b>	<b>0.0</b>	<b>-0.2</b>	<b>-59.2</b>	<b>-22.7</b>	<b>-4.2</b>	<b>7.0</b>	<b>14.3</b>	<b>11.0</b>	<b>13.4</b>	<b>19.2</b>	<b>15.5</b>	<b>15.6</b>	<b>17.3</b>	<b>18.0</b>	<b>13.1</b>	<b>19.1</b>

(1) Data at December 2002 currency (2) Com. "A" 3911. Adjustments to the valuation of government unlisted securities according to Com. "A" 4084 are included under the "gains from securities" heading.  
(3) As of January 2008, data to calculate financial system consolidated result is available. This indicator excludes results and asset headings related to shares and participation in other local financial entities.  
(4) Excluding amortization of payments for court-ordered releases and the effects of Com. "A" 3911 and 4084.  
Source: BCRA

## Chart 4 | Portfolio Quality

As percentage	Dec 00	Dec 01	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Dec 08	Feb 09	Dec 09	Jan 10	Feb 10
Non-performing loans (overall)	12.9	13.1	18.1	17.7	10.7	5.2	3.4	2.7	2.7	3.0	3.0	3.0	2.9
<b>Non-performing loans to the non-financial private sector</b>	<b>16.0</b>	<b>19.1</b>	<b>38.6</b>	<b>33.5</b>	<b>18.6</b>	<b>7.6</b>	<b>4.5</b>	<b>3.2</b>	<b>3.1</b>	<b>3.4</b>	<b>3.5</b>	<b>3.5</b>	<b>3.4</b>
Provisions / Non-performing loans	61.1	66.4	73.8	79.2	102.9	124.5	129.9	129.6	131.4	122.5	125.7	128.2	131.1
(Total non-performing - Provisions) / Overall financing	5.0	4.4	4.7	3.7	-0.3	-1.3	-1.0	-0.8	-0.8	-0.7	-0.8	-0.8	-0.9
(Total non-performing - Provisions) / Net worth	26.2	21.6	17.2	11.9	-1.0	-4.1	-3.3	-3.0	-3.3	-2.5	-2.8	-3.0	-3.2

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



# Statistics annex | Private banks

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

As %	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	Jan 2009	2009	Jan 2010	Feb 2010
1.- Liquidity	23.6	26.9	22.8	24.3	24.1	23.6	24.8	27.6	29.2	21.5	23.7	25.7	34.1	33.9	29.8	31.8	30.1
2.- Credit to the public sector	13.5	13.7	13.6	16.1	14.7	20.8	50.0	47.7	41.6	28.5	16.3	9.5	6.3	6.2	6.2	6.2	6.1
3.- Credit to the private sector	51.0	46.7	47.6	44.6	38.4	45.4	22.4	19.9	22.5	31.1	37.9	46.6	44.0	41.6	43.3	42.9	44.2
4.- Private non-performing loans	11.1	8.5	7.7	8.9	9.8	14.0	37.4	30.4	15.3	6.3	3.6	2.5	2.8	3.1	3.3	3.3	3.3
5.- Net worth exposure to the private sector	21.6	14.3	13.2	11.5	13.4	11.4	18.6	11.2	1.9	-2.2	-3.0	-3.6	-3.4	-2.8	-3.1	-3.1	-3.2
6.- ROA	0.6	0.7	0.5	0.3	0.1	0.2	-11.3	-2.5	-1.0	0.5	2.2	1.6	1.9	3.3	3.0	2.6	2.2
7.- ROE	4.1	6.3	4.3	2.3	0.8	1.4	-79.0	-19.1	-8.1	4.1	15.3	10.9	15.2	26.8	22.9	18.9	16.0
8.- Efficiency	144	135	139	146	152	151	168	93	115	136	158	152	166	197	195	172	171
9.- Capital compliance	15.9	15.4	14.6	18.9	18.0	17.6	-	14.0	15.1	17.8	18.6	19.2	18.3	18.9	22.5	22.6	22.6
10.- Excess capital compliance	33	47	27	60	49	43	-	88	157	155	116	87	86	89	120	123	124

Source: BCRA

## Chart 6 | Balance Sheet

In million of current pesos	Dec 00	Dec 01	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Oct 08	Dec 08	Feb 09	Dec 09	Jan 10	Feb 10	Change (%)		
															Last month	2010	Last 12 months
<b>Assets</b>	<b>119,371</b>	<b>82,344</b>	<b>118,906</b>	<b>116,633</b>	<b>128,065</b>	<b>129,680</b>	<b>152,414</b>	<b>175,509</b>	<b>195,233</b>	<b>208,888</b>	<b>214,356</b>	<b>229,549</b>	<b>229,260</b>	<b>226,047</b>	-1.4	-1.5	5.5
Liquid assets <sup>1</sup>	13,920	10,576	11,044	14,500	15,893	14,074	22,226	29,418	34,103	37,044	36,690	43,562	41,686	40,013	-4.0	-8.1	9.1
Public bonds	7,583	1,627	19,751	22,260	24,817	29,966	27,663	24,444	19,898	29,552	37,602	47,949	50,162	47,970	-4.4	0.0	27.6
Lebac/Nobac	0	0	-	-	8,359	15,227	15,952	17,684	15,430	23,457	27,135	31,575	35,937	34,645	-3.6	9.7	27.7
Portfolio	0	0	-	-	5,611	12,899	14,220	15,639	11,482	12,858	14,915	27,413	27,961	28,186	0.8	2.8	89.0
Repo <sup>2</sup>	0	0	-	-	2,749	2,328	1,732	2,045	3,948	10,598	12,220	4,161	7,976	6,459	-19.0	55.2	-47.1
Private bonds	563	451	273	172	333	307	683	310	123	118	233	176	147	147	-16.4	-36.9	25.1
Loans	56,035	52,319	51,774	47,017	50,741	56,565	69,294	88,898	100,540	98,529	94,214	101,722	100,621	102,421	1.8	0.7	8.7
Public sector	8,172	13,803	25,056	23,571	21,430	15,954	10,036	6,413	6,274	6,249	2,236	1,694	1,962	1,957	-0.3	15.5	-12.5
Private sector	45,103	36,636	26,074	22,816	28,213	39,031	55,632	78,587	90,144	88,426	88,613	96,790	95,737	97,501	1.8	0.7	10.0
Financial sector	2,760	1,880	644	630	1,107	1,580	3,626	3,898	4,121	3,854	3,365	3,238	2,921	2,963	1.4	-8.5	-12.0
Provisions over loans	-3,248	-3,957	-7,463	-5,225	-3,717	-2,482	-2,227	-2,365	-2,671	-2,871	-3,051	-3,653	-3,670	-3,698	0.8	1.2	21.2
Other netted credits due to financial intermediation	36,600	13,037	27,212	22,148	25,753	16,873	18,387	17,084	21,694	25,265	27,852	21,258	21,883	20,360	-7.0	-4.2	-26.9
Corporate bonds and subordinated debt	724	665	1,514	1,394	829	675	618	430	804	699	762	734	797	709	-11.0	-3.4	-6.9
Unquoted trusts	1,609	1,637	6,205	3,571	2,362	2,444	2,982	3,456	3,915	3,869	4,149	4,198	4,233	4,298	1.5	2.4	3.6
Compensation receivable	0	0	15,971	13,812	14,657	5,575	760	377	349	357	368	16	16	16	0.0	0.0	-95.8
Other	34,267	10,735	3,523	3,370	7,905	8,179	14,027	12,822	16,626	20,339	22,573	16,311	16,837	15,336	-8.9	-6.0	-32.1
Leasing	776	752	553	387	592	1,356	2,126	3,149	3,621	3,451	3,174	2,569	2,546	2,483	-2.5	-3.3	-21.8
Shares in other companies	1,651	1,703	3,123	2,791	1,892	2,416	4,042	3,762	4,568	4,538	4,750	4,067	4,139	4,211	1.7	3.5	-11.3
Fixed assets and miscellaneous	3,225	3,150	5,198	4,902	4,678	4,575	4,677	4,685	4,867	4,926	4,939	5,096	5,151	5,183	0.6	1.7	4.9
Foreign branches	75	112	-109	-136	-53	-148	-139	-154	-173	-178	-184	-202	-204	-207	1.2	2.2	12.0
Other assets	2,190	2,574	7,549	7,816	7,137	6,178	5,682	6,277	8,661	8,505	8,253	6,946	6,771	7,163	5.8	3.1	-13.2
<b>Liabilities</b>	<b>107,193</b>	<b>70,829</b>	<b>103,079</b>	<b>101,732</b>	<b>113,285</b>	<b>112,600</b>	<b>131,476</b>	<b>152,153</b>	<b>169,371</b>	<b>182,596</b>	<b>187,106</b>	<b>198,438</b>	<b>197,637</b>	<b>194,089</b>	-1.8	-2.2	3.7
Deposits	57,833	44,863	44,445	52,625	62,685	75,668	94,095	116,719	127,878	135,711	139,994	154,387	154,037	151,680	-1.5	-1.8	8.3
Public sector <sup>3</sup>	1,276	950	1,636	3,077	6,039	6,946	7,029	7,564	11,086	19,600	21,150	17,757	18,007	17,270	-4.1	-2.7	-18.3
Private sector <sup>3</sup>	55,917	43,270	38,289	47,097	55,384	67,859	85,714	107,671	115,109	114,176	116,490	134,426	133,775	132,126	-1.2	-1.7	13.4
Current account	4,960	7,158	8,905	11,588	13,966	17,946	20,604	27,132	27,925	30,188	28,046	35,127	34,645	33,841	-2.3	-3.7	20.7
Savings account	9,409	14,757	6,309	10,547	14,842	18,362	23,165	30,169	29,644	32,778	32,763	40,999	39,557	39,005	-1.4	-4.9	19.1
Time deposit	39,030	18,012	11,083	18,710	22,729	27,736	38,043	45,770	53,055	46,990	51,324	54,058	54,985	54,907	-0.1	1.6	7.0
CEDRO	0	0	9,016	2,409	798	3	1	0	0	0	0	0	0	0	-	-	-
Other netted liabilities due to financial intermediation	46,271	22,629	49,341	42,367	45,083	32,349	31,750	29,323	33,966	39,298	39,625	34,235	33,844	32,573	-3.8	-4.9	-17.8
Interbanking obligations	2,293	1,514	836	726	1,070	1,488	3,383	1,979	1,596	1,160	1,011	1,668	1,434	1,499	4.5	-10.1	48.4
BCRA lines	83	1,758	16,624	17,030	17,768	10,088	3,689	675	641	649	328	41	39	39	-2.2	-5.3	-88.1
Outstanding bonds	4,939	3,703	9,073	6,674	7,922	6,548	6,413	6,686	5,826	5,672	5,449	4,626	4,269	4,155	-2.7	-10.2	-23.8
Foreign lines of credit	5,491	4,644	15,434	9,998	5,444	2,696	2,249	1,833	2,933	2,261	1,850	1,262	1,071	1,057	-1.3	-16.2	-42.9
Other	33,466	11,010	7,374	7,939	12,878	11,530	16,015	18,150	22,970	29,555	30,987	26,638	27,030	25,823	-4.5	-3.1	-16.7
Subordinated debts	1,668	1,700	3,622	1,850	1,304	1,319	1,642	1,668	1,719	1,759	1,790	1,918	1,891	1,923	1.7	0.2	7.4
Other liabilities	1,420	1,637	5,671	4,890	4,213	3,264	3,989	4,443	5,808	5,828	5,697	7,897	7,866	7,912	0.6	0.2	38.9
<b>Net worth</b>	<b>12,178</b>	<b>11,515</b>	<b>15,827</b>	<b>14,900</b>	<b>14,780</b>	<b>17,080</b>	<b>20,938</b>	<b>23,356</b>	<b>25,861</b>	<b>26,292</b>	<b>27,250</b>	<b>31,111</b>	<b>31,623</b>	<b>31,958</b>	1.1	2.7	17.3
Memo																	
<b>Netted assets</b>	<b>88,501</b>	<b>73,796</b>	<b>117,928</b>	<b>115,091</b>	<b>121,889</b>	<b>123,271</b>	<b>143,807</b>	<b>166,231</b>	<b>183,055</b>	<b>192,074</b>	<b>195,631</b>	<b>216,100</b>	<b>215,491</b>	<b>213,609</b>	-0.9	-1.2	9.2

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

# Statistics annex | Private banks (cont.)

## Chart 7 | Profitability Structure

Amount in million of pesos	Annual										First 2 months		Monthly			Last
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2009	2010	Dec-09	Jan-10	Feb-10	12 months
Financial margin	5,441	5,282	10,628	2,575	3,415	5,253	7,778	8,960	12,964	19,720	2,640	2,794	1,742	1,443	1,350	19,873
Net interest income	3,598	3,519	-304	107	1,214	2,069	2,826	4,191	7,727	10,068	1,754	1,721	909	873	847	10,035
CER and CVS adjustments	0	0	1,476	1,082	900	1,215	858	662	651	185	52	37	23	16	21	169
Foreign exchange price adjustments	160	256	6,189	-312	666	576	740	990	1,620	1,509	154	255	53	128	127	1,610
Gains on securities	1,232	962	3,464	1,892	959	1,259	3,154	2,888	1,637	7,343	404	732	686	379	353	7,671
Other financial income	450	546	-197	-195	-322	134	199	229	1,329	616	275	49	72	47	2	389
Service income margin	2,554	2,598	2,782	2,341	2,774	3,350	4,459	5,881	7,632	9,198	1,380	1,631	880	834	797	9,449
Loan loss provisions	-2,173	-2,464	-6,923	-1,461	-1,036	-714	-737	-1,174	-1,863	-2,751	-395	-346	-264	-179	-167	-2,702
Operating costs	-5,263	-5,224	-6,726	-5,310	-5,382	-6,303	-7,741	-9,735	-12,401	-14,807	-2,192	-2,590	-1,503	-1,321	-1,269	-15,205
Tax charges	-379	-418	-512	-366	-393	-509	-769	-1,105	-1,715	-2,380	-347	-410	-231	-210	-201	-2,443
Income tax	-393	-216	-337	-295	-202	-217	-365	-380	-1,168	-3,001	-285	-388	-149	-163	-224	-3,103
Adjust. to the valuation of gov. securities <sup>2</sup>	0	0	0	-665	-51	-201	-170	-100	-267	3	-13	-2	8	-1	-1	15
Amort. payments for court-ordered releases	0	0	0	-791	-1,147	-1,168	-1,182	-1,466	-688	-233	87	-44	-52	-19	-25	-365
Other	307	615	-4,164	1,178	846	1,156	1,641	1,576	916	264	-61	146	42	82	64	471
Monetary results	0	0	-10,531	-20	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total results<sup>3</sup></b>	<b>93</b>	<b>174</b>	<b>-15,784</b>	<b>-2,813</b>	<b>-1,176</b>	<b>648</b>	<b>2,915</b>	<b>2,457</b>	<b>3,412</b>	<b>6,014</b>	<b>813</b>	<b>791</b>	<b>474</b>	<b>465</b>	<b>325</b>	<b>5,991</b>
<b>Adjusted results<sup>4</sup></b>	-	-	-	-1,357	252	2,016	4,267	4,023	4,367	6,244	739	837	518	486	351	6,341
<b>Annualized indicators - As % of netted assets</b>																
Financial margin	6.2	6.4	7.6	2.3	2.9	4.3	5.9	5.8	7.3	9.8	8.2	7.9	9.8	8.1	7.7	9.8
Net interest income	4.1	4.3	-0.2	0.1	1.0	1.7	2.1	2.7	4.4	5.0	5.5	4.8	5.1	4.9	4.8	4.9
CER and CVS adjustments	0.0	0.0	1.1	0.9	0.8	1.0	0.6	0.4	0.4	0.1	0.2	0.1	0.1	0.1	0.1	0.1
Foreign exchange price adjustments	0.2	0.3	4.4	-0.3	0.6	0.5	0.6	0.6	0.9	0.8	0.5	0.7	0.3	0.7	0.7	0.8
Gains on securities	1.4	1.2	2.5	1.7	0.8	1.0	2.4	1.9	0.9	3.7	1.3	2.1	3.8	2.1	2.0	3.8
Other financial income	0.5	0.7	-0.1	-0.2	-0.3	0.1	0.2	0.1	0.8	0.3	0.9	0.1	0.4	0.3	0.0	0.2
Service income margin	2.9	3.2	2.0	2.0	2.4	2.7	3.4	3.8	4.3	4.6	4.3	4.6	4.9	4.7	4.5	4.6
Loan loss provisions	-2.5	-3.0	-5.0	-1.3	-0.9	-0.6	-0.6	-0.8	-1.1	-1.4	-1.2	-1.0	-1.5	-1.0	-1.0	-1.3
Operating costs	-6.0	-6.4	-4.8	-4.6	-4.6	-5.1	-5.9	-6.3	-7.0	-7.4	-6.8	-7.3	-8.4	-7.4	-7.2	-7.5
Tax charges	-0.4	-0.5	-0.4	-0.3	-0.3	-0.4	-0.6	-0.7	-1.0	-1.2	-1.1	-1.2	-1.3	-1.2	-1.1	-1.2
Income tax	-0.4	-0.3	-0.2	-0.3	-0.2	-0.2	-0.3	-0.2	-0.7	-1.5	-0.9	-1.1	-0.8	-0.9	-1.3	-1.5
Adjust. to the valuation of gov. securities <sup>2</sup>	0.0	0.0	0.0	-0.6	0.0	-0.2	-0.1	-0.1	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amort. payments for court-ordered releases	0.0	0.0	0.0	-0.7	-1.0	-1.0	-0.9	-0.9	-0.4	-0.1	0.3	-0.1	-0.3	-0.1	-0.1	-0.2
Other	0.4	0.7	-3.0	1.0	0.7	0.9	1.2	1.0	0.5	0.1	-0.2	0.4	0.2	0.5	0.4	0.2
Monetary results	0.0	0.0	-7.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>ROA<sup>3</sup></b>	<b>0.1</b>	<b>0.2</b>	<b>-11.3</b>	<b>-2.5</b>	<b>-1.0</b>	<b>0.5</b>	<b>2.2</b>	<b>1.6</b>	<b>1.9</b>	<b>3.0</b>	<b>2.5</b>	<b>2.2</b>	<b>2.7</b>	<b>2.6</b>	<b>1.9</b>	<b>2.9</b>
<b>ROA adjusted<sup>4</sup></b>	<b>0.1</b>	<b>0.2</b>	<b>-11.3</b>	<b>-1.2</b>	<b>0.2</b>	<b>1.6</b>	<b>3.2</b>	<b>2.6</b>	<b>2.5</b>	<b>3.1</b>	<b>2.3</b>	<b>2.4</b>	<b>2.9</b>	<b>2.7</b>	<b>2.0</b>	<b>3.1</b>
<b>ROE<sup>3</sup></b>	<b>0.8</b>	<b>1.4</b>	<b>-79.0</b>	<b>-19.1</b>	<b>-8.1</b>	<b>4.1</b>	<b>15.3</b>	<b>10.9</b>	<b>15.2</b>	<b>22.9</b>	<b>20.2</b>	<b>16.1</b>	<b>19.6</b>	<b>18.9</b>	<b>13.1</b>	<b>22.1</b>

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

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

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

Source: BCRA

## Chart 8 | Portfolio Quality

As percentage	Dec 00	Dec 01	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Dec 08	Feb 09	Dec 09	Jan 10	Feb 10
Non-performing loans (overall)	8.3	9.9	19.8	15.7	8.9	4.4	2.9	2.2	2.5	3.0	3.1	3.1	3.1
<b>Non-performing loans to the non-financial private sector</b>	<b>9.8</b>	<b>14.0</b>	<b>37.4</b>	<b>30.4</b>	<b>15.3</b>	<b>6.3</b>	<b>3.6</b>	<b>2.5</b>	<b>2.8</b>	<b>3.2</b>	<b>3.3</b>	<b>3.3</b>	<b>3.3</b>
Provisions / Non-performing loans	67.7	75.7	73.4	79.0	97.0	114.3	129.3	141.3	134.1	123.4	128.9	129.4	131.4
(Total non-performing - Provisions) / Overall financing	2.7	2.4	5.3	3.3	0.4	-0.6	-0.9	-0.9	-0.9	-0.7	-0.9	-0.9	-1.0
(Total non-performing - Provisions) / Net worth	13.4	11.4	18.6	11.2	1.3	-2.2	-3.0	-3.6	-3.4	-2.6	-3.1	-3.1	-3.2

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

Source: BCRA