

Report on Banks

May 2013



BANCO CENTRAL
DE LA REPÚBLICA ARGENTINA

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May 2013

Year X, No. 9



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Contents

Page 3	 	Summary
Page 4	 	I. Activity
Page 5	 	II. Deposits and liquidity
Page 6	 	III. Financing
Page 8	 	IV. Solvency
Page 10	 	Latest regulations
Page 11	 	Methodology and glossary
Page 13	 	Statistics annex

Note | Information for May 2013 available by July 8, 2013 is included. This Report is focused on the performance of the financial system, including breakdowns by homogeneous sub-sectors. The data reported (particularly, those referring to profitability) are provisional and are subject to changes. Except otherwise provided, end-of-month data are included.

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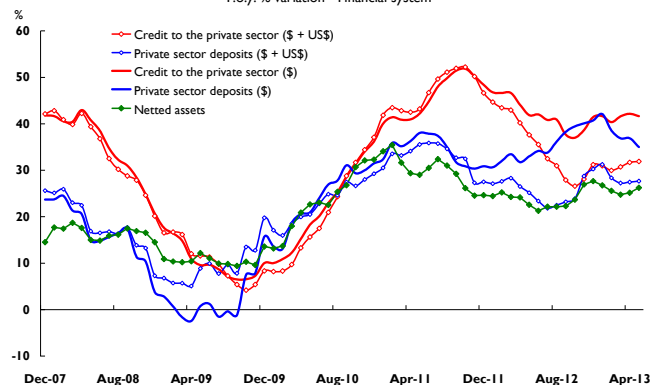
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Summary

- **In May, the financial system continued increasing its financial intermediation levels in pesos (loans and deposits) with companies and households.** It is of note that a significantly higher amount of transfers were recorded over the month. **Financial intermediation activity has taken place within a framework of limited banking risks and adequate liquidity and solvency indicators in the sector.**
- **The Central Bank has recently approved regulations aimed at extending financial services users' protection which included, among other aspects, regulating fees and commissions charged by financial institutions for the services rendered.** This measure, which will become effective on September 30, 2013, is part of the initiatives the Central Bank has been taking to comply with the powers conferred to it by the amended Charter.
- **In May, lending in pesos to the private sector rose 2.3%, increasing 41.6% in the last 12 months.** Loans in pesos continued gaining share in the stock of total loans, accounting for 93.4%, up 6 p.p. against the figure recorded the previous year. In turn, total financing (in pesos and in foreign currency) climbed 2% over the period (31.9% year-on-year; y.o.y.). During this period, lending to companies rose 1.7% (31.7% y.o.y.), whereas lending to households went up 2.2% (29.5% y.o.y.). **In year-on-year terms, lending to companies accounted for over 57% of the increase in the total stock of loans to the private sector.**
- **Loans granted through the Credit Line for Productive Investment continued gaining share in total funds channeled to the corporate sector.** After easily complying with the goals set for the first two stages, the new amount of loans to be disbursed would reach \$20 billion, i.e. 8.5% of the total stock of loans to companies as at May, and, therefore, the quota of lending granted in the context of this line in the three tranches amounts to \$52.1 billion. As a result of the good outcome of this initiative, **lending to small and medium-sized enterprises (SMEs) recorded a more than twofold increase between May last year and May 2013.**
- **During the first 5 months of the year, lending interest rates operated in pesos dropped in most credit lines.** Given the estimated funding cost evolution of deposits in pesos, interest rates spreads also decreased in year-to-date terms.
- **In May, the ratio of non-performing loans to the private sector remained steady at 1.9%.** This indicator accounted for just 1% in the case of lending to companies and 3% in lending to households. Total delinquent portfolio continued to be covered in excess with banks' loan loss provisions.
- **With respect to private sector deposits in pesos (which rose 0.9% over the month and 35% y.o.y.) time deposits evidenced the greatest momentum, recording a 2% growth in the period (45.2% y.o.y.). Over the last 12 months, these deposits increased their share in the total stock of private sector accounts by 5.1 p.p.** In turn, public sector deposits in pesos rose 5.1% in the month, reaching a 21.4% y.o.y. change rate. Thus, the total balance sheet stock of the financial system increased 2% over the month (25.8% y.o.y.).
- **The financial system liquidity indicator (in pesos and dollars) slightly rose in May (0.3 p.p.), standing at 24.5% of deposits.** The broad liquidity ratio (which includes LEBAC and NOBAC holdings) remained practically unchanged during the month, at around 38.1% of total deposits.
- **The financial system consolidated net worth posted a 1.6% increase in May (30.5% y.o.y.), mainly driven by book profits.** Financial system regulatory capital compliance remained stable over the month, at around 14.3% of risk weighted assets (RWA). In turn, during May, **financial system's capital position (compliance in excess of the requirement) increased slightly, up to 68.4% of the regulatory requirement, going up 9.7 p.p. in year-to-date terms.**
- **The financial system recorded book profits totaling 2.3%a. of assets in May, exhibiting a monthly drop due to lower gains on securities and higher operating costs. The ensemble of banks has accrued a ROA of 2.8%a. of assets in year-to-date terms.**

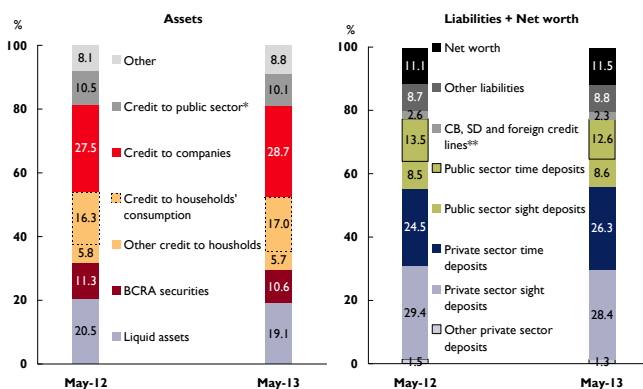
I. Activity

Chart 1
Financial Intermediation
Y.o.y. % variation - Financial system



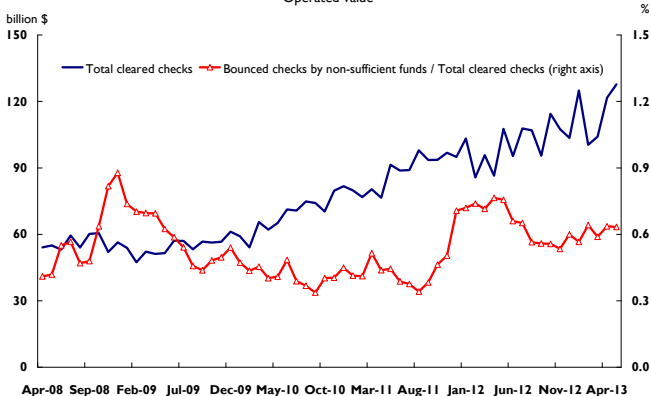
Source: BCRA

Chart 2
Financial System Balance Sheet Composition



*Note: Include securities and lending. **Corporate bonds (CB) and Subordinated debt (SD).
Source: BCRA

Chart 3
Cleared and Bounced Checks
Operated value



Source: BCRA

The level of financial intermediation in pesos continued to grow in May. Over the month, the stock of loans in pesos to the private sector increased 2.3% (41.6% y.o.y.), whereas this sector's deposits in pesos grew 0.9% (35% y.o.y.) (see Chart 1). Thus, loans in domestic and foreign currency granted to the private sector climbed 2% in the period (31.9% y.o.y.), whereas this sector's deposits rose 0.7% (27.7% y.o.y.). Financial system netted assets increased 1.4% in the month (26.2% y.o.y.), evidencing a change mainly boosted by public banks.

Financial system's funds were mainly used¹ to grant loans to the private sector in May (\$9 billion), followed by an increase in liquid assets (\$5 billion) primarily observed in current accounts for minimum cash requirement integration. The expansion of lending to companies and households was recorded both in the case of private and public banks. These uses of resources were mainly funded by increases in deposits pertaining to the public sector² (\$9 billion) and the private sector (\$3 billion). Financial institutions also obtained funds from book profits, the rise in credit lines from abroad, the issue of financial trusts and lower rises in corporate bonds and subordinated bonds.

Lending to companies was the segment that gained the greatest share within bank assets in the past 12 months, followed by loans for consumption purposes granted to households (see Chart 2). Regarding funding, the y.o.y. rise observed in the share of private sector time deposits and, to a lesser extent, of the sector's net worth should be highlighted.

The month value of cleared checks rose 5% (2% in the case of quantities) in May, going up 18.7% in the last 12 months (-5.1% y.o.y. in the case of quantities). The value of checks returned due to insufficient funds in terms of the total cleared fell slightly over the month (see Chart 3). In turn, instant transfers continued increasing in May. Particularly, the operated value climbed 13.6% (9.3% in numbers), recording an 88.2% y.o.y. growth (56.5% y.o.y. in terms of numbers).

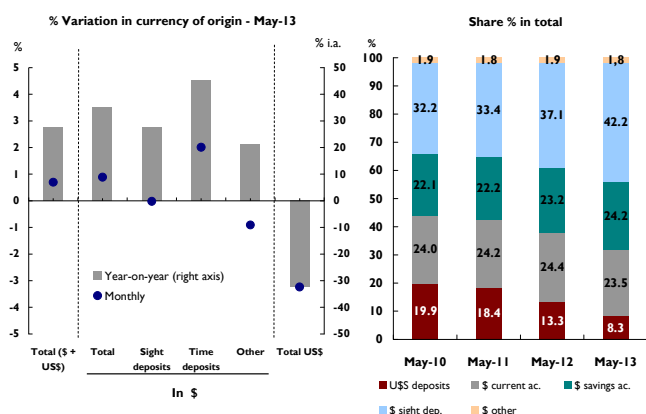
In May, foreign currency broad mismatching fell 0.6 p.p. of net worth, down to 46% (see Chart 4). This reduction resulted from a lower balance of net term purchases of foreign currency (without delivery of underlying assets) especially by foreign private banks. Current foreign currency mismatch levels are below figures recorded in previous years, in a context of

¹ Change estimated on the basis of changes in balance sheet stocks.

² Partly explained by the seasonal rise observed in this kind of deposits. It is of note that companies' income tax is paid in May.

Chart 4

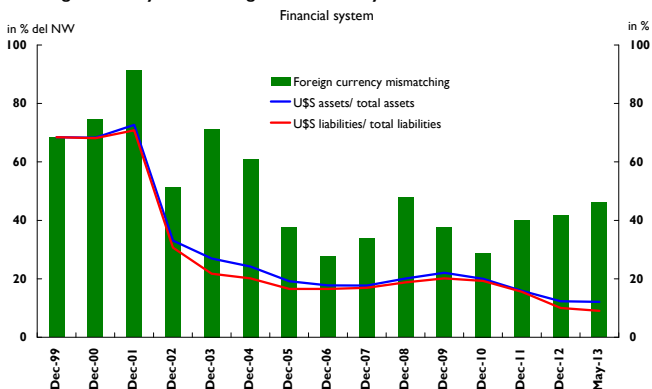
Non-Financial Private Sector Deposits in the Financial System



Source: BCRA

Chart 5

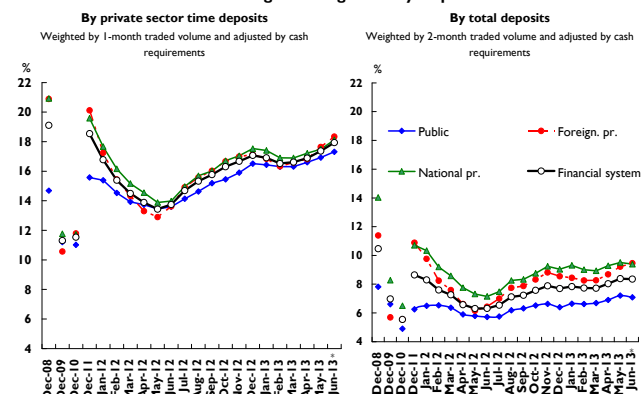
Foreign Currency Mismatching and Financial System Balance Sheet Dollarization



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

Chart 6

Estimation of Average Funding Costs by Deposits in Pesos



Source: BCRA
* Preliminary Data

low share of assets and liabilities in dollars in relation to the total balance sheet (12.1% for assets and 9% for liabilities).

Finally, the Central Bank has recently approved regulations³ aimed at extending financial services users' protection which include, amongst other aspects, regulating fees and commissions charged by financial institutions for the services rendered. This measure, which will become effective on September 30, 2013, is part of the initiatives this Institution has been taking to comply with the powers conferred to it by the amended Charter. This new regulation prevents situations of abuse and improper charges and commissions, and favors users through a reduction in the cost of operating with the financial system.

II. Deposits and liquidity

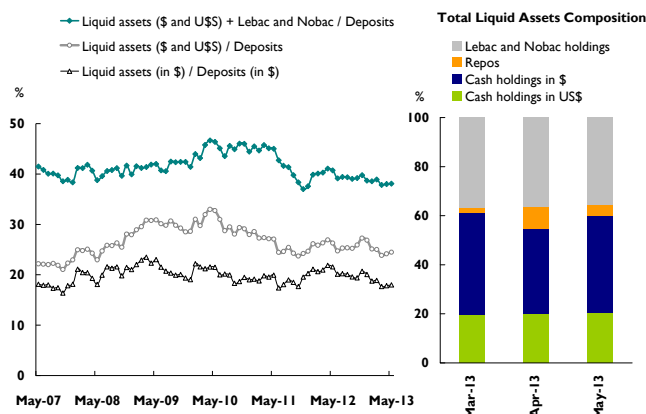
Financial system total deposits in pesos increased 2.1% in May, boosted by the expansion observed in deposits by the public sector (5.1%) and private sector (0.9%). The significant rise in public sector deposits and the moderate increase in those of the private sector were registered in a context of compliance with tax maturities over the month which implied the transfer of funds from the private sector to the public sector. The balance sheet stock of total deposits in pesos and in dollars in the financial system increased 2% over the month (25.8% y.o.y.). Private sector time deposits in pesos stood out as they grew 2% monthly (see Chart 5). In turn, the stock of private sector deposits in dollars continued falling. Within this context, the total stock of private sector deposits (in pesos and in dollars) climbed 0.7% in May.

Deposits in pesos increased 30.5% over the past 12 months, with a 35% rise in private sector deposits, due to a 45.2% hike in time deposits and a 27.6% increase in sight accounts. As a result of the ongoing increase in time deposits in pesos, a 5.1 p.p. y.o.y. rise was observed in their share in private sector total deposits (see Chart 5). Meanwhile, private sector total deposits (in pesos and dollars) went up 27.7% over the past 12 months in a context of a fall in deposits in foreign currency.

The funding cost calculated on the basis of deposits in pesos did not post significant variations in May (see Chart 6). Funding cost estimates for June 2013 do not evidence changes on the margin, in a context of rising interest rates on time deposits and a lower share of this kind of deposits in the total.

³ Communication "A" 5460 dated July 19, 2013.

Chart 7
Financial System Liquidity



Source: BCRA

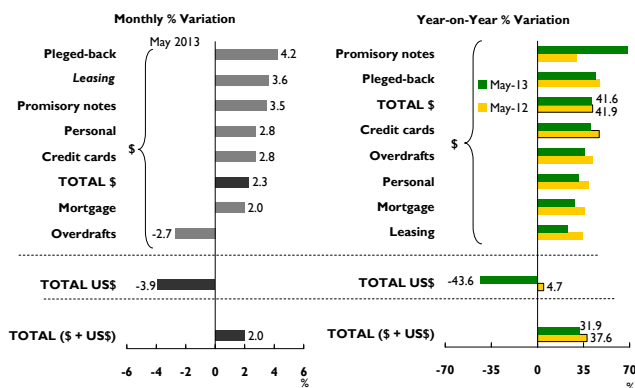
Financial system liquidity indicator (in pesos and in dollars) amounted to 24.5% of deposits in May after having increased slightly over the month (0.3 p.p.). Similarly, the broad liquidity ratio (which includes LEBAC and NOBAC holdings) posted a minor monthly hike (0.1 p.p.), standing at 38.1% of total deposits. Regarding financial system's liquidity structure, a reduction in net repo positions with the Central Bank was observed over the month together with a slight decrease in the share of LEBAC and NOBAC holdings which was offset by a rise in liquid assets⁴ (see Chart 7).

III. Financing

In May, the stock of loans⁵ in pesos to the private sector grew 2.3%, with all credit lines evidencing a positive performance (see Chart 8). Particularly, pledge-backed loans were the most dynamic over the period, expanding 4.2%. In turn, lending in foreign currency fell 3.9% over this period⁶. Therefore, total lending (in pesos and in foreign currency) rose 2%⁷ during the month.

Chart 8

Credit to the Private Sector by Currency of Origin

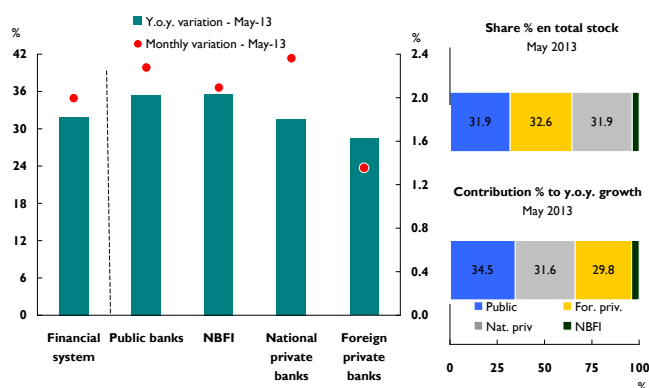


Note: Total includes balance sheet stock. Variations in currency of origin.
Source: BCRA

Loans in pesos granted to the private sector rose 41.6% y.o.y., especially driven by promissory notes. This rise exceeded the increase observed in total lending (in pesos and in foreign currency) to the private sector, which went up 31.9% y.o.y. Thus, credits in pesos to companies and households continued gaining share in the stock of total loans over the past 12 months, accounting for 93.4% in May, over 6 p.p. y.o.y.

Chart 9

Credit to the Private Sector by Group of Banks



Source: BCRA

The monthly performance posted by total loans granted to the private sector was boosted by national private banks and public banks, evidencing monthly rises of 2.4% and 2.3% respectively (see Chart 9). In year-on-year terms, loans to companies and households channeled through public financial institutions remained the most dynamic.

In May, loans to companies⁸ in pesos and in foreign currency rose 1.7%⁹, mainly driven by lending to manufacturing, which accounted for almost 44% of the monthly expansion. All economic sectors raised their debt balance with the banking sector over the period, especially the construction and commerce sectors, which evidenced the greatest relative monthly rises (see Chart 10). Financing to companies expanded 31.7% y.o.y.

⁴ Liquid assets include compliance with the "minimum cash" requirement, cash in banks and other items, particularly correspondent accounts.

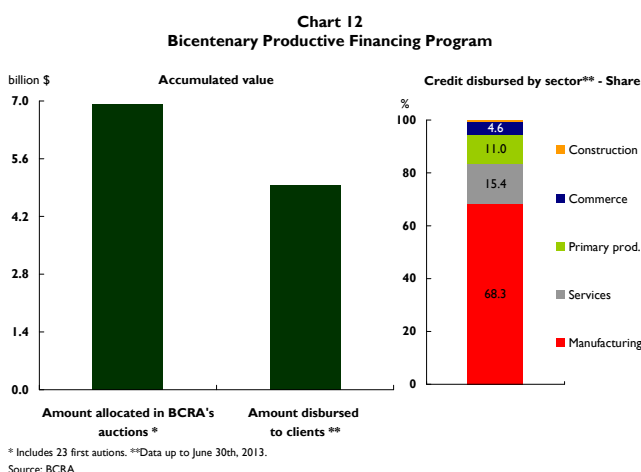
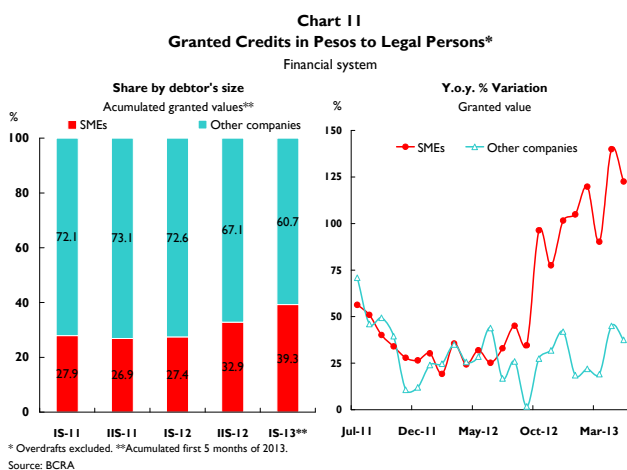
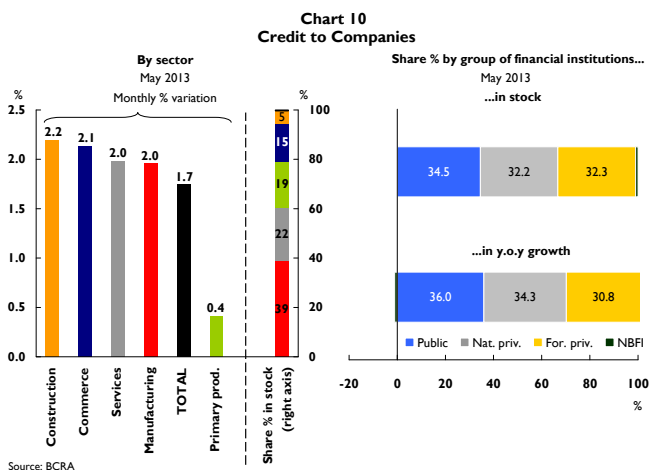
⁵ Information obtained from the stock corresponding to the Monthly Accounting Reporting System.

⁶ Considering monthly changes in the currency of origin.

⁷ Five financial trusts were issued over the period for a total amount of \$511 million; four of those financial trusts corresponded to securitizations of personal loans (\$469 million) whilst one corresponded to securitizations of credit card coupons (\$42 million). Thus, if the balance sheet stock is adjusted by these assets securitized in May, the monthly change observed in total lending to the private sector would stand at 2.1%.

⁸ Information obtained from the Debtors' Database. Loans to companies include those granted to legal persons and commercial loans granted to natural persons. In turn, loans to households are those given to natural persons unless they have a commercial purpose.

⁹ Data are provisional and subject to subsequent corrections.



over the past 12 months, exceeding the growth pace evidenced by loans to households. Thus, loans to companies accounted for over 57% of the rise in the total stock to the private sector in year-on-year terms. Public banks continued raising their share in the stock of total loans to companies, representing 34.5%, up 0.5 p.p. against a year ago.

In order to continue stimulating productive investment and promoting financing channeled to micro, small, and medium-sized enterprises, the Central Bank decided to renew the Credit Line for Productive Investment (LCIP) for the second half of the year¹⁰. In this third stage of the LCIP, such companies may channel up to 20% of the obtained funds to finance working capital. After having broadly surpassed the targets set in the two first stages of the line, the new amount of loans to be granted would total \$20 billion, which equals 8.5% of the total stock of loans to companies as of May. Consequently, the quota of lending resulting from this line in the three stages has reached \$52.1 billion. According to the latest information available¹¹, over 56% of the amount of loans granted through the LCIP corresponded to small and medium-sized enterprises from July 2012 to May 2013. Loans granted to the manufacturing sector registered the greatest share in the total disbursed (34.9%), followed by primary production (23.8%) and services companies (22%).

Favored by the LCIP, bank financing to SMEs grew steadily in 2012 and 2013. Amounts of loans granted monthly to this segment —excluding overdrafts— more than doubled from May 2012 to May 2013. This performance led to a gradual rise in the share of loans to SMEs in the total granted to legal persons (see Chart 11).

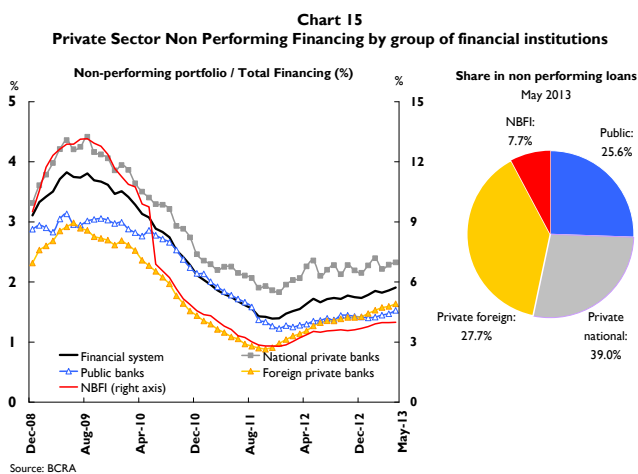
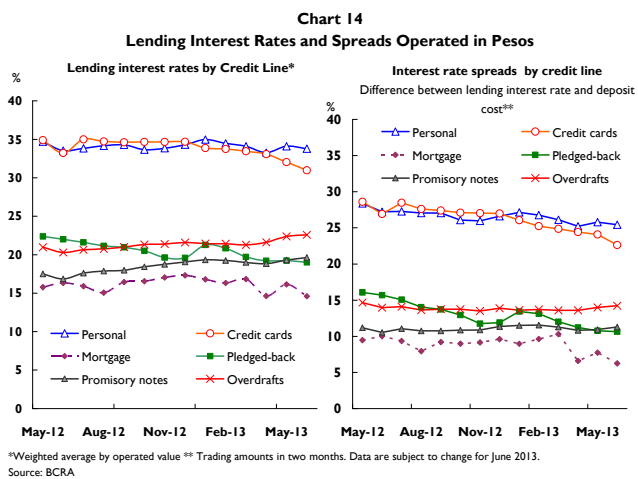
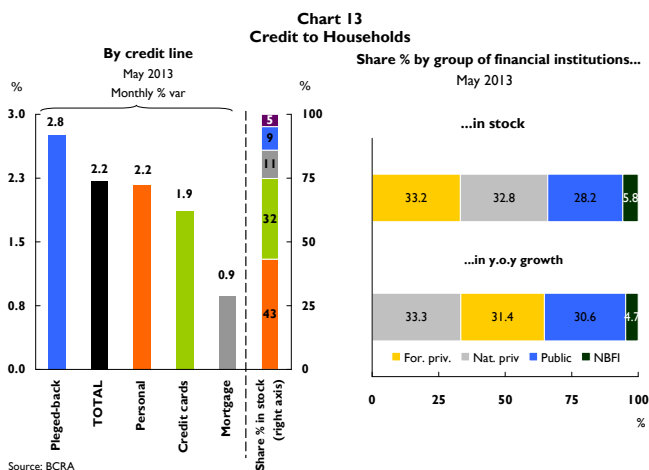
Meanwhile, the Bicentenary Productive Financing Program (PFPB) provided aid to over 300 companies from different productive areas. Banks have disbursed a total of \$4.95 billion since its implementation (72% of the total awarded through 23 auctions conducted by the BCRA; see Chart 12). As per the latest information available, funds transferred under the PFPB were allocated amongst 21 jurisdictions (20 provinces plus the City of Buenos Aires), thus comprising most of Argentina's regions.

Bank lending to households¹² rose 2.2% (29.5% y.o.y.) in May. Pledge-backed loans were the most dynamic, expanding 2.8% monthly and 38.4% y.o.y. (see Chart 13). In turn, financing for consumption purposes (personal loans and credit cards) over the period accounted for 78% of the y.o.y. rise in total

¹⁰ Communication "A" 5449.

¹¹ See Box 2 of the Macroeconomic and Monetary Policy Report, July 2013.

¹² Information obtained from the Debtors' Database. Items in pesos and in foreign currency are included.



financing to households explaining around 75% of the total stock. Loans granted by foreign and national private banks continued promoting most of the y.o.y. performance shown by total lending to households.

Lending interest rates operated in pesos decreased in most credit lines in the first 5 months of the year. Particularly, interest rates operated in credit cards and mortgage loans evidenced the greatest relative reductions over the period (see Chart 14). **On a y.o.y. basis, interest rates spreads operated in pesos fell in all credit lines in May,** due to a higher funding cost in relation to lending interest rates. According to preliminary available data, almost all lending interest rates continued exhibiting a downward trend in June.

In May, the ratio of non-performing loans to the private sector remained stable, at 1.9. Public and foreign private banks registered the lowest non-performing ratios in their total portfolios to the private sector over the month (1.5% and 1.6% respectively; see Chart 15). **The total non-performing portfolio is still covered in excess with banks' book provisions.** Thus, the financial system provisioning level reached 132.6% in May.

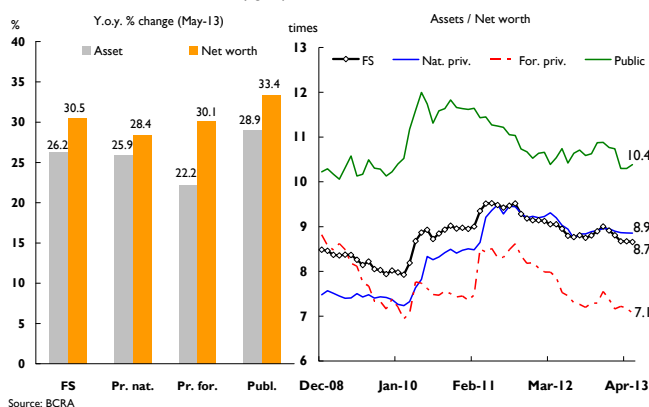
IV. Solvency

The consolidated financial system net worth grew 1.6% over the month. Like previous months, this rise was mostly explained by book profits. Financial system net worth expanded 30.5% over the past 12 months whilst assets rose by around 26.2% (see Chart 16); therefore, the **financial system leverage** (assets / net worth) **did not significantly change in year-on-year terms.**

Financial system regulatory capital compliance totaled 14.3% of risk-weighted assets (RWA) over the month, remaining at levels similar to those of April. Tier 1 capital compliance accounted for 12.8% of RWA, down 0.2 p.p. against the previous month. In turn, the **capital position** (capital compliance minus capital requirement) **rose slightly, up to 68.4% of the regulatory requirement, going up 9.7 p.p. in the first five months of 2013.**

In May, the financial system registered profits amounting to 2.3%a. of assets, evidencing a fall against April. These lower results were mainly accounted for by a reduction in the financial margin and higher operating costs. All groups of banks evidenced a monthly drop in the ROA. **In year-to-date terms, the ensemble of financial institutions accrued book profits totaling 2.8%a. of assets** (see Chart 17), slightly above the figure recorded over the same period last year.

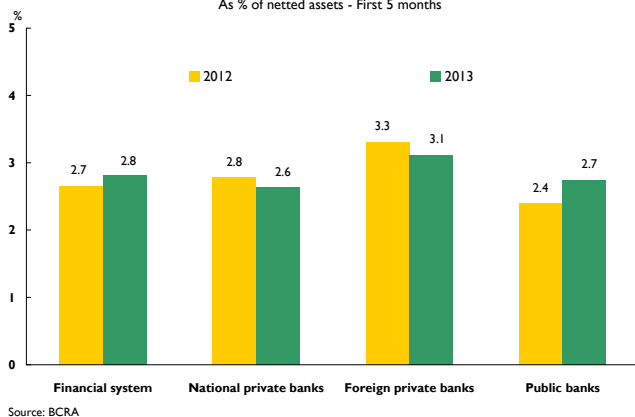
Chart 16
Assets, Net Worth and Leverage
By group of financial institutions



Banks' financial margin fell 1.6 p.p. of assets in May, down to 8.4%a., a change resulting from lower gains derived from securities (see Chart 18), mostly affecting public banks. **The financial margin reached 9.4%a. of assets in year-to-date terms, up 0.7 p.p., especially due to the performance of different exchange rates,** followed by net income resulting from securities and interest. All groups of banks raised their y.o.y. financial margin.

In terms of income from services, a 0.2 p.p. up to 4.6%a. of assets was observed over the month. Net income from services pertaining to the financial system stood at 4.3%a. of assets in the first five months of the year, up 0.3 p.p. against a year ago, a performance mainly evidenced by private banks largely due to higher income related to loans, operations with credit cards and insurance policies, amongst others.

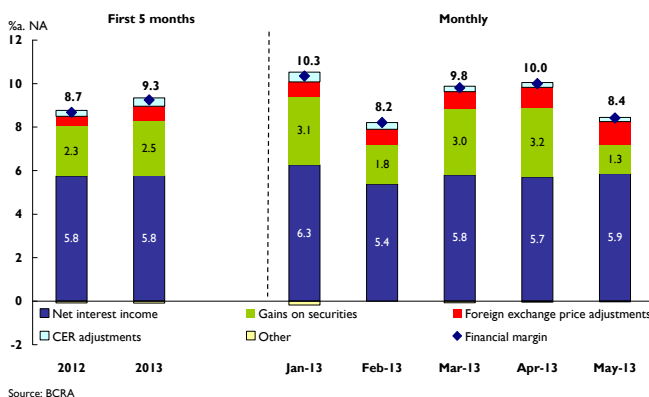
Chart 17
Profitability by Group of Banks
As % of netted assets - First 5 months



Financial system loan loss provisions remained stable against the previous month, standing at 1%a. of assets. Thus, the monthly figure was aligned with the level recorded in 2013, which rose 0.2 p.p. of assets in the last 12 months. All groups of banks registered higher loan loss provisions than in the first 5 months of 2012.

Financial system administrative costs rose 0.8 p.p. of assets in May, up to 7.7%a. This rise is aligned with the implementation of the new collective bargaining agreement for the bank sector. **These expenditures totaled 7.1%a. of assets in year-to-date terms** slightly above the figure recorded over the same period in 2012. The year-on-year evolution was explained by foreign and national private banks.

Chart 18
Financial Margin
As % of netted assets - Financial system



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” 5419 – May 5, 2013

Rules regarding the “Determination of the condition of micro, small or medium-sized enterprises” and the “Credit Line for Productive Investment” are adjusted, given the amendments made to regulations on the determination of the condition of micro, small and medium-sized enterprises, ordered through Resolution No. 50/2013 by the Secretariat of Small and Medium-sized Enterprise and Regional Development (SEPyMEyDR), of the Ministry of Industry. Regarding the “Credit Line for Productive Investment” and the 2013 Quota currently in force, it is clarified that the regulations on the “Determination of the condition of micro, small or medium-sized enterprises” in force as of the date of the agreement shall be applied, and that at least 25% of the total quota shall be granted to micro, small, and medium-sized enterprises falling within the definition effective as of April 30, 2013.

Methodology

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

Glossary

%a.: annualized percentage.

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

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

CABA: Ciudad Autónoma de Buenos Aires

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

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

CEDRO: Certificado de Depósito Reprogramado. Scheduled Stabilization Coefficient.

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

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

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

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

Lebac and Nobac: Bills and notes of the BCRA.

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

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

mill.: million.

NBFI: Non-banking financial institution.

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

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

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

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

ON: Corporate bonds (Obligaciones Negociables).

OS: Subordinated debt (Obligaciones Subordinadas).

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

PN: Net worth (Patrimonio Neto).

p.p.: percentage points.

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

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

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

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

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

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

RWA: Risk weighted assets.

SME: Small and Medium Enterprises.

US\$: United States dollars

Statistics annex¹ | Financial system

Chart 1 | Financial Soundness Indicators (see Methodology)

As %	Dec 05	Dec 06	Dec 07	Dec 08	Dec 09	Dec 10	Dec 11	May 12	Dec 12	Apr 13	May 13
1.- Liquidity	20.1	22.5	23.0	27.9	28.6	28.0	24.7	26.3	26.8	24.2	24.5
2.- Credit to the public sector	31.5	22.5	16.3	12.7	14.4	12.1	10.7	9.8	9.7	9.6	9.7
3.- Credit to the private sector	25.8	31.0	38.2	39.4	38.3	39.8	47.4	46.2	49.5	48.6	49.8
4.- Private non-performing loans	7.6	4.5	3.2	3.1	3.5	2.1	1.4	1.7	1.7	1.9	1.9
5.- Net worth exposure to the private sector	-2.5	-0.8	-1.5	-1.7	-1.3	-3.2	-4.3	-3.2	-3.1	-2.8	-2.7
6.- ROA	0.9	1.9	1.5	1.6	2.3	2.8	2.7	2.7	2.9	3.0	2.8
7.- ROE	7.0	14.3	11.0	13.4	19.2	24.4	25.3	24.1	25.7	26.1	24.8
8.- Efficiency	151	167	160	167	185	179	179	183	190	198	192
9a.- Capital compliance	-	-	-	-	-	-	-	-	-	14.3	14.3
9b.- Capital compliance (credit risk)	15.3	16.9	16.9	16.9	18.8	17.7	15.6	16.4	17.1	-	-
10a.- Capital compliance Tier I	-	-	-	-	-	-	-	-	-	13.0	12.8
10b.- Capital compliance Tier I (credit risk)	14.1	14.1	14.6	14.2	14.5	13.1	10.9	13.4	11.9	-	-
11.- Excess capital compliance	173.5	134.0	92.8	89.8	99.8	86.9	68.6	65.2	58.7	67.2	68.4

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

Data subject to changes

Source: BCRA

Chart 2 | Balance Sheet

In million of current pesos	Dec 08	Dec 09	Dec 10	Dec 11	May 12	Dec 12	Apr 13	May 13	Change (in %)		
									Last month	2013	Last 12 months
Assets	346,762	387,381	510,304	628,381	695,423	790,026	854,016	849,982	-0.5	7.6	22.2
Cash disposal ¹	58,676	71,067	93,085	104,389	105,662	148,254	130,486	146,466	12.2	-1.2	38.6
Public bonds	65,255	86,318	117,951	112,906	139,252	123,491	155,326	142,889	-8.0	15.7	2.6
Lebac/Nobac	37,093	43,867	76,948	71,050	102,729	84,057	110,976	98,000	-11.7	16.6	-4.6
Portfolio	25,652	34,748	61,855	59,664	73,306	70,569	86,681	87,089	0.5	23.4	18.8
Repo ²	11,442	9,119	15,093	11,386	29,422	13,488	24,295	10,911	-55.1	-19.1	-62.9
Private bonds	203	307	209	212	193	251	366	383	4.6	52.6	98.6
Loans	154,719	169,868	230,127	332,317	358,032	433,925	459,771	468,846	2.0	8.0	31.0
Public sector	17,083	20,570	25,907	31,346	33,802	39,951	41,165	41,616	1.1	4.2	23.1
Private sector	132,844	145,247	199,202	291,708	314,831	383,674	407,832	415,855	2.0	8.4	32.1
Financial sector	4,793	4,052	5,018	9,263	9,399	10,299	10,774	11,375	5.6	10.4	21.0
Provisions over loans	-4,744	-5,824	-6,232	-7,173	-8,083	-9,596	-10,472	-10,667	1.9	11.2	32.0
Other netted credits due to financial intermediation	38,152	33,498	39,009	40,805	54,737	38,769	58,768	43,141	-26.6	11.3	-21.2
Corporate bonds and subordinated debt	912	1,146	1,433	1,657	1,587	2,255	2,529	2,971	17.5	31.7	87.2
Unquoted trusts	5,714	5,942	6,824	7,967	7,844	10,822	11,590	11,477	-1.0	6.1	46.3
Leasing	3,935	2,933	3,936	6,222	6,247	7,203	7,327	7,588	3.6	5.3	21.5
Shares in other companies	7,236	6,711	7,921	9,123	10,111	11,682	12,527	12,723	1.6	8.9	25.8
Fixed assets and miscellaneous	7,903	8,239	9,071	10,111	10,313	11,251	11,519	11,652	1.2	3.6	13.0
Foreign branches	3,153	3,926	3,283	3,525	3,895	4,354	4,606	4,631	0.5	6.3	18.9
Other assets	12,275	10,337	11,943	15,944	15,065	20,441	23,792	22,331	-6.1	9.2	48.2
Liabilities	305,382	339,047	452,752	558,264	617,571	699,205	754,287	748,661	-0.7	7.1	21.2
Deposits	236,217	271,853	376,344	462,517	508,498	595,764	627,398	639,641	2.0	7.4	25.8
Public sector ³	67,151	69,143	115,954	129,885	144,514	163,691	167,359	176,321	5.4	7.7	22.0
Private sector ³	166,378	199,278	257,595	328,463	359,137	427,857	455,286	458,456	0.7	7.2	27.7
Current account	39,619	45,752	61,306	76,804	87,656	103,192	106,007	107,514	1.4	4.2	22.7
Savings account	50,966	62,807	82,575	103,636	103,077	125,210	126,775	124,853	-1.5	-0.3	21.1
Time deposits	69,484	83,967	104,492	135,082	155,599	183,736	206,953	210,888	1.9	14.8	35.5
Other netted liabilities due to financial intermediation	57,662	52,114	60,029	76,038	87,958	75,106	93,938	79,443	-15.4	5.8	-9.7
Interbanking obligations	3,895	3,251	4,201	7,947	8,000	8,329	8,585	9,088	5.9	9.1	13.6
BCRA lines	1,885	270	262	1,920	2,894	3,535	3,966	4,133	4.2	16.9	42.8
Outstanding bonds	5,984	5,033	3,432	6,856	8,250	9,101	10,503	10,772	2.6	18.4	30.6
Foreign lines of credit	4,541	3,369	3,897	6,467	6,382	4,992	4,592	5,210	13.5	4.4	-18.4
Other ¹	13,974	14,891	17,426	24,137	20,315	26,280	25,203	25,441	0.9	-3.2	25.2
Subordinated debts	1,763	1,922	2,165	2,065	2,479	2,647	2,507	2,699	7.6	1.9	8.9
Other liabilities	9,740	13,159	14,213	17,644	18,635	25,688	30,444	26,879	-11.7	4.6	44.2
Net worth	41,380	48,335	57,552	70,117	77,852	90,820	99,730	101,321	1.6	11.6	30.1
Memo											
Netted assets	321,075	364,726	482,532	601,380	654,263	767,744	814,326	825,926	1.4	7.6	26.2
Consolidated netted assets	312,002	357,118	472,934	586,805	639,066	750,598	796,507	807,395	1.4	7.6	26.3

(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 annex¹ | Financial system (cont)

Chart 3 | Profitability Structure

Amount in million of pesos	Annual					First 5 Months		Monthly			Last 12 Months
	2008	2009	2010	2011	2012	2012	2013	Mar-13	Apr-13	May-13	
Financial margin	20,462	28,937	35,490	43,670	61,667	22,802	30,938	6,447	6,732	5,749	69,803
Net interest income	9,573	14,488	17,963	24,903	38,365	14,865	19,198	3,818	3,843	3,999	42,698
CER and CVS adjustments	2,822	1,196	2,434	1,725	2,080	755	938	165	146	133	2,264
Foreign exchange price adjustments	2,307	2,588	2,100	3,025	4,127	1,188	2,763	515	642	731	5,702
Gains on securities	4,398	11,004	13,449	14,228	17,356	5,968	8,249	1,996	2,132	904	19,637
Other financial income	1,362	-339	-457	-211	-261	26	-211	-47	-32	-18	-498
Service income margin	10,870	13,052	16,089	21,391	28,172	10,621	14,154	2,811	2,941	3,141	31,705
Loan loss provisions	-2,839	-3,814	-3,267	-3,736	-6,127	-2,084	-3,275	-728	-699	-656	-7,318
Operating costs	-18,767	-22,710	-28,756	-36,365	-47,318	-18,284	-23,522	-4,669	-4,670	-5,266	-52,556
Tax charges	-2,318	-3,272	-4,120	-6,047	-8,981	-3,278	-5,049	-1,029	-1,030	-1,062	-10,752
Adjust. to the valuation of gov. Securities ¹	-1,757	-262	-214	-336	-338	-136	-155	-34	-22	-28	-357
Amort. payments for court-ordered releases	-994	-703	-635	-290	-274	-72	-52	-20	-7	-11	-254
Other	1,441	918	2,079	2,963	2,475	943	1,347	254	168	514	2,879
Total results before tax ²	6,100	12,145	16,665	21,251	29,276	10,513	14,386	3,032	3,412	2,383	33,150
Income tax	-1,342	-4,226	-4,904	-6,531	-9,861	-3,509	-5,017	-1,137	-1,136	-818	-11,369
Total result²	4,757	7,920	11,761	14,720	19,415	7,004	9,369	1,895	2,276	1,565	21,781
Adjusted Result ³	7,508	8,885	12,610	15,345	20,027	7,212	9,576	1,950	2,306	1,603	22,392
<i>Annualized indicators - As % of netted assets</i>											
Financial margin	6.7	8.6	8.5	8.0	9.2	8.7	9.4	9.8	10.0	8.4	9.4
Net interest income	3.1	4.3	4.3	4.6	5.7	5.6	5.8	5.8	5.7	5.9	5.8
CER and CVS adjustments	0.9	0.4	0.6	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.3
Foreign exchange price adjustments	0.8	0.8	0.5	0.6	0.6	0.5	0.8	0.8	1.0	1.1	0.8
Gains on securities	1.4	3.3	3.2	2.6	2.6	2.3	2.5	3.0	3.2	1.3	2.7
Other financial income	0.4	-0.1	-0.1	0.0	0.0	0.0	-0.1	-0.1	0.0	0.0	-0.1
Service income margin	3.6	3.9	3.8	3.9	4.2	4.0	4.3	4.3	4.4	4.6	4.3
Loan loss provisions	-0.9	-1.1	-0.8	-0.7	-0.9	-0.8	-1.0	-1.1	-1.0	-1.0	-1.0
Operating costs	-6.1	-6.7	-6.9	-6.7	-7.0	-6.9	-7.1	-7.1	-6.9	-7.7	-7.1
Tax charges	-0.8	-1.0	-1.0	-1.1	-1.3	-1.2	-1.5	-1.6	-1.5	-1.6	-1.5
Adjust. to the valuation of gov. Securities ¹	-0.6	-0.1	-0.1	-0.1	-0.1	-0.1	0.0	-0.1	0.0	0.0	0.0
Amort. payments for court-ordered releases	-0.3	-0.2	-0.2	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.5	0.3	0.5	0.5	0.4	0.4	0.4	0.4	0.2	0.8	0.4
Total results before tax ²	2.0	3.6	4.0	3.9	4.3	4.0	4.3	4.6	5.1	3.5	4.5
Income tax	-0.4	-1.3	-1.2	-1.2	-1.5	-1.3	-1.5	-1.7	-1.7	-1.2	-1.5
ROA²	1.6	2.3	2.8	2.7	2.9	2.7	2.8	2.9	3.4	2.3	2.9
ROA adjusted ³	2.5	2.6	3.0	2.8	3.0	2.7	2.9	3.0	3.4	2.3	3.0
ROE before tax	17.2	29.5	34.5	36.5	38.8	36.2	38.0	40.0	44.0	30.2	39.4
ROE ²	13.4	19.2	24.4	25.3	25.7	24.1	24.8	25.0	29.3	19.8	25.9

(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	Dec 11	May 12	Dec 12	Apr 13	May 13
Non-performing loans (overall)	5.2	3.4	2.7	2.7	3.0	1.8	1.2	1.5	1.5	1.7	1.7
Provisions / Non-performing loans	115	108	115	117	115	148	176	149	144	136	136
(Total non-performing - Provisions) / Overall financing	-0.8	-0.3	-0.4	-0.5	-0.5	-0.9	-0.9	-0.7	-0.7	-0.6	-0.6
(Total non-performing - Provisions) / Net worth	-2.6	-0.9	-1.6	-1.8	-1.7	-3.6	-4.6	-3.5	-3.4	-2.9	-2.9
Non-performing loans to the non-financial private sector	7.6	4.5	3.2	3.1	3.5	2.1	1.4	1.7	1.7	1.9	1.9
Provisions / Non-performing loans	115	108	114	116	112	143	171	145	141	135	132
(Total non-performing - Provisions) / Overall financing	-1.1	-0.3	-0.5	-0.5	-0.4	-0.9	-1.0	-0.8	-0.7	-0.7	-0.6
(Total non-performing - Provisions) / Net worth	-2.5	-0.8	-1.5	-1.7	-1.3	-3.2	-4.3	-3.2	-3.1	-2.8	-2.6

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	Dec 11	May 12	Dec 12	Apr 13	May 13
1.- Liquidity	21.5	23.7	25.7	34.1	29.8	26.0	26.7	29.0	27.6	24.8	26.1
2.- Credit to the public sector	28.5	16.3	9.5	6.3	6.1	4.7	3.4	2.9	3.1	3.3	3.4
3.- Credit to the private sector	31.1	37.9	46.6	44.0	43.3	50.3	54.5	53.9	58.4	57.0	58.0
4.- Private non-performing loans	6.3	3.6	2.5	2.8	3.3	2.0	1.4	1.8	1.8	1.9	2.0
5.- Net worth exposure to the private sector	-0.4	-1.4	-2.0	-1.8	-1.6	-3.4	-4.4	-3.1	-3.1	-2.8	-2.7
6.- ROA	0.5	2.2	1.6	1.9	3.0	3.2	3.0	3.0	3.2	2.9	2.9
7.- ROE	4.1	15.3	10.9	15.2	22.9	24.5	25.6	25.8	26.4	23.3	22.9
8.- Efficiency	136	158	152	166	195	176	178	184	189	188	184
9a.- Capital compliance	-	-	-	-	-	-	-	-	-	14.6	14.6
9b.- Capital compliance (credit risk)	17.8	18.7	19.2	18.4	22.6	20.3	16.8	18.0	18.3	-	-
10a.- Capital compliance Tier I	-	-	-	-	-	-	-	-	-	13.6	13.5
10b.- Capital compliance Tier I (credit risk)	16.1	15.4	16.8	15.0	17.2	15.2	12.5	15.1	13.4	-	-
11.- Excess capital compliance	155.0	116.6	87.4	87.2	121.3	101.5	72.2	69.6	57.5	69.1	70.6

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

Data subject to changes

Source: BCRA

n.a.: non available

Chart 6 | Balance Sheet

In million of current pesos	Dec 08	Dec 09	Dec 10	Dec 11	May 12	Dec 12	Apr 13	May 13	Change (in %)		
									Last month	2013	Last 12 months
Assets	208,888	229,549	280,025	364,122	389,207	432,994	469,805	470,089	0.1	8.6	20.8
Cash disposal ¹	37,044	43,562	49,730	58,877	65,098	85,717	77,411	84,484	9.1	-1.4	29.8
Public bonds	29,552	47,949	48,903	50,055	55,355	43,350	58,175	51,397	-11.7	18.6	-7.2
Lebac/Nobac	23,457	31,575	34,422	34,246	45,514	30,531	42,956	35,945	-16.3	17.7	-21.0
Portfolio	12,858	27,413	31,148	23,908	30,198	27,656	34,603	30,652	-11.4	10.8	1.5
Repo ²	10,598	4,161	3,274	10,338	15,316	2,874	8,353	5,293	-36.6	84.2	-65.4
Private bonds	127	233	184	164	118	188	220	194	-11.8	2.9	64.4
Loans	98,529	101,722	143,202	202,117	213,379	256,708	271,800	276,932	1.9	7.9	29.8
Public sector	6,249	1,694	1,625	1,215	1,310	1,601	1,628	1,620	-0.5	1.2	23.6
Private sector	88,426	96,790	137,308	193,126	204,450	246,560	261,418	266,131	1.8	7.9	30.2
Financial sector	3,854	3,238	4,270	7,777	7,618	8,546	8,754	9,181	4.9	7.4	20.5
Provisions over loans	-2,871	-3,653	-3,926	-4,574	-5,209	-6,193	-6,783	-6,898	1.7	11.4	32.4
Other netted credits due to financial intermediation	25,265	21,258	20,241	29,338	31,338	18,646	31,913	27,227	-14.7	46.0	-13.1
Corporate bonds and subordinated debt	699	734	757	796	715	988	1,185	1,599	34.9	61.8	123.5
Unquoted trusts	3,869	4,198	4,500	5,268	5,075	7,084	7,394	7,247	-2.0	2.3	42.8
Leasing	3,451	2,569	3,519	5,452	5,395	6,287	6,406	6,650	3.8	5.8	23.3
Shares in other companies	4,538	4,067	4,934	5,998	6,508	7,920	8,496	8,682	2.2	9.6	33.4
Fixed assets and miscellaneous	4,926	5,096	5,808	6,663	6,762	7,592	7,799	7,910	1.4	4.2	17.0
Foreign branches	-178	-202	-215	-240	0	0	0	0	-	-	-
Other assets	8,505	6,946	7,646	10,271	10,465	12,778	14,369	13,511	-6.0	5.7	29.1
Liabilities	182,596	198,438	243,766	321,123	341,017	376,774	408,464	407,594	-0.2	8.2	19.5
Deposits	135,711	154,387	198,662	253,705	273,012	317,443	336,007	340,996	1.5	7.4	24.9
Public sector ³	19,600	17,757	23,598	27,664	31,432	33,232	38,003	40,467	6.5	21.8	28.7
Private sector ³	114,176	134,426	173,203	223,141	238,487	281,698	295,258	297,831	0.9	5.7	24.9
Current account	30,188	35,127	46,297	57,586	66,419	77,269	79,678	80,847	1.5	4.6	21.7
Savings account	32,778	40,999	53,085	66,891	64,152	76,130	74,646	74,325	-0.4	-2.4	15.9
Time deposit	46,990	54,058	67,568	89,924	99,402	117,888	130,138	132,306	1.7	12.2	33.1
Other netted liabilities due to financial intermediation	39,298	34,235	34,427	53,973	54,160	41,780	52,832	48,975	-7.3	17.2	-9.6
Interbanking obligations	1,160	1,668	1,903	3,524	3,827	3,473	3,318	3,908	17.8	12.5	2.1
BCRA lines	649	41	57	456	569	694	680	670	-1.4	-3.4	17.7
Outstanding bonds	5,672	4,626	2,802	5,119	5,704	6,001	6,657	6,665	0.1	11.1	16.8
Foreign lines of credit	2,261	1,262	1,716	4,252	4,089	2,168	1,857	2,327	25.3	7.3	-43.1
Other	11,125	12,015	13,849	19,059	16,553	21,087	20,030	19,988	-0.2	-5.2	20.7
Subordinated debts	1,759	1,918	2,148	1,948	2,061	2,253	2,481	2,673	7.8	18.6	29.7
Other liabilities	5,828	7,897	8,528	11,497	11,784	15,297	17,144	14,949	-12.8	-2.3	26.9
Net worth	26,292	31,111	36,259	42,999	48,190	56,220	61,341	62,495	1.9	11.2	29.7
Memo											
Netted assets	192,074	216,100	267,364	344,101	366,784	425,181	450,440	455,352	1.1	7.1	24.1

(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					First 5 Months		Monthly			Last 12 Months
	2008	2009	2010	2011	2012	2012	2013	Mar-13	Apr-13	May-13	
Financial margin	12,964	19,724	21,837	27,234	38,151	14,535	18,802	3,921	3,953	3,693	42,418
Net interest income	7,727	10,572	12,842	18,518	27,893	10,749	13,832	2,799	2,800	2,953	30,976
CER and CVS adjustments	651	185	244	288	350	132	154	27	26	24	372
Foreign exchange price adjustments	1,620	1,646	1,493	2,064	2,451	747	1,530	307	292	426	3,234
Gains on securities	1,637	7,343	7,464	6,358	7,426	2,787	3,347	799	844	279	7,986
Other financial income	1,329	-22	-205	6	31	119	-61	-11	-8	12	-150
Service income margin	7,632	9,198	11,345	15,243	20,081	7,671	10,048	1,969	2,121	2,179	22,458
Loan loss provisions	-1,863	-2,751	-2,253	-2,633	-4,416	-1,473	-2,337	-515	-516	-462	-5,280
Operating costs	-12,401	-14,807	-18,819	-23,821	-30,858	-12,096	-15,640	-3,159	-3,137	-3,401	-34,403
Tax charges	-1,715	-2,380	-2,927	-4,300	-6,450	-2,349	-3,616	-728	-737	-763	-7,717
Adjust. to the valuation of gov. Securities ¹	-267	0	47	-40	0	0	0	0	0	0	0
Amort. payments for court-ordered releases	-688	-367	-441	-133	-199	-39	-26	-12	-2	-6	-187
Other	916	398	1,382	1,723	1,867	706	961	131	220	327	2,121
Total results before tax ²	4,579	9,014	10,171	13,272	18,176	6,956	8,191	1,607	1,901	1,567	19,411
Income tax	-1,168	-3,001	-2,733	-4,293	-6,089	-2,429	-2,961	-601	-668	-564	-6,621
Total result²	3,412	6,014	7,438	8,980	12,086	4,526	5,229	1,006	1,233	1,002	12,789
Adjusted Result ³	4,367	6,381	7,832	9,153	12,285	4,565	5,256	1,018	1,235	1,008	12,976
Annualized indicators - As % of netted assets											
Financial margin	7.3	9.8	9.3	9.0	10.2	9.8	10.3	10.8	10.7	9.8	10.4
Net interest income	4.4	5.3	5.5	6.1	7.4	7.2	7.6	7.7	7.5	7.9	7.6
CER and CVS adjustments	0.4	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Foreign exchange price adjustments	0.9	0.8	0.6	0.7	0.7	0.5	0.8	0.8	0.8	1.1	0.8
Gains on securities	0.9	3.7	3.2	2.1	2.0	1.9	1.8	2.2	2.3	0.7	2.0
Other financial income	0.8	0.0	-0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Service income margin	4.3	4.6	4.8	5.0	5.4	5.2	5.5	5.4	5.7	5.8	5.5
Loan loss provisions	-1.1	-1.4	-1.0	-0.9	-1.2	-1.0	-1.3	-1.4	-1.4	-1.2	-1.3
Operating costs	-7.0	-7.4	-8.0	-7.8	-8.2	-8.1	-8.6	-8.7	-8.5	-9.1	-8.4
Tax charges	-1.0	-1.2	-1.2	-1.4	-1.7	-1.6	-2.0	-2.0	-2.0	-2.0	-1.9
Adjust. to the valuation of gov. Securities ¹	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amort. payments for court-ordered releases	-0.4	-0.2	-0.2	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.5	0.2	0.6	0.6	0.5	0.5	0.5	0.4	0.6	0.9	0.5
Total results before tax ²	2.6	4.5	4.3	4.4	4.9	4.7	4.5	4.4	5.1	4.2	4.8
Income tax	-0.7	-1.5	-1.2	-1.4	-1.6	-1.6	-1.6	-1.7	-1.8	-1.5	-1.6
ROA²	1.9	3.0	3.2	3.0	3.2	3.0	2.9	2.8	3.3	2.7	3.1
ROA adjusted ³	2.5	3.2	3.3	3.0	3.3	3.1	2.9	2.8	3.3	2.7	3.2
ROE before tax	20.4	34.4	33.5	37.8	39.8	39.7	35.8	35.1	40.6	32.9	38.0
ROE ²	15.2	22.9	24.5	25.6	26.4	25.8	22.9	22.0	26.4	21.0	25.0

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

(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" 391 I and 4084.

Source: BCRA

Chart 8 | Portfolio Quality

As percentage	Dec 05	Dec 06	Dec 07	Dec 08	Dec 09	Dec 10	Dec 11	May 12	Dec 12	Apr 13	May 13
Non-performing loans (overall)	4.4	2.9	2.2	2.5	3.1	1.9	1.3	1.7	1.7	1.9	1.9
Provisions / Non-performing loans	103	114	123	119	116	144	168	141	140	134	130
(Total non-performing - Provisions) / Overall financing	-0.1	-0.4	-0.5	-0.5	-0.5	-0.8	-0.9	-0.7	-0.7	-0.6	-0.6
(Total non-performing - Provisions) / Net worth	-0.4	-1.4	-2.1	-1.9	-1.7	-3.4	-4.4	-3.2	-3.2	-2.9	-2.7
Non-performing loans to the non-financial private sector	6.3	3.6	2.5	2.8	3.3	2.0	1.4	1.8	1.8	1.9	2.0
Provisions / Non-performing loans	102	114	123	118	115	143	167	139	139	132	129
(Total non-performing - Provisions) / Overall financing	-0.1	-0.5	-0.6	-0.5	-0.5	-0.9	-0.9	-0.7	-0.7	-0.6	-0.6
(Total non-performing - Provisions) / Net worth	-0.4	-1.4	-2.0	-1.8	-1.6	-3.4	-4.4	-3.1	-3.1	-2.8	-2.6

Source: BCRA

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