

# Report on Banks

October 2011



BANCO CENTRAL  
DE LA REPÚBLICA ARGENTINA

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October 2011

Year IX, No. 2



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Note | Information for October 2011 available by November 25, 2011 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).

*Published on 22 December, 2011*

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## Summary

- **In October the financial system continued its steady expansion, as seen from the growth in lending to the private sector and in deposits, within the framework of limited repayment risk. Bank operating structure has also continued to expand, with increases in the payroll, ATMs and branches, at the same time as banks have continued accruing book profits while maintaining high liquidity and solvency levels.**
- **Lending to the private sector rose 3.6% during the month (52.5% y.o.y.).** All credit lines posted growth in October, with a notable dynamism being seen in the case of leasing, pledge-backed loans and overdrafts. This positive performance for the month was driven mainly by public banks and foreign private banks. **Lending to companies recorded growth of 54% y.o.y. by October and continued to outpace the dynamism of lending to households.** Most productive sectors displayed a rate of year-on-year growth greater than that of one year earlier, particularly in the case of manufacturing, primary production activities and construction.
- **Private sector loan non-performance ratios remained at low levels in October (1.4%).** In the last 12 months this indicator has accumulated a drop of 1 p.p., with declines in all groups of financial entities. In October the proportion of loans to the private sector covered by preferred guarantees was 15.8% of the total. Private sector non-performance loan ratio without such collateral remained at a low level, similar to that for total loans to the private sector. The ratio for coverage of the non-performing portfolio by provisions stood at 172% for the month, 38 p.p. higher than one year earlier. **All groups of financial entities maintained comfortable coverage of their non-performing loans by provisions.**
- **Private sector deposits rose 1.6% during the month (32.5% y.o.y.),** and as a result more than offset the drop in public sector deposits (-3.4%). **Private sector deposit growth during the month took place mainly in time deposits (2.3%).**
- In the context of private sector lending growth, **the broad indicator for financial system liquidity** (which takes into account items in pesos and foreign currency, as well as Central Bank bills and notes) **dropped by 1.4 p.p. of total deposits in October to 38.4%**, mainly because of the drop for the month in holdings of Lebac and Nobac and cash in banks. The liquidity indicator that only includes items in pesos (excluding Lebac and Nobac not related to repos with the Central Bank) recorded a drop of 0.8 p.p. of deposits in local currency during the month, to 17.7%.
- **Consolidated financial system net worth rose 3.7% in October (22.7% y.o.y.),** mainly from book profits, and to a lesser extent, from capital contributions. The capital compliance ratio remained steady during the month at around 15.8% of credit risk weighted assets (RWA). **All groups of banks record capital positions in excess of the regulatory requirement.**
- **In October profits accrued by the financial system reached 4.3%a. of assets.** Greater gains from financial margin mainly explained the increase in profit for the month. All uniform groups of financial entities posted profits for the month. In the first 10 months of the year the financial system booked a ROA of 2.6%a., slightly under the figure for the same period of 2010.
- In line with the financial intermediation performance, **in recent months the operating infrastructure of the financial system has continued to expand. Sector payroll have risen to their highest level since the beginning of 2001.** In addition, there has been an increase in the number of ATMs and offices (branches and other agencies). It should be noted that although there is some regional disparity in the availability of banking services, **in recent years the difference in banking infrastructure available in the various provinces of Argentina has narrowed when measured by the number of ATMs per capita.**
- **Broad foreign currency mismatching, and the overall level of dollarization of aggregate balances of financial system have remained at moderate levels.** It should be noted that unlike the situation that existed ten years earlier, lending to the private sector in foreign currency remains at low levels, being granted only to borrowers recording foreign currency income. **This characteristic represents a significant strength for the local financial system, as it minimizes the effect of peso-dollar exchange rate volatility.**

# Activity

*Financial intermediation growth is being matched by gradual expansion of financial service infrastructure*

**Bank intermediation activity continued to grow in October.** Lending to the private sector rose at a year-on-year (y.o.y.) rate of 52.5%, while deposits from the sector were up 32.5% y.o.y. (see Chart 1). In this context, financial system netted assets<sup>1</sup> rose 1.2% during the month, accumulating a rise of 26.1%, driven mainly by private banks.

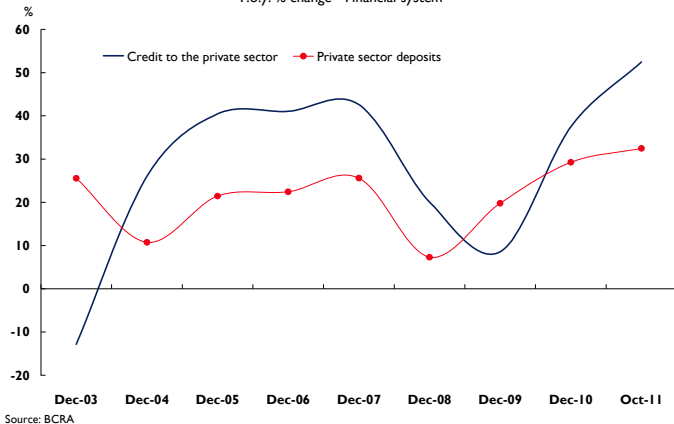
**In October the main source of funds for financial entities<sup>2</sup> came from the increase in private sector deposits (\$5.05 billion), followed by a reduction in Lebac and Nobac holdings (\$3.8 billion).** During the month there was also a drop in current account stocks held by banks at the Central Bank. **In October these resources were used mainly to increase lending to the private sector (\$10.0 billion).** During the period the drop in public sector deposits was one of the most significant uses of funds.

Based on rising activity levels, **the stock of lending to the private sector has reached 46.6% of total bank assets, a rise of 8.4 p.p. compared with October 2010.** Private sector deposit stocks have gained strength as a source of bank funding, with a share of 51.9% of the total, 3 p.p. higher than 12 months earlier.

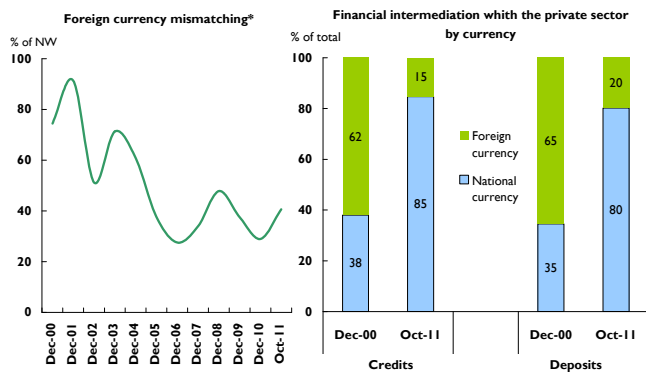
**Broad foreign currency mismatching<sup>3</sup> and the level of dollarization of aggregate financial system balances in general, have remained at a moderate level.** Following a slight increase in net forward purchases of foreign currency, in October there was a moderate rise in the broad foreign currency mismatching for the banking system to 40.6% of net worth. It should be noted that this mismatching is significantly below that which was recorded 10 years ago. Similarly, it should also be mentioned that unlike the situation seen more than a decade ago, **foreign currency lending to the private sector remains at a low level, being granted only to borrowers recording foreign currency income** (see Chart 2). This characteristic represents a significant strength for the local financial system by minimizing any balance sheet impact of volatility in the peso-dollar exchange rate.

**In recent months financial system operating structure has continued to expand in line with the development of financial intermediation with the**

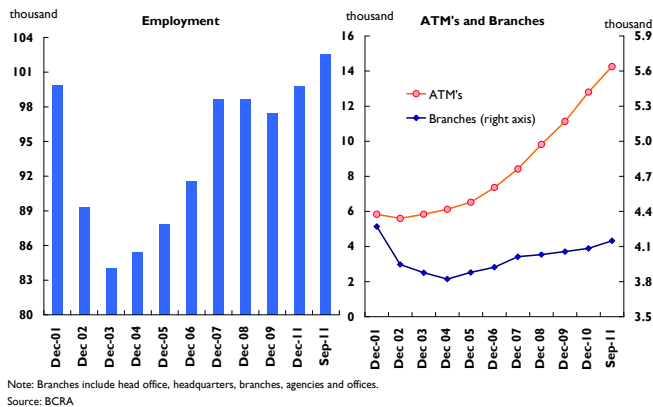
**Chart 1**  
**Financial Intermediation**  
Y.o.y. % change - Financial system



**Chart 2**  
**Dollarization of the Financial System**



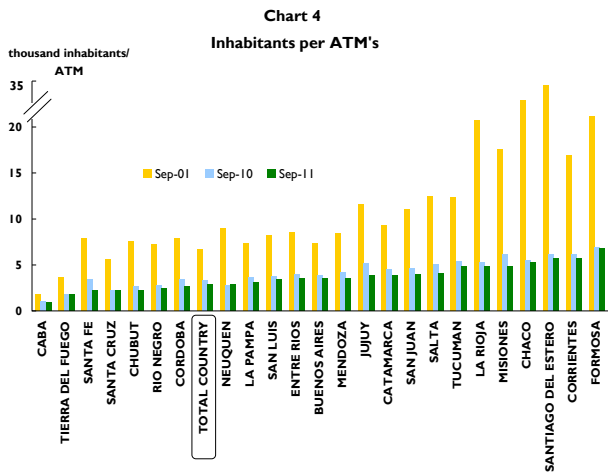
**Chart 3**  
**Financial System Operating Structure**



<sup>1</sup> Assets are netted to take into consideration accounting duplications from repo, forward and unsettled spot transactions.

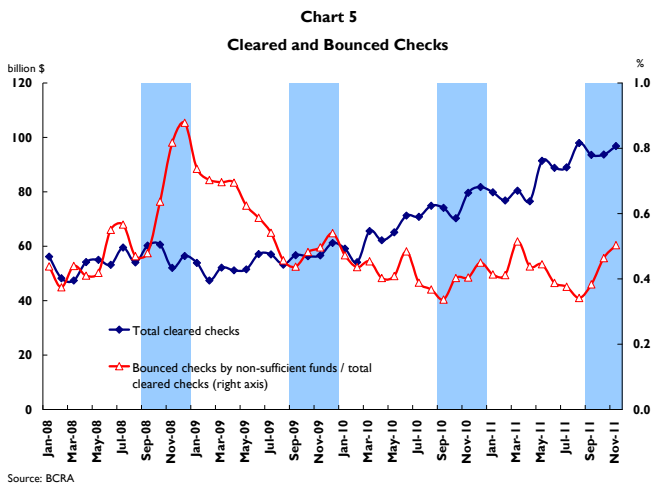
<sup>2</sup> Change estimated on the basis of variations in balance sheet stocks.

<sup>3</sup> Including the difference between assets and liabilities, as well as the forward purchases and sales of foreign currency



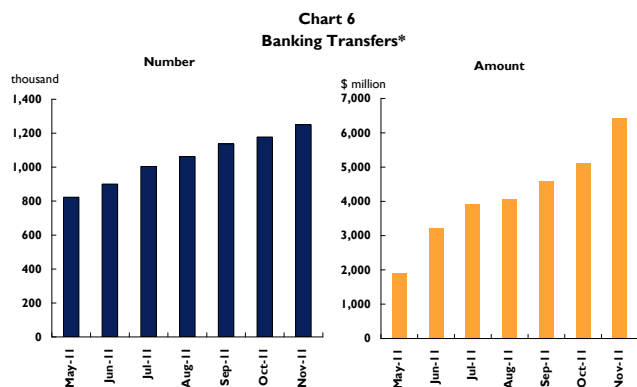
**private sector.** Payroll for the sector have continued to increase, reaching their highest level since the beginning of 2001 (see Chart 3). The financial system payroll has risen by 5.2% since its return to growth at the beginning of 2010, driven mainly by private banks (8.4%) and non-bank financial entities (6%), entities that had cut back on their staffing during the last international financial crisis. In a complementary manner, **the number of ATMs and offices (branches and other agencies) has continued to increase.**

Although there is some regional disparity in the availability of banking services, **over the last 10 years the difference in banking infrastructure available in the provinces of Argentina has narrowed**, particularly when measured by the number of ATMs per capita (see Chart 4).



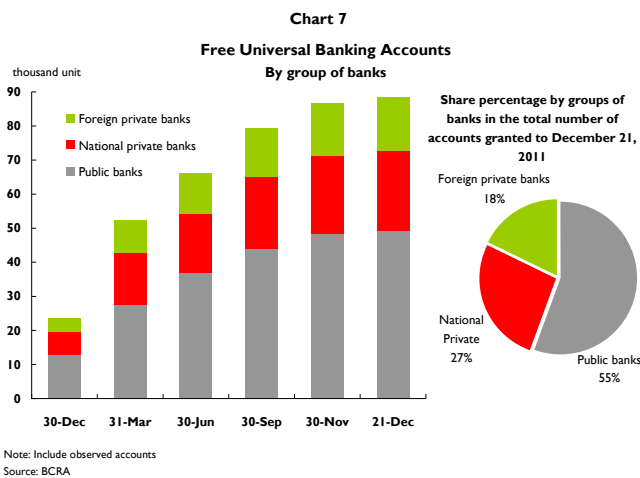
To encourage greater banking service availability, **at the end of last year the Central Bank defined new criteria when considering applications for the setting up of new bank branches.** Since 2011 priority has been assigned to applications that include proposals for the opening of branches in regions where the financial infrastructure is currently inadequate. Following this regulatory change, **in 2011 the Central Bank approved the opening of 67 branches in regions that are relatively less well supplied with banks** (while a further 8 applications will be approved shortly), **more than twice the number authorized for such populations in the same period of 2010.**

**The number of checks cleared through the financial system has continued to grow in recent months.** In November the amount of cleared documents rose slightly, accumulating an increase of 21.5% y.o.y. The number of cleared checks remained steady in the year-on-year comparison (-0.6% y.o.y.). In this context, the ratio of bounced checks by non-sufficient funds in terms of the total number of cleared checks rose for the third consecutive month, a behavior that is usually seen at year-end (see Chart 5). The ratio now stands at 0.5%, slightly above the levels seen in November 2009 and 2010.



**In line with the measures taken by the Central Bank to encourage the use of means of payment other than cash, the volume of bank transfers has continued to increase.** Immediate value transfers have continued to grow significantly in recent months (see Chart 6). In addition, the volume of transfers for amounts of under 10,000 pesos, which are free of charge following the measures introduced by the Central Bank, have been growing at a faster rate than total transfers (33% y.o.y. vs. 29.3% y.o.y.).

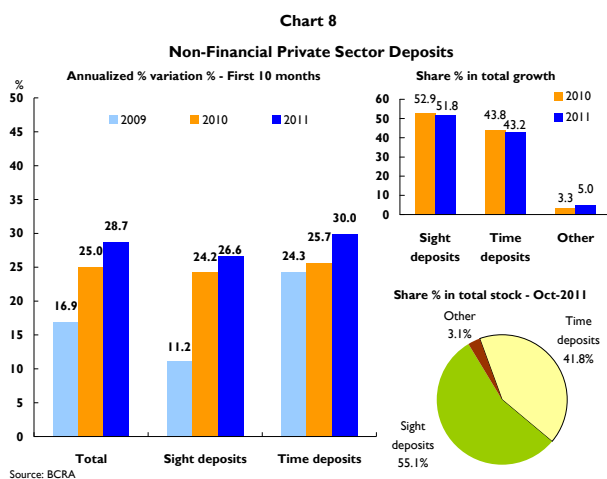
\*Note: Monthly amount and number data. Immediate transfers: in a first stage, operations realized from ATMs and via internet. As of April 25, 2011 for peso transfers (up to \$10,000 from ATMs and up to \$50,000 via Internet) and since May 31, 2011 for dollar transactions (up to US\$2,500 from ATMs and up to \$12,500 via Internet)(Communication "A" 5194).  
Source: BCRA



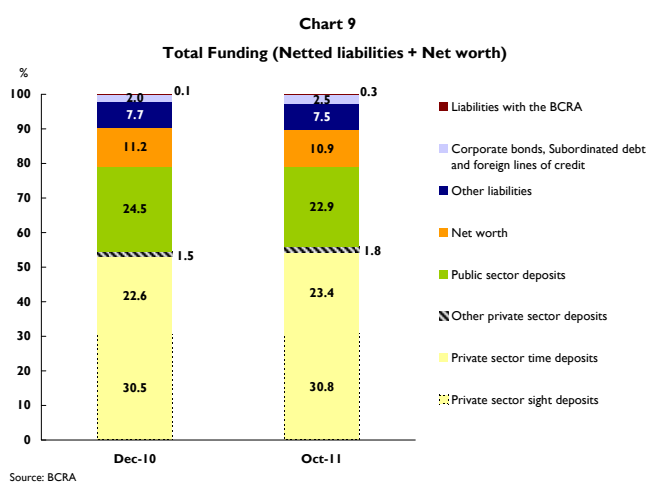
With the aim of generating increased financial service availability, particularly among those sectors of the population with restricted access to them, this Institution has created the Free Universal Account (CGU). By mid-December the number of CGU holders totaled 88,600<sup>4</sup>, a 34% increase compared with the level in mid-2011 (see Chart 7). With the same objective the Central Bank re-introduced the Settlement Check (ChC) as an alternative to the use of cash in high-value transactions. Since its reintroduction, transactions performed using the ChC totaled an amount of \$154 million (almost 2,184 checks denominated in pesos) and US\$241 million (4,244 checks denominated in foreign currency).

## Deposits and liquidity

*The increase in total deposits in October was driven mainly by private sector time deposits*



Total deposit stocks increased slightly in October. The increase for the month took place in private sector deposits, which rose 1.6% during the month, more than compensating for the reduction in public sector deposits (-3.4%). This rise in private sector deposits during the month was mainly accounted for by time deposits (2.3%) meanwhile sight accounts rose at a slow rate (0.3%).



In the first 10 months of 2011 private sector deposits increased at an annualized (a.) rate of 28.7% (3.7 p.p. more than in the same period of 2010). Time deposits have been the most dynamic over the course of the year (30%a.), although sight accounts continued to account for more than half the growth in total deposits (see Chart 8). Public sector deposits have grown at a rate of 15.1%a. in 2011 to date. Reflecting these movements, over the course of the year the weighting of private sector time deposits in total funding<sup>5</sup> for the banking system increased almost 0.8 p.p. to 23.4% (see Chart 9), while the share accounted for by public sector deposits fell to 22.9%. The weighting of private sector sight deposits rose slightly to 30.8%<sup>6</sup>.

The cost of financial system funding by means of total deposits in local currency<sup>7</sup> registered an increase for the month of 0.6 p.p. and stood at 6.9%. This increase reflected the effect derived from rise in time deposit interest rates, at a time when the share of these

<sup>4</sup> Of these, some 10,150 accounts are in the process of being validated, pending completion of the process of verification of the requirements for applicants.

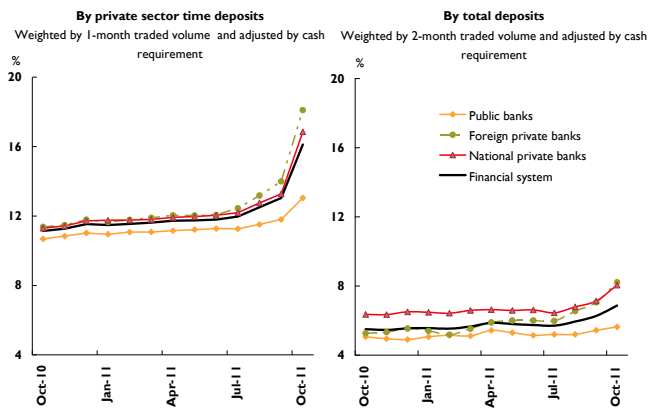
<sup>5</sup> Netted and consolidated.

<sup>6</sup> The rest of total funding of the financial system is made up by net worth and other liabilities, such as outstanding bonds, subordinated debt and foreign lines of credit).

<sup>7</sup> Estimated on the basis of interest rates traded, weighted by volume of transactions.

Chart 10

Average Funding Cost by Deposits in Pesos - Estimate



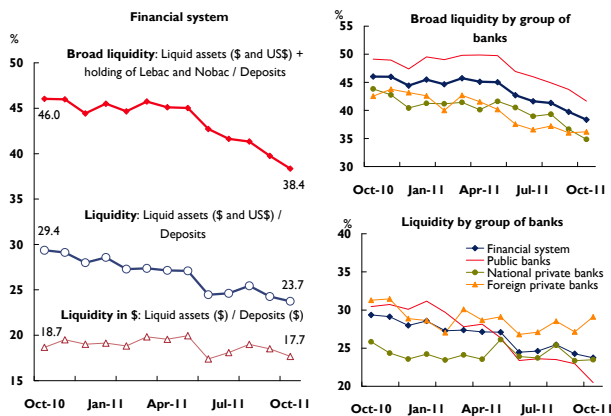
Source: BCRA

deposits in the volume of total operated deposits remained relatively constant during the month. The upward movement in the cost of funding in October was recorded by all groups of financial entities, although it was relatively more significant in private banks. In year-on-year terms the cost of funding by means of deposits in pesos for the financial system as a whole rose 1.4 p.p., basically because of the behavior recorded by private banks (mainly those of foreign capital) (see Chart 10).

Within the context of continuous growth in credit to the private sector, the broad financial system liquidity indicator (which takes into account items in pesos and foreign currency, as well as Central Bank bills and notes) dropped by 1.4 p.p. of total deposits in October to 38.4%, mainly as a result of the drop for the month in Lebac and Nobac holdings, and cash. This drop in the broad liquidity indicator was driven mainly by public banks and private national banks (see Chart 11). The financial system liquidity indicator that only includes items denominated in pesos (excluding Lebac and Nobac not related to repos with the Central Bank) posted a decline of 0.8 p.p. of deposits in local currency during the month, to 17.7%. In the year-on-year comparison there has been a decline in all liquidity indicators; nevertheless, they continue to remain at comparatively high levels.

Chart 11

Liquidity



Source: BCRA

During this time of rising credit and a relative decline in liquidity levels, the average call market interest rate went up 1.7 p.p. in October to 11.4%, while the average daily trading volume rose 24% compared with September, to a level of approximately \$1.45 billion.

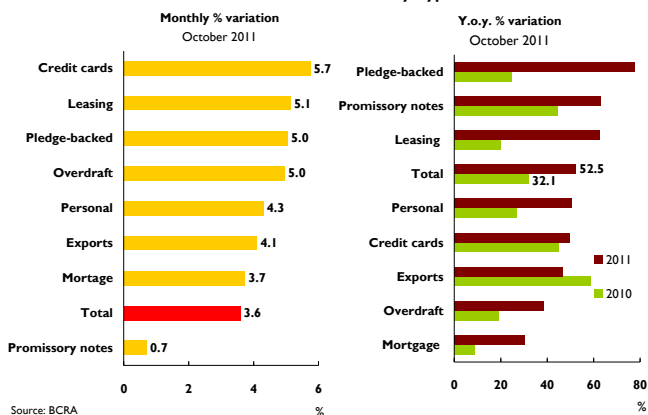
## Financing

Lending to the private sector rose again in October, during a time of moderate increases in lending interest rates

During the month lending to the private sector went up 3.6%<sup>8</sup>. All credit lines posted growth for the month, notable dynamism being shown by leasing, pledge-backed loans and overdrafts (see Chart 12). The impulse to this performance by lending to the private sector came mainly from public banks and foreign private banks. In year-on-year terms, loans to the private sector increased by 52.5%, 20.4 p.p. up on the rate for the same month in 2010. Specifically, 43 banks (responsible for 70% of loans to the private sector) recorded a growth rate

Chart 12

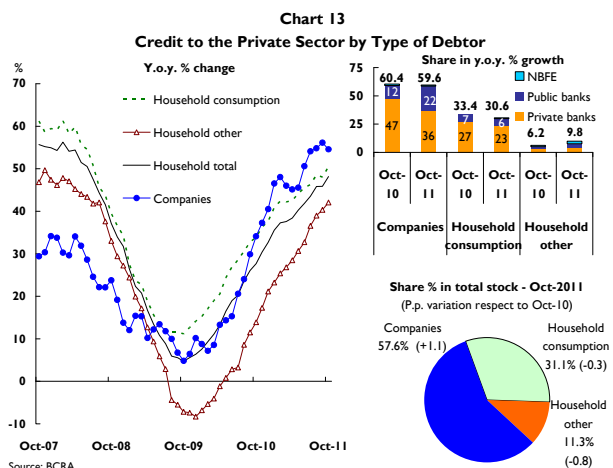
Credit to the Private Sector by Type of Line



Source: BCRA

<sup>8</sup> If balance sheet stocks are adjusted by assets securitized during the month (using bank loans as underlying assets), the variation in lending to the private sector would amount to 3.7%. During the month 3 financial trusts were issued using bank loans as underlying assets for a total of \$261 million.

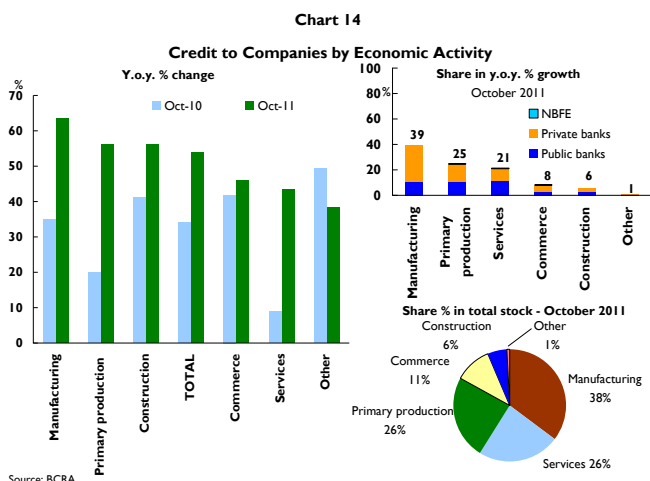




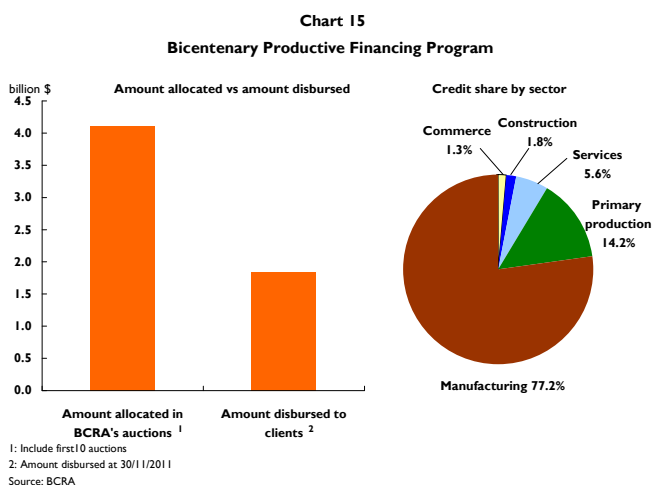
for their lending to the private sector greater than 50% in the last 12 months.

Lending to companies rose 2.6% in October and accumulated year-on-year expansion that continued to exceed the rate of increase in loans to households for the sixteenth consecutive month, and furthermore, the rate has exceeded the rate of increase in household consumer credit since October 2010 (see Chart 13). As a result, in the last 12 months lending to companies has accounted for almost 60% of total growth in lending to the private sector.

With the exception of the commercial sector, all productive sectors<sup>9</sup> recorded year-on-year loan growth higher than in the same month of the previous year, with notable increases in loans to manufacturing, primary production, and construction. Loans to manufacturing, primary production and services accounted for 85% of the increase in lending to companies in the last 12 months. The increase in lending to manufacturing in this period came mainly from private banks, while loans to service companies and primary producers were provided in equal parts by private and public financial entities (see Chart 14).



Within the framework of the Bicentenary Productive Financing Program<sup>10</sup>, the Central Bank has held 10 auctions and awarded a total of \$4.115 billion to a total of 13 financial entities. By the end of November, participating banks had already assisted 126 companies, disbursing \$1.839 billion out of a total amount committed to their customers of \$2.445 billion. More than three-quarters of the amount provided by banks under this Program has been channeled to the manufacturing sector (see Chart 15).



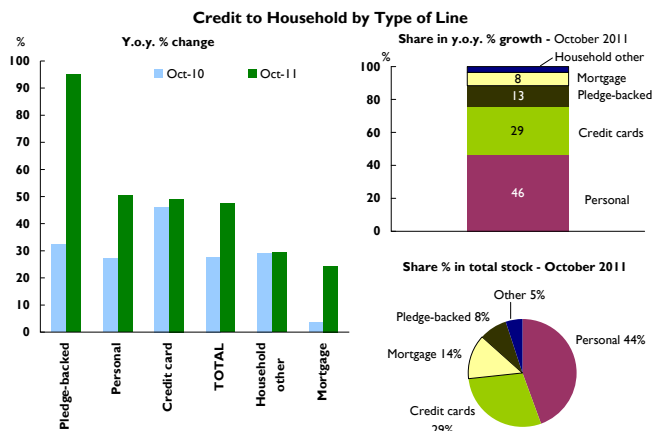
Lending to households was up 4.2% in October, driven mainly by consumer and pledge-backed loans. In year-on-year terms, household loans posted an increase of 48%. Consumer credit lines recorded a rise of almost 50% y.o.y., explaining over three-quarters of the growth in lending to households (see Chart 16). In the case of collateralized loans, those backed by pledges have increased at a rate of 95% in the last 12 months, contributing 13% of the increase in lending to families in this period. Mortgage loans continued to gain dynamism in the margin, accumulating year-on-year growth of 24%, contributing 8% of the increase in lending to households in the last year.

In October there was a widespread increase in peso lending interest rates. The most important increases

<sup>9</sup> Based on the sector classification used by the Financial System Debtor Center.

<sup>10</sup> The purpose of this Program is to provide funding to financial entities to be channeled towards lending for investment.

Chart 16



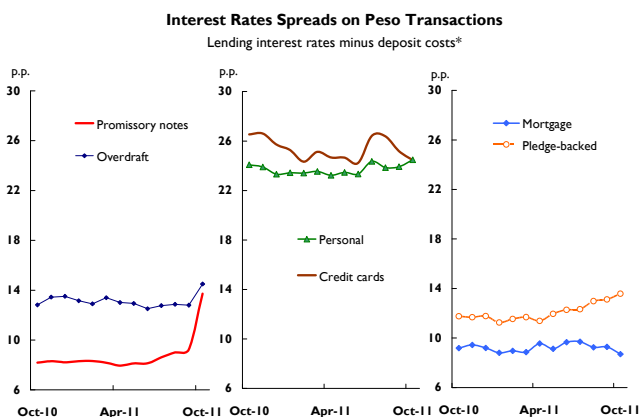
Source: BCRA

took place in commercial credit line interest rates (promissory notes and overdrafts), followed by personal and pledge-backed loans, while interest rates on credit card loans and mortgages showed smaller changes. **Spreads on transactions in local currency varied according to the credit line. Interest rate differentials on promissory notes, overdrafts, personal loans and pledge-backed loans rose in October, with the rise in lending interest rates exceeding the increase in the estimated cost of funding by total deposits in local currency. Spreads on credit card lending and mortgage loans dropped during the month (see Chart 17).**

## Portfolio quality

*Lending to companies and households both record low delinquency levels*

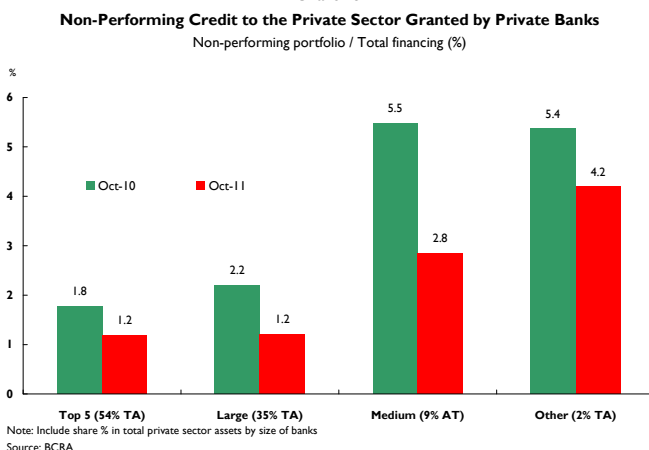
Chart 17



\*Note: 2-months traded volume deposit costs  
Source: BCRA from SISGEN data

**The non-performance ratio for loans to the private sector remained steady in October at around 1.4%.** In the last 12 months this indicator has accumulated a reduction of 1 p.p., in a performance that was recorded by all groups of financial entities. In the case of the private banks group, compared with October 2010 all bank sub-groups -divided according to size- posted a drop in delinquency, with a notable improvement on the ratio being recorded by large and medium-size entities (see Chart 18). It should be noted that only 15 banks, (with just 2.7% of lending to the private sector) recorded a non-performance ratio in excess of 5% in October, while one year earlier 23 banks (with 4.2% of the lending to the private sector) recorded a ratio higher than that level.

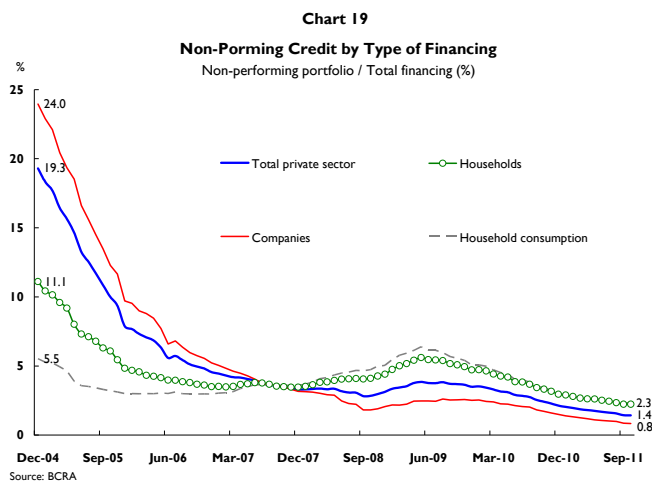
Chart 18



**Corporate loan delinquency fell slightly in October, to around 0.8%.** In year-on-year terms, this ratio dropped 0.9 p.p. (see Chart 19), based on an improvement in the quality of loans to all productive sectors. It should be noted that loans to all productive sectors recorded non-performance levels of less than 1% in October.

**Household loan non-performance remained at the same levels of last September (2.3%).** Compared with October 2010, the delinquency rate for household lending has dropped 1.1 p.p., in a context in which all credit lines have shown quality improvement.

In October the proportion of loans to the private sector with preferred collateral was 15.8% of the total, a share that has fallen slightly in the last 12 months. **The non-performing ratio of loans to the private sector without such collateral continued to stand at a low level, very similar to the average.** The delinquency of loans without preferred guarantees stood at 1.5% for the

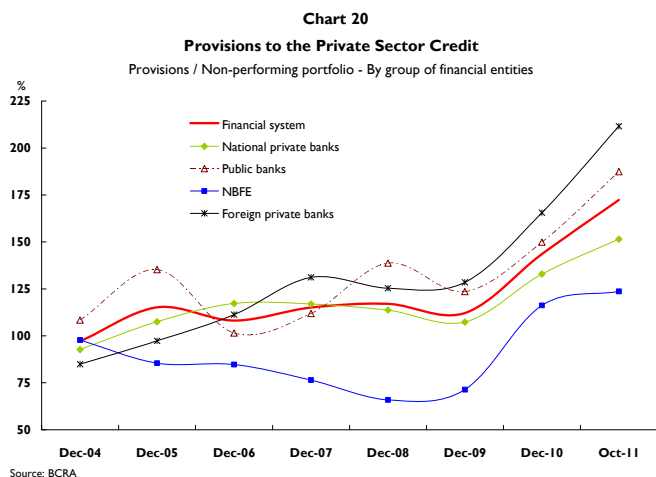


month, accumulating a reduction of 0.9 p.p. year-on-year.

**The banking system has continued to show a high level of provisioning.** The ratio of coverage for non-performing loans by provisions stood at 172% for the month, 38 p.p. more than one year earlier. All groups of financial entities record a comfortable coverage of their delinquent portfolio by means of accounting provisions (see Chart 20).

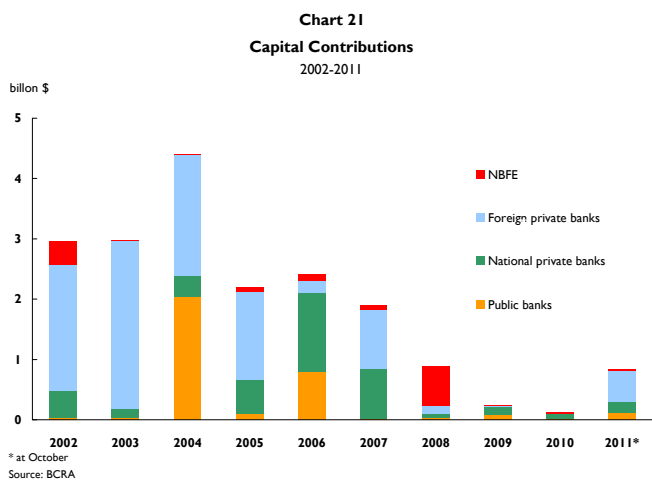
## Solvency

*Gains on securities were responsible for the increase in profits for the month*



**Financial system consolidated net worth rose 3.7% in October (22.7% y.o.y.), driven mainly by book profits, and to a lesser extent by capital contributions.** During the month one foreign private bank brought foreign currency for a \$170 million capitalization. As a result, in the year to date capital contributions have totaled \$840 million, and were mainly intended for foreign private banks (54% of the total) (see Chart 21).

As a consequence of the faster growth rate for net worth than for assets, in October financial system leverage dropped slightly to 9.3, reaching levels similar to those recorded at the beginning of the year. **During the month the capital compliance ratio for the banking system remained stable, at around 15.8% of risk-weighted assets (RWA).** **At aggregate level the financial system continued to present an excess in its regulatory capital compliance in the order of 63% over the requirement.** All bank groups record capital in excess of the regulatory requirement (see Chart 22).

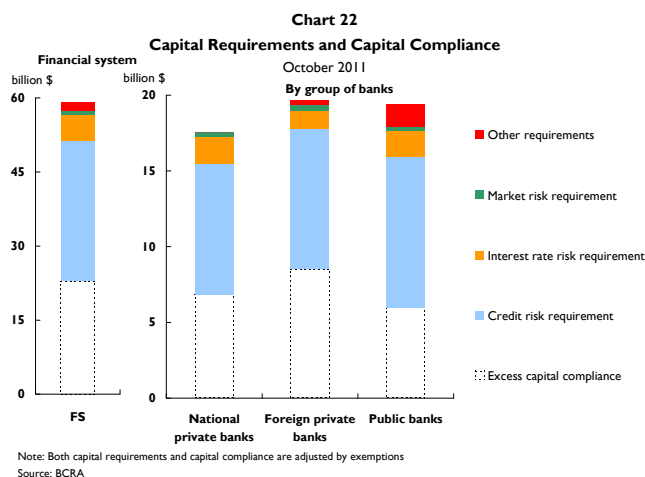


**In October accrued profit by the financial system stood at 4.3%a. of assets<sup>11</sup>,** the highest monthly level since the end of the crisis in 2001-2002. Compared with September 2011, the increase in banking profitability was equivalent to 3 p.p. of assets, a change mainly explained by increased gains on securities after the loss posted during the previous month, and to a lesser extent, by improved net interest income. This improvement in book profits for the month affected all groups of financial entities, with a notable performance by foreign private banks. **Aggregate financial system profits for the first 10 months of 2011 totaled 2.6%a. of assets, slightly under the level for the same period of 2010.** All groups of entities<sup>12</sup> posted profits in 2011, with less

<sup>11</sup> Throughout this section, profitability indicators are stated in terms of netted assets.

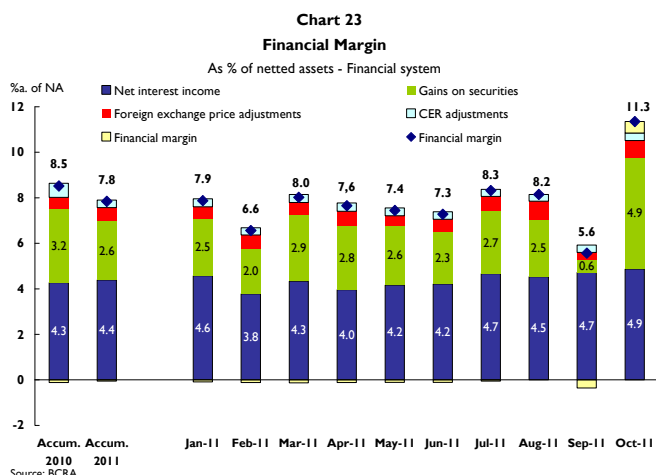
<sup>12</sup> Classified into public banks, private national banks, foreign capital banks, and non-bank financial entities

dispersion in the results accrued by individual banks compared with the same period of 2010.

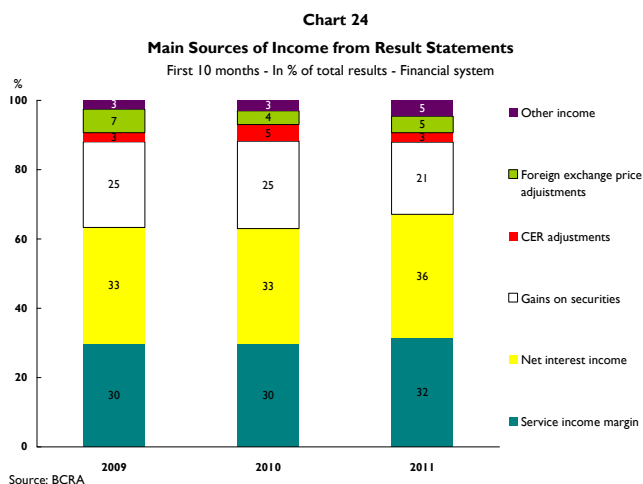


**Financial margin<sup>13</sup> for the banking system was up 5.8 p.p. of assets in October, to 11.3%a.** The increase for the month was driven mainly by gains on securities in local currency, and to a lesser extent on foreign currency bonds, following a widespread increase in the stock prices. To a lesser extent, there were also improvements in net interest income and in foreign exchange price adjustments. Based on this performance, **in the year to date bank financial margin reached 7.8%a. of assets, slightly lower in the year-on-year comparison** (see Chart 23).

**Financial system service income margin remained steady during the month, at around 4%a. of assets.** As a result, in the first 10 months of 2011 this income statement heading has amounted to 3.9%a. of assets, slightly above the level recorded in the same period of 2010. **Analysis of the main revenue sources on the income statement shows that in 2011 there has been an increase in participation by those items that are relatively less volatile** (net interest income and service income margin), with a decline in gains on securities (see Chart 24).



**In October loan loss provisions booked by the financial system amounted to 1%a. of assets, rising by 0.3 p.p. compared with September following an adjustment carried out by one private bank.** Such provisions have totaled 0.7%a. of assets in the first 10 months of 2011, slightly less than the accruals in the same period of 2010, a consequence of the improvement in loan quality. **Financial system operating costs reached 6.8%a. of netted assets during the month for a total of 6.6%a. in 2011 to date, a slight year-on-year decline.**



<sup>13</sup> Made up of the sum of income from net interest income, CER and CVS adjustment, foreign exchange price adjustments, gains on securities, and other financial results.

## 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” 5231 – Oct/18/11**

Regulation of Law 26,704 and payment of wages, social security and social assistance from the National Government to public benefits plans. The ordered text on “Savings account, salary account, free universal account and special account deposits” has been modified, establishing that the salary account/social security account shall be the only one that can be used for the crediting of wages corresponding to public or private sector workers under regimes not covered by Law 20,744 (work contract) salary or social security assistance from the Argentine Integrated Social Security System (SIPA) and/or social welfare programs introduced by the Government. This regulation shall take effect as from 20 October 2011.

### **Communication “A” 5232 – Oct/21/11**

Rules on Central Bank overdrafts to financial entities intended for loans to the productive sector. Banks have been authorized to apply up to 30% of the total amount of each project to be financed to advances on investments by the customer - for its own account and at its own risk - during the period from the date of approval of the project by the Project Evaluation Unit (as referred to by Decree 783/10 and complementary dispositions) and the date of the first disbursement of funds by the financial entity.

## 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 minus requirements, included forbearances) / Capital requirements.

# 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 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 %	2002	2003	2004	2005	2006	2007	2008	2009	Oct 2010	2010	Sep 2011	Oct 2011
1.- Liquidity	22.8	29.1	29.6	20.1	22.5	23.0	27.9	28.6	29.4	28.0	24.3	23.7
2.- Credit to the public sector	48.9	47.0	40.9	31.5	22.5	16.3	12.7	14.4	12.3	12.2	10.2	10.0
3.- Credit to the private sector	20.8	18.1	19.6	25.8	31.0	38.2	39.4	38.3	38.2	39.8	45.9	46.6
4.- Private non-performing loans	38.6	33.5	18.6	7.6	4.5	3.2	3.1	3.5	2.4	2.1	1.4	1.4
5.- Net worth exposure to the private sector	16.6	11.5	1.1	-2.5	-0.8	-1.5	-1.7	-1.3	-2.8	-3.2	-4.3	-4.4
6.- ROA	-8.9	-2.9	-0.5	0.9	1.9	1.5	1.6	2.3	2.7	2.8	2.4	2.6
7.- ROE	-59.2	-22.7	-4.2	7.0	14.3	11.0	13.4	19.2	23.2	24.4	22.4	24.3
8.- Efficiency	189	69	125	151	167	160	167	185	181	179	171	177
9.- Capital compliance	-	14.5	14.0	15.3	16.9	16.9	16.9	18.8	18.1	17.7	15.8	15.8
10.- Capital compliance Tier I	-	-	13.5	14.1	14.1	14.6	14.2	14.5	13.9	13.1	11.5	11.1
11.- Excess capital compliance	-	115.9	185.1	173.5	134.0	92.8	89.8	99.8	89.9	86.5	63.7	63.0

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	Dec 09	Oct 10	Dec 10	Sep 11	Oct 11	Change (in %)		
													Last month	2011	Last 12 months
<b>Assets</b>	<b>187,532</b>	<b>184,873</b>	<b>212,562</b>	<b>221,962</b>	<b>258,384</b>	<b>297,963</b>	<b>346,762</b>	<b>387,381</b>	<b>490,310</b>	<b>510,304</b>	<b>600,095</b>	<b>612,088</b>	<b>2.0</b>	<b>19.9</b>	<b>24.8</b>
Cash disposal <sup>1</sup>	17,138	27,575	29,154	20,819	37,991	46,320	58,676	71,067	93,926	93,085	101,315	98,843	-2.4	6.2	5.2
Public bonds	31,418	45,062	55,382	66,733	64,592	62,678	65,255	86,318	115,265	117,951	117,981	115,866	-1.8	-1.8	0.5
Lebac/Nobac	-	-	17,755	28,340	29,289	36,022	37,093	43,867	73,365	76,948	79,628	76,890	-3.4	-0.1	4.8
Portfolio	-	-	11,803	21,067	25,767	31,598	25,652	34,748	59,457	61,855	69,879	66,092	-5.4	6.8	11.2
Repo <sup>2</sup>	-	-	5,953	7,273	3,521	4,424	11,442	9,119	13,908	15,093	9,748	10,799	10.8	-28.5	-22.4
Private bonds	332	198	387	389	813	382	203	307	304	209	185	217	17.6	4.0	-28.3
Loans	84,792	68,042	73,617	84,171	103,668	132,157	154,719	169,868	213,151	230,127	306,657	316,950	3.4	37.7	48.7
Public sector	44,337	33,228	30,866	25,836	20,874	16,772	17,083	20,570	24,496	25,907	29,061	29,099	0.1	12.3	18.8
Private sector	38,470	33,398	41,054	55,885	77,832	110,355	132,844	145,247	183,828	199,202	269,609	279,438	3.6	40.3	52.0
Financial sector	1,985	1,417	1,697	2,450	4,962	5,030	4,793	4,052	4,827	5,018	7,987	8,412	5.3	67.6	74.3
Provisions over loans	-11,952	-9,374	-7,500	-4,930	-3,728	-4,089	-4,744	-5,824	-6,112	-6,232	-6,743	-7,049	4.6	13.1	15.3
Other netted credits due to financial intermediation	39,089	27,030	32,554	26,721	26,039	29,712	38,152	33,498	39,585	39,009	38,627	43,926	13.7	12.6	11.0
Corporate bonds and subordinated debt	1,708	1,569	1,018	873	773	606	912	1,146	1,275	1,433	1,817	1,753	-3.5	22.3	37.5
Unquoted trusts	6,698	4,133	3,145	3,883	4,881	5,023	5,714	5,942	6,083	6,824	7,644	7,584	-0.8	11.1	24.7
Compensation receivable	17,111	14,937	15,467	5,841	763	377	357	16	0	0	0	0	-17.6	-33.3	-41.7
Other	13,572	6,392	12,924	16,124	19,622	23,706	31,169	26,395	32,227	30,752	29,165	34,589	18.6	12.5	7.3
Leasing	567	397	611	1,384	2,262	3,469	3,935	2,933	3,637	3,936	5,633	5,923	5.1	50.5	62.8
Shares in other companies	4,653	4,591	3,871	4,532	6,392	6,430	7,236	6,711	7,750	7,921	8,583	8,799	2.5	11.1	13.5
Fixed assets and miscellaneous	8,636	8,164	7,782	7,546	7,619	7,643	7,903	8,239	8,731	9,071	9,724	9,834	1.1	8.4	12.6
Foreign branches	3,522	3,144	3,524	3,647	2,782	2,912	3,153	3,926	3,249	3,283	3,433	3,522	2.6	7.3	8.4
Other assets	9,338	12,043	13,180	10,950	9,953	10,347	12,275	10,337	10,824	11,943	14,699	15,258	3.8	27.8	41.0
<b>Liabilities</b>	<b>161,446</b>	<b>164,923</b>	<b>188,683</b>	<b>195,044</b>	<b>225,369</b>	<b>261,143</b>	<b>305,382</b>	<b>339,047</b>	<b>435,314</b>	<b>452,752</b>	<b>535,551</b>	<b>545,218</b>	<b>1.8</b>	<b>20.4</b>	<b>25.2</b>
Deposits	75,001	94,635	116,655	136,492	170,898	205,550	236,217	271,853	356,463	376,344	451,385	452,186	0.2	20.2	26.9
Public sector <sup>3</sup>	8,381	16,040	31,649	34,019	45,410	48,340	67,151	69,143	113,371	115,954	134,941	130,343	-3.4	12.4	15.0
Private sector <sup>3</sup>	59,698	74,951	83,000	100,809	123,431	155,048	166,378	199,278	239,996	257,595	312,889	317,923	1.6	23.4	32.5
Current account	11,462	15,071	18,219	23,487	26,900	35,245	39,619	45,752	56,296	61,306	72,761	73,128	0.5	19.3	29.9
Savings account	10,523	16,809	23,866	29,078	36,442	47,109	50,966	62,807	73,784	82,575	101,841	101,994	0.2	23.5	38.2
Time deposits	19,080	33,285	34,944	42,822	54,338	65,952	69,484	83,967	100,568	104,492	127,345	130,294	2.3	24.7	29.6
CEDRO	12,328	3,217	1,046	17	13	0	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	52,114	62,998	60,029	67,536	74,315	10.0	23.8	18.0
Interbanking obligations	1,649	1,317	1,461	2,164	4,578	4,310	3,895	3,251	3,972	4,201	6,771	7,125	5.2	69.6	79.4
BCRA lines	27,837	27,491	27,726	17,005	7,686	2,362	1,885	270	204	262	1,387	1,526	10.0	481.5	650.0
Outstanding bonds	9,096	6,675	7,922	6,548	6,603	6,938	5,984	5,033	4,244	3,432	6,707	6,772	1.0	97.3	59.6
Foreign lines of credit	25,199	15,196	8,884	4,684	4,240	3,864	4,541	3,369	3,738	3,897	5,543	5,568	0.4	42.9	49.0
Other	11,955	11,012	18,934	21,671	22,930	28,752	41,357	40,191	50,841	48,236	47,126	53,323	13.2	10.5	4.9
Subordinated debts	3,712	2,028	1,415	1,381	1,642	1,672	1,763	1,922	1,964	2,165	1,938	1,969	1.6	-9.1	0.3
Other liabilities	6,997	6,569	5,685	5,099	6,792	7,695	9,740	13,159	13,889	14,213	14,692	16,749	14.0	17.8	20.6
<b>Net worth</b>	<b>26,086</b>	<b>21,950</b>	<b>23,879</b>	<b>26,918</b>	<b>33,014</b>	<b>36,819</b>	<b>41,380</b>	<b>48,335</b>	<b>54,996</b>	<b>57,552</b>	<b>64,543</b>	<b>66,870</b>	<b>3.6</b>	<b>16.2</b>	<b>21.6</b>
<b>Memo</b>															
<b>Netted assets</b>	185,356	184,371	202,447	208,275	244,791	280,336	321,075	364,726	461,398	482,532	575,176	582,016	1.2	20.6	26.1
<b>Consolidated netted assets</b>	181,253	181,077	198,462	203,286	235,845	271,652	312,002	357,118	451,776	472,934	562,238	568,570	1.1	20.2	25.9

(<sup>1</sup>) Includes margin accounts with the BCRA. (<sup>2</sup>) Booked value from balance sheet (it includes all the counterparties). (<sup>3</sup>) 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 10 months		Monthly			Last
	2002 <sup>1</sup>	2003	2004	2005	2006	2007	2008	2009	2010	2010	2011	Aug-11	Sep-11	Oct-11	12 months
Financial margin	13,991	1,965	6,075	9,475	13,262	15,134	20,462	28,937	35,490	28,981	34,921	3,815	2,647	5,460	41,431
Net interest income	-3,624	-943	1,753	3,069	4,150	5,744	9,573	14,488	17,963	14,527	19,558	2,119	2,244	2,345	22,994
CER and CVS adjustments	8,298	2,315	1,944	3,051	3,012	2,624	2,822	1,196	2,434	2,087	1,477	140	154	161	1,825
Foreign exchange price adjustments	5,977	-890	866	751	944	1,357	2,307	2,588	2,100	1,742	2,634	385	154	364	2,992
Gains on securities	3,639	1,962	1,887	2,371	4,923	5,144	4,398	11,004	13,449	11,020	11,490	1,170	263	2,351	13,919
Other financial income	-299	-480	-375	233	235	264	1,362	-339	-457	-395	-238	0	-168	240	-300
Service income margin	4,011	3,415	3,904	4,781	6,243	8,248	10,870	13,052	16,089	13,003	17,373	1,886	1,916	1,940	20,458
Loan loss provisions	-10,007	-2,089	-1,511	-1,173	-1,198	-1,894	-2,839	-3,814	-3,267	-2,640	-3,045	-301	-331	-459	-3,671
Operating costs	-9,520	-7,760	-7,998	-9,437	-11,655	-14,634	-18,767	-22,710	-28,756	-23,169	-29,557	-3,120	-3,156	-3,282	-35,145
Tax charges	-691	-473	-584	-737	-1,090	-1,537	-2,318	-3,272	-4,120	-3,294	-4,739	-518	-508	-580	-5,565
Adjust. to the valuation of gov. securities <sup>2</sup>	0	-701	-320	-410	-752	-837	-1,757	-262	-214	-188	-290	-24	-25	-27	-317
Amort. payments for court-ordered releases	0	-1,124	-1,686	-1,867	-2,573	-1,922	-994	-703	-635	-572	-231	-23	-24	-28	-295
Other	-3,880	1,738	1,497	1,729	2,664	2,380	1,441	918	2,079	1,310	2,517	226	395	280	3,286
Monetary results	-12,558	69	0	0	0	0	0	0	0	0	0	0	0	0	0
Total results before tax <sup>1</sup>	-18,653	-4,960	-623	2,360	4,901	4,938	6,100	12,145	16,665	13,432	16,949	1,941	913	3,305	20,182
Income tax	-509	-305	-275	-581	-595	-1,032	-1,342	-4,226	-4,904	-4,262	-5,364	-675	-307	-1,230	-6,007
<b>Resultado total<sup>3</sup></b>	<b>-19,162</b>	<b>-5,265</b>	<b>-898</b>	<b>1,780</b>	<b>4,306</b>	<b>3,905</b>	<b>4,757</b>	<b>7,920</b>	<b>11,761</b>	<b>9,170</b>	<b>11,584</b>	<b>1,266</b>	<b>607</b>	<b>2,075</b>	<b>14,175</b>
Resultado ajustado <sup>4</sup>	-	-3,440	1,337	4,057	7,631	6,665	7,508	8,885	12,610	9,929	12,106	1,313	656	2,129	14,787
<i>Annualized indicators - As % of netted assets</i>															
Financial margin	6.5	1.1	3.1	4.6	5.8	5.7	6.7	8.6	8.5	8.5	7.8	8.2	5.6	11.3	7.9
Net interest income	-1.7	-0.5	0.9	1.5	1.8	2.2	3.1	4.3	4.3	4.3	4.4	4.5	4.7	4.9	4.4
CER and CVS adjustments	3.9	1.3	1.0	1.5	1.3	1.0	0.9	0.4	0.6	0.6	0.3	0.3	0.3	0.3	0.3
Foreign exchange price adjustments	2.8	-0.5	0.4	0.4	0.4	0.5	0.8	0.8	0.5	0.5	0.6	0.8	0.3	0.8	0.6
Gains on securities	1.7	1.1	1.0	1.2	2.2	1.9	1.4	3.3	3.2	3.2	2.6	2.5	0.6	4.9	2.7
Other financial income	-0.1	-0.3	-0.2	0.1	0.1	0.1	0.4	-0.1	-0.1	-0.1	-0.1	0.0	-0.4	0.5	-0.1
Service income margin	1.9	1.9	2.0	2.3	2.7	3.1	3.6	3.9	3.8	3.8	3.9	4.0	4.0	4.0	3.9
Loan loss provisions	-4.7	-1.1	-0.8	-0.6	-0.5	-0.7	-0.9	-1.1	-0.8	-0.8	-0.7	-0.6	-0.7	-1.0	-0.7
Operating costs	-4.4	-4.2	-4.1	-4.6	-5.1	-5.5	-6.1	-6.7	-6.9	-6.8	-6.6	-6.7	-6.6	-6.8	-6.7
Tax charges	-0.3	-0.3	-0.3	-0.4	-0.5	-0.6	-0.8	-1.0	-1.0	-1.0	-1.1	-1.1	-1.1	-1.2	-1.1
Adjust. to the valuation of gov. securities <sup>2</sup>	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	-0.1
Amort. payments for court-ordered releases	0.0	-0.6	-0.9	-0.9	-1.1	-0.7	-0.3	-0.2	-0.2	-0.2	-0.1	0.0	-0.1	-0.1	-0.1
Other	-1.8	0.9	0.8	0.8	1.2	0.9	0.5	0.3	0.5	0.4	0.6	0.5	0.8	0.6	0.6
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	0.0
Total results before tax <sup>1</sup>	-8.7	-2.7	-0.3	1.1	2.2	1.9	2.0	3.6	4.0	3.9	3.8	4.1	1.9	6.9	3.9
Income tax	-0.2	-0.2	-0.1	-0.3	-0.3	-0.4	-0.4	-1.3	-1.2	-1.3	-1.2	-1.4	-0.6	-2.6	-1.1
<b>ROA<sup>3</sup></b>	<b>-8.9</b>	<b>-2.9</b>	<b>-0.5</b>	<b>0.9</b>	<b>1.9</b>	<b>1.5</b>	<b>1.6</b>	<b>2.3</b>	<b>2.8</b>	<b>2.7</b>	<b>2.6</b>	<b>2.7</b>	<b>1.3</b>	<b>4.3</b>	<b>2.7</b>
ROA adjusted <sup>4</sup>	-8.9	-1.9	0.7	2.0	3.4	2.5	2.5	2.6	3.0	2.9	2.7	2.8	1.4	4.4	2.8
ROE before tax <sup>2</sup>	-57.6	-21.4	-2.9	9.3	16.2	13.9	17.2	29.5	34.5	34.0	35.6	39.3	18.3	63.8	35.8
ROE <sup>3</sup>	-59.2	-22.7	-4.2	7.0	14.3	11.0	13.4	19.2	24.4	23.2	24.3	25.6	12.1	40.0	25.2

(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 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Dec 08	Dec 09	Oct 10	Dec 10	Sep 11	Oct 11
<b>Non-performing loans (overall)</b>	<b>18.1</b>	<b>17.7</b>	<b>10.7</b>	<b>5.2</b>	<b>3.4</b>	<b>2.7</b>	<b>2.7</b>	<b>3.0</b>	<b>2.1</b>	<b>1.8</b>	<b>1.3</b>	<b>1.3</b>
Provisions / Non-performing loans	72.3	76.8	97.8	115.3	108.2	115.2	117.0	115.3	138.3	147.7	175.2	177.1
(Total non-performing - Provisions) / Overall financing	5.0	4.1	0.2	-0.8	-0.3	-0.4	-0.5	-0.5	-0.8	-0.9	-0.9	-1.0
(Total non-performing - Provisions) / Net worth	18.2	13.3	0.8	-2.6	-0.9	-1.6	-1.8	-1.7	-3.2	-3.6	-4.6	-4.8
<b>Non-performing loans to the non-financial private sector</b>	<b>38.6</b>	<b>33.5</b>	<b>18.6</b>	<b>7.6</b>	<b>4.5</b>	<b>3.2</b>	<b>3.1</b>	<b>3.5</b>	<b>2.4</b>	<b>2.1</b>	<b>1.4</b>	<b>1.4</b>
Provisions / Non-performing loans	73.8	79.0	96.9	114.8	107.6	114.4	116.4	111.8	133.7	142.8	169.3	171.4
(Total non-performing - Provisions) / Overall financing	10.1	7.0	0.6	-1.1	-0.3	-0.5	-0.5	-0.4	-0.8	-0.9	-1.0	-1.0
(Total non-performing - Provisions) / Net worth	16.6	11.5	1.1	-2.5	-0.8	-1.5	-1.7	-1.3	-2.8	-3.2	-4.3	-4.4

Source: BCRA

# Statistics annex | Private banks

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

As %	2002	2003	2004	2005	2006	2007	2008	2009	Oct 2010	2010	Sep 2011	Oct 2011
1.- Liquidity	24.8	27.6	29.2	21.5	23.7	25.7	34.1	29.8	28.3	26.0	25.3	26.4
2.- Credit to the public sector	50.0	47.7	41.6	28.5	16.3	9.5	6.3	6.1	4.7	4.4	3.3	3.1
3.- Credit to the private sector	22.4	19.9	22.5	31.1	37.9	46.6	44.0	43.3	48.1	50.3	55.1	55.2
4.- Private non-performing loans	37.4	30.4	15.3	6.3	3.6	2.5	2.8	3.3	2.3	2.0	1.4	1.4
5.- Net worth exposure to the private sector	19.0	12.9	3.6	-0.4	-1.4	-2.0	-1.8	-1.6	-2.8	-3.4	-4.5	-4.7
6.- ROA	-11.3	-2.5	-1.0	0.5	2.2	1.6	1.9	3.0	3.1	3.2	2.5	2.7
7.- ROE	-79.0	-19.1	-8.1	4.1	15.3	10.9	15.2	22.9	23.6	24.5	21.5	23.6
8.- Efficiency	168	93	115	136	158	152	166	195	177	176	169	175
9.- Capital compliance	-	14.0	15.1	17.8	18.6	19.2	18.3	22.6	20.8	20.4	17.1	17.1
10.- Capital compliance Tier I	-	-	14.7	16.1	15.3	16.7	14.9	17.2	16.2	15.2	13.9	13.3
11.- Excess capital compliance	-	88.2	157.1	155.0	115.8	86.9	86.4	121.3	104.0	100.4	71.7	70.4

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	Dec 09	Oct 10	Dec 10	Sep 11	Oct 11	Change (in %)			
													Last month	2011	Last 12 months	
<b>Assets</b>	<b>118,906</b>	<b>116,633</b>	<b>128,065</b>	<b>129,680</b>	<b>152,414</b>	<b>175,509</b>	<b>208,888</b>	<b>229,549</b>	<b>270,354</b>	<b>280,025</b>	<b>339,326</b>	<b>349,931</b>	<b>3.1</b>	<b>25.0</b>	<b>29.4</b>	
Cash disposal <sup>1</sup>	11,044	14,500	15,893	14,074	22,226	29,418	37,044	43,562	50,495	49,730	58,570	59,491	1.6	19.6	17.8	
Public bonds	19,751	22,260	24,817	29,966	27,663	24,444	29,552	47,949	47,184	48,903	44,831	41,894	-6.6	-14.3	-11.2	
Lebac/Nobac	-	-	8,359	15,227	15,952	17,684	23,457	31,575	32,364	34,422	31,406	28,916	-7.9	-16.0	-10.7	
Portfolio	-	-	5,611	12,899	14,220	15,639	12,858	27,413	28,023	31,148	27,001	22,554	-16.5	-27.6	-19.5	
Repo <sup>2</sup>	-	-	2,749	2,328	1,732	2,045	10,598	4,161	4,341	3,274	4,405	6,362	44.4	94.3	46.5	
Private bonds	273	172	333	307	683	310	127	233	204	184	130	159	21.8	-13.7	-22.1	
Loans	51,774	47,017	50,741	56,565	69,294	88,898	98,529	101,722	132,104	143,202	190,223	196,523	3.3	37.2	48.8	
Public sector	25,056	23,571	21,420	15,954	10,036	6,413	6,249	1,694	1,581	1,625	1,316	1,318	0.2	-18.9	-16.6	
Private sector	26,074	22,816	28,213	39,031	55,632	78,587	88,426	96,790	126,725	137,308	182,159	187,936	3.2	36.9	48.3	
Financial sector	644	630	1,107	1,580	3,626	3,898	3,854	3,238	3,797	4,270	6,748	7,269	7.7	70.2	91.4	
Provisions over loans	-7,463	-5,225	-3,717	-2,482	-2,227	-2,365	-2,871	-3,653	-3,843	-3,926	-4,280	-4,505	5.3	14.7	17.2	
Other netted credits due to financial intermediation	27,212	22,148	25,753	16,873	18,387	17,084	25,265	21,258	23,319	20,241	23,765	29,527	24.2	45.9	26.6	
Corporate bonds and subordinated debt	1,514	1,394	829	675	618	430	699	734	733	757	947	881	-7.0	16.3	20.1	
Unquoted trusts	6,205	3,571	2,362	2,444	2,982	3,456	3,869	4,198	4,151	4,500	4,851	4,854	0.1	7.9	16.9	
Compensation receivable	15,971	13,812	14,657	5,575	760	377	357	16	0	0	0	0	-	-	-	
Other	3,523	3,370	7,905	8,179	14,027	12,822	20,339	16,311	18,434	14,984	17,967	23,792	32.4	58.8	29.1	
Leasing	553	387	592	1,356	2,126	3,149	3,451	2,569	3,241	3,519	4,969	5,203	4.7	47.8	60.5	
Shares in other companies	3,123	2,791	1,892	2,416	4,042	3,762	4,538	4,067	4,869	4,934	5,542	5,730	3.4	16.1	17.7	
Fixed assets and miscellaneous	5,198	4,902	4,678	4,575	4,677	4,685	4,926	5,096	5,521	5,808	6,372	6,413	0.6	10.4	16.2	
Foreign branches	-109	-136	-53	-148	-139	-154	-178	-202	-216	-215	-232	-235	1.0	9.3	8.4	
Other assets	7,549	7,816	7,137	6,178	5,682	6,277	8,505	6,946	7,477	7,646	9,435	9,731	3.1	27.3	30.1	
<b>Liabilities</b>	<b>103,079</b>	<b>101,732</b>	<b>113,285</b>	<b>112,600</b>	<b>131,476</b>	<b>152,153</b>	<b>182,596</b>	<b>198,438</b>	<b>235,797</b>	<b>243,766</b>	<b>300,190</b>	<b>309,274</b>	<b>3.0</b>	<b>26.9</b>	<b>31.2</b>	
Deposits	44,445	52,625	62,685	75,668	94,095	116,719	135,711	154,387	187,971	198,662	244,432	245,887	0.6	23.8	30.8	
Public sector <sup>3</sup>	1,636	3,077	6,039	6,946	7,029	7,564	19,600	17,757	26,375	23,598	32,292	28,906	-10.5	22.5	9.6	
Private sector <sup>3</sup>	38,289	47,097	55,384	67,859	85,714	107,671	114,176	134,426	159,913	173,203	209,827	214,498	2.2	23.8	34.1	
Current account	8,905	11,588	13,966	17,946	20,604	27,132	30,188	35,127	41,901	46,297	53,629	54,173	1.0	17.0	29.3	
Savings account	6,309	10,547	14,842	18,362	23,165	30,169	32,778	40,999	46,890	53,085	66,830	66,657	-0.3	25.6	42.2	
Time deposit	11,083	18,710	22,729	27,736	38,043	45,770	46,990	54,058	64,625	67,568	81,675	84,918	4.0	25.7	31.4	
CEDRO	9,016	2,409	798	3	1	0	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	34,235	37,701	34,427	44,394	50,667	14.1	47.2	34.4	
Interbanking obligations	836	726	1,070	1,488	3,383	1,979	1,160	1,668	1,803	1,903	2,742	2,918	6.4	53.3	61.8	
BCRA lines	16,624	17,030	17,768	10,688	3,689	675	649	41	36	57	382	405	6.2	613.2	1,017.6	
Outstanding bonds	9,073	6,674	7,922	6,548	6,413	6,686	5,672	4,626	3,747	2,802	5,258	5,389	2.5	92.3	43.8	
Foreign lines of credit	15,434	9,998	5,444	2,696	2,249	1,833	2,261	1,262	1,643	1,716	3,336	3,346	0.3	94.9	103.7	
Other	7,374	7,939	12,878	11,530	16,015	18,150	29,555	26,638	30,471	27,949	32,675	38,610	18.2	38.1	26.7	
Subordinated debts	3,622	1,850	1,304	1,319	1,642	1,668	1,759	1,918	1,946	2,148	1,921	1,951	1.6	-9.1	0.3	
Other liabilities	5,671	4,890	4,213	3,264	3,989	4,443	5,828	7,897	8,179	8,528	9,443	10,768	14.0	26.3	31.7	
<b>Net worth</b>	<b>15,827</b>	<b>14,900</b>	<b>14,780</b>	<b>17,080</b>	<b>20,938</b>	<b>23,356</b>	<b>26,292</b>	<b>31,111</b>	<b>34,557</b>	<b>36,259</b>	<b>39,136</b>	<b>40,657</b>	<b>3.9</b>	<b>12.1</b>	<b>17.7</b>	
<b>Memo</b>																
<b>Netted assets</b>	<b>117,928</b>	<b>115,091</b>	<b>121,889</b>	<b>123,271</b>	<b>143,807</b>	<b>166,231</b>	<b>192,074</b>	<b>216,100</b>	<b>254,442</b>	<b>267,364</b>	<b>324,898</b>	<b>329,768</b>	<b>1.5</b>	<b>23.3</b>	<b>29.6</b>	

(<sup>1</sup>) Includes margin accounts with the BCRA. (<sup>2</sup>) Booked value from balance sheet (it includes all the counterpart). (<sup>3</sup>) Does not include accrual on interest or CER.

Source: BCRA

# Statistics annex | Private banks (cont.)

## Chart 7 | Profitability Structure

Amount in million of pesos	Annual									First 10 months		Monthly			Last 12 months
	2002 <sup>1</sup>	2003	2004	2005	2006	2007	2008	2009	2010	2010	2011	Aug-11	Sep-11	Oct-11	
Financial margin	10,628	2,575	3,415	5,253	7,778	8,960	12,964	19,724	21,837	17,755	21,579	2,396	1,540	3,368	25,662
Net interest income	-304	107	1,214	2,069	2,826	4,191	7,727	10,572	12,842	10,271	14,677	1,600	1,671	1,769	17,248
CER and CVS adjustments	1,476	1,082	900	1,215	858	662	651	185	244	285	245	26	25	26	203
Foreign exchange price adjustments	6,189	-312	666	576	740	990	1,620	1,646	1,493	1,225	1,809	239	168	237	2,076
Gains on securities	3,464	1,892	959	1,259	3,154	2,888	1,637	7,343	7,464	6,157	4,888	502	-175	1,087	6,195
Other financial income	-197	-195	-322	134	199	229	1,329	-22	-205	-183	-39	29	-149	250	-61
Service income margin	2,782	2,341	2,774	3,350	4,459	5,881	7,632	9,198	11,345	9,196	12,360	1,358	1,388	1,401	14,509
Loan loss provisions	-6,923	-1,461	-1,036	-714	-737	-1,174	-1,863	-2,751	-2,253	-1,760	-2,149	-220	-229	-322	-2,642
Operating costs	-6,726	-5,310	-5,382	-6,303	-7,741	-9,735	-12,401	-14,807	-18,819	-15,243	-19,412	-2,027	-2,077	-2,145	-22,988
Tax charges	-512	-366	-393	-509	-769	-1,105	-1,715	-2,380	-2,927	-2,347	-3,417	-370	-382	-414	-3,997
Adjust. to the valuation of gov. securities <sup>2</sup>	0	-665	-51	-201	-170	-100	-267	0	47	36	-40	0	0	0	-29
Amort. payments for court-ordered releases	0	-791	-1,147	-1,168	-1,182	-1,466	-688	-367	-441	-410	-107	-10	-11	-15	-138
Other	-4,164	1,178	846	1,156	1,641	1,576	916	398	1,382	1,030	1,410	100	269	61	1,762
Monetary results	-10,531	-20	0	0	0	0	0	0	0	0	0	0	0	0	0
Total results before tax <sup>1</sup>	-15,447	-2,518	-973	865	3,279	2,836	4,579	9,014	10,171	8,257	10,225	1,226	499	1,934	12,139
Income tax	-337	-295	-202	-217	-365	-380	-1,168	-3,001	-2,733	-2,383	-3,472	-414	-253	-666	-3,821
<b>Resultado total<sup>3</sup></b>	<b>-15,784</b>	<b>-2,813</b>	<b>-1,176</b>	<b>648</b>	<b>2,915</b>	<b>2,457</b>	<b>3,412</b>	<b>6,014</b>	<b>7,438</b>	<b>5,874</b>	<b>6,753</b>	<b>812</b>	<b>246</b>	<b>1,268</b>	<b>8,317</b>
Resultado ajustado <sup>4</sup>	-	-1,357	252	2,016	4,267	4,023	4,367	6,381	7,832	6,248	6,900	822	257	1,283	8,484
<i>Annualized indicators - As % of netted assets</i>															
Financial margin	7.6	2.3	2.9	4.3	5.9	5.8	7.3	9.8	9.3	9.3	8.7	9.1	5.7	12.4	8.8
Net interest income	-0.2	0.1	1.0	1.7	2.1	2.7	4.4	5.3	5.5	5.4	5.9	6.1	6.2	6.5	5.9
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	0.1
Foreign exchange price adjustments	4.4	-0.3	0.6	0.5	0.6	0.6	0.9	0.8	0.6	0.6	0.7	0.9	0.6	0.9	0.7
Gains on securities	2.5	1.7	0.8	1.0	2.4	1.9	0.9	3.7	3.2	3.2	2.0	1.9	-0.7	4.0	2.1
Other financial income	-0.1	-0.2	-0.3	0.1	0.2	0.1	0.8	0.0	-0.1	-0.1	0.0	0.1	-0.6	0.9	0.0
Service income margin	2.0	2.0	2.4	2.7	3.4	3.8	4.3	4.6	4.8	4.8	5.0	5.1	5.2	5.2	5.0
Loan loss provisions	-5.0	-1.3	-0.9	-0.6	-0.6	-0.8	-1.1	-1.4	-1.0	-0.9	-0.9	-0.8	-0.9	-1.2	-0.9
Operating costs	-4.8	-4.6	-4.6	-5.1	-5.9	-6.3	-7.0	-7.4	-8.0	-8.0	-7.8	-7.7	-7.8	-7.9	-7.9
Tax charges	-0.4	-0.3	-0.3	-0.4	-0.6	-0.7	-1.0	-1.2	-1.2	-1.2	-1.4	-1.4	-1.4	-1.5	-1.4
Adjust. to the valuation of gov. securities <sup>2</sup>	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	0.0
Amort. payments for court-ordered releases	0.0	-0.7	-1.0	-1.0	-0.9	-0.9	-0.4	-0.2	-0.2	-0.2	0.0	0.0	0.0	-0.1	0.0
Other	-3.0	1.0	0.7	0.9	1.2	1.0	0.5	0.2	0.6	0.5	0.6	0.4	1.0	0.2	0.6
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	0.0
Total results before tax <sup>1</sup>	-11.1	-2.2	-0.8	0.7	2.5	1.8	2.6	4.5	4.3	4.3	4.1	4.7	1.9	7.1	4.2
Income tax	-0.2	-0.3	-0.2	-0.2	-0.3	-0.2	-0.7	-1.5	-1.2	-1.2	-1.4	-1.6	-0.9	-2.4	-1.3
<b>ROA<sup>3</sup></b>	<b>-11.3</b>	<b>-2.5</b>	<b>-1.0</b>	<b>0.5</b>	<b>2.2</b>	<b>1.6</b>	<b>1.9</b>	<b>3.0</b>	<b>3.2</b>	<b>3.1</b>	<b>2.7</b>	<b>3.1</b>	<b>0.9</b>	<b>4.7</b>	<b>2.9</b>
ROA adjusted <sup>4</sup>	-11.3	-1.2	0.2	1.6	3.2	2.6	2.5	3.2	3.3	3.3	2.8	3.1	1.0	4.7	2.9
ROE before tax <sup>2</sup>	-77.3	-17.1	-6.7	5.5	17.2	12.6	20.4	34.4	33.5	33.2	35.7	41.5	16.7	62.5	35.6
ROE <sup>3</sup>	-79.0	-19.1	-8.1	4.1	15.3	10.9	15.2	22.9	24.5	23.6	23.6	27.5	8.3	41.0	24.4

(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 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Dec 08	Dec 09	Oct 10	Dec 10	Sep 11	Oct 11
<b>Non-performing loans (overall)</b>	<b>19.8</b>	<b>15.7</b>	<b>8.9</b>	<b>4.4</b>	<b>2.9</b>	<b>2.2</b>	<b>2.5</b>	<b>3.1</b>	<b>2.2</b>	<b>1.9</b>	<b>1.3</b>	<b>1.3</b>
Provisions / Non-performing loans	71.4	73.0	89.2	102.7	114.2	123.4	118.5	115.9	131.9	143.5	169.3	171.5
(Total non-performing - Provisions) / Overall financing	5.7	4.2	1.0	-0.1	-0.4	-0.5	-0.5	-0.5	-0.7	-0.8	-0.9	-0.9
(Total non-performing - Provisions) / Net worth	20.0	14.4	3.4	-0.4	-1.4	-2.1	-1.9	-1.7	-2.8	-3.4	-4.6	-4.8
<b>Non-performing loans to the non-financial private sector</b>	<b>37.4</b>	<b>30.4</b>	<b>15.3</b>	<b>6.3</b>	<b>3.6</b>	<b>2.5</b>	<b>2.8</b>	<b>3.3</b>	<b>2.3</b>	<b>2.0</b>	<b>1.4</b>	<b>1.4</b>
Provisions / Non-performing loans	72.4	75.0	88.3	102.4	113.9	122.7	118.0	115.1	131.5	143.0	168.0	170.2
(Total non-performing - Provisions) / Overall financing	10.3	7.6	1.8	-0.1	-0.5	-0.6	-0.5	-0.5	-0.7	-0.9	-0.9	-1.0
(Total non-performing - Provisions) / Net worth	19.0	12.9	3.6	-0.4	-1.4	-2.0	-1.8	-1.6	-2.8	-3.4	-4.5	-4.7

Source: BCRA