

Report on Banks

June 2010



BANCO CENTRAL
DE LA REPÚBLICA ARGENTINA

Report on Banks

June 2010

Year VII, No. 10



BANCO CENTRAL
DE LA REPÚBLICA ARGENTINA

Contents

- Page 3 | Summary**
- Page 4 | Activity**
The expansion of financial system's intermediation levels is accelerating
- Page 5 | Deposits and liquidity**
Total deposits are growing driven by the private sector
- Page 7 | Financing**
Slight increase in share of lending to companies in total financing
- Page 8 | Portfolio quality**
In a context of credit expansion, non-performance continued falling
- Page 9 | Solvency**
Solvency levels remain high
- Page 11 | Latest regulations**
- Page 12 | Methodology and glossary**
- Page 14 | Statistics annex**

Note | Information for June 2010 available by July 27, 2010 is included. This Report is focussed on the performance of the financial system, including breakdowns by homogeneous sub-sectors. The data reported (particularly, those referring to profitability) are provisional and are subject to changes later. Except the opposite was indicated the data included corresponds to BCRA Information Regimes (end of month data)

Published on August 17, 2010

For comments, inquiries or electric subscription: analisis.financiero@bcra.gov.ar

The contents of this publication may be freely reproduced, provided reference is made to the: "Report on Banks - BCRA"

Summary

- In June, the growth pace of financial intermediation with the private sector and of the provision of means of payment increased. **Banks ended the first half of the year improving almost all soundness indicators in a context where good perspectives for the rest of 2010 prevail.**
- **About 90% of the urban population in Argentina lives in areas where there is at least one bank branch and/or an automatic teller machine (ATM). The population that does not have this kind of bank infrastructure available lives in localities that account for two thirds of all jurisdictions in the country (mainly small localities). In order to promote the geographical coverage of financial activity, the BCRA authorized by late May the possibility of setting up special service offices (with limited operations) in localities having less than 30,000 inhabitants.** It should be noted that at present both national private banks and public banks reach greater credit provision in localities with a population below 30,000 inhabitants and this situation may be seen in all regions in the country.
- **Financial system's total deposits stocks rose 2% in June (30.2% year-on-year, y.o.y.), reflecting the effect of the increase in private sector deposits** by 4% (22.8% y.o.y.) over the month mainly resulting from the surge of sight deposits accompanied by term deposits to a lesser extent. Upon the end of the first half of the year, private sector deposits continued having the greatest relative weighting among fund sources of the aggregate banking sector within a framework where public deposits increased their share.
- **In June, banks' liquidity ratio** (both local and foreign currency items) **fell slightly down to 31% of deposits** resulting from the drop of the stock of net repos with the BCRA. On the other hand, the broad liquidity indicator (with Lebac and Nobac not related to repos with the BCRA) was at 45.1% of total deposits.
- Balance sheet loans to the private sector went up 2.2% in June (18% y.o.y.), driven mainly by credit cards and promissory notes. **Financing to companies and households expanded 26.5%a. over the first half of the year, and was almost four times greater than what was recorded over the same period last year primarily due to a better relative performance exhibited by private banks** (both national and foreign banks) **and by non-banking financial entities (NBFÉ).** Loans to the corporate sector grew 27.6%a. along 2010, slightly a bit more than loans to households (22.1%a.). Therefore, **credit to corporations almost accounted for almost 56% of all loans to the private sector.**
- **The ratio of non-performing loans to the private sector decreased 0.2 percentage points (p.p.) in June,** mainly as a result of NBFÉ and public banks performance shown, **at the lowest levels ever recorded since late 2008 (2.9%).** The system's non-performing portfolio continues evidencing a high level of coverage by provisions (139%).
- **Financial system foreign currency mismatching** (which includes net undelivered forward purchases of foreign currency) **decreased slightly in June, down to 42.4% of net worth.**
- **The financial system ended the first half of the year with book profits and kept high solvency indicators.** Particularly, capital compliance was at 17.6% of risk-weighted assets. The financial system has shown an excess of regulatory capital and this situation was generalized across entities. **In June, banks accrued accounting profits by 2.4%a. of assets,** 0.8 p.p. above the value recorded in May. The rise of benefits was accounted for by the improvement in the financial margin. **Accounting profits over the first half of the year amounted to 2.3%a. of assets** and were slightly above the value recorded over the same period in 2009.

Activity

The expansion of financial system's intermediation levels is accelerating

Banks' financial intermediation activity with the private sector continued growing during the first half of 2010. Both loans and deposits of companies and households exhibited a greater growth pace than that recorded during the first half of 2009; meanwhile, there are positive perspectives for the coming periods (see Chart 1). By mid-2010, the growth pace shown by lending to the private sector amounted to 18% year-on-year (y.o.y.), while the expansion of deposits by households and companies stood at 22.8% y.o.y. Financial entities' netted assets increased by 0.7% in June thereby accumulating a 23.2% rise y.o.y. This monthly performance was mainly driven by private banks.

In June, lending to households and companies expanded its share of financial system netted assets for the second consecutive month and reached 39.9%, even though it is still below the weighting recorded in the same month in 2009. This increase reflected the performance of foreign and national private banks (see Chart 2). On the other hand, financial entities increased their liquid assets against the same period last year, growing 1.9 percentage points (p.p.) up to 24.2% of netted assets (35.2% including Lebac and Nobac not related to repo transactions). This movement was primarily accounted for by public banks.

The main financial system source of funds during June (based on the variation of balance sheet stocks) **was the rise recorded by deposits, mainly, of the private sector** (\$8.4 billion) and, to a lesser extent, the fall of liquid assets (\$3.4 billion). Regarding the uses, the following is to be highlighted: **the increase of lending to the private sector** (\$3.8 billion), **of Lebac and Nobac holdings not related to repos with the BCRA** (\$2.4 billion), **the payment of dividends corresponding to the 2009 fiscal year** (about \$1.9 billion), the drop of public sector deposits (\$1.6 billion) and the hike of lending to this sector (\$1.4 billion). While private banks accounted mainly for the monthly grow of loans and deposits of the private sector, the decline shown by liquidity was evidenced mainly in the case of public banks.

Financial system foreign currency mismatching¹ (including net undelivered forward purchases of foreign

Chart 1

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

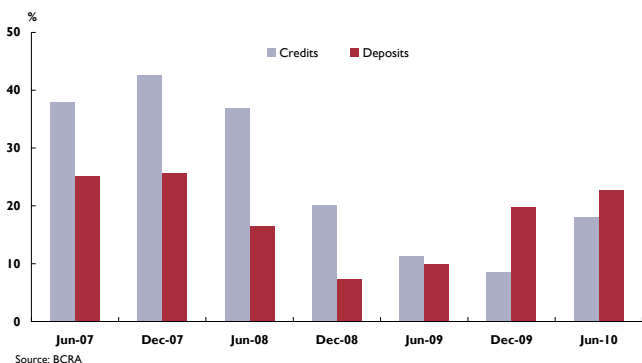


Chart 2

Netted Assets Composition by Group of Financial Entities
In % - June 2010

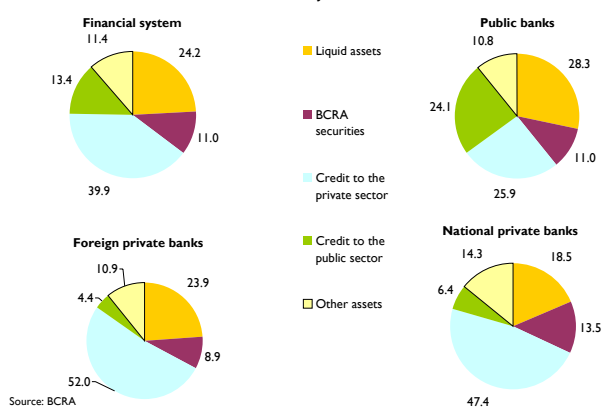
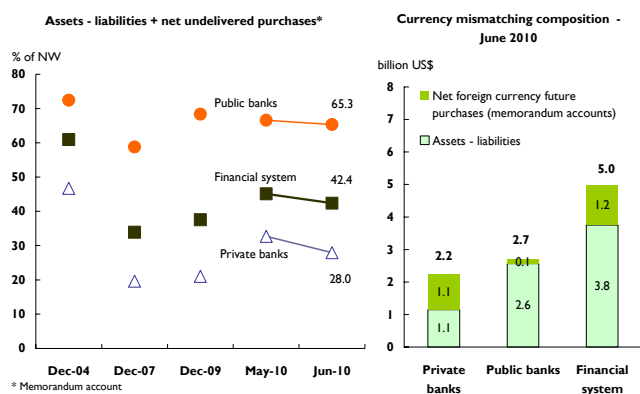


Chart 3

Currency Mismatching with Potential Impact on Financial Sector Results



¹ Balance sheet mismatching that entails a potential effect on financial system profits when the peso-dollar exchange rate is modified.

Chart 4
Cleared and Bounced Checks
Financial system - Quarterly

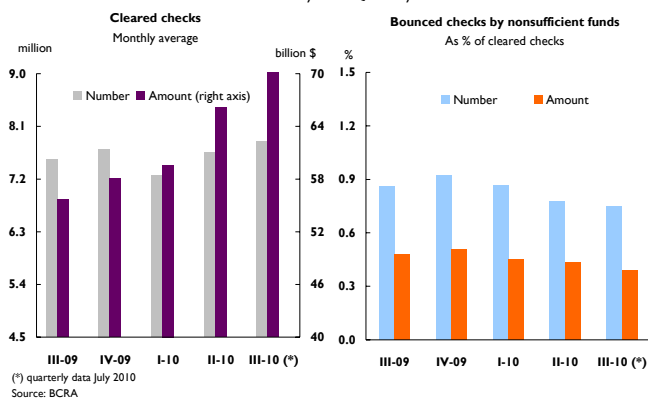


Chart 5

Private Sector Deposits by Group of Banks

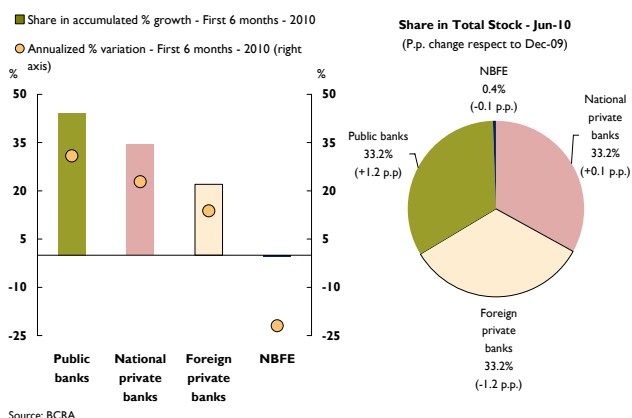
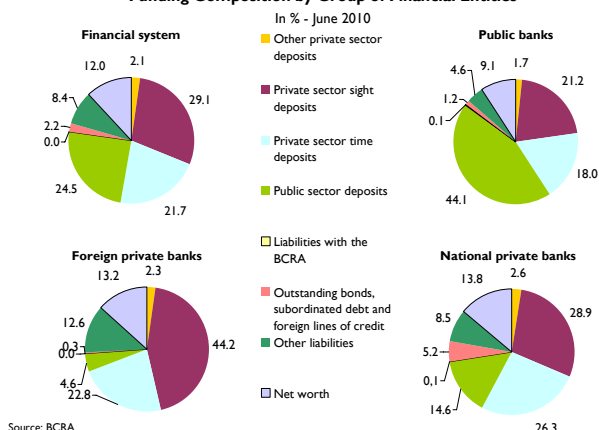


Chart 6

Funding Composition by Group of Financial Entities



currency) fell US\$360 million in June and amounted to US\$4.95 billion, equivalent to 42.4% of net worth (see Chart 3). This monthly change was primarily boosted by a decrease of net undelivered purchases of foreign currency (mainly at private banks). Over the month, both assets and liabilities of the financial system in foreign currency fell, particularly due to the reduction of transactions to be settled upon the end of June.

The nominal volume of checks cleared by the financial system so far in 2010 continued growing in a context where the proportion of documents bounced for non-sufficient funds fell (see Chart 4). Over the first seven months of 2010 about 52.6 million checks were processed for an amount equivalent to \$450 billion. On the other hand, 0.75% of checks in July were returned by nonsufficient funds (equivalent to 0.39% of the total value amount), keeping the falling trend that started by late 2009.

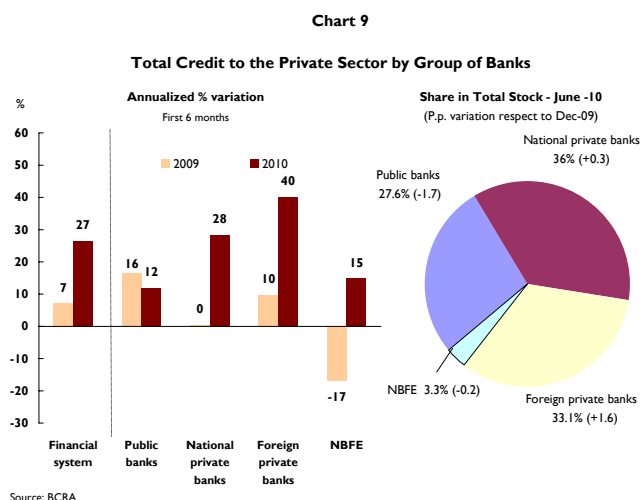
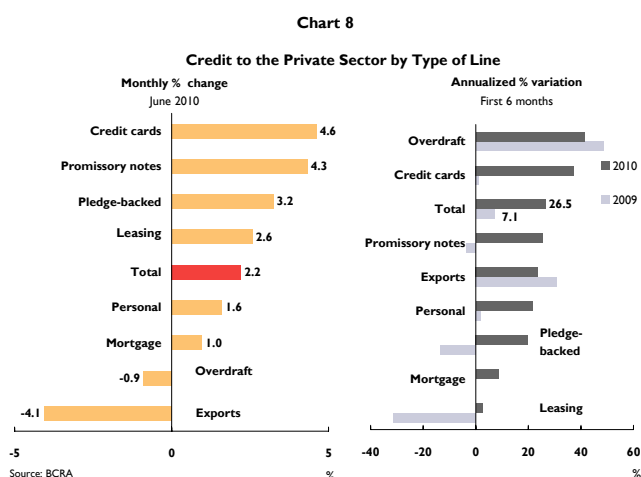
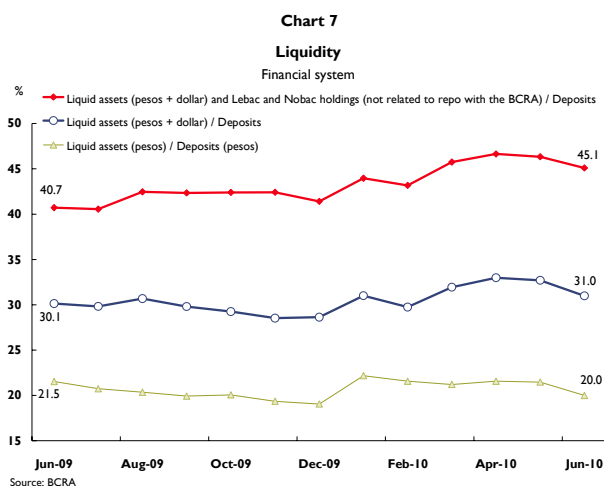
The expansion of financial intermediation and provision of means of payment over the last year were carried out together with slight improvements in financial system operating infrastructure. About 90% of the urban population in Argentina lives in localities where there is at least one bank branch and/or ATM. The population that does not have this type of bank infrastructure available lives in areas that account for two thirds of all jurisdictions in the country (small localities in particular with less than 30,000 inhabitants). Of all bank branches and other licensed offices that were installed over the period between December 2004 and March 2010, it is estimated that about 95% were settled in areas that already had bank branches and/or other offices 5 years ago, and the rest was channeled to non-banking localities. In this context, in order to promote a greater geographical coverage of financial activity, the BCRA authorized the settlement of special service offices (with restricted operation) in localities having less than 30,000 inhabitants².

Deposits and liquidity

Total deposits are growing driven by the private sector

Total balance sheet deposit stock went up 2% in June (30% y.o.y.). The monthly increase was seen in private sector deposits (4%), being partially offset by the decline of public sector deposits (-1.5%). The monthly surge of private sector deposits was primarily

² See Communication "A" 5079.



boosted by sight deposits (5.1%), accompanied to a lesser extent by time deposits (2.7%). **Interest rates on time deposits in pesos increased slightly over the month for transactions not exceeding 60 days in the retail segment and for all terms within the wholesale tranche, even though they were below the levels recorded a year ago.**

Over the first half of 2010, total deposits were driven mainly by public sector deposits and, therefore, they increased their share in the total funding of financial entities. On the other hand, **private sector deposits rose 21.9%a. during the first half of the year and were essentially channeled to public financial entities (30.9%a.) and national private banks (22.8%a.)** (see Chart 5).

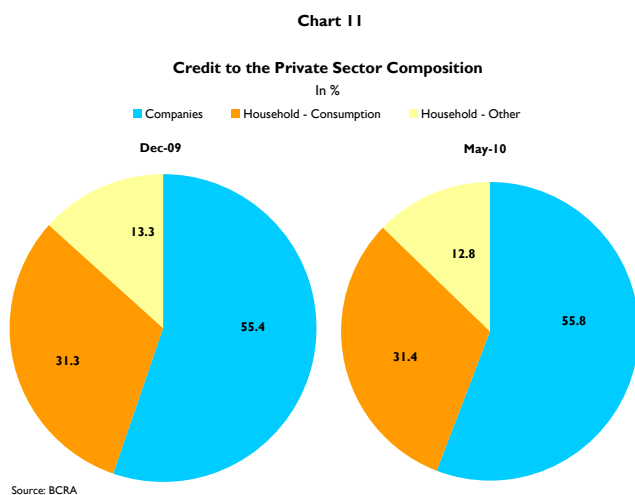
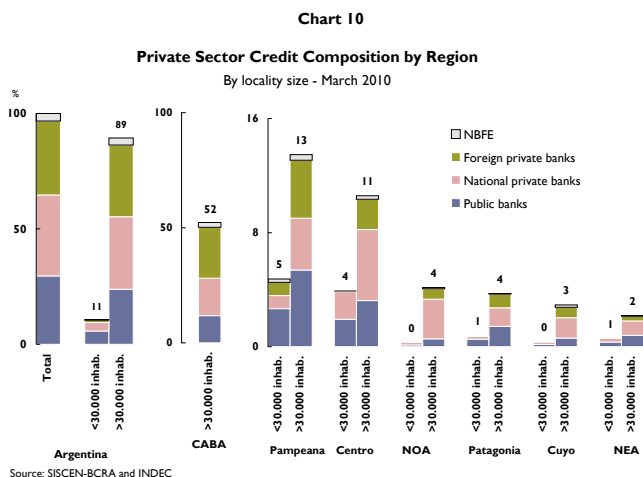
Therefore, private sector deposits accounted for 52.8% of netted assets in June (sight deposits were 29.1% and time deposits at 21.7%). **These resources evidenced greater share in funding of both foreign and national private banks.** On the other hand, public banks received funds mainly from resources of the public sector (see Chart 6).

Liquid assets of the financial system fell \$3.4 billion over the month especially as a result of the decrease in the stock of net repos with the BCRA. **The liquidity indicator, including items in pesos and in foreign currency, dropped 1.7 p.p. of total deposits in June to 31%, accumulating, nevertheless, a 2.4 p.p. rise over the six-month term** (see Chart 7). Liquidity in pesos stood at 20% of total deposits in national currency, 1.5 p.p. below the value recorded in the previous month and 1 p.p. more than 6 months ago. Lebac and Nobac holdings not related to repo transactions with the BCRA amounted to \$2.4 billion in June, thus, the broad liquidity indicator (in pesos and in foreign currency) was at 45.1% of deposits, 3.7 p.p. above the amount recorded in late 2009.

The call market daily average traded amount grew in July, reaching a volume of \$880 million. The amount weighted interest rate was at 9.2%, slightly above the value recorded over the previous month.

In order to adjust the current regulation as a result of the amendment to article 124 of the Labor Contract System, **the BCRA modified the consolidated text on saving deposits and payment of special remunerations, and from now on, any account to which wages are credited will be known as “cuenta sueldo”³.** The regulation establishes that no costs will be generated

³ Communication “A” 5091.



for workers, up to the amount corresponding to salaries, reimbursements and personal loans credited there. **There will be no limits for fund withdrawals in all the country**, neither for amounts nor for the number of withdrawals and also **they may be carried out through all ATMs authorized** transactions regardless of the financial entity or network to which they belong.

Financing

Slight increase in the share of lending to companies in total financing

Balance sheet lending to the private sector went up 2.2%⁴ in June (18% y.o.y.), mainly driven by credit cards and promissory notes. **Credit to companies and households expanded 26.5%a. over the first six months of the year and the rhythm of growth was almost four times above the value recorded during the same period in 2009** (see Chart 8). **This greater momentum was accounted for by a better relative performance shown by private banks** (both national and foreign banks) **and by NBFE** (see Chart 9). It should be noted that during the same period in 2009, within the local effects derived from the international financial crisis, public financial entities led the increase of lending to the private sector, exhibiting a relatively countercyclical performance.

Regarding credit provision to the private sector, **foreign private banks are relatively set in localities with a greater number of inhabitants while public banks show a more equitable share by being set in localities of bigger and smaller sizes**⁵. If only localities having less than 30,000 inhabitants are considered, public banks granted most of the credit, with a remarkable share in the Pampas, Patagonia and North East (NEA) regions. In this kind of localities, national private banks provide most lending in the Cuyo and North West (NOA) regions (see Chart 10).

Lending to corporate sector⁶ grew 27.6%a. so far in 2010 (according to information available as of May) a bit more than loans to households (22.1%a.). Thus, **credit to companies increased slightly its share in loans to the private sector stock, accounting for almost 56% of the total** (see Chart 11).

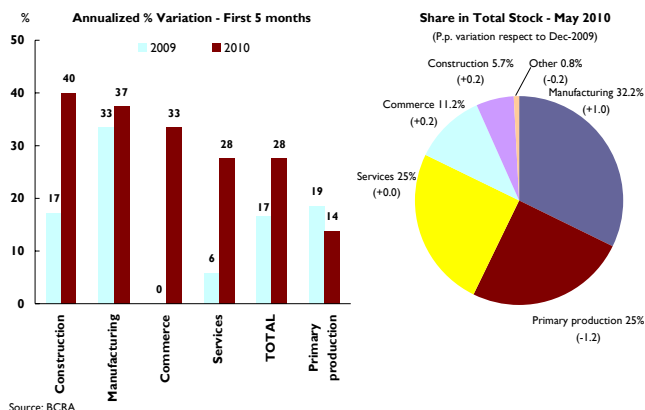
⁴ If the loan stock is adjusted due to the monetary issuance of financial trusts, the lending variation to the private sector would amount to 2.4%. During June, four issues of financial trusts with a portfolio of bank loans as underlying assets for a total of \$152 million were recorded. All issues corresponded to securitizations of personal loans.

⁵ According to the SISCEN, the geographical location criterion takes into account the location of the branch where a loan is generated.

⁶ Financing granted to companies includes lending given to corporations and commercial loans granted to individuals, the remaining financing granted to individuals falls within the household concept.

Chart 12

Credit to Companies by Economic Activity



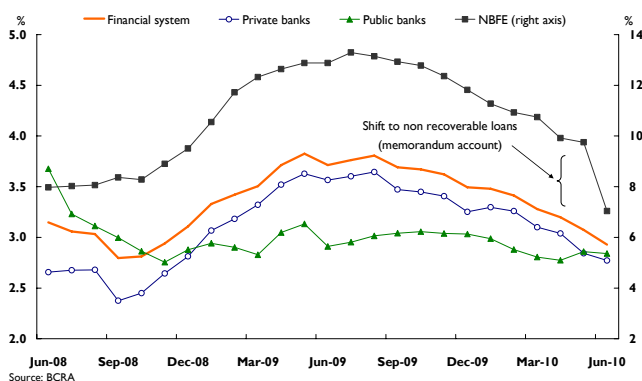
Source: BCRA

Over the first months of the year, bank financing grew in all productive sectors and the momentum shown by lending granted to construction, manufacturing and commercial segments is to be highlighted (see Chart 12). **Manufacturing continued being the economic sector receiving the highest proportion of lending to the corporate sector followed by primary production and service companies** (as a whole, these activities account for over 82% of the total by mid 2010).

Meanwhile, **finance to households were driven essentially by consumption lines which rose 25.9%a. over the first months of the year.** Particularly, loans arranged through credit cards grew 33.8%a. and personal loans did so by 21.3%a.. Among credit lines with real guarantee, the momentum exhibited by pledge-backed loans is to be highlighted (27.7%a.), while mortgage loans evidenced a slight increase (2.8%a.).

Chart 13

Non-performing Credit to the Private Sector by Group of Banks



Source: BCRA

In this expansion context of lending to the private sector, the financial system's exposure to the public sector rose by 0.4 p.p. of assets in June amounting to 12.6%, level similar to these recorded 12 months ago. Considering the balance of public sector deposits, the government continued being net creditor of the financial system (10.4% of total assets).

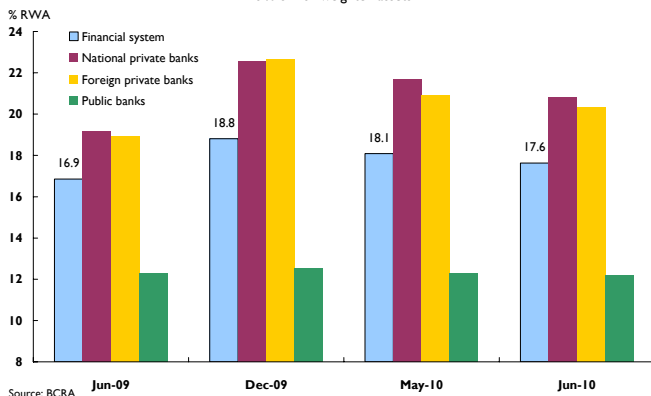
Portfolio quality

In a context of credit expansion, non-performance continued falling

The non-performance ratio for private sector lending fell by 0.2 p.p. in June, mainly resulting from the performance exhibited by NBE⁷ and public banks and, therefore, it stood at the lowest levels ever recorded since late 2008 (2.9%) (see Chart 13).

Chart 14

Capital Compliance
As % of risk weighted assets



Source: BCRA

Bank lending to households exhibited a 4.2% delinquency ratio in May (last data available), falling 1.4 p.p. over the last 12 months. This movement was led mainly by an improvement in the quality of the consumption portfolio, whose non-performance ratio decreased 2 p.p. during the last year, amounting to 4.4%.

The non-performance ratio for corporate lending stood at 2.2% in May, 0.3 p.p. below the value recorded a year ago. Among productive sectors, the improvement in the performance of construction loans portfolio is to be highlighted, whose non-performance

⁷ Non-performance drop shown by NBE was mostly accounted for by the operation of a particular entity that decided to shift bad debts to memorandum accounts.

ratio has fallen 2.5 p.p. over the last 12 months, amounting to 2.5%.

Meanwhile, the coverage of non-performing loans by provision increased 3.5 p.p. in June reaching 139%, 21 p.p. more than a year ago.

Solvency

Solvency levels remain high

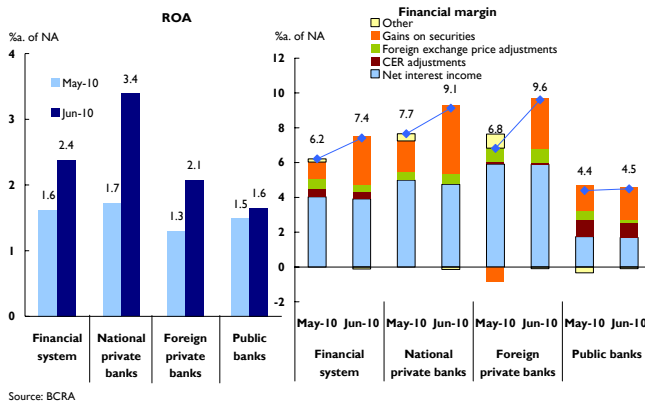
The financial system's consolidated net worth fell slightly over the month (-0.4%), and this was primarily accounted for by a private bank (which took greater share in a NBFE) and which more than offset the boost of accounting benefits in June obtained by the group of banks. **In year-on-year terms, the consolidated net worth of the financial system expanded 14.1%.**

Capital compliance was at 17.6% of risk-weighted assets (RWA), falling 0.5 p.p. against May. This movement was driven by the rise of RWA considering the momentum of lending to households and companies in a context where capital compliance remained stable⁸. **The capital compliance ratio increased 0.7 p.p. over the last 12 months** (see Chart 14). Thus, **capital compliance continued exceeding easily the regulatory requirement**, and this situation has become generalized in the set of financial entities.

The financial system accrued book profits of 2.4%a. of assets in June, 0.8 p.p. higher than in May. These greater results were accounted for by the increase in the financial margin especially in private banks (see Chart 15) and, to a lesser extent, in public banks.

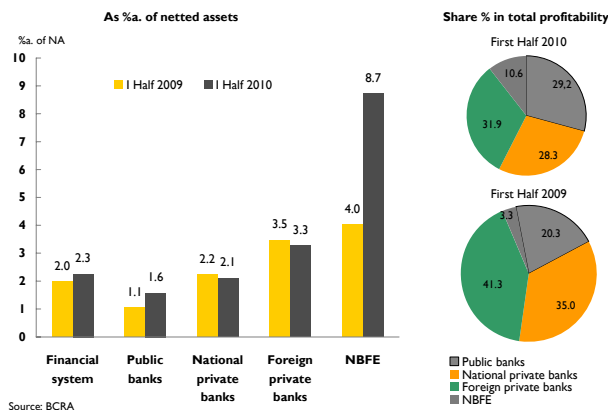
Accounting profits accumulated over the year (first six months) accounted for 2.3%a. of assets and were slightly above those of the first half of 2009, with an improvement in profitability in the case of public banks (which are gradually getting close to the performance shown by private banks) and NBFE (see Chart 16). However, **by purging the income statement of the accounting effect derived from the accrual of income tax, profitability during the first half of 2010 was similar to that recorded over the same period in 2009.** Particularly, and at an aggregate level, an increase in the case of more stable sources of income was observed (net interest income and services income margin); additionally, a fall in loan loss provisions, which were practically offset by lower income in items

Chart 15
Monthly Profitability



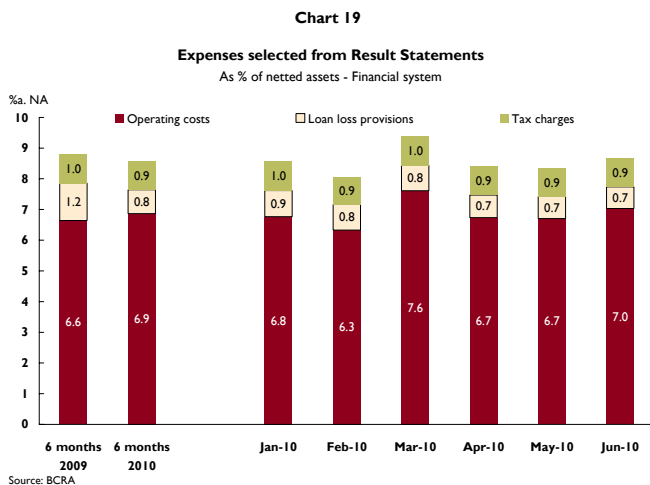
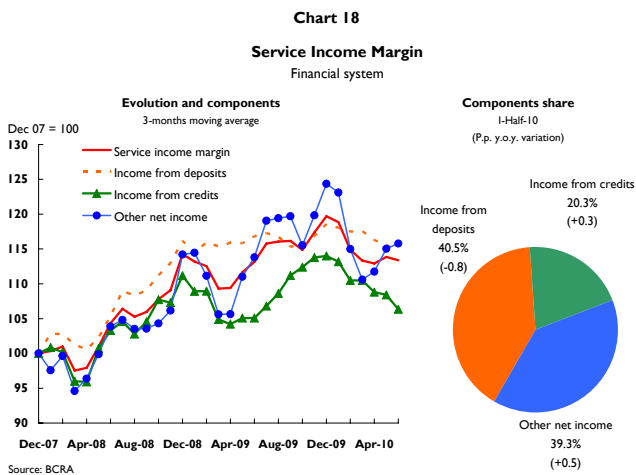
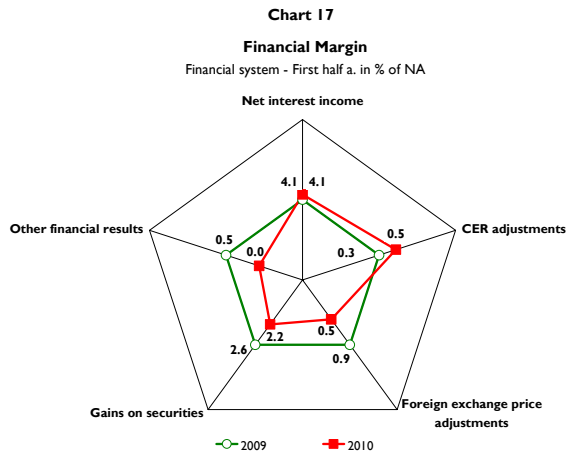
Source: BCRA

Chart 16
Profitability by Group of Banks



Source: BCRA

⁸ Capital compliance consists of basic net worth plus complementary net worth minus deductible accounts. The latter increased significantly at a national private bank as a result of the acquisition of the NBFE mentioned above.



related to the exchange rate, a decrease in gains on securities and more operating costs was observed.

Financial margin in the entire group of banks was at 7.4%a. of assets in June, 1.2 p.p above the value recorded the month before, **mainly due to higher gains on securities** in a context of rearrangement of prices of the main securities. Financial margin totaled 7.5%a. of assets in the first six months of the year, 0.8 p.p. lower than the value recorded in the first 6 months of 2009 (see Chart 17).

Service income margin went up slightly over the month, up to 3.9%a. of assets. **During the year, a slight increase was also observed when compared against the same period of 2009** (see Chart 18), **and this income was mainly driven by private banks operations (both national and foreign private banks).** Service income margin is mainly driven by deposit commissions while those related to insurance and the issuance of credit cards have been gaining share.

Operating costs rose 0.3 p.p. of assets over the month, up to 7%a. The monthly increase shown by costs resulted mainly from the particular performance of a private bank. Thus, operating costs were at 6.9%a. of assets during the first half of the year, growing 0.3 p.p. against the first half of 2009. Meanwhile, **loan loss provisions continued at reduced and stable levels, at about 0.7%a. of assets accompanied by an improvement exhibited in the quality of the credit to the private sector.** During the first half of the year, loan loss provisions fell 0.4 p.p. of assets down to 0.8%a. against the first part of 2009 (see Chart 19).

It is anticipated that during July, the financial system will continue consolidating solvency levels with book profits. Gains on securities are expected to remain at relatively high levels in a context where the prices of the main bonds in banks' portfolios increase. Meanwhile, the financial system would show an outstanding momentum regarding the most stable sources of income (services and interest).

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” 5087 – 08/06/10

Lending to the non-financial public sector. No comments are made to the fact that financial entities may acquire Treasury Bills of the Province to be issued under the program known as *Programa Global de Emisión de Letras del Tesoro de la Provincia de Buenos Aires* for a total nominal value of up to \$ 2.5 billion, without exceeding the corresponding maximum limits set for credit aid for the non-financial public sector.

Comunicación “A” 5089 – 14/06/10

It is established that, as per section f) of article 17 of the Charter of the BCRA, this Institution may grant overdrafts to financial entities aimed at lending to the productive sector in order to apply these funds to finance new investment projects selected by the corresponding authorities within the framework of the promotion systems set by the National Congress. Funds may not be used to purchase an operating company or lands or to finance working capital. Finance must involve new fund disbursements and, therefore, they may not be used to refinance aid previously granted by the entity. Participating entities must provide financial assets the creditor or guarantor of which is the National State as guarantee on behalf of the BCRA. The application will be carried out through auctions.

Communication “A” 5091 – 24/06/10

Adjustment of the regulation resulting from the amendment of article 124 of the Labor Contract System. Provisions shall be applicable as from July 12, 2010. The consolidated text on saving deposits and payment of special remunerations is modified and, from now on, any account to which wages are credited shall be known as "*cuenta sueldo*" (substituting the term "*pago de remuneraciones*"). Movements will not generate any costs for workers up to the amount corresponding to salaries, reimbursements (whether fiscal, promotional or derived from health care service) and personal loans credited thereto. There will be no limits for fund withdrawals in all the country, neither for amounts nor for the number of withdrawals and also they may be carried out through all ATMs authorized regardless of the financial entity or network to which they belong. Furthermore, there will not be any limits for any adherence to payment through electronic channels of taxes, services and other concepts. Movements (whatever their nature may be) may not generate any debit balance.

Communication “A” 5093 – 29/06/10

Establish that regulations on "*Cuentas de corresponsalía*" will be applicable to new accounts opened as from August 2010. The remaining correspondent accounts with financial entities from abroad that are already in operation and/or whose opening will become effective before the aforementioned date must fall within the system mentioned as from October 2010. Regarding the regulation on "*Prevención del lavado de dinero y de otras actividades ilícitas*" must be established a specific control and monitoring system of transactions conducted in correspondent accounts opened by financial entities and money-exchange offices in the country.

Methodology

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

Glossary

%a.: annualized percentage.

%i.a.: interannual percentage.

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

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

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

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

CEDRO: Certificado de Depósito Reprogramado. Rescheduled Stabilization Coefficient.

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

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

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

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

Lebac and Nobac: Bills and notes of the BCRA.

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

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

mill.: million.

NBFE: Non-banking financial entity.

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

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

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

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

ON: Corporate bonds (Obligaciones Negociables).

OS: Subordinated debt (Obligaciones Subordinadas).

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

PN: Net worth (Patrimonio Neto).

p.p.: percentage points.

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

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

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

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

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

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

RWA: Risk weighted assets.

SME: Small and Medium Enterprises.

US\$: United States dollars

Statistics annex | Financial system

Chart 1 | Financial Soundness Indicators (see Methodology)

As %	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	Jun 2009	2009	May 2010	Jun 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	30.1	28.6	32.7	31.0
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	12.6	14.4	12.2	12.6
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	38.6	38.3	36.3	37.6
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	3.7	3.5	3.1	2.9
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	-2.2	-2.8	-3.6	-3.8
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	2.0	2.3	2.2	2.3
7.- ROE	4.1	6.3	3.9	1.7	0.0	-0.2	-59.2	-22.7	-4.2	7.0	14.3	11.0	13.4	16.7	19.2	18.6	19.0
8.- Efficiency	142	136	138	142	147	143	189	69	125	151	167	160	167	182	185	165	164
9.- Capital compliance	23.8	20.8	20.3	21.0	20.1	21.4	-	14.5	14.0	15.3	16.9	16.9	16.9	16.9	18.8	18.1	17.6
10.- Excess capital compliance	64	73	49	54	58	54	-	116	185	173	134	93	90	81	100	88	84

Source: BCRA

Chart 2 | Balance Sheet

In million of current pesos	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Dec 08	Jun 09	Dec 09	May 10	Jun 10	Change (in%)					
												Last month	2010	Last 12 months			
Assets	187,532	186,873	212,562	221,962	258,384	297,963	346,762	366,409	387,381	449,333	442,989	-1.4	14.4	20.9			
Liquid assets ¹	17,138	27,575	29,154	20,819	37,991	46,320	58,676	62,576	71,067	87,587	87,433	-0.2	23.0	39.7			
Public bonds	31,418	45,062	55,382	66,733	64,592	62,678	65,255	76,262	86,318	101,426	100,549	-0.9	16.5	31.8			
Lebac/Nobac	-	-	17,755	28,340	29,289	36,022	37,093	41,030	43,867	62,344	61,220	-1.8	39.6	49.2			
Portfolio	-	-	11,803	21,067	25,767	31,598	25,652	26,464	34,748	43,502	45,955	5.6	32.3	73.7			
Repo ²	-	-	5,953	7,273	3,521	4,424	11,442	14,566	9,119	18,842	15,265	-19.0	67.4	4.8			
Private bonds	332	198	387	389	813	382	203	270	307	268	265	-1.0	-13.9	-2.1			
Loans	84,792	68,042	73,617	84,171	103,668	132,157	154,719	157,071	169,868	186,814	191,500	2.5	12.7	21.9			
Public sector	44,337	33,228	30,866	25,836	20,874	16,772	17,083	15,066	20,570	22,502	23,701	5.3	15.2	57.3			
Private sector	38,470	33,398	41,054	55,885	77,832	110,355	132,844	138,171	145,247	160,045	163,384	2.1	12.5	18.2			
Financial sector	1,985	1,417	1,697	2,450	4,962	5,030	4,793	3,834	4,052	4,268	4,414	3.4	9.0	15.1			
Provisions over loans	-11,952	-9,374	-7,500	-4,930	-3,728	-4,089	-4,744	-5,482	-5,824	-5,970	-5,905	-1.1	1.4	7.7			
Other netted credits due to financial intermediation	39,089	27,030	32,554	26,721	26,039	29,712	38,152	41,072	33,498	47,268	37,245	-21.2	11.2	-9.3			
Corporate bonds and subordinated debt	1,708	1,569	1,018	873	773	606	912	1,197	1,146	1,401	1,360	-3.0	18.7	13.6			
Unquoted trusts	6,698	4,133	3,145	3,883	4,881	5,023	5,714	6,255	5,942	6,131	5,993	-2.2	0.9	-4.2			
Compensation receivable	17,111	14,937	15,467	5,841	763	377	357	17	16	15	15	0.0	-3.9	-10.5			
Other	13,572	6,392	12,924	16,124	19,622	23,706	31,169	33,604	26,395	39,720	29,877	-24.8	13.2	-11.1			
Leasing	567	397	611	1,384	2,262	3,469	3,935	3,260	2,933	2,896	2,969	2.5	1.2	-8.9			
Shares in other companies	4,653	4,591	3,871	4,532	6,392	6,430	7,236	7,792	6,711	6,696	7,079	5.7	5.5	-9.2			
Fixed assets and miscellaneous	8,636	8,164	7,782	7,546	7,619	7,643	7,903	8,132	8,239	8,432	8,510	0.9	3.3	4.7			
Foreign branches	3,522	3,144	3,524	3,647	2,782	2,912	3,153	4,075	3,926	4,059	3,158	-22.2	-19.6	-22.5			
Other assets	9,338	12,043	13,180	10,950	9,953	10,347	12,275	11,380	10,337	9,857	10,187	3.3	-1.5	-10.5			
Liabilities	161,446	164,923	188,683	195,044	225,369	261,143	305,382	321,619	339,047	400,082	392,978	-1.8	15.9	22.2			
Deposits	75,001	94,635	116,655	136,492	170,898	205,550	236,217	250,083	271,853	319,059	325,486	2.0	19.7	30.2			
Public sector ³	8,381	16,040	31,649	34,019	45,410	48,340	67,151	67,268	69,143	103,488	101,910	-1.5	47.4	51.5			
Private sector ³	59,698	74,951	83,000	100,809	123,431	155,048	166,378	179,232	199,278	211,671	220,041	4.0	10.4	22.8			
Current account	11,462	15,071	18,219	23,487	26,900	35,245	39,619	40,259	45,752	50,757	52,371	3.2	14.5	30.1			
Savings account	10,523	16,809	23,866	29,078	36,442	47,109	50,966	56,649	62,807	64,485	68,754	6.6	9.5	21.4			
Time deposit	19,080	33,285	34,944	42,822	54,338	65,952	69,484	75,068	83,967	88,554	90,216	1.9	7.4	20.2			
CEDRO	12,328	3,217	1,046	17	13	0	0	0	0	0	0	-	-	-			
Other netted liabilities due to financial intermediation	75,737	61,690	64,928	52,072	46,037	46,225	57,662	58,638	52,114	65,864	54,429	-17.4	4.4	-7.2			
Interbanking obligations	1,649	1,317	1,461	2,164	4,578	4,310	3,895	3,087	3,251	3,472	3,719	7.1	14.4	20.5			
BCRA lines	27,837	27,491	27,726	17,005	7,686	2,362	1,885	1,002	270	485	268	-44.7	-0.6	-73.2			
Outstanding bonds	9,096	6,675	7,922	6,548	6,603	6,938	5,984	5,670	5,033	4,258	4,059	-4.7	-19.4	-28.4			
Foreign lines of credit	25,199	15,196	8,884	4,684	4,240	3,864	4,541	3,608	3,369	3,339	3,272	-2.0	-2.9	-9.3			
Other	11,955	11,012	18,934	21,671	22,930	28,752	41,357	45,272	40,191	54,310	43,112	-20.6	7.3	-4.8			
Subordinated debts	3,712	2,028	1,415	1,381	1,642	1,672	1,763	1,914	1,922	1,986	1,973	-0.6	2.7	3.1			
Other liabilities	6,997	6,569	5,685	5,099	6,792	7,695	9,740	10,984	13,159	13,174	11,090	-15.8	-15.7	1.0			
Net worth	26,086	21,950	23,879	26,918	33,014	36,819	41,380	44,790	48,335	49,251	50,011	1.5	3.5	11.7			
Memo																	
Netted assets	185,356	184,371	202,447	208,275	244,791	280,336	321,075	338,235	364,726	413,724	416,590	0.7	14.2	23.2			
Consolidated netted assets	181,253	181,077	198,462	203,286	235,845	271,652	312,002	329,779	357,118	406,187	407,904	0.4	14.2	23.7			

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

Source: BCRA

Statistics annex | Financial system (cont.)

Chart 3 | Profitability Structure

Amount in million of pesos	Annual								First 6 months		Monthly			Last
	2002 ¹	2003	2004	2005	2006	2007	2008	2009	2009	2010	Apr-10	May-10	Jun-10	12 months
Financial margin	13,991	1,965	6,075	9,475	13,262	15,134	20,528	28,858	13,614	14,557	2,478	2,128	2,545	29,801
Net interest income	-3,624	-943	1,753	3,069	4,150	5,744	9,574	13,917	6,655	8,057	1,334	1,382	1,342	15,320
CER and CVS adjustments	8,298	2,315	1,944	3,051	3,012	2,624	2,822	1,196	515	1,043	201	159	141	1,724
Foreign exchange price adjustments	5,977	-890	866	751	944	1,357	2,307	2,278	1,516	1,042	141	193	150	1,804
Gains on securities	3,639	1,962	1,887	2,371	4,923	5,144	4,462	11,004	4,178	4,363	748	329	949	11,190
Other financial income	-299	-480	-375	233	235	264	1,362	463	751	51	53	64	-38	-237
Service income margin	4,011	3,415	3,904	4,781	6,243	8,248	10,868	13,052	6,139	7,449	1,258	1,289	1,349	14,363
Loan loss provisions	-10,007	-2,089	-1,511	-1,173	-1,198	-1,894	-2,839	-3,814	-1,993	-1,515	-246	-247	-242	-3,336
Operating costs	-9,520	-7,760	-7,998	-9,437	-11,655	-14,634	-18,748	-22,710	-10,878	-13,400	-2,254	-2,294	-2,414	-25,232
Tax charges	-691	-473	-584	-737	-1,090	-1,537	-2,318	-3,272	-1,561	-1,821	-309	-314	-317	-3,532
Income tax	-509	-305	-275	-581	-595	-1,032	-1,342	-4,226	-1,684	-1,434	-152	-141	-264	-3,976
Adjust. to the valuation of gov. securities ²	0	-701	-320	-410	-752	-837	-1,757	-184	-110	-151	-29	-27	-21	-224
Amort. payments for court-ordered releases	0	-1,124	-1,686	-1,867	-2,573	-1,922	-994	-471	-127	-342	-38	-60	-123	-685
Other	-3,880	1,738	1,497	1,729	2,664	2,380	1,441	686	-137	1,061	208	221	303	1,883
Monetary results	-12,558	69	0	0	0	0	0	0	0	0	0	0	0	0
Total results³	-19,162	-5,265	-898	1,780	4,306	3,905	4,757	7,920	3,263	4,405	916	553	816	9,061
Adjusted results ⁴	-	-3,440	1,337	4,057	7,631	6,665	7,508	8,575	3,501	4,897	983	641	960	9,971
Annualized indicators - As % of netted assets														
Financial margin	6.5	1.1	3.1	4.6	5.8	5.7	6.7	8.5	8.3	7.5	7.4	6.2	7.4	8.1
Net interest income	-1.7	-0.5	0.9	1.5	1.8	2.2	3.1	4.1	4.1	4.1	4.0	4.0	3.9	4.1
CER and CVS adjustments	3.9	1.3	1.0	1.5	1.3	1.0	0.9	0.4	0.3	0.5	0.6	0.5	0.4	0.5
Foreign exchange price adjustments	2.8	-0.5	0.4	0.4	0.4	0.5	0.8	0.7	0.9	0.5	0.4	0.6	0.4	0.5
Gains on securities	1.7	1.1	1.0	1.2	2.2	1.9	1.5	3.3	2.6	2.2	2.2	1.0	2.8	3.0
Other financial income	-0.1	-0.3	-0.2	0.1	0.1	0.1	0.4	0.1	0.5	0.0	0.2	0.2	-0.1	-0.1
Service income margin	1.9	1.9	2.0	2.3	2.7	3.1	3.6	3.9	3.7	3.8	3.8	3.8	3.9	3.9
Loan loss provisions	-4.7	-1.1	-0.8	-0.6	-0.5	-0.7	-0.9	-1.1	-1.2	-0.8	-0.7	-0.7	-0.7	-0.9
Operating costs	-4.4	-4.2	-4.1	-4.6	-5.1	-5.5	-6.1	-6.7	-6.6	-6.9	-6.7	-6.7	-7.0	-6.8
Tax charges	-0.3	-0.3	-0.3	-0.4	-0.5	-0.6	-0.8	-1.0	-1.0	-0.9	-0.9	-0.9	-0.9	-1.0
Income tax	-0.2	-0.2	-0.1	-0.3	-0.3	-0.4	-0.4	-1.3	-1.0	-0.7	-0.5	-0.4	-0.8	-1.1
Adjust. to the valuation of gov. securities ²	0.0	-0.4	-0.2	-0.2	-0.3	-0.3	-0.6	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Amort. payments for court-ordered releases	0.0	-0.6	-0.9	-0.9	-1.1	-0.7	-0.3	-0.1	-0.1	-0.2	-0.1	-0.2	-0.4	-0.2
Other	-1.8	0.9	0.8	0.8	1.2	0.9	0.5	0.2	-0.1	0.5	0.6	0.6	0.9	0.5
Monetary results	-5.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ROA³	-8.9	-2.9	-0.5	0.9	1.9	1.5	1.6	2.3	2.0	2.3	2.7	1.6	2.4	2.5
ROA adjusted ⁴	-8.9	-1.9	0.7	2.0	3.4	2.5	2.5	2.5	2.1	2.5	2.9	1.9	2.8	2.7
ROE³	-59.2	-22.7	-4.2	7.0	14.3	11.0	13.4	19.2	16.7	19.0	23.8	14.3	21.3	20.3

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

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

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

Source: BCRA

Chart 4 | Portfolio Quality

As percentage	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Dec 08	Jun 09	Dec 09	May 10	Jun 10
Non-performing loans (overall)	18.1	17.7	10.7	5.2	3.4	2.7	2.7	3.3	3.0	2.6	2.5
Non-performing loans to the non-financial private sector	38.6	33.5	18.6	7.6	4.5	3.2	3.1	3.7	3.5	3.1	2.9
Provisions / Non-performing loans	73.8	79.2	102.9	124.5	129.9	129.6	131.4	118.0	125.7	135.1	138.6
(Total non-performing - Provisions) / Overall financing	4.7	3.7	-0.3	-1.3	-1.0	-0.8	-0.8	-0.6	-0.8	-0.9	-1.0
(Total non-performing - Provisions) / Net worth	17.2	11.9	-1.0	-4.1	-3.3	-3.0	-3.3	-2.2	-2.8	-3.6	-3.8

(*) 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	Jun 2009	2009	May 2010	Jun 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	32.7	29.8	30.4	29.3
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	5.9	6.2	5.1	5.2
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	42.9	43.3	45.0	46.8
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	3.6	3.3	2.8	2.8
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	-2.2	-3.1	-3.8	-3.9
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	2.5	3.0	2.6	2.6
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	20.1	22.9	19.1	19.6
8.- Efficiency	144	135	139	146	152	151	168	93	115	136	158	152	166	193	195	170	169
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	19.1	22.5	21.3	20.6
10.- Excess capital compliance	33	47	27	60	49	43	-	88	157	155	116	87	86	87	120	108	102

Source: BCRA

Chart 6 | Balance Sheet

In million of current pesos	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Dec 08	Jun 09	Dec 09	May 10	Jun 10	Change (in %)					
												Last month	2010	Last 12 months			
Assets	118,906	116,633	128,065	129,680	152,414	175,509	208,888	218,950	229,549	248,334	245,153	-1.3	6.8	12.0			
Liquid assets ¹	11,044	14,500	15,893	14,074	22,226	29,418	37,044	40,376	43,562	44,175	45,309	2.6	4.0	12.2			
Public bonds	19,751	22,260	24,817	29,966	27,663	24,444	29,552	38,736	47,949	47,506	46,386	-2.4	-3.3	19.7			
Lebac/Nobac	-	-	8,359	15,227	15,952	17,684	23,457	25,784	31,575	32,978	32,150	-2.5	1.8	24.7			
Portfolio	-	-	5,611	12,899	14,220	15,639	12,858	18,274	27,413	25,949	26,352	1.6	-3.9	44.2			
Repo ²	-	-	2,749	2,328	1,732	2,045	10,598	7,510	4,161	7,030	5,798	-17.5	39.3	-22.8			
Private bonds	273	172	333	307	683	310	127	135	233	164	162	-1.4	-30.5	20.1			
Loans	51,774	47,017	50,741	56,565	69,294	88,898	98,529	96,017	101,722	114,016	117,157	2.8	15.2	22.0			
Public sector	25,056	23,571	21,420	15,954	10,036	6,413	6,249	1,820	1,694	1,732	1,622	-6.3	-4.2	-10.9			
Private sector	26,074	22,816	28,213	39,031	55,632	78,587	88,426	91,151	96,790	109,163	112,126	2.7	15.8	23.0			
Financial sector	644	630	1,107	1,580	3,626	3,898	3,854	3,046	3,238	3,121	3,409	9.2	5.3	11.9			
Provisions over loans	-7,463	-5,225	-3,717	-2,482	-2,227	-2,365	-2,871	-3,425	-3,653	-3,756	-3,764	0.2	3.0	9.9			
Other netted credits due to financial intermediation	27,212	22,148	25,753	16,873	18,387	17,084	25,265	26,447	21,258	28,295	21,336	-24.6	0.4	-19.3			
Corporate bonds and subordinated debt	1,514	1,394	829	675	618	430	699	840	734	860	821	-4.5	11.8	-2.3			
Unquoted trusts	6,205	3,571	2,362	2,444	2,982	3,456	3,869	4,424	4,198	4,422	4,357	-1.5	3.8	-1.5			
Compensation receivable	15,971	13,812	14,657	5,575	760	377	357	17	16	15	15	0.0	-3.9	-10.5			
Other	3,523	3,370	7,905	8,179	14,027	12,822	20,339	21,167	16,311	22,999	16,143	-29.8	-1.0	-23.7			
Leasing	553	387	592	1,356	2,126	3,149	3,451	2,842	2,569	2,541	2,610	2.7	1.6	-8.2			
Shares in other companies	3,123	2,791	1,892	2,416	4,042	3,762	4,538	5,084	4,067	3,890	4,256	9.4	4.7	-16.3			
Fixed assets and miscellaneous	5,198	4,902	4,678	4,575	4,677	4,685	4,926	5,062	5,096	5,221	5,291	1.3	3.8	4.5			
Foreign branches	-109	-136	-53	-148	-139	-154	-178	-199	-202	-212	-213	0.4	5.2	6.9			
Other assets	7,549	7,816	7,137	6,178	5,682	6,277	8,505	7,873	6,946	6,492	6,622	2.0	-4.7	-15.9			
Liabilities	103,079	101,732	113,285	112,600	131,476	152,153	182,596	190,219	198,438	217,410	213,733	-1.7	7.7	12.4			
Deposits	44,445	52,625	62,685	75,668	94,095	116,719	135,711	142,901	154,387	164,691	171,258	4.0	10.9	19.8			
Public sector ³	1,636	3,077	6,039	6,946	7,029	7,564	19,600	20,528	17,757	22,113	23,318	5.5	31.3	13.6			
Private sector ³	38,289	47,097	55,384	67,859	85,714	107,671	114,176	120,170	134,426	140,629	146,126	3.9	8.7	21.6			
Current account	8,905	11,588	13,966	17,946	20,604	27,132	30,188	30,337	35,127	38,207	39,489	3.4	12.4	30.2			
Savings account	6,309	10,547	14,842	18,362	23,165	30,169	32,778	36,265	40,999	41,071	43,654	6.3	6.5	20.4			
Time deposit	11,083	18,710	22,729	27,736	38,043	45,770	46,990	48,974	54,058	56,281	57,290	1.8	6.0	17.0			
CEDRO	9,016	2,409	798	3	1	0	0	0	0	0	0	-	-	-			
Other netted liabilities due to financial intermediation	49,341	42,367	45,083	32,349	31,750	29,323	39,298	38,817	34,235	42,274	33,761	-20.1	-1.4	-13.0			
Interbanking obligations	836	726	1,070	1,488	3,383	1,979	1,160	1,163	1,668	1,796	1,899	5.8	13.9	63.3			
BCRA lines	16,624	17,030	17,768	10,088	3,689	675	649	91	41	36	37	2.4	-11.2	-59.7			
Outstanding bonds	9,073	6,674	7,922	6,548	6,413	6,686	5,672	5,317	4,626	3,933	3,750	-4.7	-18.9	-29.5			
Foreign lines of credit	15,434	9,998	5,444	2,696	2,249	1,833	2,261	1,231	1,262	1,207	1,182	-2.1	-6.4	-4.0			
Other	7,374	7,939	12,878	11,530	16,015	18,150	29,555	31,016	26,638	35,303	26,893	-23.8	1.0	-13.3			
Subordinated debts	3,622	1,850	1,304	1,319	1,642	1,668	1,759	1,910	1,918	1,983	1,970	-0.6	2.7	3.2			
Other liabilities	5,671	4,890	4,213	3,264	3,989	4,443	5,828	6,591	7,897	8,462	6,744	-20.3	-14.6	2.3			
Net worth	15,827	14,900	14,780	17,080	20,938	23,356	26,292	28,731	31,111	30,923	31,419	1.6	1.0	9.4			
Memo																	
Netted assets	117,928	115,091	121,889	123,271	143,807	166,231	192,074	201,838	216,100	228,525	231,803	1.4	7.3	14.8			

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

Source: BCRA

Statistics annex | Private banks (cont.)

Chart 7 | Profitability Structure

Amount in million of pesos	Annual								First 6 months		Monthly			Last
	2002 ¹	2003	2004	2005	2006	2007	2008	2009	2009	2010	Apr-10	May-10	Jun-10	12 months
Financial margin	10,628	2,575	3,415	5,253	7,778	8,960	12,964	19,720	9,359	9,585	1,616	1,373	1,785	19,946
Net interest income	-304	107	1,214	2,069	2,826	4,191	7,727	10,068	5,003	5,646	935	1,024	1,007	10,711
CER and CVS adjustments	1,476	1,082	900	1,215	858	662	651	185	84	108	22	19	14	209
Foreign exchange price adjustments	6,189	-312	666	576	740	990	1,620	1,509	908	718	107	109	127	1,319
Gains on securities	3,464	1,892	959	1,259	3,154	2,888	1,637	7,343	2,599	2,948	488	107	662	7,691
Other financial income	-197	-195	-322	134	199	229	1,329	616	764	164	65	114	-24	16
Service income margin	2,782	2,341	2,774	3,350	4,459	5,881	7,632	9,198	4,322	5,291	896	903	942	10,167
Loan loss provisions	-6,923	-1,461	-1,036	-714	-737	-1,174	-1,863	-2,751	-1,400	-1,050	-188	-181	-149	-2,401
Operating costs	-6,726	-5,310	-5,382	-6,303	-7,741	-9,735	-12,401	-14,807	-7,097	-8,799	-1,478	-1,490	-1,635	-16,509
Tax charges	-512	-366	-393	-509	-769	-1,105	-1,715	-2,380	-1,131	-1,317	-228	-228	-230	-2,566
Income tax	-337	-295	-202	-217	-365	-380	-1,168	-3,001	-1,453	-1,161	-110	-124	-216	-2,709
Adjust. to the valuation of gov. securities ²	0	-665	-51	-201	-170	-100	-267	3	-20	9	2	1	1	33
Amort. payments for court-ordered releases	0	-791	-1,147	-1,168	-1,182	-1,466	-688	-233	-52	-241	-23	-43	-105	-422
Other	-4,164	1,178	846	1,156	1,641	1,576	916	264	-35	575	109	79	140	875
Monetary results	-10,531	-20	0	0	0	0	0	0	0	0	0	0	0	0
Total results³	-15,784	-2,813	-1,176	648	2,915	2,457	3,412	6,014	2,491	2,892	597	289	532	6,414
Adjusted results ⁴	-	-1,357	252	2,016	4,267	4,023	4,367	6,244	2,564	3,123	617	331	636	6,803
Annualized indicators - As % of netted assets														
Financial margin	7.6	2.3	2.9	4.3	5.9	5.8	7.3	9.8	9.6	8.7	8.6	7.3	9.4	9.4
Net interest income	-0.2	0.1	1.0	1.7	2.1	2.7	4.4	5.0	5.1	5.1	5.0	5.4	5.3	5.0
CER and CVS adjustments	1.1	0.9	0.8	1.0	0.6	0.4	0.4	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Foreign exchange price adjustments	4.4	-0.3	0.6	0.5	0.6	0.6	0.9	0.8	0.9	0.6	0.6	0.6	0.7	0.6
Gains on securities	2.5	1.7	0.8	1.0	2.4	1.9	0.9	3.7	2.7	2.7	2.6	0.6	3.5	3.6
Other financial income	-0.1	-0.2	-0.3	0.1	0.2	0.1	0.8	0.3	0.8	0.1	0.3	0.6	-0.1	0.0
Service income margin	2.0	2.0	2.4	2.7	3.4	3.8	4.3	4.6	4.4	4.8	4.8	4.8	4.9	4.8
Loan loss provisions	-5.0	-1.3	-0.9	-0.6	-0.6	-0.8	-1.1	-1.4	-1.4	-1.0	-1.0	-1.0	-0.8	-1.1
Operating costs	-4.8	-4.6	-4.6	-5.1	-5.9	-6.3	-7.0	-7.4	-7.3	-8.0	-7.9	-7.9	-8.6	-7.8
Tax charges	-0.4	-0.3	-0.3	-0.4	-0.6	-0.7	-1.0	-1.2	-1.2	-1.2	-1.2	-1.2	-1.2	-1.2
Income tax	-0.2	-0.3	-0.2	-0.2	-0.3	-0.2	-0.7	-1.5	-1.5	-1.1	-0.6	-0.7	-1.1	-1.3
Adjust. to the valuation of gov. securities ²	0.0	-0.6	0.0	-0.2	-0.1	-0.1	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amort. payments for court-ordered releases	0.0	-0.7	-1.0	-1.0	-0.9	-0.9	-0.4	-0.1	-0.1	-0.2	-0.1	-0.2	-0.6	-0.2
Other	-3.0	1.0	0.7	0.9	1.2	1.0	0.5	0.1	0.0	0.5	0.6	0.4	0.7	0.4
Monetary results	-7.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ROA³	-11.3	-2.5	-1.0	0.5	2.2	1.6	1.9	3.0	2.5	2.6	3.2	1.5	2.8	3.0
ROA adjusted ⁴	-11.3	-1.2	0.2	1.6	3.2	2.6	2.5	3.1	2.6	2.8	3.3	1.8	3.3	3.2
ROE ³	-79.0	-19.1	-8.1	4.1	15.3	10.9	15.2	22.9	20.1	19.6	24.4	11.9	22.3	22.5

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

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

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

Source: BCRA

Chart 8 | Portfolio Quality

As percentage	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Dec 08	Jun 09	Dec 09	May 10	Jun 10
Non-performing loans (overall)	19.8	15.7	8.9	4.4	2.9	2.2	2.5	3.4	3.1	2.7	2.7
Non-performing loans to the non-financial private sector	37.4	30.4	15.3	6.3	3.6	2.5	2.8	3.6	3.3	2.8	2.8
Provisions / Non-performing loans	73.4	79.0	97.0	114.3	129.3	141.3	134.1	118.3	128.9	136.6	137.9
(Total non-performing - Provisions) / Overall financing	5.3	3.3	0.4	-0.6	-0.9	-0.9	-0.9	-0.6	-0.9	-1.0	-1.0
(Total non-performing - Provisions) / Net worth	18.6	11.2	1.3	-2.2	-3.0	-3.6	-3.4	-2.2	-3.1	-3.8	-3.9

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

Source: BCRA