

Report on Banks

July 2010



BANCO CENTRAL
DE LA REPÚBLICA ARGENTINA

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Year VII, No. 11



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Note | Information for July 2010 available by August 24, 2010 is included. This Report is focussed on the performance of the financial system, including breakdowns by homogeneous sub-sectors. The data reported (particularly, those referring to profitability are provisional and are subject to changes later. Except the opposite was indicated the data included corresponds to BCRA Information Regimes (end of month data)

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Summary

- **During July the dynamism of private sector deposits and lending continued to increase as the growth of bank intermediation with companies and households gained strength in the context of declining loan portfolio delinquency. Bank operating structure has continued to grow steadily.** Bank payroll have risen by 2.2% year-on-year (y.o.y.), a variation accounted for mainly by private financial entities.
- **Financial system foreign currency mismatching** (which includes net undeliverable foreign currency term purchases) **fell in July to 37.2% of net worth.** Furthermore, the proportions of both private sector loans and deposits that are denominated in foreign currency remain relatively low (just 15% and 20% of the respective totals), with the former mainly being directed to tradable sectors.
- **Balance sheet lending to the private sector went up 2.2% in July, driven by commercial lines.** Export credit lines were the most dynamic, followed by leasing and promissory notes. As a result, lending to companies and households has risen by an annualized (a.) 27% in the first 7 months of 2010, well in excess of the growth seen in the same period last year (5%a.). **In the first months of the year lending to the corporate sector increased its growth rate compared with the same period of 2009, reflecting the effects of an increase in credit for almost all sectors of the economy.** Loans to households have also shown signs of greater dynamism over the year to date, mainly from the performance of consumer credit.
- **Private sector loan non-performance reached 2.9% of loans in June** (the latest figure available), **a total drop of 0.6 p.p. in 2010.** This development took place mainly among non-bank financial entities and private banks because of the improved performance of their consumer credit portfolios. Financial system non-performing portfolios continue to record high levels of coverage by means of provisions (139%).
- **In July the bank liquidity ratio** (including items in both local and foreign currency) **declined slightly to 28.8% of deposits,** from lower minimum cash compliance and, to a lesser extent, from the lower net stock of repos with the Central Bank. The broad liquidity indicator (which includes Lebac and Nobac not linked to repos with the Central Bank) amounted to 43.5% of total deposits.
- **Financial system balance sheet total deposits fell back slightly in July (-0.4%) reflecting the effect of a drop in deposits from the public sector.** The sock of non-financial private sector deposits rose 1.5% compared with June (24.8% y.o.y.), driven mainly by time deposits.
- **Financial system consolidated net worth went up 2.6% in July, mainly from monthly book profits.** The capital compliance ratio rose moderately during the month, to 17.8% of risk-weighted assets.
- **Accrued profits for July** (3.8%a. of assets) **were higher than those for June, mainly because of the increased gains on securities and higher net interest income.** All bank groups increased their profits for the month, with a notable performance in the case of foreign private banks. Accumulated results for the year show book profits equivalent to 2.5%a. of assets, 0.4 p.p. higher than in the first 7 months of 2009. Compared with last year, some increase has been noted in financial system leverage as a result of the greater relative growth of assets compared with that for net worth. As a result, financial system ROE totaled 21.2%a. between January and July, higher by 3.5 p.p. than in the same period of 2009.

Activity

Growth in bank financial intermediation with the private sector is gaining strength

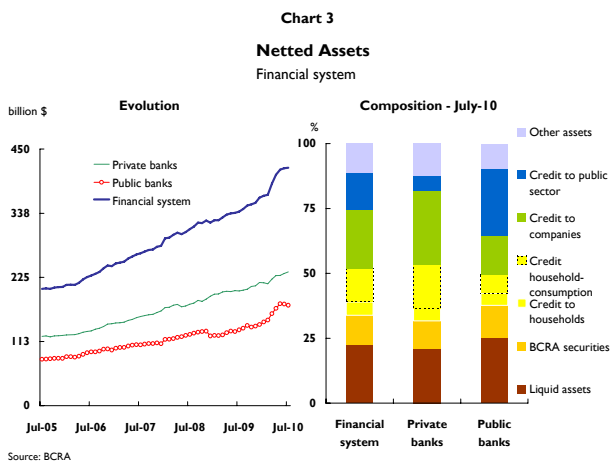
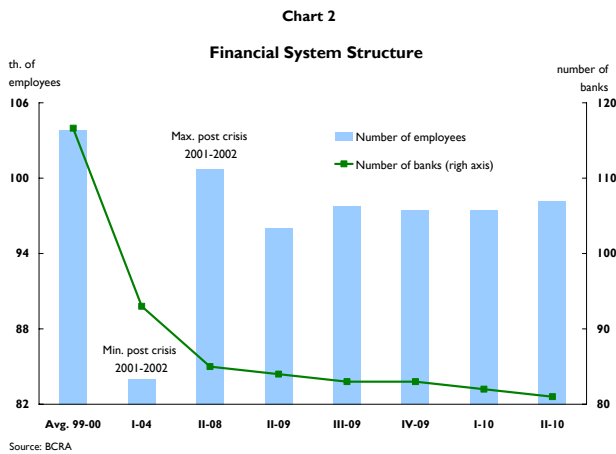
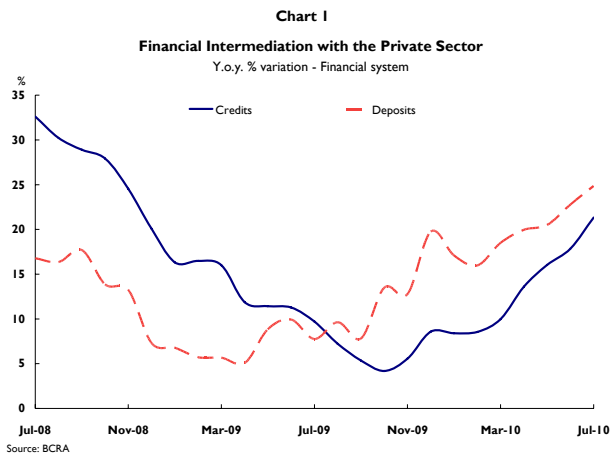
Financial intermediation with the private sector continued to show an increasing growth rate in July, in line with the performance observed in recent months. Corporate and household loans and deposits showed greater dynamism than that seen twelve months earlier, and the outlook for coming periods is positive (see Chart 1). Growth in private sector lending stocks reached 21.3% y.o.y., while company and household deposits have risen by 24.8% y.o.y. Bank netted assets rose 0.2% for the month, accumulating an increase of 22.6% y.o.y.

This recent growth in financial intermediation was accompanied by rising employment in the sector (see Chart 2). Bank staffing has risen 2.2% y.o.y., mainly in the private bank sector.

Higher lending stocks to households and companies led the growth of netted assets in July. As a result, there has been an increase in the share of lending to the private sector for the third month in succession, to a level of 40.7%¹ of netted assets. This monthly increase mainly reflects the development of national private banks' lending, and to a lesser extent, that by public banks (see Chart 3). Financial entities reduced their liquid assets in July to 22.3% of netted assets (33.8% when including Lebac and Nobac not linked to repo transactions).

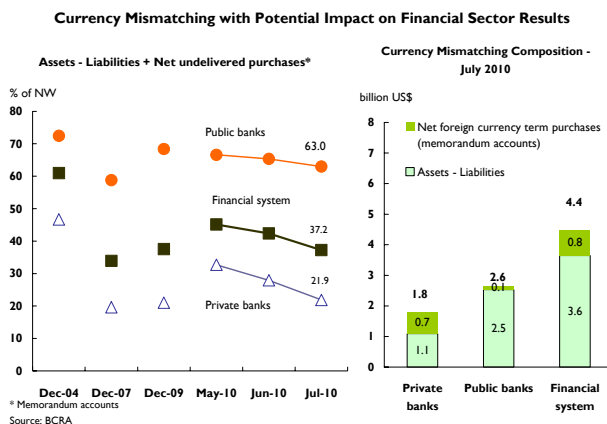
The principal source of financial system resources (estimated on the basis of changes in balance sheet stocks) has been a drop in liquid assets (\$7.7 billion) and to a lesser extent, an increase in private sector deposits (\$3.4 billion). In the case of the uses of resources, there has been a reduction in public sector deposits following the payment of debt servicing (approximately \$4.3 billion), as well as an increase in lending to the private sector (\$4.0 billion) and in Lebac and Nobac holdings not related to repos with the Central Bank (\$1.9 billion). Whereas private banks accounted for most of the monthly growth in private sector loans and deposits, the drop in liquidity took place mainly in public banks.

Financial system foreign currency mismatching (including net foreign currency term purchases with undeliverable underlying assets) fell almost US\$500



¹The share of loans to the private sector in terms of total assets is 38.1%

Chart 4



million in June to US\$4.5 billion, equivalent to 37.2% of net worth (see Chart 4). This change for the month was mainly due to a drop in net foreign currency term purchases by private banks.

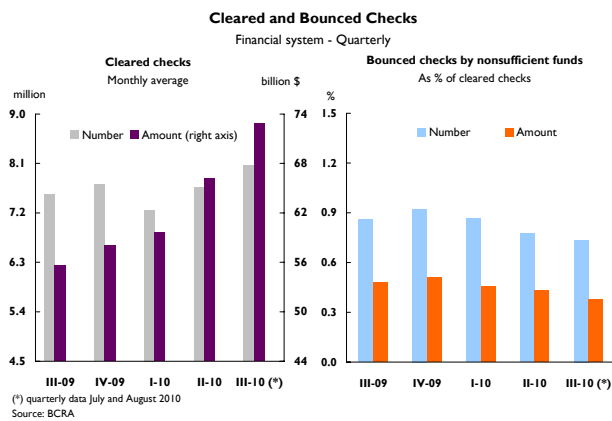
The ratio of bounced checks by nonsufficient funds to total cleared checks continues to decline, at the same time as the volume of traded documents has been gradually increasing (see Chart 5). In the first 8 months of 2010 61 million checks were cleared (4.8% y.o.y.), for an amount of \$523 billion (23.5% y.o.y.). In August, bounced checks for nonsufficient funds represented 0.72% of the total (equivalent to 0.37% of the amount cleared).

Deposits and liquidity

Private sector deposits have risen in the context of a gradual reduction in liquidity

Balance sheet financial system deposit stocks were down slightly in July (-0.4%). This movement was largely explained by a reduction in public sector deposits (-4.2%), mainly from the transfer of funds to the Central Bank for the payment of servicing on the Boden 2012 issue that took place in August. Nevertheless, the growth in public sector deposits has been 41% y.o.y. Private sector deposit stocks were up 1.5% compared with June (24.8% y.o.y.), driven mainly by time deposits. Interest rates on peso time deposits in the wholesale and retail segments remained relatively stable during the month, and were lower than one year earlier.

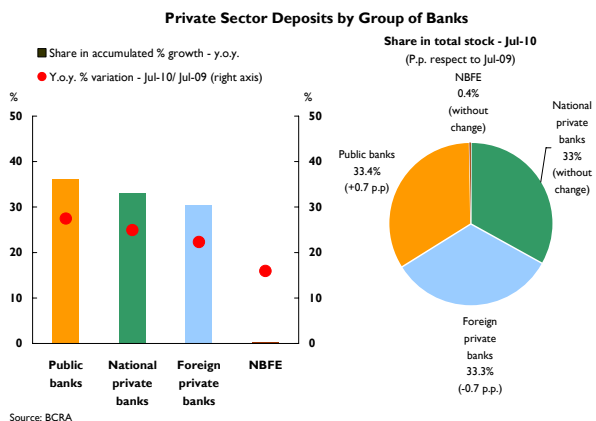
Chart 5



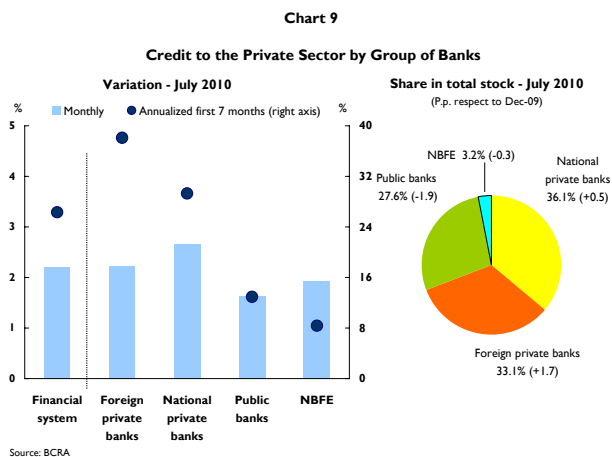
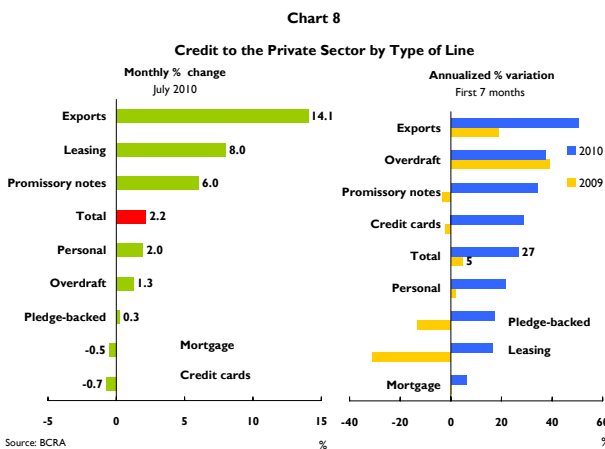
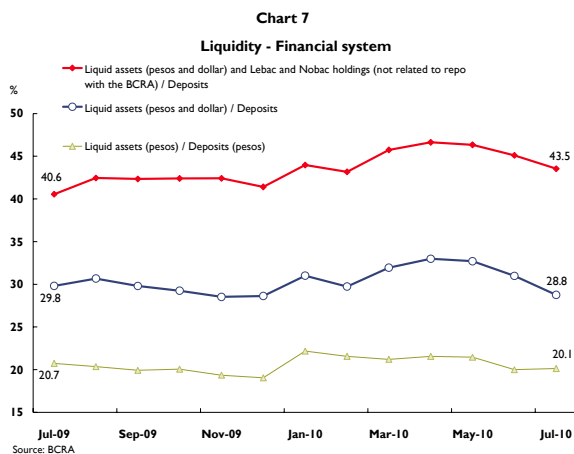
Public banks and national private banks accounted for most of the year-on-year growth in non-financial private sector deposits (see Chart 6). During this period, most deposit-taking entities recorded an increase in their funding through deposits from the private sector (13 private and public banks accounted for almost 90% of this variation).

Financial system liquid assets were down during the month, mainly because of the lower foreign currency minimum cash compliance, and to a lesser extent, because of the decline in net repos with the Central Bank. The liquidity indicator including items in national and foreign currency fell by 2.2 p.p. of total deposits in June, to 28.8%² (see Chart 7). The broad liquidity indicator including Lebac and Nobac not related to repos with the Central Bank stood at 43.5% of deposits, almost 3 p.p. above the level of 12 months earlier. Both public

Chart 6



² Peso liquidity held steady at 20.1% of total deposits in national currency, lower than the level at July 2009.



and private banks lowered their liquidity indicators for the month.

The average daily volume traded on the call money market dropped in August, reaching \$860 million. The average interest rate weighted by trading volume remained almost unchanged at 9.2% compared with the previous month.

Financing

Commercial credit lines were behind the monthly growth in lending to the private sector

Balance sheet lending stocks to households and companies rose by 2.2%³ in July, mainly driven by commercial lines. Export credit lines were the most dynamic, followed by leasing and promissory notes (see Chart 8). As a result, total lending to the private sector has risen by 27%a. in the first 7 months of 2010, well in excess of the figure recorded in the same period of the previous year (5%a.), a consequence of the overall improvement in the performance of the various loan lines. There was a particular surge in the growth rate for promissory notes, credit cards, leasing and pledge-backed loans, which had posted a decline in the first part of 2009.

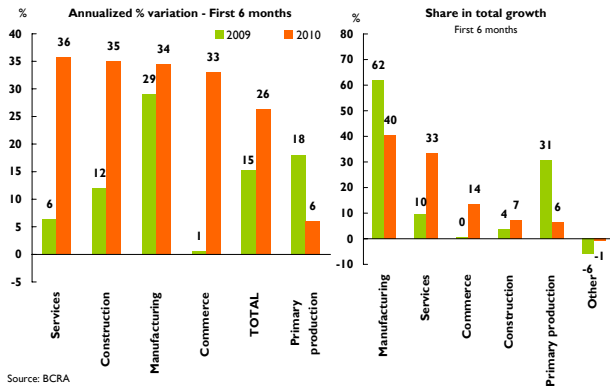
While all groups of financial entities posted an increase during the month in lending to the private sector, notable dynamism was displayed by private banks (national and foreign). This group of banks has continued to gain share of total lending to the private sector (see Chart 9).

In the year to date, bank lending to companies⁴ has grown at a faster rate than in the same period of 2009. This improvement was seen for almost all sectors of the economy (based on information as at June, the latest figure available) (see Chart 10). Loans to the manufacturing sector and service companies accounted for over 70% of the growth in corporate lending in 2010 to date, loans to the former being provided by means of promissory notes, and to the latter by means of overdrafts. As a result, manufacturing has remained the sector with the largest share of total lending to companies.

³ If the balance sheet total is corrected for the monthly issue of financial trusts, the variation in lending to the private sector would reach 2.4%. During July there were 3 financial trust issues using bank loans as underlying assets for a total of \$392 million, of which \$273.5 million corresponded to securitization of mortgage loans, and \$118.5 million to securitization of personal loans.

⁴ Loans to companies are those granted to legal persons and commercial loans granted to individuals; remaining loans to individuals are considered within the households heading.

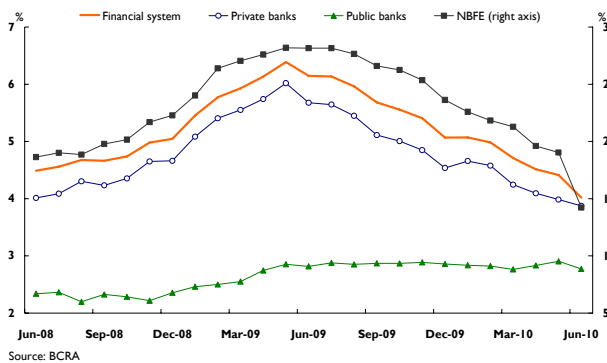
Chart 10
Credit to Companies by Economic Sector



When lending to the corporate sector is broken down into residual stock segments, it can be seen that in the first 6 months of 2010, the segment for over \$5 million recorded the greatest dynamism (growing by 37%a.), at the same time as being the segment making the greatest contribution to lending growth (accounting for almost three-quarters of the total). The smaller segments (under \$5 million) grew by 15%a.

Loans directed at households were up 23%a. in the first few months of the year (to June 2010, the latest date for which information is available), being driven mainly by consumer credit (28%a.). Loans granted by means of credit cards and personal loans together, explained over 80% of the increase in the total balance sheet stock of lending to households over the course of 2010. In the case of collateralized loans, there has been renewed dynamism by pledge-backed loans, while mortgage loans have shown only a modest increase.

Chart 11
Non-performing Consumption Credit to Households by Group of de Banks



Private sector loan non-performance stood at 2.9% of total lending in June (latest information available), accumulating a drop of 0.6 p.p. in 2010. This improvement in loan quality in recent months has mainly taken place in non-bank financial entities and private banks, basically as a result of improved performance by their consumer loan portfolios (see Chart 11). Coverage of the non-performing portfolio by provisions reached 139% in June, 21 p.p. above the value recorded 12 months earlier.

Financial system exposure to the public sector reached 13.3% of assets in July, slightly below the level recorded in the same month of the previous year. If total official sector deposits are taken into account, the Government continues to be a net creditor of the financial system (9% of total assets).

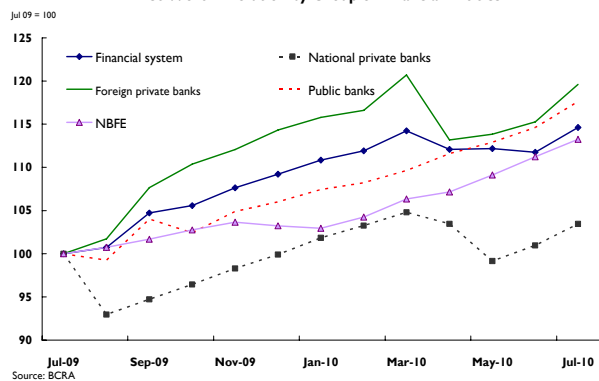
Solvency

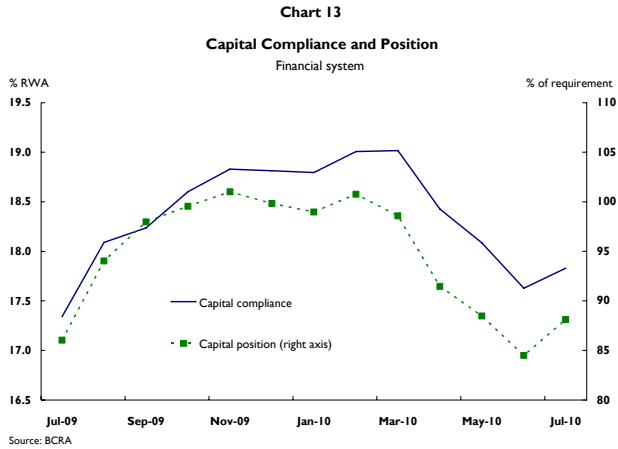
Financial system solvency improved, mainly as a result of the book profits recorded

Financial system consolidated net worth went up 2.6% in July, led by the book profits obtained. All banks groups, and foreign private banks in particular, posted increases in net worth (see Chart 12). In the last year, financial system net worth has shown a growth rate of 14.6%.

Within the context of a growing volume of financial intermediation with the private sector and expansion in net worth, financial system capital compliance went up by 0.2 p.p. of risk-weighted assets (RWA) in the

Chart 12
Net Worth Evolution by Group of Financial Entities

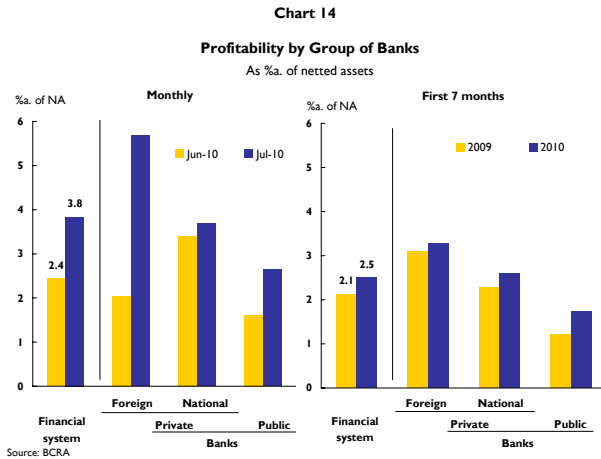




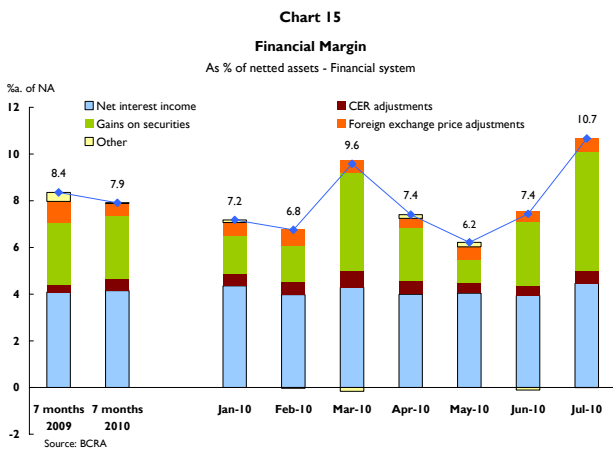
month, to 17.8%. Excess capital compliance rose in July (see Chart 13), to 88% of the regulatory requirement.

During the month financial entities accrued book profits for 3.8%a. of assets, an increased compared with June, mainly from the improvement in financial margin. All groups of banks increased their profits, with a notable performance being recorded by foreign private banks (see Chart 14). Over the course of 2010 financial system profits have amounted to 2.5%a. of assets, 0.4 p.p. more than in the same period of 2009.

Financial margin went up 3.3 p.p. of assets in July to 10.7%a., mainly because of higher gains on securities (2.3 p.p. of assets, to 5.1%a.) and from net interest income (0.6 p.p. of assets, to 4.5%a.). The trend recorded by these financial margin components was widespread across all banks, with a notable increase in gains on securities recorded by public and foreign private financial entities, while net interest income showed greater relative growth in public banks. The remaining financial margin components (foreign exchange rate adjustments, CER adjustments and other financial results) rose slightly in July. In the total for the year at date, there has been a year-on-year decline of 0.5 p.p. of assets in the financial margin to 7.9%a., mainly because of the lower weighting of headings linked to the evolution of the nominal peso-dollar exchange rate (see Chart 15).



Service income was down 0.1 p.p. of assets in July, totaling 3.9%a. This slight reduction was explained by public banks and national private banks. In the first 7 months of 2010 this revenue was approximately equal to that of the previous year, at around 3.8%a. of assets, reinforcing its place as the second most important source of financial system results (after net interest income).



Operating costs dropped 0.3 p.p. of assets in the month, to 6.8%a., a movement that took place mainly in private banks. During the year this expenditure has risen slightly compared with the same period of 2009 (see Chart 16). It should be mentioned that **this expenditure remains more than covered by net interest income and service income margin,** with a coverage ratio of 117%, almost the same as 12 months earlier.

Loan loss provisions were lower by 0.1 p.p. of assets in July, to 0.7%a., mainly in public banks. Over 2010 to date there has been a year-on-year drop of 0.4 p.p. of assets in the case of these provisions, to 0.8%a. **This reduction kept pace with the decline in the non-**

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” 5106 – 07/26/10

Setting up, operation and expansion of financial entities. A section has been added separating the executive and board functions of financial entities, depending on the category of bank to which the entity belongs: i) Group A: banks with deposits greater than or equal to 1% of total financial system deposits, in which case the two functions should be kept separate; ii) Group B, banks with deposits not exceeding the amount established for Group A and that do not belong to Group C, in which case the SEFyC will provide information for consideration by a Committee for Evaluation of Suitability and Experience, which will decide whether or not a separation of functions will be required based on the characteristics of the entity and the background of the persons and their positions; iii) Group C entities for which deposit totals do not exceed 0.25% of total financial system deposits and/or which when not included in Group A have a ratio of deposits to adjusted stockholders' equity of less than 100% will not be required to segregate executive and board functions, it being left to the entity which criterion should be adopted, according to the business and operating activities it performs.

Communication “A” 5107 – 07/30/10

Setting up, operation and expansion of financial entities. It is established that banks classified as wholesale banks may perform all lending, deposit and service operations that the law and regulations establish for retail banks, but may only receive deposits from the Argentine financial sector and foreign banks. In the case of public banks granting medium and long-term financing for productive activities and foreign trade, these may also receive deposits from international credit agencies and investors making deposits in accordance with the rules on “Deposits and term investments” for amounts of not less than \$2 million or \$1 million (or its equivalent in other currencies) per individual transaction and for terms of not less than 180 or 365 days respectively.

Methodology

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

Glossary

%a.: annualized percentage.

%i.a.: interannual percentage.

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

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

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

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

CEDRO: Certificado de Depósito Reprogramado. Rescheduled Stabilization Coefficient.

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

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

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

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

Lebac and Nobac: Bills and notes of the BCRA.

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

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

mill.: million.

NBFE: Non-banking financial entity.

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

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

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

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

ON: Corporate bonds (Obligaciones Negociables).

OS: Subordinated debt (Obligaciones Subordinadas).

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

PN: Net worth (Patrimonio Neto).

p.p.: percentage points.

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

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

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

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

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

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

RWA: Risk weighted assets.

SME: Small and Medium Enterprises.

US\$: United States dollars

Statistics annex | Financial system

Chart 1 | Financial Soundness Indicators (see Methodology)

As %	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	Jul 2009	2009	Jun 2010	Jul 2010
1.- Liquidity	22.3	26.1	23.1	25.0	23.4	19.6	22.8	29.1	29.6	20.1	22.5	23.0	27.9	29.8	28.6	31.0	28.8
2.- Credit to the public sector	16.9	16.2	16.2	18.0	17.3	23.0	48.9	47.0	40.9	31.5	22.5	16.3	12.7	13.5	14.5	13.2	13.3
3.- Credit to the private sector	50.8	47.7	48.4	44.9	39.9	42.7	20.8	18.1	19.6	25.8	31.0	38.2	39.4	38.1	38.3	37.5	38.1
4.- Private non-performing loans	16.2	13.8	12.2	14.0	16.0	19.1	38.6	33.5	18.6	7.6	4.5	3.2	3.1	3.8	3.5	2.9	n.a.
5.- Net worth exposure to the private sector	24.9	22.5	20.6	24.7	26.2	21.9	17.3	12.4	-1.0	-4.1	-3.3	-3.0	-3.3	-2.2	-2.8	-3.8	n.a.
6.- ROA	0.6	1.0	0.5	0.2	0.0	0.0	-8.9	-2.9	-0.5	0.9	1.9	1.5	1.6	2.1	2.3	2.3	2.5
7.- ROE	4.1	6.3	3.9	1.7	0.0	-0.2	-59.2	-22.7	-4.2	7.0	14.3	11.0	13.4	17.7	19.2	19.1	21.2
8.- Efficiency	142	136	138	142	147	143	189	69	125	151	167	160	167	182	185	164	172
9.- Capital compliance	23.8	20.8	20.3	21.0	20.1	21.4	-	14.5	14.0	15.3	16.9	16.9	16.9	17.3	18.8	17.6	17.8
10.- Excess capital compliance	64	73	49	54	58	54	-	116	185	173	134	93	90	86	100	84	88

Source: BCRA
n.a.: not available

Chart 2 | Balance Sheet

In million of current pesos	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Dec 08	Jul 09	Dec 09	Jun 10	Jul 10	Change (in %)					
												Last month	2010	Last 12 onths			
Assets	187,532	186,873	212,562	221,962	258,384	297,963	346,762	368,533	387,381	442,616	445,436	0.6	15.0	20.9			
Liquid assets ¹	17,138	27,575	29,154	20,819	37,991	46,320	58,676	61,082	71,067	87,384	81,196	-7.1	14.3	32.9			
Public bonds	31,418	45,062	55,382	66,733	64,592	62,678	65,255	78,729	86,318	100,556	103,653	3.1	20.1	31.7			
Lebac/Nobac	-	-	17,755	28,340	29,289	36,022	37,093	42,879	43,867	61,227	62,879	2.7	43.3	46.6			
Portfolio	-	-	11,803	21,067	25,767	31,598	25,652	27,061	34,748	45,951	47,889	4.2	37.8	77.0			
Repo ²	-	-	5,953	7,273	3,521	4,424	11,442	15,818	9,119	15,275	14,990	-1.9	64.4	-5.2			
Private bonds	332	198	387	389	813	382	203	273	307	256	248	-2.9	-19.2	-9.1			
Loans	84,792	68,042	73,617	84,171	103,668	132,157	154,719	158,870	169,868	191,200	194,872	1.9	14.7	22.7			
Public sector	44,337	33,228	30,866	25,836	20,874	16,772	17,083	17,814	20,570	23,701	23,903	0.8	16.2	34.2			
Private sector	38,470	33,398	41,054	55,885	77,832	110,355	132,844	137,258	145,247	163,186	166,619	2.1	14.7	21.4			
Financial sector	1,985	1,417	1,697	2,450	4,962	5,030	4,793	3,798	4,052	4,313	4,351	0.9	7.4	14.6			
Provisions over loans	-11,952	-9,374	-7,500	-4,930	-3,728	-4,089	-4,744	-5,505	-5,824	-5,868	-5,936	1.2	1.9	7.8			
Other netted credits due to financial intermediation	39,089	27,030	32,554	26,721	26,039	29,712	38,152	40,450	33,498	37,183	38,900	4.6	16.1	-3.8			
Corporate bonds and subordinated debt	1,708	1,569	1,018	873	773	606	912	1,161	1,146	1,360	1,302	-4.2	13.7	12.2			
Unquoted trusts	6,698	4,133	3,145	3,883	4,881	5,023	5,714	6,068	5,942	5,985	5,637	-5.8	-5.1	-7.1			
Compensation receivable	17,111	14,937	15,467	5,841	763	377	357	17	16	15	15	0.0	-3.9	-10.5			
Other	13,572	6,392	12,924	16,124	19,622	23,706	31,169	33,204	26,395	29,824	31,946	7.1	21.0	-3.8			
Leasing	567	397	611	1,384	2,262	3,469	3,935	3,169	2,933	2,969	3,208	8.0	9.3	1.2			
Shares in other companies	4,653	4,591	3,871	4,532	6,392	6,430	7,236	7,915	6,711	7,081	7,212	1.9	7.5	-8.9			
Fixed assets and miscellaneous	8,636	8,164	7,782	7,546	7,619	7,643	7,903	8,158	8,239	8,510	8,538	0.3	3.6	4.7			
Foreign branches	3,522	3,144	3,524	3,647	2,782	2,912	3,153	4,136	3,926	3,158	3,188	0.9	-18.8	-22.9			
Other assets	9,338	12,043	13,180	10,950	9,953	10,347	12,275	11,257	10,337	10,185	10,357	1.7	0.2	-8.0			
Liabilities	161,446	164,923	188,683	195,044	225,369	261,143	305,382	322,836	339,047	392,593	393,988	0.4	16.2	22.0			
Deposits	75,001	94,635	116,655	136,492	170,898	205,550	236,217	252,014	271,853	325,484	324,061	-0.4	19.2	28.6			
Public sector ³	8,381	16,040	31,649	34,019	45,410	48,340	67,151	69,203	69,143	101,910	97,630	-4.2	41.2	41.1			
Private sector ³	59,698	74,951	83,000	100,809	123,431	155,048	166,378	178,942	199,278	220,041	223,392	1.5	12.1	24.8			
Current account	11,462	15,071	18,219	23,487	26,900	35,245	39,619	38,851	45,752	52,371	52,167	-0.4	14.0	34.3			
Savings account	10,523	16,809	23,866	29,078	36,442	47,109	50,966	55,878	62,807	68,753	69,681	1.3	10.9	24.7			
Time deposit	19,080	33,285	34,944	42,822	54,338	65,952	69,484	77,590	83,967	90,216	92,853	2.9	10.6	19.7			
CEDRO	12,328	3,217	1,046	17	13	0	0	0	0	0	0	-	-	-			
Other netted liabilities due to financial intermediation	75,737	61,690	64,928	52,072	46,037	46,225	57,662	57,797	52,114	54,231	56,291	3.8	8.0	-2.6			
Interbanking obligations	1,649	1,317	1,461	2,164	4,578	4,310	3,895	3,052	3,251	3,530	3,577	1.3	10.0	17.2			
BCRA lines	27,837	27,491	27,726	17,005	7,686	2,362	1,885	905	270	268	271	1.1	0.5	-70.0			
Outstanding bonds	9,096	6,675	7,922	6,548	6,603	6,938	5,984	5,515	5,033	4,059	3,938	-3.0	-21.8	-28.6			
Foreign lines of credit	25,199	15,196	8,884	4,684	4,240	3,864	4,541	3,541	3,369	3,272	3,260	-0.4	-3.2	-7.9			
Other	11,955	11,012	18,934	21,671	22,930	28,752	41,357	44,785	40,191	43,102	45,246	5.0	12.6	1.0			
Subordinated debts	3,712	2,028	1,415	1,381	1,642	1,672	1,914	1,922	1,973	1,958	1,958	-0.8	1.9	2.3			
Other liabilities	6,997	6,569	5,685	5,099	6,792	7,695	9,740	11,111	13,159	10,904	11,678	7.1	-11.3	5.1			
Net worth	26,086	21,950	23,879	26,918	33,014	36,819	41,380	45,698	48,335	50,023	51,447	2.8	6.4	12.6			
Memo																	
Netted assets	185,356	184,371	202,447	208,275	244,791	280,336	321,075	340,374	364,726	416,336	417,170	0.2	14.4	22.6			
Consolidated netted assets	181,253	181,077	198,462	203,286	235,845	271,652	312,002	331,892	357,118	407,750	408,351	0.1	14.3	23.0			

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

Source: BCRA

Statistics annex | Financial system (cont.)

Chart 3 | Profitability Structure

Amount in million of pesos	Annual								First 7 months		Monthly			Last 12 months
	2002 ¹	2003	2004	2005	2006	2007	2008	2009	2009	2010	May-10	Jun-10	Jul-10	
Financial margin	13,991	1,965	6,075	9,475	13,262	15,134	20,528	28,858	16,031	18,161	2,128	2,558	3,669	30,989
Net interest income	-3,624	-943	1,753	3,069	4,150	5,744	9,574	13,917	7,842	9,528	1,382	1,357	1,535	15,603
CER and CVS adjustments	8,298	2,315	1,944	3,051	3,012	2,624	2,822	1,196	576	1,225	159	141	183	1,845
Foreign exchange price adjustments	5,977	-890	866	751	944	1,357	2,307	2,278	1,758	1,240	193	150	196	1,759
Gains on securities	3,639	1,962	1,887	2,371	4,923	5,144	4,462	11,004	5,118	6,118	329	948	1,756	12,004
Other financial income	-299	-480	-375	233	235	264	1,362	463	736	50	64	-38	-1	-223
Service income margin	4,011	3,415	3,904	4,781	6,243	8,248	10,868	13,052	7,261	8,818	1,289	1,359	1,359	14,608
Loan loss provisions	-10,007	-2,089	-1,511	-1,173	-1,198	-1,894	-2,839	-3,814	-2,258	-1,747	-248	-245	-223	-3,303
Operating costs	-9,520	-7,760	-7,998	-9,437	-11,655	-14,634	-18,748	-22,710	-12,782	-15,753	-2,294	-2,430	-2,337	-25,681
Tax charges	-691	-473	-584	-737	-1,090	-1,537	-2,318	-3,272	-1,844	-2,173	-314	-320	-349	-3,601
Income tax	-509	-305	-275	-581	-595	-1,032	-1,342	-4,226	-2,343	-2,250	-141	-270	-810	-4,133
Adjust. to the valuation of gov. securities ²	0	-701	-320	-410	-752	-837	-1,757	-184	-123	-166	-27	-21	-16	-227
Amort. payments for court-ordered releases	0	-1,124	-1,686	-1,867	-2,573	-1,922	-994	-471	-169	-371	-60	-123	-29	-673
Other	-3,880	1,738	1,497	1,729	2,664	2,380	1,441	686	302	1,228	221	331	56	1,611
Monetary results	-12,558	69	0	0	0	0	0	0	0	0	0	0	0	0
Total results³	-19,162	-5,265	-898	1,780	4,306	3,905	4,757	7,920	4,075	5,745	552	837	1,321	9,590
Adjusted results ⁴	-	-3,440	1,337	4,057	7,631	6,665	7,508	8,575	4,367	6,283	640	982	1,365	10,491
Annualized indicators - As % of netted assets														
Financial margin	6.5	1.1	3.1	4.6	5.8	5.7	6.7	8.5	8.4	7.9	6.2	7.4	10.7	8.2
Net interest income	-1.7	-0.5	0.9	1.5	1.8	2.2	3.1	4.1	4.1	4.1	4.0	3.9	4.5	4.2
CER and CVS adjustments	3.9	1.3	1.0	1.5	1.3	1.0	0.9	0.4	0.3	0.5	0.5	0.4	0.5	0.5
Foreign exchange price adjustments	2.8	-0.5	0.4	0.4	0.4	0.5	0.8	0.7	0.9	0.5	0.6	0.4	0.6	0.5
Gains on securities	1.7	1.1	1.0	1.2	2.2	1.9	1.5	3.3	2.7	2.7	1.0	2.8	5.1	3.2
Other financial income	-0.1	-0.3	-0.2	0.1	0.1	0.1	0.4	0.1	0.4	0.0	0.2	-0.1	0.0	-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	3.8	4.0	3.9	3.9
Loan loss provisions	-4.7	-1.1	-0.8	-0.6	-0.5	-0.7	-0.9	-1.1	-1.2	-0.8	-0.7	-0.7	-0.6	-0.9
Operating costs	-4.4	-4.2	-4.1	-4.6	-5.1	-5.5	-6.1	-6.7	-6.7	-6.9	-6.7	-7.1	-6.8	-6.8
Tax charges	-0.3	-0.3	-0.3	-0.4	-0.5	-0.6	-0.8	-1.0	-1.0	-0.9	-0.9	-0.9	-1.0	-1.0
Income tax	-0.2	-0.2	-0.1	-0.3	-0.3	-0.4	-0.4	-1.3	-1.2	-1.0	-0.4	-0.8	-2.4	-1.1
Adjust. to the valuation of gov. securities ²	0.0	-0.4	-0.2	-0.2	-0.3	-0.3	-0.6	-0.1	-0.1	-0.1	-0.1	-0.1	0.0	-0.1
Amort. payments for court-ordered releases	0.0	-0.6	-0.9	-0.9	-1.1	-0.7	-0.3	-0.1	-0.1	-0.2	-0.2	-0.4	-0.1	-0.2
Other	-1.8	0.9	0.8	0.8	1.2	0.9	0.5	0.2	0.2	0.5	0.6	1.0	0.2	0.4
Monetary results	-5.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ROA³	-8.9	-2.9	-0.5	0.9	1.9	1.5	1.6	2.3	2.1	2.5	1.6	2.4	3.8	2.6
ROA adjusted ⁴	-8.9	-1.9	0.7	2.0	3.4	2.5	2.5	2.5	2.3	2.7	1.9	2.9	4.0	2.8
ROE³	-59.2	-22.7	-4.2	7.0	14.3	11.0	13.4	19.2	17.7	21.2	14.3	21.8	33.7	21.2

(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	Jul 09	Dec 09	Jun 10	Jul 10
Non-performing loans (overall)	18.1	17.7	10.7	5.2	3.4	2.7	2.7	3.2	3.0	2.5	n.a.
Non-performing loans to the non-financial private sector	38.6	33.5	18.6	7.6	4.5	3.2	3.1	3.7	3.5	2.9	n.a.
Provisions / Non-performing loans	73.8	79.2	102.9	124.5	129.9	129.6	131.4	118.5	125.7	138.6	n.a.
(Total non-performing - Provisions) / Overall financing	4.7	3.7	-0.3	-1.3	-1.0	-0.8	-0.8	-0.6	-0.8	-1.0	n.a.
(Total non-performing - Provisions) / Net worth	17.2	11.9	-1.0	-4.1	-3.3	-3.0	-3.3	-2.2	-2.8	-3.8	n.a.

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

Source: BCRA

n.a.: not available

Statistics annex | Private banks

Chart 5 | Financial Soundness Indicators (see Methodology)

As %	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	Jul 2009	2009	Jun 2010	Jul 2010
1.- Liquidity	23.6	26.9	22.8	24.3	24.1	23.6	24.8	27.6	29.2	21.5	23.7	25.7	34.1	33.0	29.8	29.3	28.2
2.- Credit to the public sector	13.5	13.7	13.6	16.1	14.7	20.8	50.0	47.7	41.6	28.5	16.3	9.5	6.3	6.1	6.2	5.1	5.2
3.- Credit to the private sector	51.0	46.7	47.6	44.6	38.4	45.4	22.4	19.9	22.5	31.1	37.9	46.6	44.0	42.8	43.3	46.8	47.1
4.- Private non-performing loans	11.1	8.5	7.7	8.9	9.8	14.0	37.4	30.4	15.3	6.3	3.6	2.5	2.8	3.6	3.3	2.8	n.a.
5.- Net worth exposure to the private sector	21.6	14.3	13.2	11.5	13.4	11.4	18.6	11.2	1.9	-2.2	-3.0	-3.6	-3.4	-2.2	-3.1	-3.9	n.a.
6.- ROA	0.6	0.7	0.5	0.3	0.1	0.2	-11.3	-2.5	-1.0	0.5	2.2	1.6	1.9	2.7	3.0	2.6	2.9
7.- ROE	4.1	6.3	4.3	2.3	0.8	1.4	-79.0	-19.1	-8.1	4.1	15.3	10.9	15.2	20.9	22.9	19.6	22.0
8.- Efficiency	144	135	139	146	152	151	168	93	115	136	158	152	166	194	195	169	175
9.- Capital compliance	15.9	15.4	14.6	18.9	18.0	17.6	-	14.0	15.1	17.8	18.6	19.2	18.3	20.0	22.5	20.6	20.9
10.- Excess capital compliance	33	47	27	60	49	43	-	88	157	155	116	87	86	98	120	102	106

Source: BCRA
n.a.: not available

Chart 6 | Balance Sheet

In million of current pesos	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Dec 08	Jul 09	Dec 09	Jun 10	Jul 10	Change (in %)					
												Last months	2010	Last 12 months			
Assets	118,906	116,633	128,065	129,680	152,414	175,509	208,888	217,119	229,549	245,082	249,549	1.8	8.7	14.9			
Liquid assets ¹	11,044	14,500	15,893	14,074	22,226	29,418	37,044	40,291	43,562	45,305	45,292	0.0	4.0	12.4			
Public bonds	19,751	22,260	24,817	29,966	27,663	24,444	29,552	39,695	47,949	46,393	46,184	-0.5	-3.7	16.3			
Lebac/Nobac	-	-	8,359	15,227	15,952	17,684	23,457	26,432	31,575	32,157	31,111	-3.3	-1.5	17.7			
Portfolio	-	-	5,611	12,899	14,220	15,639	12,858	18,959	27,413	26,348	25,502	-3.2	-7.0	34.5			
Repo ²	-	-	2,749	2,328	1,732	2,045	10,598	7,473	4,161	5,809	5,609	-3.4	34.8	-24.9			
Private bonds	273	172	333	307	683	310	127	136	233	153	147	-4.1	-37.1	7.9			
Loans	51,774	47,017	50,741	56,565	69,294	88,898	98,529	95,028	101,722	117,151	119,857	2.3	17.8	26.1			
Public sector	25,056	23,571	21,420	15,954	10,036	6,413	6,249	1,797	1,694	1,622	1,654	2.0	-2.3	-7.9			
Private sector	26,074	22,816	28,213	39,031	55,632	78,587	88,426	90,198	96,790	112,123	114,714	2.3	18.5	27.2			
Financial sector	644	630	1,107	1,580	3,626	3,898	3,854	3,033	3,238	3,406	3,489	2.4	7.7	15.0			
Provisions over loans	-7,463	-5,225	-3,717	-2,482	-2,227	-2,365	-2,871	-3,436	-3,653	-3,767	-3,833	1.8	4.9	11.6			
Other netted credits due to financial intermediation	27,212	22,148	25,753	16,873	18,387	17,084	25,265	24,724	21,258	21,278	22,520	5.8	5.9	-8.9			
Corporate bonds and subordinated debt	1,514	1,394	829	675	618	430	699	804	734	821	773	-5.8	5.3	-3.8			
Unquoted trusts	6,205	3,571	2,362	2,444	2,982	3,456	3,869	4,286	4,198	4,348	3,998	-8.1	-4.8	-6.7			
Compensation receivable	15,971	13,812	14,657	5,575	760	377	357	17	16	15	15	0.0	-3.9	-10.5			
Other	3,523	3,370	7,905	8,179	14,027	12,822	20,339	19,618	16,311	16,093	17,734	10.2	8.7	-9.6			
Leasing	553	387	592	1,356	2,126	3,149	3,451	2,760	2,569	2,610	2,830	8.4	10.2	2.6			
Shares in other companies	3,123	2,791	1,892	2,416	4,042	3,762	4,538	5,186	4,067	4,258	4,459	4.7	9.6	-14.0			
Fixed assets and miscellaneous	5,198	4,902	4,678	4,575	4,677	4,685	4,926	5,071	5,096	5,290	5,335	0.8	4.7	5.2			
Foreign branches	-109	-136	-53	-148	-139	-154	-178	-201	-202	-213	-214	0.5	5.7	6.1			
Other assets	7,549	7,816	7,137	6,178	5,682	6,277	8,505	7,867	6,946	6,623	6,972	5.3	0.4	-11.4			
Liabilities	103,079	101,732	113,285	112,600	131,476	152,153	182,596	187,726	198,438	213,673	217,184	1.6	9.4	15.7			
Deposits	44,445	52,625	62,685	75,668	94,095	116,719	135,711	141,874	154,387	171,258	173,044	1.0	12.1	22.0			
Public sector ³	1,636	3,077	6,039	6,946	7,029	7,564	19,600	19,967	17,757	23,318	23,712	1.7	33.5	18.8			
Private sector ³	38,289	47,097	55,384	67,859	85,714	107,671	114,176	119,709	134,426	146,126	147,978	1.3	10.1	23.6			
Current account	8,905	11,588	13,966	17,946	20,604	27,132	30,188	29,021	35,127	39,489	38,782	-1.8	10.4	33.6			
Savings account	6,309	10,547	14,842	18,362	23,165	30,169	32,778	35,839	40,999	43,654	44,522	2.0	8.6	24.2			
Time deposit	11,083	18,710	22,729	27,736	38,043	45,770	46,990	50,553	54,058	57,290	58,756	2.6	8.7	16.2			
CEDRO	9,016	2,409	798	3	1	0	0	0	0	0	0	-	-	-			
Other netted liabilities due to financial intermediation	49,341	42,367	45,083	32,349	31,750	29,323	39,298	37,153	34,235	33,704	35,077	4.1	2.5	-5.6			
Interbanking obligations	836	726	1,070	1,488	3,383	1,979	1,160	1,166	1,668	1,845	1,576	-14.6	-5.5	35.2			
BCRA lines	16,624	17,030	17,768	10,088	3,689	675	649	90	41	37	38	3.4	-8.2	-58.0			
Outstanding bonds	9,073	6,674	7,922	6,548	6,413	6,686	5,672	5,162	4,626	3,750	3,653	-2.6	-21.0	-29.2			
Foreign lines of credit	15,434	9,998	5,444	2,696	2,249	1,833	2,261	1,145	1,262	1,182	1,197	1.3	-5.2	4.5			
Other	7,374	7,939	12,878	11,530	16,015	18,150	29,555	29,591	26,638	26,891	28,614	6.4	7.4	-3.3			
Subordinated debts	3,622	1,850	1,304	1,319	1,642	1,668	1,759	1,910	1,918	1,970	1,955	-0.8	1.9	2.3			
Other liabilities	5,671	4,890	4,213	3,264	3,989	4,443	5,828	6,789	7,897	6,741	7,108	5.4	-10.0	4.7			
Net worth	15,827	14,900	14,780	17,080	20,938	23,356	26,292	29,393	31,111	31,409	32,365	3.0	4.0	10.1			
Memo																	
Netted assets	117,928	115,091	121,889	123,271	143,807	166,231	192,074	201,263	216,100	231,852	234,630	1.2	8.6	16.6			

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

Statistics annex | Private banks (cont.)

Chart 7 | Profitability Structure

Amount in million of pesos	Annual								First 7 months		Monthly			Last
	2002 ¹	2003	2004	2005	2006	2007	2008	2009	2009	2010	May-10	Jun-10	Jul-10	12 months
Financial margin	10,628	2,575	3,415	5,253	7,778	8,960	12,964	19,720	11,040	11,747	1,373	1,785	2,163	20,428
Net interest income	-304	107	1,214	2,069	2,826	4,191	7,727	10,068	5,861	6,684	1,024	1,008	1,037	10,891
CER and CVS adjustments	1,476	1,082	900	1,215	858	662	651	185	92	130	19	13	22	222
Foreign exchange price adjustments	6,189	-312	666	576	740	990	1,620	1,509	1,059	849	109	127	131	1,299
Gains on securities	3,464	1,892	959	1,259	3,154	2,888	1,637	7,343	3,268	3,908	107	661	961	7,982
Other financial income	-197	-195	-322	134	199	229	1,329	616	759	177	114	-24	13	33
Service income margin	2,782	2,341	2,774	3,350	4,459	5,881	7,632	9,198	5,121	6,254	903	942	963	10,331
Loan loss provisions	-6,923	-1,461	-1,036	-714	-737	-1,174	-1,863	-2,751	-1,590	-1,207	-181	-149	-157	-2,369
Operating costs	-6,726	-5,310	-5,382	-6,303	-7,741	-9,735	-12,401	-14,807	-8,337	-10,359	-1,490	-1,636	-1,559	-16,830
Tax charges	-512	-366	-393	-509	-769	-1,105	-1,715	-2,380	-1,337	-1,571	-228	-230	-253	-2,613
Income tax	-337	-295	-202	-217	-365	-380	-1,168	-3,001	-1,761	-1,515	-124	-216	-354	-2,754
Adjust. to the valuation of gov. securities ²	0	-665	-51	-201	-170	-100	-267	3	-22	15	1	1	6	41
Amort. payments for court-ordered releases	0	-791	-1,147	-1,168	-1,182	-1,466	-688	-233	-74	-256	-43	-105	-16	-416
Other	-4,164	1,178	846	1,156	1,641	1,576	916	264	8	671	79	139	96	928
Monetary results	-10,531	-20	0	0	0	0	0	0	0	0	0	0	0	0
Total results³	-15,784	-2,813	-1,176	648	2,915	2,457	3,412	6,014	3,048	3,779	289	530	890	6,745
Adjusted results ⁴	-	-1,357	252	2,016	4,267	4,023	4,367	6,244	3,144	4,020	331	634	899	7,120
Annualized indicators - As % of netted assets														
Financial margin	7.6	2.3	2.9	4.3	5.9	5.8	7.3	9.8	9.7	9.1	7.3	9.3	11.2	9.5
Net interest income	-0.2	0.1	1.0	1.7	2.1	2.7	4.4	5.0	5.1	5.1	5.4	5.3	5.4	5.0
CER and CVS adjustments	1.1	0.9	0.8	1.0	0.6	0.4	0.4	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Foreign exchange price adjustments	4.4	-0.3	0.6	0.5	0.6	0.6	0.9	0.8	0.9	0.7	0.6	0.7	0.7	0.6
Gains on securities	2.5	1.7	0.8	1.0	2.4	1.9	0.9	3.7	2.9	3.0	0.6	3.5	5.0	3.7
Other financial income	-0.1	-0.2	-0.3	0.1	0.2	0.1	0.8	0.3	0.7	0.1	0.6	-0.1	0.1	0.0
Service income margin	2.0	2.0	2.4	2.7	3.4	3.8	4.3	4.6	4.5	4.8	4.8	4.9	5.0	4.8
Loan loss provisions	-5.0	-1.3	-0.9	-0.6	-0.6	-0.8	-1.1	-1.4	-1.4	-0.9	-1.0	-0.8	-0.8	-1.1
Operating costs	-4.8	-4.6	-4.6	-5.1	-5.9	-6.3	-7.0	-7.4	-7.3	-8.0	-7.9	-8.6	-8.1	-7.8
Tax charges	-0.4	-0.3	-0.3	-0.4	-0.6	-0.7	-1.0	-1.2	-1.2	-1.2	-1.2	-1.2	-1.3	-1.2
Income tax	-0.2	-0.3	-0.2	-0.2	-0.3	-0.2	-0.7	-1.5	-1.5	-1.2	-0.7	-1.1	-1.8	-1.3
Adjust. to the valuation of gov. securities ²	0.0	-0.6	0.0	-0.2	-0.1	-0.1	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amort. payments for court-ordered releases	0.0	-0.7	-1.0	-1.0	-0.9	-0.9	-0.4	-0.1	-0.1	-0.2	-0.2	-0.6	-0.1	-0.2
Other	-3.0	1.0	0.7	0.9	1.2	1.0	0.5	0.1	0.0	0.5	0.4	0.7	0.5	0.4
Monetary results	-7.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ROA³	-11.3	-2.5	-1.0	0.5	2.2	1.6	1.9	3.0	2.7	2.9	1.5	2.8	4.6	3.1
ROA adjusted ⁴	-11.3	-1.2	0.2	1.6	3.2	2.6	2.5	3.1	2.7	3.1	1.8	3.3	4.7	3.3
ROE ²	-79.0	-19.1	-8.1	4.1	15.3	10.9	15.2	22.9	20.9	22.0	11.9	22.2	36.7	23.4

(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	Jul 09	Dec 09	Jun 10	Jul 10
Non-performing loans (overall)	19.8	15.7	8.9	4.4	2.9	2.2	2.5	3.4	3.1	2.6	n.a.
Non-performing loans to the non-financial private sector	37.4	30.4	15.3	6.3	3.6	2.5	2.8	3.6	3.3	2.7	n.a.
Provisions / Non-performing loans	73.4	79.0	97.0	114.3	129.3	141.3	134.1	119.2	128.9	137.9	n.a.
(Total non-performing - Provisions) / Overall financing	5.3	3.3	0.4	-0.6	-0.9	-0.9	-0.9	-0.7	-0.9	-1.0	n.a.
(Total non-performing - Provisions) / Net worth	18.6	11.2	1.3	-2.2	-3.0	-3.6	-3.4	-2.2	-3.1	-3.9	n.a.

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

Source: BCRA

n.a.: not available