Report on Banks

July 2012

BANCO CENTRAL
DE LA REPÚBLICA ARGENTINA

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July 2012

Year IX, No. 11

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Contents

Page 3 | Summary

Page 4 | Activity

Financial intermediation and the availability of means of payment other than cash have expanded at a steady pace at the start of the second half of the year

Page 5 | Deposits and liquidity

Year-on-year growth in private sector domestic currency deposits reached its highest level since 2004

Page 6 | Financing

Lending to the private sector rose during the month, with low levels of loan delinquency

Page 8 | Solvency

At the start of the second half of the year high levels of solvency were recorded by all groups of banks

Page 10 | Latest Regulations

Page 11 | Methodology and glossary

Page 13 | Statistics annex

Note | Information for July 2012 available by August 28, 2012 is included. This Report is focused on the performance of the financial system, including breakdowns by homogeneous sub-sectors. The data reported (particularly, those referring to profitability) are provisional and are subject to changes later. Except the opposite was indicated the data included corresponds to BCRA Information Regimes (end of month data).

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For comments, enquiries or electronic subscriptions: analisis.financiero@bcra.gov.ar

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Summary

- **In July 2012 private sector deposits and borrowing continued to increase, boosted by domestic currency segments**. Growing levels of banking activity took place within a context of moderate risk to the financial system. **Between January and August 2012 there was an improvement in the supply of means of payment other than cash.** Specifically, there was a good performance by immediate value transfers, which recorded a year-on-year (y.o.y.) increase of 81.1% in volume terms (175% y.o.y. in amounts).
- **Total financial system balance sheet stocks of deposits** (in domestic and foreign currency) **went up 2.2% in July**, with increased deposits by both the public and the private sector. In the last 12 months total deposits rose by 19.7%, fueled by private sector peso deposits (33.8% y.o.y.). In particular, **private sector time deposits in pesos rose 43.9% y.o.y., the largest nominal annual variation since 2004**.
- **In July the stock of lending to the private sector rose 1.9% (32.3% y.o.y.), registering the impact of an increase for the month in domestic currency lending of 3.4% (40.8% y.o.y.).** During the period there was a notable performance by public banks. Household credit went up 2.5% in the period (39.6% y.o.y.) while loans to companies were up 1.3% (27.1% y.o.y.). In the year to date peso lending interest rates dropped in all bank categories.
- **The non-performance ratio for private sector loans remained at a low and stable level during the month, at around 1.7% in the aggregate**. This delinquency indicator has risen by 0.3 p.p. in the last 7 months, mainly from household lending. The financial system recorded a high level of coverage for private sector loans in arrears, exceeding 100% for all groups of bank.
- **The broad liquidity indicator for the financial system aggregate** (domestic and foreign currency, including Lebac and Nobac holdings) **rose slightly in July to 39.4%**. If the bills and notes issued by this Institution are excluded, the liquidity ratio for the financial system also increased during the month to 25.3% of deposits.
- **Consolidated financial system net worth expanded by 2.7% during the month** (31.3% y.o.y.), **largely from the impact of book profits**. The banking system continued to record high capital adequacy levels. In July, capital compliance rose slightly to 16.7% of risk-weighted assets (RWA). Excess capital compliance stood at 64% of the regulatory requirement during the month, with **all groups of financial entities posting capital surpluses.**
- **In July, banking system book profits rose by 0.3 p.p. of assets to an annualized (a) 3.6%**, mainly as a consequence of higher interest income and lower operating costs. Over the year the financial system has accumulated profits for 2.9%a. of assets, 0.4 p.p. more than in the same period of 2011. **All groups of banks improved their accumulated earnings on a year-on-year basis.**
- **In recent years there has been some improvement in the availability of infrastructure for the provision of financial services.** Overall, the number of inhabitants per banking branch has fallen slightly since the end of 2009, with greater progress in the less well covered areas in the northwest and northeast —NOA and NEA— of the country. This development has been in line with the change in Central Bank policy for the authorization of new branches: since 2011 applications for branches in areas that are well served have been given preference if they are accompanied by a proposal for a simultaneous branch opening in a less well covered region. Since this rule came into force, approval has been granted to 75 branches in areas with a lower availability of financial services.

Activity

Financial intermediation and the availability of means of payment other than cash have expanded at a steady pace at the start of the second half of the year

In July the stock of total bank lending to the private sector[1] rose by 1.9% and accumulated year-on-year (y.o.y.) growth of 32.3% (see Chart 1). Total deposits rose 2.2% in July (19.7% y.o.y.), with increases from both the public and private sectors. This intermediation activity was reflected in an increase for the month of 2.3% of netted financial system assets (22.2% y.o.y.).

During July the most important sources of funds[2] for the financial system were the increases in deposits from the public sector ($10.8 billion) **and peso deposits from the private sector** ($2.9 billion). Financial entities also obtained funds from net income from their operations and the placing of financial trusts, among other sources. **These resources were used to increase lending to the private sector** ($6.6 billion), liquid assets ($5.7 billion), and to a lesser extent, Lebac holdings.

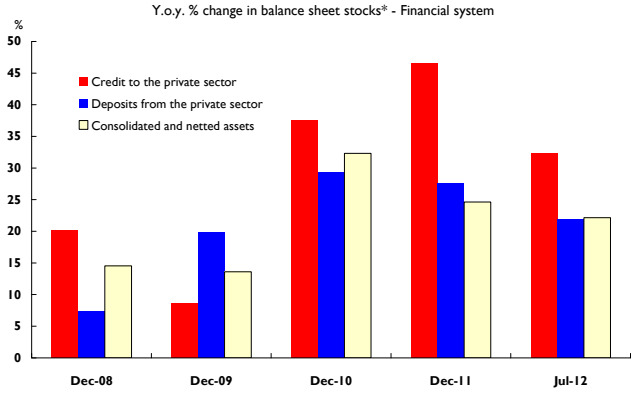
In recent months the financial system has continued to expand its operating infrastructure. In June 2012 (latest data available), employment in the sector rose 0.2% compared with the first quarter of the year and 2.1% y.o.y. (equivalent to 2,120 new jobs), a performance driven by private banks. **This increase in staff numbers took place at the same time as an improvement in productivity**. In the last 12 months, the number of accounts handled per employee increased 13% (see Chart 2). Branch numbers and ATMs increased by 3.2% and 12.7%, respectively during the period.

Although there is still disparity among the various jurisdictions of the country in terms of availability of infrastructure for the provision of financial services, in recent years there have been some signs of improvement. Indicators for the number of inhabitants per ATM and inhabitants per branch have improved nationwide, with a gradual reduction in the ratios in all regions, and a significant decline in those less well served, such as the northeast and northwest of the country —NOA and NEA— (see Chart 3). This development was partly driven by a change in Central Bank policy on authorization for new branches[3]. Under

Chart 1

Financial Intermediation

Y.o.y. % change in balance sheet stocks* - Financial system

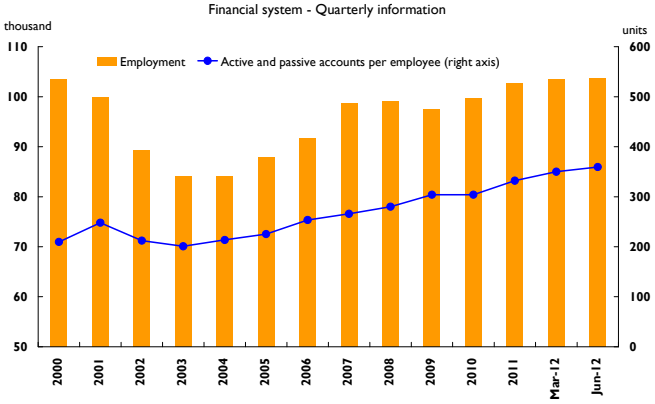


*Note: Includes domestic and foreign currency
Source: BCRA

Chart 2

Employment and Productivity

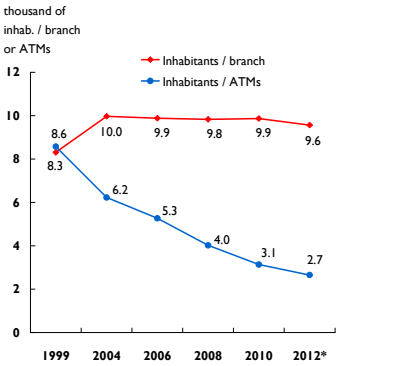
Financial system - Quarterly information



Source: BCRA

Chart 3

Financial System Branches



* Up to June
Note I: in December each year and last available data.. Note II: Branches in the country.
Source: BCRA

Thousand of Inhabitants per Branches

Region	Dec-09	Jun-12
CABA	3.7	3.7
Patagonia	7.5	6.9
Centro	8.1	7.9
Pampeana	11.6	11.4
Cuyo	12.6	12.0
NEA	18.0	16.3
NOA	20.7	19.2
Argentina	**9.9**	**9.6**

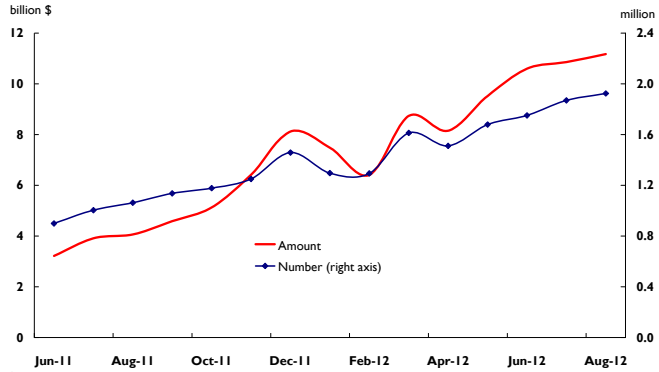
Thousand of Inhabitants per ATMs

Region	Dec-09	Jun-12
CABA	1.1	0.9
Patagonia	2.8	2.2
Centro	3.8	2.3
Pampeana	4.2	3.2
Cuyo	4.7	3.5
NOA	5.8	4.2
NEA	6.8	5.2
Argentina	**3.6**	**2.7**

[1] Including domestic and foreign currency.
[2] Estimated on the basis of variations in balance sheet stocks.
[3] Communication "A" 5167 dated 30/12/10.

Chart 4

Immediate Transfers*

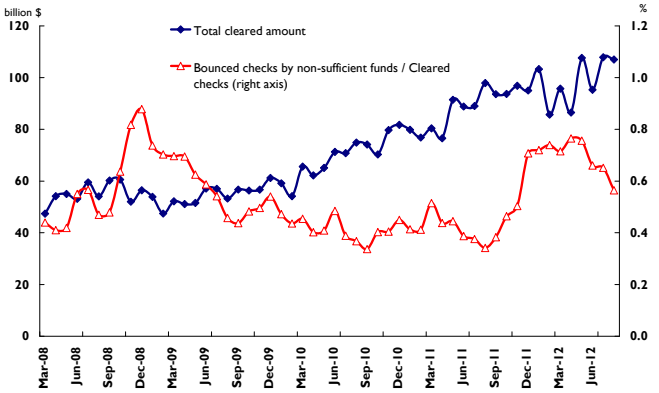


*Immediate transfers settled through ATM´s net system (Link and Banelco)

Source: BCRA

Chart 5

Cleared and Bounced Checks

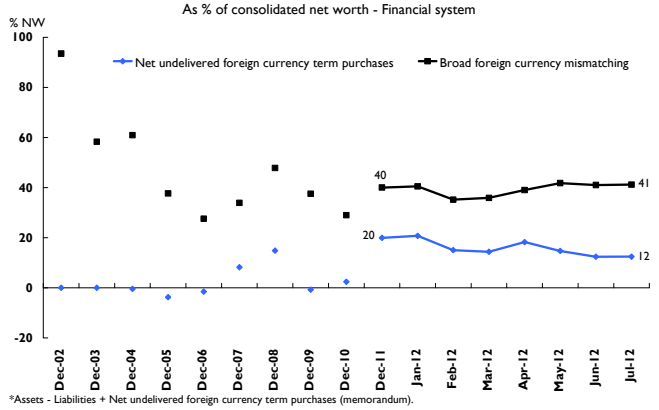


Source: BCRA

Chart 6

Broad Foreign Currency Mismatching* and its Components

As % of consolidated net worth - Financial system



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

Source: BCRA

these new rules, when considering applications for the opening of branches in areas that are well served the Central Bank takes into account whether they are accompanied by a proposal for a simultaneous branch opening in a less well covered region. Since this rule came into force at the beginning of 2011, approval has been granted to 75 branches in areas with a lower availability of financial services.

From January to August 2012 the financial system has improved the availability of alternative means of payment. The number of immediate value transfers[4] rose 2.9% in August[5] (with a similar increase in terms of amount) showing a year-on-year increase of 81.1% (175% y.o.y. in the case of amounts) (see Chart 4). The number of deferred credit transfers via clearing house also increased during the month, posting a rise of 6.6% y.o.y. (34.8% y.o.y. in terms of amount).

In recent months the number and value of checks returned for insufficient funds in terms of the total cleared has continued to drop (see Chart 5). In August (latest information available) there was a slight decline in the volume (number and value) of checks cleared.

Financial system broad foreign currency mismatching stood at 41.2% of net worth in July (see Chart 6), having increased slightly over the month, as the reduction in foreign currency liabilities and a moderate increase in net term purchases exceeded the fall in assets denominated in such currency.

Deposits and liquidity

Year-on-year growth in private sector domestic currency deposits reached its highest level since 2004

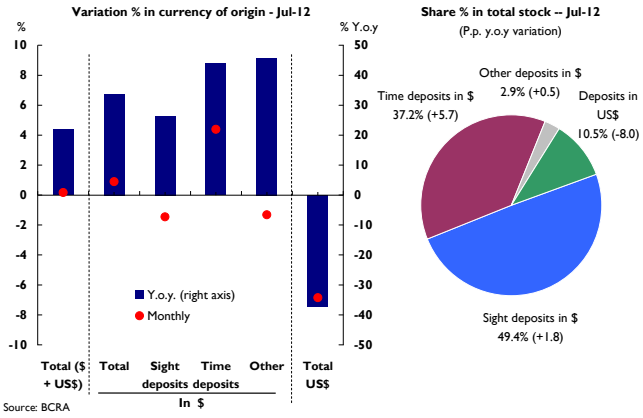
During the month total banking system deposit stocks (in domestic and foreign currency) went up 2.2%. Public sector deposits rose 7.9% in July, while total stocks (deposits in domestic and foreign currency) from the private sector were slightly higher. **The private sector domestic currency segment increased 2.8% in July, mainly from time deposits (+4.4%)** as sight account totals fell (-1.4%) (see Chart 7). Private sector foreign currency deposits dropped 6.8% during the month.

[4] Communication "A" 5194 dated 18/03/11. Approved channels are ATMs and home banking. Limits on amounts of transfer per day and per account for ATM transfers: $10,000 and for transactions processed by Internet the maximum is $50,000.

[5] Latest available information.

Chart 7

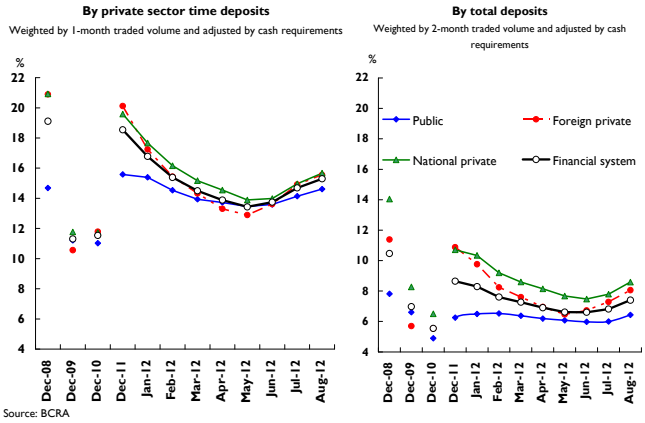
Non-Financial Private Sector Deposits in the Financial System



Source: BCRA

Chart 8

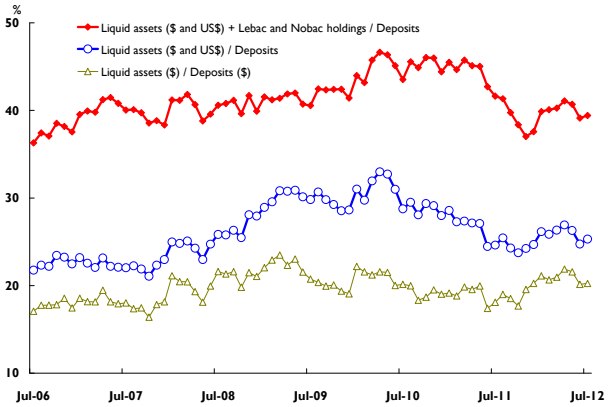
Estimation of Average Funding Cost by Deposits in Pesos



Source: BCRA

Chart 9

Liquidity



Source: BCRA

Over the last 12 months, financial system deposits grew 19.7%, led by private sector domestic currency deposits (+33.8%)**, especially time deposits** (+43.9%) **which posted their largest year-on-year increase since 2004**. Private sector dollar deposits dropped 37.4% in terms of currency of origin compared with July 2011. Public sector deposits expanded by 14.8% y.o.y., mainly from the dynamism shown by sight deposits.

The estimated cost of financial system funding by means of total local currency deposits stood at 7.4% (as at August 2012, the latest date for which information is available), slightly higher than in July (see Chart 8). This increase was recorded by all groups of banks, and was largely explained by the rise in interest rates on private sector time deposits. Nevertheless, **in the first 8 months of the year the cost of funding fell 1.2 p.p., a variation largely led by private banks.**

During July the broad liquidity indicator (in domestic and foreign currency, including holdings of Lebac and Nobac bills and notes) **increased slightly to 39.4%** (see Chart 9), mainly because of an increase in repos with the Central Bank that more than offset the reduction in cash compliance in current accounts at the Central Bank. This performance for the month was explained by public bank operations. Excluding holdings of Lebac and Nobac, this indicator also increased by 0.6 p.p. of deposits to 25.3%.

In the context of growth in the levels of financial intermediation with the private sector, **the coverage of short-term liabilities by assets with greater liquidity**[6] **fell slightly in the last quarter** to 47% (as at June, the latest information available), although it accumulated a slight increase in the first part of the year (see Chart 10). In an international comparison, this indicator is in line with the average for the region.

Financing

Lending to the private sector rose during the month, with low levels of loan delinquency

[6] Short term liabilities include items with residual terms of up to 1 month. Liabilities are broadly defined to include deposits, corporate bonds (ONs) Subordinated debt and amounts owed to the Central Bank, international agencies and head offices. They do not include loans from local financial entities. Liquid assets are also broadly defined to include items in domestic and foreign currency. Assets with greater liquidity include cash (compliance with minimum cash requirements and other items, mostly correspondent accounts), net creditor balances for financial repos by financial entities with the Central Bank using that Institution's monetary regulation instruments, and Lebac and Nobac holdings not linked to repo transactions.

Chart 10

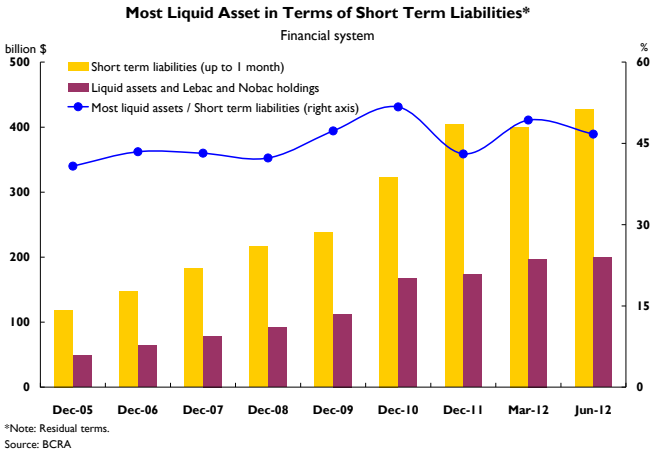


Chart 11

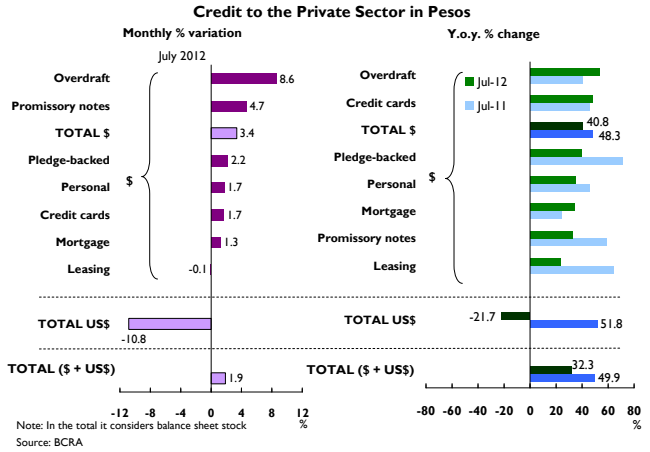
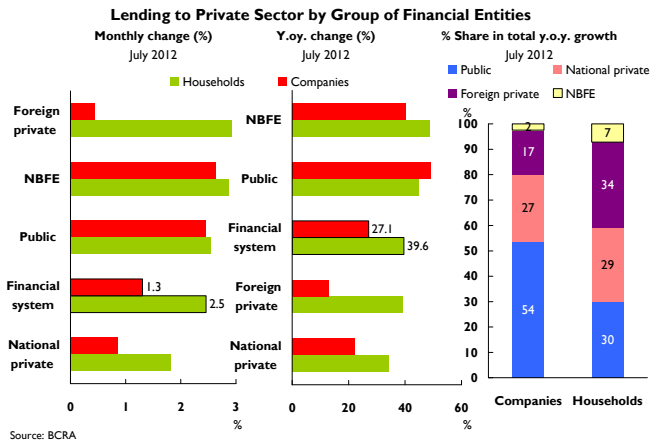


Chart 12



In July outstanding banking system loans to the private sector rose 1.9%[7] **from increased domestic currency lending (3.4%)** (see Chart 11). Commercial lines in pesos (overdrafts and promissory notes) recorded the greatest relative dynamism for the month, with public bank lending levels standing out during the period. During July there was a decline in loans in dollars to the private sector (-10.8%)[8]. **In year-on-year terms, total lending to the private sector expanded 32.3%, driven by loans in pesos.**

In terms of debtor category, lending to households[9] **increased 2.5% in July**, with greater dynamism being shown by credit card lending and pledge-backed loans. **In the last 12 months household loans have risen by 39.6%**, with most of the growth coming from foreign private banks (see Chart 12).

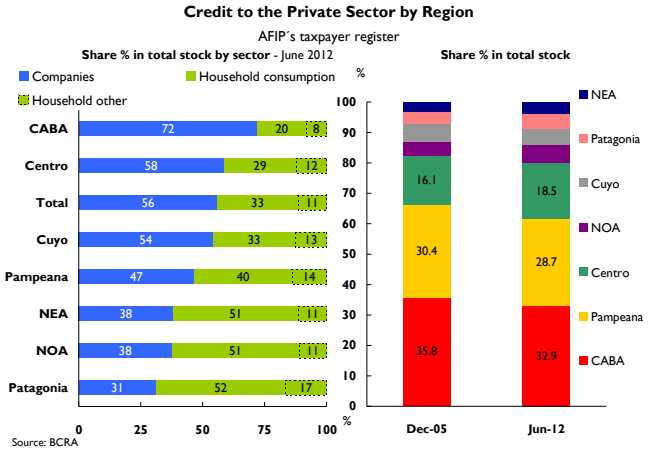
Lending to companies[10] **went up 1.3% for the period, accumulating a rise of 27.1% y.o.y.** This increase for the month was boosted by loans to manufacturing industry and service companies. Public banks continued to boost year-on-year lending to the productive sector, accounting for 54% of the increase in the stock of loans to companies (see Chart 12).

Geographical distribution of household lending and companies continued to show high degree of territorial concentration, although in recent years there has been some marginal improvement. The city of Buenos Aires and the Pampas region accounted for 61.6% of total lending to the private sector (see Chart 13), a drop of 4.6 p.p. compared with the end of 2005. **The distribution of lending between households and companies differed according to region.** Lending to the productive sector accounted for the largest share of the total in the city of Buenos Aires, the Central region and Cuyo, while in the rest of the provinces loans to households (and particularly consumer loans) represented over half the total.

Details of financial system lending to the private sector broken down by residual term segment show that most loans are in the shortest term segment (see Chart 14). Public banks record a relatively greater share of loans in the longer residual term segment (more than 2 years).

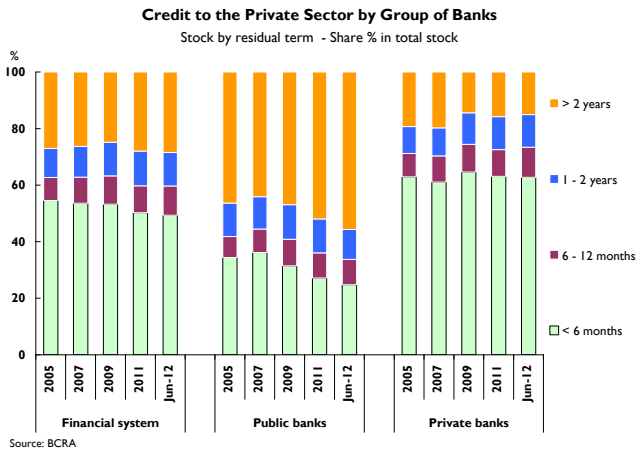
[7] If balance sheet totals are adjusted for the assets securitized during July (using bank loans as underlying assets), the variation in lending to the private sector would amount to 2.1% . Particularly in July, seven financial trusts were issued for a total of $540 million, $447 million using bank personal loans as their underlying assets, $58 million using credit card sales, and $35 million corresponding to leasing contracts.
[8] Considering variations in currency of origin.
[9] Includes balances in domestic and foreign currency. Loans to households are considered to be those granted to individuals, unless they are for commercial purposes.
[10] Includes balances in domestic and foreign currency. Loans to companies include those granted to legal persons, as well as commercial loans granted to individuals.

Chart 13



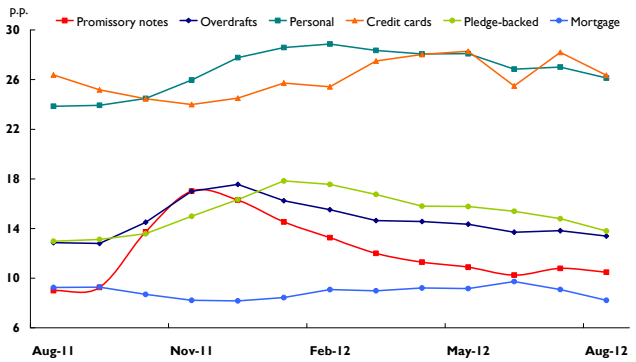
Source: BCRA

Chart 14



Source: BCRA

Chart 15



*Traded amount in 2 months and adjusted by legal reserves weighted average. Data are subject to change for August 2012.
Source: BCRA

Through the Bicentenary Productive Financing Program, **the Central Bank has awarded a total amount of $5 billion by means of 16 auctions**. By the end of August, participating banks had lent companies an amount of $3.4 billion, almost 70% of the total amount awarded. Loans to manufacturing industry and primary production absorbed the largest share (86.3%) of the total amount awarded.

In August (latest available information) peso lending rates fell among all groups of banks and for almost all credit lines, except commercial lines. This development was accompanied by an increase in the estimated cost of funding through deposits, driven by a **cross the board decline in spreads on domestic currency transactions for all credit lines** (see Chart 15). The largest relative declines is spread in the year to date have taken place in non-bank financial entities and domestic private banks.

Financial system exposure to the public sector reached 9.7% of total assets during the month, slightly above the level recorded in June, accumulating a drop of 1 p.p. year-on-year. **If public sector deposits are taken into account, it recorded a net creditor position in relation to the financial system for an amount equivalent to 11.1% of total assets.**

In July the non-performing rate for private sector lending remained low and stable at around 1.7% (see Chart 16). In the year to date this indicator for arrears has risen slightly (0.3 p.p.), mainly because of the performance of household lending. **The financial system has recorded a high level of provisioning**. The coverage ratio for non-performing loans to the private sector was 145.3% for the month. In all groups of banks coverage by provisions was in excess of the non-performing portfolio.

Solvency

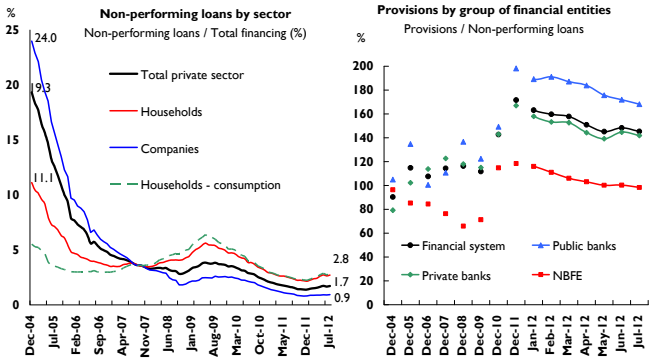
At the start of the second half of the year high levels of solvency were recorded by all groups of banks

Consolidated financial system net worth grew 2.7% in July, largely as a result of book profits. All groups of banks showed an increase for the month in their net worth, with a notable increase in the case of foreign private banks. In year-on-year terms financial system net worth rose by 31.3% (see Chart 17).

During the month, financial system capital compliance increased slightly to 16.7% of assets

Chart 16

Non-performing Loans to the Private Sector and Provisions

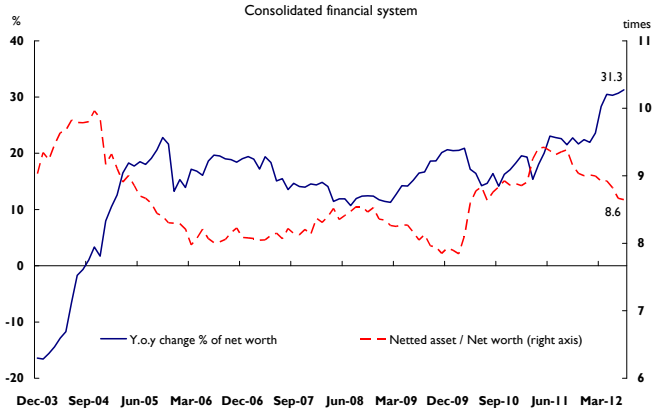


Source: BCRA

Chart 17

Net Worth and Leverage

Consolidated financial system

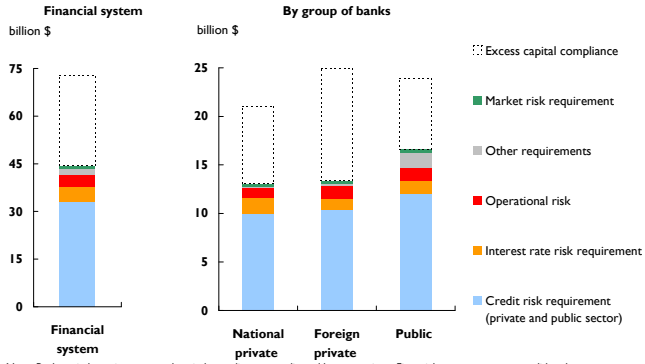


Source: BCRA

Chart 18

Capital Requirements and Capital Compliance

July 2012



Note: Both capital requirements and capital compliance are adjusted by exemptions. Financial groups are not consolidated.
Source BCRA

weighted by credit risk (RWA). The increase for the month in this indicator was seen in private banks, both domestic and foreign. **In the year to date, capital compliance has accumulated a rise of 1.1 p.p. of RWA.** Mention should be made of the fact that the Central Bank has recently modified the schedule for compliance with the new capital requirement for operational risk[11]. Banking system excess capital requirement stood at 64% of the regulatory requirement **with surplus capital being shown by all groups of financial entities** (see Chart 18).

In July the financial system recorded book profits equivalent to 3.6%a. of assets, an increase of 0.3 p.p. compared with the previous month. Private banks were mainly responsible for this change for the month. **Over the course of the year the financial system recorded ROA of 2.9%a., 0.4 p.p. more than in the same period of the previous year.** In year-on-year terms all groups of banks, and private banks in particular, improved their accumulated profitability levels.

Bank financial margin stood at 10.4%a. of assets in July, a similar level to that of the previous month, following a small increase for private banks that was offset by a slight drop for public banks. Net interest income rose by 0.6 p.p. of assets during the month to 6.3%a., an increase that offset lower gains on securities. **In the year to date, financial margin has totaled 9.2%a. of assets, 1.6 p.p. more than was recorded in the same period of 2011, mainly because of the greater strength shown by interest income** (+1.6 p.p. of assets to 5.8%a.). All groups of banks recorded a year-on-year increase in their financial margin during the period.

Financial system service income amounted to 4.3% a. of assets during the month, slightly higher than in June. Growth for the month was led by private banks. **Over the year to date, income from services has amounted to 4.1%a. of assets, growing by 0.3 p.p. of assets in relation to the first 7 months of 2011**, mainly as a result of the dynamism shown by private banks.

In July operating costs dropped to levels in line with the average for the year when measured in terms of assets. Loan loss provisions for the month were 0.9%a. of assets, 0.2 p.p. less than in June, a change mainly seen in domestic private banks.

[11] Communication "A" 5346.

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" 5319 – July/05/12

Line of credit for productive investment. Financial entities acting as financial agents for the various levels of government and/or that record deposits of 1% or more of total deposits in the financial system must allocate to a credit line for productive investment an amount at least equivalent to 5% of the monthly average of daily balances of private non-financial sector deposits in pesos as at June 2012. At least 50% of this amount must be granted to micro, small and medium-size companies (MiPyME). Eligible financing includes investment projects for the purchase of capital goods and/or the construction of installations needed for the production of goods and/or services and the sale of goods (excluding inventories). Loans must be denominated in pesos. The rate of interest to be collected by the banks shall be up to a fixed nominal annual 15.01%. The average term should be equal to or longer than 24 months, weighting principal maturities for the purpose, and the total terms should not be for less than 36 months.

Communication "A" 5321 – July/06/12

Financing for the public non-financial sector. No objections have been made to the acquisition by financial entities of Treasury Bills issued by the Province of Entre Ríos for a nominal value of up to $200 million to be issued under the "Program for the Issue of Treasury Bills by the Province of Entre Ríos" as long as the applicable maximum limits on credit assistance to the non-financial public sector are not exceeded.

Communication "A" 5323 – July/12/12

It is established that the Central Bank will initiate proceedings against and apply penalties on issuing financial entities and non-financial issuers violating the terms of the Credit Card Law as regards the financial aspect of their operations. In the case of compensatory interest applicable to credit card financing, financial entities shall not be able to use rates that exceed by more than 25% the rate resulting from the average interest rates charged by the financial entities during the immediately preceding month, weighted by the corresponding amount of non-collateralized personal loans granted in the same period. Other issuing companies shall not be able to charge rates that are more than 25% higher than the average financial system rates for unsecured personal loans published monthly by the Central Bank.

Communication "A" 5333 – July/27/2012

Foreign currency minimum cash requirement. Effective as from August 2012 the requirement for daily minimum cash compliance determined on the basis of the total requirement calculated for the immediately preceding month has been suspended.

Methodology

(a) Aggregate balance sheet information is taken from the monthly accounting information system (unconsolidated balance sheets). In order to calculate aggregate data for the financial system, for financial entities that have not provided data for the month reviewed, the most recent information available is repeated in the aggregate balance sheet. On the other hand, for profitability analysis only the banks providing data for that month are considered.

(b) Due to possible lack of data for some banks at the time this Report was drafted, and due to possible corrections to the data provided by financial entities later, the data included is of a preliminary nature –particularly for the last month included-. Therefore, and due to the fact that the most recent data available always used, data in connection with earlier periods may not match what was mentioned in earlier issues of the Report. In such cases, the latter release should be regarded as being of better quality.

(c) Unless otherwise indicated, data about deposits and loans refer to balance sheet information, and do not necessarily agree with those compiled by the Centralized Information Requirement System (SISCEN). Reasons for discrepancies include the precise date considered in order to calculate monthly changes and the items included in the definition adopted in either case.

(d) Profit ratio calculations are based on monthly results estimated from changes in the aggregate result amounts during the current fiscal year. Profit ratios are annualized with the exception of those ,.

(e) Initially, the breakdown by group of banks was determined by the majority of decision making role -in terms of voting rights at shareholder meetings- distinguishing between private sector financial entities (national or foreign depending on their residence) and public banks. In order to increase depth of the analysis, private sector entities were also classed according to the geographic coverage and business scope of their operations. Investment banking is defined as those specializing in large corporations and investor sector, which in general do not rely on deposits from the private sector for their funding. On the other hand, retail banks were divided into those carrying out business nationwide, those located in certain geographic regions -municipalities, provinces, or regions- and entities specialized in a financial sector niche market -usually smaller entities-. Finally, it is worth noting that the classifications defined above are solely for analytical purposes and does not mean it is the only methodology criteria by which to group them; while on the other hand, the listing of features for each financial entity group has been established in a general manner.

(f) Indicators exhibited in Tables 1 and 5 of Statistical Appendix: 1.- (Minimum cash compliance at the BCRA in pesos and foreign currency + Other cash holding in pesos and foreign currency + Creditor net balance for BCRA repo transactions with Lebac and Nobac) / Total deposits; 2.- (Position in government securities (with out Lebac and Nobac) + Loans to the public sector + Compensations receivable) / Total assets; 3.- (Loans to the non-financial private sector + Leasing) / Total assets; 4.- Non-performing portfolio with the non-financial private sector / Loans to the non-financial private sector; 5.- (Total non-performing portfolio – Loan loss provisions) / Net worth. Non-performing portfolio includes loans classified into situations 3, 4, 5 and 6; 6.- Cumulated annual result / Average monthly netted assets - % annualized; 7.- Cumulated annual result / Average monthly net worth - % annualized; 8.- (Financial margin (Net interest income + CER and CVS adjustments + Gains on securities + Foreign exchange price adjustments + Other financial income) + Service income margin) / Cumulated annual operating costs; 9.- Capital compliance (Responsabilidad Patrimonial Computable) / Risk - adjusted assets according to the regulation of BCRA about Minimum Capital Compliance; 10.- Capital compliance Tier 1 / Risk weighted assets, according to the BCRA rule on minimum capital; 11.- (Capital compliance - Capital requirement) / Capital requirement. Included exemptions.

Glossary

%a.: annualized percentage.

%i.a.: interannual percentage.

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

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

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

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

CEDRO: Certificado de Depósito Reprogramado. Scheduled Stabilization Coefficient.

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

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

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

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

Lebac and Nobac: Bills and notes of the BCRA.

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

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

mill.: million.

NBFE: Non-banking financial entity.

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

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

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

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

ON: Corporate bonds (Obligaciones Negociables).

OS: Subordinated debt (Obligaciones Subordinadas).

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

PN: Net worth (Patrimonio Neto).

p.p.: percentage points.

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

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

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

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

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

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

RWA: Risk weighted assets.

SME: Small and Medium Enterprises.

US$: United States dollars

Statistics annex[1] | Financial system

Chart 1 | Financial Soundness Indicators (see Methodology)

As %	Dec 05	Dec 06	Dec 07	Dec 08	Dec 09	Dec 10	Jul 2011	Dec 11	Jun 2012	Jul 2012
1.- Liquidity	20.1	22.5	23.0	27.9	28.6	28.0	24.6	24.7	24.7	25.3
2.- Credit to the public sector	31.5	22.5	16.3	12.7	14.4	12.2	10.7	10.2	9.6	9.7
3.- Credit to the private sector	25.8	31.0	38.2	39.4	38.3	39.8	44.0	47.4	48.0	47.2
4.- Private non-performing loans	7.6	4.5	3.2	3.1	3.5	2.1	1.6	1.4	1.7	1.7
5.- Net worth exposure to the private sector	-2.5	-0.8	-1.5	-1.7	-1.3	-3.2	-4.0	-4.3	-3.4	-3.2
6.- ROA	0.9	1.9	1.5	1.6	2.3	2.8	2.5	2.7	2.8	2.9
7.- ROE	7.0	14.3	11.0	13.4	19.2	24.4	23.5	25.3	25.0	26.1
8.- Efficiency	151	167	160	167	185	179	173	179	185	188
9.- Capital compliance	15.3	16.9	16.9	16.9	18.8	17.7	16.6	15.6	16.6	16.7
10.- Capital compliance Tier 1	14.1	14.1	14.6	14.2	14.5	13.1	11.8	10.9	13.4	13.1
11.- Excess capital compliance	173	134	93	90	100	86	73	63	62	64

Source: BCRA

Chart 2 | Balance Sheet

In million of current pesos	Dec 08	Dec 09	Dec 10	Jul 11	Dec 11	Jun 12	Jul 12	Change (in %)		
								Last month	2011	Last 12 months
Assets	**346,762**	**387,381**	**510,304**	**577,463**	**628,381**	**688,277**	**713,901**	**3.7**	**13.6**	**23.6**
Cash disposal[1]	58,676	71,067	93,085	97,548	104,389	108,869	106,584	-2.1	2.1	9.3
Public bonds	65,255	86,318	117,951	123,985	112,906	128,555	137,205	6.7	21.5	10.7
Lebac/Nobac	37,093	43,867	76,948	85,075	71,050	92,135	100,238	8.8	41.1	17.8
Portfolio	25,652	34,748	61,855	74,173	59,664	73,463	73,626	0.2	23.4	-0.7
Repo[2]	11,442	9,119	15,093	10,902	11,386	18,673	26,612	42.5	133.7	144.1
Private bonds	203	307	209	247	212	232	223	-3.7	5.5	-9.7
Loans	154,719	169,868	230,127	285,259	332,317	367,977	376,435	2.3	13.3	32.0
Public sector	17,083	20,570	25,907	29,582	31,346	34,008	36,838	8.3	17.5	24.5
Private sector	132,844	145,247	199,202	248,978	291,708	324,131	330,397	1.9	13.3	32.7
Financial sector	4,793	4,052	5,018	6,699	9,263	9,837	9,201	-6.5	-0.7	37.3
Provisions over loans	-4,744	-5,824	-6,232	-6,631	-7,173	-8,196	-8,418	2.7	17.4	27.0
Other netted credits due to financial intermediation	38,152	33,498	39,009	37,554	40,805	43,187	53,276	23.4	30.6	41.9
Corporate bonds and subordinated debt	912	1,146	1,433	1,829	1,657	1,654	1,551	-6.2	-6.4	-15.2
Unquoted trusts	5,714	5,942	6,824	7,081	7,967	8,185	7,896	-3.5	-0.9	11.5
Leasing	3,935	2,933	3,936	5,159	6,222	6,282	6,275	-0.1	0.9	21.6
Shares in other companies	7,236	6,711	7,921	8,256	9,123	10,285	10,456	1.7	14.6	26.7
Fixed assets and miscellaneous	7,903	8,239	9,071	9,547	10,111	10,369	10,458	0.9	3.4	9.5
Foreign branches	3,153	3,926	3,283	3,531	3,525	3,958	4,026	1.7	14.2	14.0
Other assets	12,275	10,337	11,943	13,009	15,944	16,759	17,380	3.7	9.0	33.6
Liabilities	**305,382**	**339,047**	**452,752**	**515,035**	**558,264**	**608,478**	**631,963**	**3.9**	**13.2**	**22.7**
Deposits	236,217	271,853	376,344	436,012	462,517	510,545	521,692	2.2	12.8	19.7
Public sector[3]	67,151	69,143	115,954	129,285	129,885	137,589	148,403	7.9	14.3	14.8
Private sector[3]	166,378	199,278	257,595	303,215	328,463	368,852	369,470	0.2	12.5	21.9
Current account	39,619	45,752	61,306	69,416	76,804	88,568	88,338	-0.3	15.0	27.3
Savings account	50,966	62,807	82,575	101,164	103,636	113,092	109,646	-3.0	5.8	8.4
Time deposits	69,484	83,967	104,492	122,424	135,082	153,444	157,909	2.9	16.9	29.0
Other netted liabilities due to financial intermediation	57,662	52,114	60,029	63,630	76,038	76,415	87,835	14.9	15.5	38.0
Interbanking obligations	3,895	3,251	4,201	5,531	7,947	8,362	7,722	-7.7	-2.8	39.6
BCRA lines	1,885	270	262	857	1,920	2,987	3,191	6.8	66.2	272.5
Outstanding bonds	5,984	5,033	3,432	6,051	6,856	8,102	8,248	1.8	20.3	36.3
Foreign lines of credit	4,541	3,369	3,897	5,110	6,467	6,912	6,634	-4.0	2.6	29.8
Other	13,974	14,891	17,426	19,129	24,137	19,573	21,531	10.0	-10.8	12.6
Subordinated debts	1,763	1,922	2,165	1,853	2,065	2,484	2,491	0.3	20.6	34.4
Other liabilities	9,740	13,159	14,213	13,539	17,644	19,034	19,945	4.8	13.0	47.3
Net worth	**41,380**	**48,335**	**57,552**	**62,429**	**70,117**	**79,799**	**81,938**	**2.7**	**16.9**	**31.3**
Memo										
Netted assets	321,075	364,726	482,532	552,092	601,380	658,973	674,422	2.3	12.1	22.2
Consolidated netted assets	312,002	357,118	472,934	540,698	586,805	643,180	659,156	2.5	12.3	21.9

(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.

[1] Note | Data available in Excel in www.bcra.gob.ar

Statistics annex[1] | Financial system (cont.)

Chart 3 | Profitability Structure

Amount in million of pesos	Annual				First 7 months		Monthly			Last
	2008	2009	2010	2011	2011	2012	May-12	Jun-12	Jul-12	12 months
Financial margin	20,462	28,937	35,490	43,670	22,999	34,238	4,472	5,646	5,790	54,910
Net interest income	9,573	14,488	17,963	24,903	12,850	21,473	3,111	3,110	3,498	33,527
CER and CVS adjustments	2,822	1,196	2,434	1,725	1,022	1,089	159	158	176	1,791
Foreign exchange price adjustments	2,307	2,588	2,100	3,025	1,731	1,911	283	358	364	3,205
Gains on securities	4,398	11,004	13,449	14,228	7,706	9,790	786	2,087	1,736	16,313
Other financial income	1,362	-339	-457	-211	-310	-24	133	-66	16	74
Service income margin	10,870	13,052	16,089	21,391	11,630	15,314	2,366	2,310	2,384	25,075
Loan loss provisions	-2,839	-3,814	-3,267	-3,736	-1,953	-3,154	-473	-593	-477	-4,936
Operating costs	-18,767	-22,710	-28,756	-36,365	-19,999	-26,364	-4,019	-4,104	-3,975	-42,730
Tax charges	-2,318	-3,272	-4,120	-6,047	-3,133	-4,761	-695	-746	-738	-7,675
Adjust. to the valuation of gov. securities[2]	-1,757	-262	-214	-336	-215	-190	-30	-28	-27	-311
Amort. payments for court-ordered releases	-994	-703	-635	-290	-157	-103	-15	-17	-14	-20
Other	1,441	918	2,079	2,963	1,616	1,545	194	427	175	2,892
Total results before tax[3]	6,100	12,145	16,665	21,251	10,789	16,526	1,801	2,895	3,118	26,987
Income tax	-1,342	-4,226	-4,904	-6,531	-3,153	-5,685	-619	-1,081	-1,095	-9,063
Total results[3]	**4,757**	**7,920**	**11,761**	**14,720**	**7,636**	**10,841**	**1,181**	**1,814**	**2,023**	**17,924**
Adjusted results[4]	7,508	8,885	12,610	15,345	8,008	11,135	1,226	1,859	2,064	18,472
Annualized indicators - As % of netted assets										
Financial margin	6.7	8.6	8.5	8.0	7.6	9.2	8.3	10.4	10.4	8.9
Net interest income	3.1	4.3	4.3	4.6	4.2	5.8	5.8	5.7	6.3	5.5
CER and CVS adjustments	0.9	0.4	0.6	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Foreign exchange price adjustments	0.8	0.8	0.5	0.6	0.6	0.5	0.5	0.7	0.7	0.5
Gains on securities	1.4	3.3	3.2	2.6	2.5	2.6	1.5	3.8	3.1	2.7
Other financial income	0.4	-0.1	-0.1	0.0	-0.1	0.0	0.2	-0.1	0.0	0.0
Service income margin	3.6	3.9	3.8	3.9	3.8	4.1	4.4	4.2	4.3	4.1
Loan loss provisions	-0.9	-1.1	-0.8	-0.7	-0.6	-0.8	-0.9	-1.1	-0.9	-0.8
Operating costs	-6.1	-6.7	-6.9	-6.7	-6.6	-7.1	-7.4	-7.5	-7.1	-7.0
Tax charges	-0.8	-1.0	-1.0	-1.1	-1.0	-1.3	-1.3	-1.4	-1.3	-1.3
Adjust. to the valuation of gov. securities[2]	-0.6	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	0.0	-0.1
Amort. payments for court-ordered releases	-0.3	-0.2	-0.2	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0
Other	0.5	0.3	0.5	0.5	0.5	0.4	0.4	0.8	0.3	0.5
Total results before tax[3]	2.0	3.6	4.0	3.9	3.6	4.4	3.3	5.3	5.6	4.4
Income tax	-0.4	-1.3	-1.2	-1.2	-1.0	-1.5	-1.1	-2.0	-2.0	-1.5
Total results[3]	**1.6**	**2.3**	**2.8**	**2.7**	**2.5**	**2.9**	**2.2**	**3.3**	**3.6**	**2.9**
Adjusted results[4]	2.5	2.6	3.0	2.8	2.6	3.0	2.3	3.4	3.7	3.0
ROE before tax [3]	*17.2*	*29.5*	*34.5*	*36.5*	*33.2*	*39.7*	*29.8*	*46.8*	*49.0*	*40.0*
ROE [3]	*13.4*	*19.2*	*24.4*	*25.3*	*23.5*	*26.1*	*19.6*	*29.3*	*31.8*	*26.6*

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

Chart 4 | Portfolio Quality

As percentage	Dec 05	Dec 06	Dec 07	Dec 08	Dec 09	Dec 10	Jul 11	Dec 11	Jun 12	Jul 12
Non-performing loans (overall)	**5.2**	**3.4**	**2.7**	**2.7**	**3.0**	**1.8**	**1.4**	**1.2**	**1.5**	**1.5**
Provisions / Non-performing loans	115	108	115	117	115	148	165	176	152	149
(Total non-perfoming - Provisions) / Overall financing	-0.8	-0.3	-0.4	-0.5	-0.5	-0.9	-0.9	-0.9	-0.8	-0.7
(Total non-perfoming - Provisions) / Net worth	-2.6	-0.9	-1.6	-1.8	-1.7	-3.6	-4.3	-4.6	-3.7	-3.5
Non-performing loans to the non-financial private sector	**7.6**	**4.5**	**3.2**	**3.1**	**3.5**	**2.1**	**1.6**	**1.4**	**1.7**	**1.7**
Provisions / Non-performing loans	115	108	114	116	112	143	159	171	148	145
(Total non-perfoming - Provisions) / Overall financing	-1.1	-0.3	-0.5	-0.5	-0.4	-0.9	-1.0	-1.0	-0.8	-0.8
(Total non-perfoming - Provisions) / Net worth	-2.5	-0.8	-1.5	-1.7	-1.3	-3.2	-3.9	-4.3	-3.4	-3.2

Source: BCRA

[1] Note | Data available in Excel in www.bcra.gob.ar

Statistics annex[1] | Private banks

Chart 5 | Financial Soundness Indicators (see Metodology)

As %	Dec 05	Dec 06	Dec 07	Dec 08	Dec 09	Dec 10	Jul 2011	Dec 11	Jun 2012	Jul 2012
1.- Liquidity	21.5	23.7	25.7	34.1	29.8	26.0	25.4	26.7	27.5	27.0
2.- Credit to the public sector	28.5	16.3	9.5	6.3	6.1	4.4	3.3	2.8	2.5	2.5
3.- Credit to the private sector	31.1	37.9	46.6	44.0	43.3	50.3	53.7	54.5	55.0	55.7
4.- Private non-performing loans	6.3	3.6	2.5	2.8	3.3	2.0	1.5	1.4	1.7	1.8
5.- Net worth exposure to the private sector	-0.4	-1.4	-2.0	-1.8	-1.6	-3.4	-4.2	-4.4	-3.3	-3.2
6.- ROA	0.5	2.2	1.6	1.9	3.0	3.2	2.6	3.0	3.1	3.2
7.- ROE	4.1	15.3	10.9	15.2	22.9	24.5	22.6	25.6	26.0	26.8
8.- Efficiency	136	158	152	166	195	176	171	178	185	187
9.- Capital compliance	17.8	18.6	19.2	18.3	22.6	20.4	18.0	16.8	18.2	18.5
10.- Capital compliance Tier 1	16.1	15.3	16.7	14.9	17.2	15.2	14.5	12.5	15.0	14.7
11.- Excess capital compliance	155	116	87	86	121	100	80	70	70	74

Source: BCRA

Chart 6 | Balance Sheet

In million of current pesos	Dec 08	Dec 09	Dec 10	Jul 11	Dec 11	Jun 12	Jul 12	Change (in %)		
								Last month	2011	Last 12 months
Assets	**208,888**	**229,549**	**280,025**	**323,720**	**364,122**	**390,073**	**391,201**	**0.3**	**7.4**	**20.8**
Cash disposal[1]	37,044	43,562	49,730	54,560	58,877	65,187	65,405	0.3	11.1	19.9
Public bonds	29,552	47,949	48,903	48,132	50,055	52,805	50,752	-3.9	1.4	5.4
Lebac/Nobac	23,457	31,575	34,422	34,199	34,246	42,880	40,958	-4.5	19.6	19.8
Portfolio	12,858	27,413	31,148	28,628	23,908	30,813	30,684	-0.4	28.3	7.2
Repo[2]	10,598	4,161	3,274	5,571	10,338	12,067	10,274	-14.9	-0.6	84.4
Private bonds	127	233	184	183	164	124	129	4.0	-21.3	-29.6
Loans	98,529	101,722	143,202	176,108	202,117	218,794	221,509	1.2	9.6	25.8
Public sector	6,249	1,694	1,625	1,286	1,215	1,359	1,298	-4.5	6.8	0.9
Private sector	88,426	96,790	137,308	169,080	193,126	209,034	212,383	1.6	10.0	25.6
Financial sector	3,854	3,238	4,270	5,741	7,777	8,402	7,828	-6.8	0.7	36.4
Provisions over loans	-2,871	-3,653	-3,926	-4,143	-4,574	-5,249	-5,396	2.8	18.0	30.2
Other netted credits due to financial intermediation	25,265	21,258	20,241	24,591	29,338	28,082	27,967	-0.4	-4.7	13.7
Corporate bonds and subordinated debt	699	734	757	964	796	783	673	-14.1	-15.5	-30.2
Unquoted trusts	3,869	4,198	4,500	4,438	5,268	5,471	5,249	-4.0	-0.4	18.3
Leasing	3,451	2,569	3,519	4,616	5,452	5,420	5,396	-0.4	-1.0	16.9
Shares in other companies	4,538	4,067	4,934	5,179	5,998	6,717	6,924	3.1	15.4	33.7
Fixed assets and miscellaneous	4,926	5,096	5,808	6,230	6,663	6,820	6,897	1.1	3.5	10.7
Foreign branches	-178	-202	-215	-228	-240	0	0	-	-	-
Other assets	8,505	6,946	7,646	8,491	10,271	11,372	11,618	2.2	13.1	36.8
Liabilities	**182,596**	**198,438**	**243,766**	**285,883**	**321,123**	**340,762**	**340,589**	**-0.1**	**6.1**	**19.1**
Deposits	135,711	154,387	198,662	232,289	253,705	276,986	275,767	-0.4	8.7	18.7
Public sector[3]	19,600	17,757	23,598	30,125	27,664	31,806	30,223	-5.0	9.2	0.3
Private sector[3]	114,176	134,426	173,203	199,992	223,141	242,710	243,314	0.2	9.0	21.7
Current account	30,188	35,127	46,297	50,657	57,586	66,778	66,272	-0.8	15.1	30.8
Savings account	32,778	40,999	53,085	64,679	66,891	69,177	66,644	-3.7	-0.4	3.0
Time deposits	46,990	54,058	67,568	77,534	89,924	97,756	101,359	3.7	12.7	30.7
Other netted liabilities due to financial intermediation	39,298	34,235	34,427	43,178	53,973	49,893	50,540	1.3	-6.4	17.1
Interbanking obligations	1,160	1,668	1,903	2,184	3,524	3,989	3,280	-17.8	-6.9	50.2
BCRA lines	649	41	57	238	456	602	622	3.3	36.4	161.6
Outstanding bonds	5,672	4,626	2,802	4,851	5,119	5,525	5,644	2.1	10.2	16.3
Foreign lines of credit	2,261	1,262	1,716	2,952	4,252	4,342	4,094	-5.7	-3.7	38.7
Other	11,125	12,015	13,849	15,021	19,059	15,611	17,267	10.6	-9.4	15.0
Subordinated debts	1,759	1,918	2,148	1,836	1,948	2,069	2,082	0.6	6.9	13.4
Other liabilities	5,828	7,897	8,528	8,580	11,497	11,813	12,201	3.3	6.1	42.2
Net worth	**26,292**	**31,111**	**36,259**	**37,837**	**42,999**	**49,311**	**50,612**	**2.6**	**17.7**	**33.8**
Memo										
Netted assets	192,074	216,100	267,364	307,206	344,101	371,325	372,481	0.3	8.2	21.2

(1) Includes margin accounts with the BCRA. (2) Booked value from balance sheet (it includes all the counterparts). (3) Does not include accrual on interest or CER.
Source: BCRA

[1] Note | Data available in Excel in www.bcra.gob.ar

Statistics annex[1] | Private banks (cont.)

Chart 7 | Profitability Structure

Amount in million of pesos	Annual				First 7 months		Monthly			Last
	2008	2009	2010	2011	2011	2012	May-12	Jun-12	Jul-12	12 months
Financial margin	12,964	19,724	21,837	27,234	14,275	21,186	2,995	3,287	3,363	34,144
Net interest income	7,727	10,572	12,842	18,518	9,637	15,510	2,344	2,326	2,435	24,391
CER and CVS adjustments	651	185	244	288	168	200	28	28	40	320
Foreign exchange price adjustments	1,620	1,646	1,493	2,064	1,165	1,169	179	210	213	2,068
Gains on securities	1,637	7,343	7,464	6,358	3,473	4,181	296	760	633	7,065
Other financial income	1,329	-22	-205	6	-168	125	148	-37	43	299
Service income margin	7,632	9,198	11,345	15,243	8,214	11,014	1,666	1,643	1,700	18,043
Loan loss provisions	-1,863	-2,751	-2,253	-2,633	-1,379	-2,229	-358	-417	-339	-3,484
Operating costs	-12,401	-14,807	-18,819	-23,821	-13,163	-17,234	-2,584	-2,571	-2,567	-27,892
Tax charges	-1,715	-2,380	-2,927	-4,300	-2,251	-3,403	-504	-535	-519	-5,452
Adjust. to the valuation of gov. securities[2]	-267	0	47	-40	-40	0	0	0	0	0
Amort. payments for court-ordered releases	-688	-367	-441	-133	-70	-59	-8	-12	-7	-121
Other	916	398	1,382	1,723	980	1,004	144	157	140	1,748
Total results before tax[3]	4,579	9,014	10,171	13,272	6,566	10,280	1,351	1,552	1,772	16,986
Income tax	-1,168	-3,001	-2,733	-4,293	-2,139	-3,543	-478	-532	-582	-5,697
Total results[3]	**3,412**	**6,014**	**7,438**	**8,980**	**4,427**	**6,736**	**873**	**1,020**	**1,190**	**11,289**
Adjusted results[4]	4,367	6,381	7,832	9,153	4,537	6,795	881	1,032	1,198	11,410
Annualized indicators - As % of netted assets										
Financial margin	7.3	9.8	9.3	9.0	8.5	10.1	9.9	10.7	11.0	9.9
Net interest income	4.4	5.3	5.5	6.1	5.7	7.4	7.8	7.6	7.9	7.1
CER and CVS adjustments	0.4	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Foreign exchange price adjustments	0.9	0.8	0.6	0.7	0.7	0.6	0.6	0.7	0.7	0.6
Gains on securities	0.9	3.7	3.2	2.1	2.1	2.0	1.0	2.5	2.1	2.0
Other financial income	0.8	0.0	-0.1	0.0	-0.1	0.1	0.5	-0.1	0.1	0.1
Service income margin	4.3	4.6	4.8	5.0	4.9	5.2	5.5	5.4	5.5	5.2
Loan loss provisions	-1.1	-1.4	-1.0	-0.9	-0.8	-1.1	-1.2	-1.4	-1.1	-1.0
Operating costs	-7.0	-7.4	-8.0	-7.8	-7.9	-8.2	-8.5	-8.4	-8.4	-8.1
Tax charges	-1.0	-1.2	-1.2	-1.4	-1.3	-1.6	-1.7	-1.7	-1.7	-1.6
Adjust. to the valuation of gov. securities[2]	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amort. payments for court-ordered releases	-0.4	-0.2	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.5	0.2	0.6	0.6	0.6	0.5	0.5	0.5	0.5	0.5
Total results before tax[3]	2.6	4.5	4.3	4.4	3.9	4.9	4.5	5.1	5.8	4.9
Income tax	-0.7	-1.5	-1.2	-1.4	-1.3	-1.7	-1.6	-1.7	-1.9	-1.6
Total results[3]	**1.9**	**3.0**	**3.2**	**3.0**	**2.6**	**3.2**	**2.9**	**3.3**	**3.9**	**3.3**
Adjusted results[4]	2.5	3.2	3.3	3.0	2.7	3.2	2.9	3.4	3.9	3.3
ROE before tax [3]	*20.4*	*34.4*	*33.5*	*37.8*	*33.5*	*40.8*	*36.7*	*41.2*	*45.9*	*41.8*
ROE [3]	*15.2*	*22.9*	*24.5*	*25.6*	*22.6*	*26.8*	*23.7*	*27.1*	*30.8*	*27.8*

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

Chart 8 | Portfolio Quality

As percentage	Dec 05	Dec 06	Dec 07	Dec 08	Dec 09	Dec 10	Jul 11	Dec 11	Jun 12	Jul 12
Non-performing loans (overall)	**4.4**	**2.9**	**2.2**	**2.5**	**3.1**	**1.9**	**1.5**	**1.3**	**1.6**	**1.7**
Provisions / Non-performing loans	103	114	123	119	116	144	161	168	146	143
(Total non-perfoming - Provisions) / Overall financing	-0.1	-0.4	-0.5	-0.5	-0.5	-0.8	-0.9	-0.9	-0.8	-0.7
(Total non-perfoming - Provisions) / Net worth	-0.4	-1.4	-2.1	-1.9	-1.7	-3.4	-4.3	-4.4	-3.5	-3.3
Non-performing loans to the non-financial private sector	**6.3**	**3.6**	**2.5**	**2.8**	**3.3**	**2.0**	**1.5**	**1.4**	**1.7**	**1.8**
Provisions / Non-performing loans	102	114	123	118	115	143	160	167	145	142
(Total non-perfoming - Provisions) / Overall financing	-0.1	-0.5	-0.6	-0.5	-0.5	-0.9	-0.9	-0.9	-0.8	-0.7
(Total non-perfoming - Provisions) / Net worth	-0.4	-1.4	-2.0	-1.8	-1.6	-3.4	-4.2	-4.4	-3.3	-3.2

Source: BCRA

[1] Note | Data available in Excel in www.bcra.gob.ar