

Report on Banks

August 2009



BANCO CENTRAL
DE LA REPÚBLICA ARGENTINA

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Year VI, No.12



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Note | Information for August 2009 available by September 23, 2009 is included. This Report is focussed on the performance of the financial system, including breakdowns by homogeneous subsectors. The data reported (particularly, those referring to profitability) are provisional and are subject to changes later. Except the opposite was indicated the information included corresponds to BCRA Information Regimes (end of month data).

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

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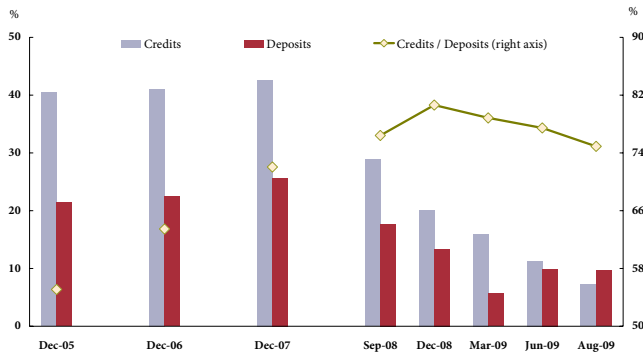
Summary

- **The domestic economy continues to show signs of gradual recovery, in a context in which the anti-cyclical policies adopted by the Central Bank have secured two fundamental public goods, monetary and financial stability. Financial entities have recorded a high degree of strength since the beginning of the international financial crisis, maintaining limited mismatching and considerable liquidity and solvency buffers. Financial intermediation with the private sector shows signs of recovery, a situation which combined with the increased dynamism of the economy have meant a reduction in the risk of lending to households and in the volume of corporate check rejections.**
- **With the aim of deepening the dynamic of bank lending to the private sector, the Central Bank took measures together with the Electronic Open Market (MAE) to stimulate the operation of the interest rate futures market. The main objective has been to provide a reference for the time structure of domestic currency interest rates, encouraging the granting of loans at fixed rate for longer terms. In addition, the Central Bank approved a series of measures intended to ease credit access, particularly in the case of SMEs, for the most part dealing with the information to be required by banks.**
- **Total non-financial sector deposits rose 1.8% in August (9.4% y.o.y.), mainly from higher private sector deposits (up 2.8%), mostly in domestic currency. Over the year the increase in private sector deposits has largely taken place in public banks, followed by national private banks.**
- **In August liquid assets increased from higher cash stock, partly offset by a reduction in the net stock of repos with the Central Bank. The indicator for overall liquidity (including domestic and foreign currency items) increased during the month to 30.7% of deposits. Broad liquidity (which includes holdings of Lebac and Nobac not linked with repos) totals 42.5% of deposits.**
- **Financial system lending to the private sector, adjusted for the issue of financial trusts, increased almost \$400 million (0.3%). The issue for the month of financial trusts using bank-originated loan portfolios reached its highest volume in the year to date, and has mainly been accounted for the securitization of mortgage loans. Over the course of 2009, lending to the private sector has largely been led by the performance of corporate loans with the greatest residual stock range.**
- **The financial system continues to face a limited credit risk from the private sector. Non-performance in lending to companies and households has steadied at around 3.8% in recent months. The level of coverage of non-performing loans by provisions remains at a high level (117%).**
- **Book profits have been behind the increase for the month in financial system consolidated net worth, which records a rise of 17%a. for the first 8 months of the year, higher than the level of previous years. Capital compliance by financial entities as a whole stands at 17.9% of risk-weighted assets, exceeding both local requirements and internationally-recommended levels. Excess capital compliance in terms of capital requirements stands at 93% for the financial system.**
- **Book profits for financial entities as a whole have dropped to 2.1%a. of assets, mainly because of the lower accrual of net interest and service income, despite the reduction in operating costs and loan loss provisions. In the second part of the year continues to decrease the volatility of financial system sources of revenue, with a notable performance by headings traditionally showing the greatest variability. If the performance of headings directly linked to changes in the exchange rate is excluded, the profitability of the financial system would be cut by half, to post levels similar to those observed in the same period of the previous year.**

Activity

Chart 1

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



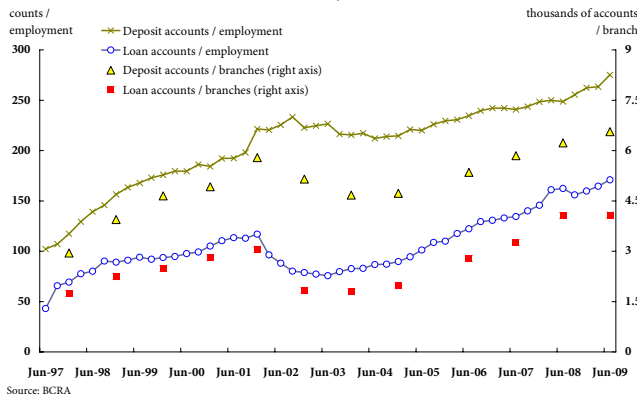
Note: Balance sheet stock deposits are corrected by AFJP (pension funds) transfers to Anses in Dec-08
Source: BCRA

Financial system foreign currency mismatching declines in a context of reduced nominal exchange rate volatility

Banking financial intermediation activity continued to grow at moderate rates during August, in line with the performance of recent months. Bank netted assets rose 1.4% during the month, mainly as a result of the performance by private financial entities, accumulating an annualized (a.) increase of 11.2% in the first 8 months of 2009. The year-on-year (y.o.y.) growth rate for lending to the private sector and deposits of companies and households remains at levels similar to those seen in recent quarters (see Chart 1). Loans to the private sector balance sheet stocks stand at around three-quarters of the deposits of that sector, showing a slight reduction for the year.

Chart 2

Number of Accounts in Terms of Employment and Branches
Financial system



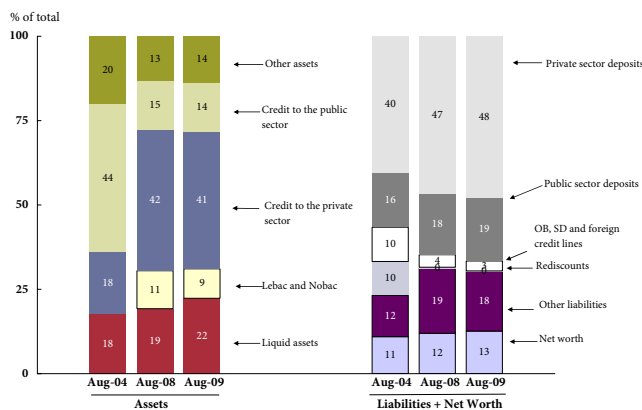
Source: BCRA

Growth in financial intermediation levels in recent periods was matched by some improvement in efficiency indicators for banks as a whole. In particular, growth in the volume of opened accounts, both active (loans) and passive (deposits) has taken place at a higher rate than the recovery in employment and branches in the sector over the last 5 years (see Chart 2), leading to a gradual improvement in efficiency levels in the sector.

Estimated financial system flow of funds for August based on balance sheet information indicates that the increase in private sector deposits has been the main origin of resources during the month, while the most significant uses were the increase in liquid assets and the rise in Lebac and Nobac holdings. In August there was a moderate increase in lending to the private sector.

Chart 3

Financial System Balance Sheet Expansion and Normalization

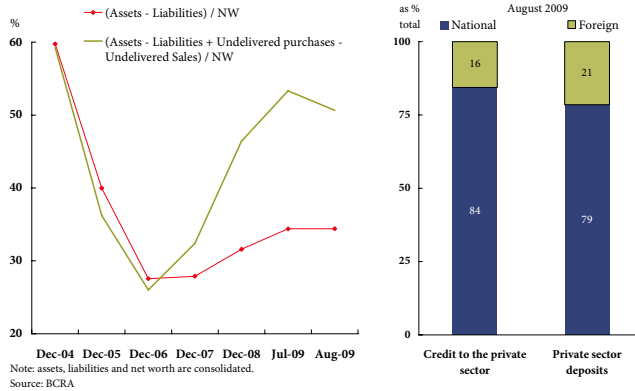


Source: BCRA

Supported by the financial and prudential policies adopted by the Central Bank, the achievements in relation to the normalization of financial entities balance sheets over the last five years have been maintained (see Chart 3). Banking asset growth in the last year has mainly taken place through the rebuilding of liquidity. The improvement in liabilities was led by deposit growth (from both the private and public sectors), and lower levels of debt owed to the Central Bank and to foreign creditors, while at the same time the net worth of the sector has continued to expand.

In the third quarter of the year the volume and value of checks cleared has continued to rise, and the number of documents rejected for insufficient funds as a percentage of the total amount cleared has fallen. Between July and September 2009 a total of 22.6 million

Chart 4
Currency Mismatching
Financial system



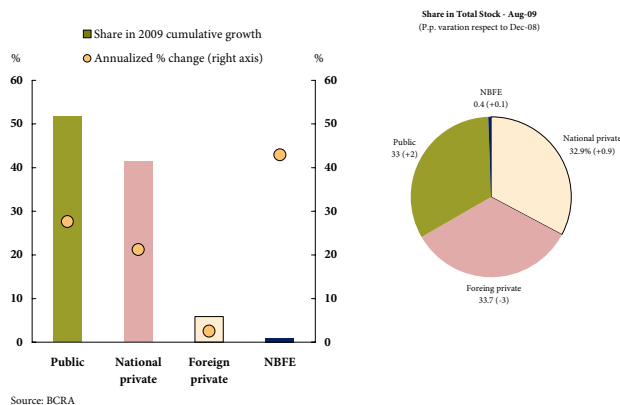
checks were cleared (\$167 million), completing the second consecutive quarter of recovery. Checks rejected in the third quarter for lack of funds totaled 1.7% of all documents cleared, fewer than in recent periods and slightly below the total for the same period of 2008.

Within the framework of a reduction in the volatility of the nominal exchange rate, and as a reflection of the policy implemented by the Central Bank, the financial system's broad foreign currency mismatching¹ is gradually declining (see Chart 4). This reduction is due mainly to a drop in net purchases of foreign currency on future markets without delivery.

Deposits and liquidity

In the year to date, public banks have taken slightly over half the increase in private sector deposits

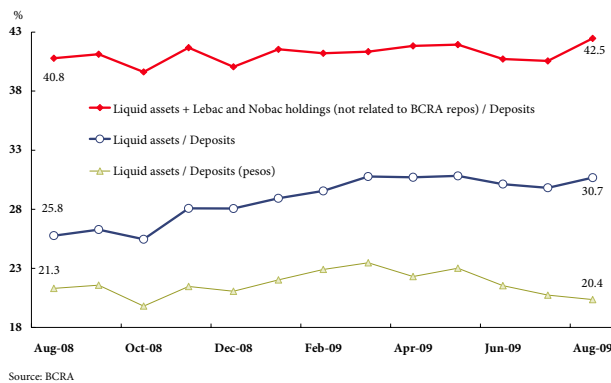
Chart 5
Private Sector Deposits by Group of Banks



Balance sheet stocks for non-financial sector total deposits² went up 1.8% in August (9.4% y.o.y.), a rise explained by deposits made by the private sector (up 2.8%), in the context of a slight drop in public sector deposits.

The performance by private sector deposits in August was seen in both sight deposits (2.7%) and time deposits (2.4%)³, and most were agreed in domestic currency. In the first 8 months of 2009 the increase in total private sector deposits took place mainly in public banks (52%) and in national private banks (41%) (see Chart 5), although the remaining bank groups also recorded positive variations in their placements. The overall increase in private sector deposits in 2009 has been led by time deposits.

Chart 6
Liquidity
Financial system



Overall, financial entities have maintained solid liquidity indicators. In August bank liquid assets rose (by \$3.55 billion) from higher cash totals (\$7.46 billion), partially offset by a drop in the stock of net repos with the Central Bank (-\$3.9 billion). The peso liquidity indicator stands at 20.4% of total deposits in domestic currency, slightly below the level in July and 12 months earlier. Total liquidity, which takes into account items in both domestic and foreign currency, rose by 0.9 p.p. of total deposits in August, to 30.7% (see Chart 6), almost 5 p.p. above the level of one year earlier. Holdings of Lebac and Nobac not related to repo transactions with the Central Bank went up \$3.16 billion in the month, so that

¹ Defined as: (Assets-Liabilities + Undelivered foreign currency purchases – Undelivered sales of foreign currency)/Net Worth.

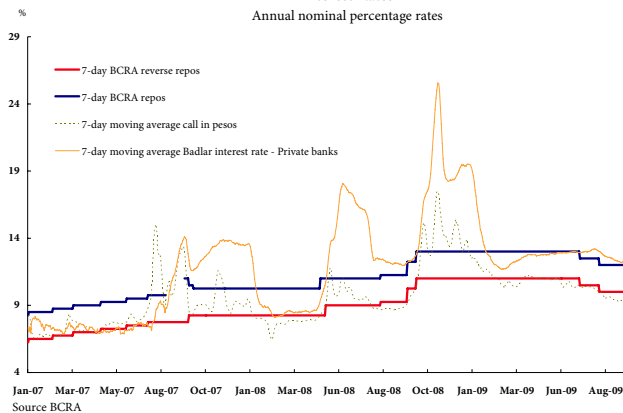
² It includes private and public sector deposits, accrued interest and CER adjustments.

³ Other private sector deposits (mainly immobilized balances) went up 10.5% for the month.

Chart 7

Interest Rates

Annual nominal percentage rates



broad liquidity (including items in domestic and foreign currency) rose to 42.5% of deposits, slightly above the level at the end of August 2008.

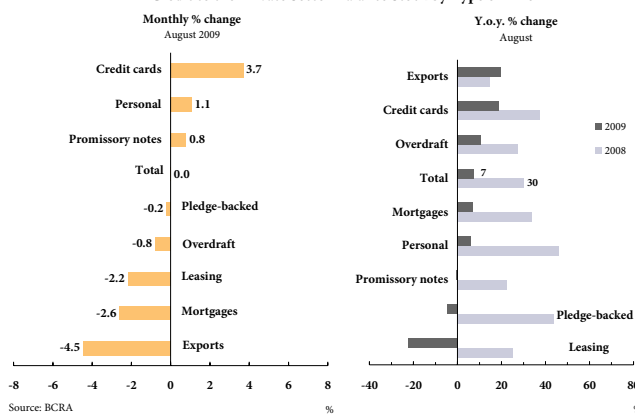
Continuing with the anti-cyclical measures implemented by the BCRA, which reinforce the improved expectations of economic agents, **in July, August and September this Institution established reductions in the interest on repo transactions.** Interest rates on repos for the Central Bank currently stand at 9.75% for 7 days, while those agreed on reverse repos for the same term have reached 11.75%. **Call market and private bank Badlar rates are converging on the new interest rate bands established by the BCRA (see Chart 7).**

Financing

Loans to companies for relatively larger amounts based on residual stock range have led the way in the case of lending to the private sector

Chart 8

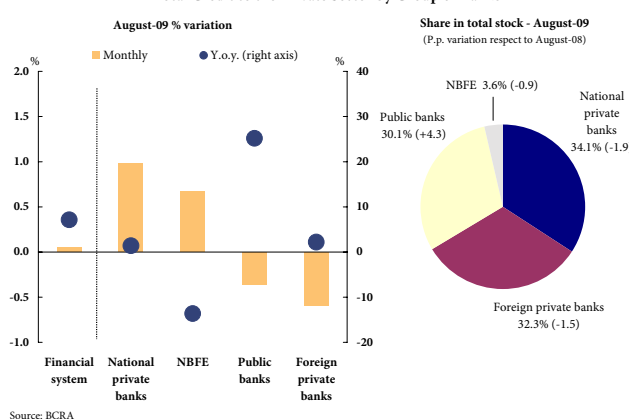
Credit to the Private Sector Balance Stock by Type of Line



Lending to the private sector balance sheet stocks remained steady in August. The increase in credit card lending, personal loans and promissory notes was offset by drops in the remaining lines (see Chart 8). If the balance sheet stock is adjusted for the issue of financial trusts by banks, lending to the private sector has recorded an increase of almost \$400 million (0.3%). **The monthly issue of financial trusts was the largest in 2009 to date, and was accounted for mainly by the securitization of mortgage loans⁴.**

Chart 9

Total Credit to the Private Sector by Group of Banks



The evolution, during August, of lending to households and companies balance sheet stocks was notable for the increase in loans granted by national private banks and non-bank financial entities, a movement offset by reductions in lending by foreign private banks and public banks (see Chart 9). **In year-on-year terms, growth in lending to the private sector continues to be led by public banks, which have increased their participation in the total stock.**

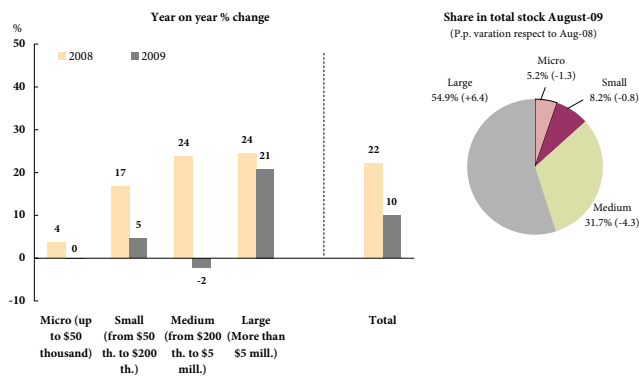
Over the course of 2009, private sector lending has mainly been driven by loans to the corporate sector⁵, while loans to households have continued in line with the levels recorded at the end of 2008. In the last year loans to companies have risen by 10%, 12 p.p. below the rate recorded 12 months earlier. As a result, lending to companies totals 23% of financial system netted assets in

⁴ In August three financial trusts were issued for the securitization of bank portfolios for a total of \$389 million, of which \$305 million had mortgage loans as their underlying assets and \$84 million securitized personal loans.

⁵ Loans to companies are those granted to legal persons, as well as commercial loans to individuals. The remaining loans to individuals are considered as falling within the household category.

Chart 10

Lending to Companies by Residual Stock Range



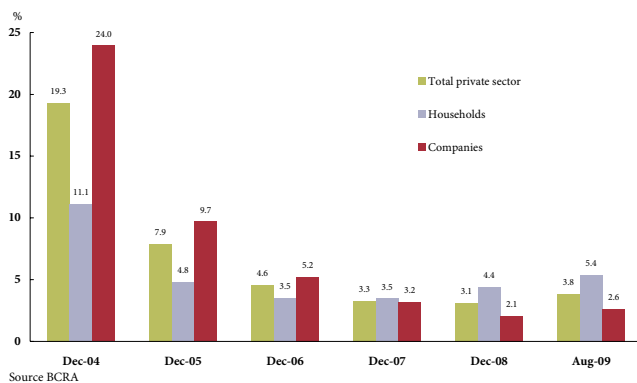
August, a level similar to that recorded in the same month of the previous year.

Analysis of the development of the various credit segments⁶ shows that in the last 12 months **loans of larger relative size to corporations (those for over \$5 million) have recorded year-on-year growth well in excess of smaller loans (those for under \$5 million)**, so that they have gained share in the overall total (see Chart 10).

The BCRA continues to promote measures to encourage lending to the private sector. In August measures were taken in association with the MAE to add dynamism to the operation of the **interest rate futures market**. These measures, together with the interest rate swap auctions introduced earlier by this Institution, have contributed to the creation of a reference for the time structure of interest rates in pesos covering the medium and long term, encouraging the granting of loans at fixed rates for relatively longer terms than those currently seen in the market. In addition, **the BCRA approved a series of measures aimed at easing credit access** by simplifying the information required for loan applications as well as that needed to evaluate the risk profile of applicants in loan origination and monitoring.

Chart 11

Non-Performing Credit to the Private Sector
Non-performing loans / Total loans



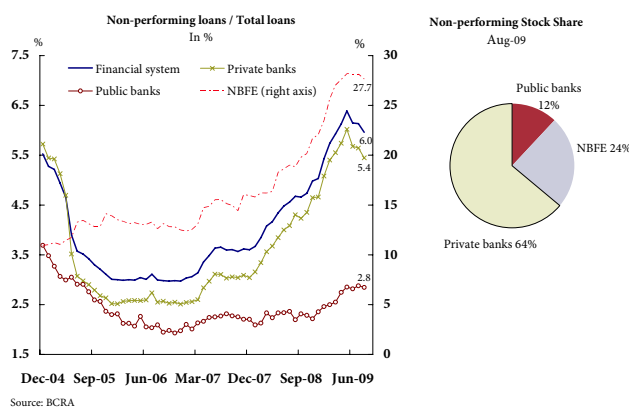
Lending to the public sector remained steady in August, at 13.4% of assets⁷, in line with the share recorded in the same month of the previous year.

Portfolio quality

There are some signs of steadying in non-performance of private sector loans

Chart 12

Non-Performing Consumer Credit by Group of Banks



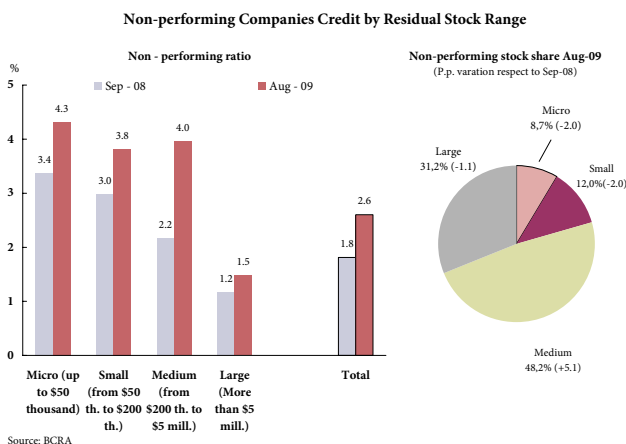
The risk of lending to the private sector faced by the financial system remains limited. Company and household loan non-performance has steadied at around 3.8% in recent months, standing 0.7 p.p. above the level recorded at the end of 2008 (see Chart 11). The slight deterioration in the loan portfolio recorded during 2009 has mainly taken place in lending to households, and to a lesser extent, in loans to companies.

Household loan non-performance has fallen slightly in the last three months to 5.4% in August, mainly as a result of a reduction in delinquency in the case of consumer lending (credit cards and personal loans), down 0.4 p.p. to 6%. This performance has been the

⁶ Relative size by residual stock range.

⁷ Measured as : (Position in government securities (excluding Lebac and Nobac) + Loans to the Public Sector + Compensation receivable) / Total assets.

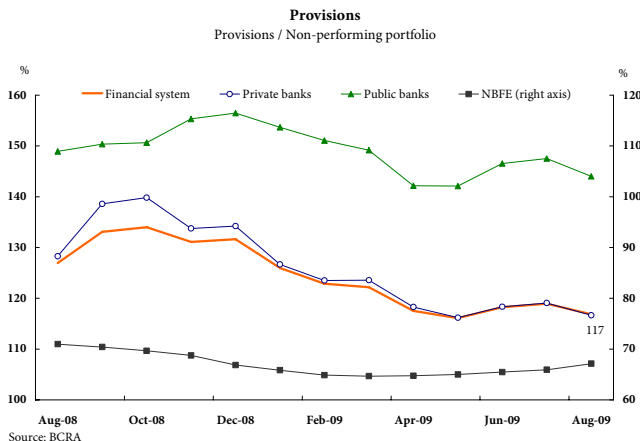
Chart 13



result of slowing growth in non-performing consumer loans at the same time as the total for such loans has risen. This improved performance by consumer lines has mainly taken place in private banks and non-bank financial entities (see Chart 12), partially reversing the trend recorded in the financial system in recent years.

Corporate sector delinquency stands at 2.6%, having posted an increase of 0.8 p.p. since September 2008, when the all-time low was set (1.8%). **This worsening performance has been widespread across the various loan segments classified according to residual stock range, and was particularly notable in the medium-size segments (from \$200 thousand to \$5 million)** (see Chart 13).

Chart 14



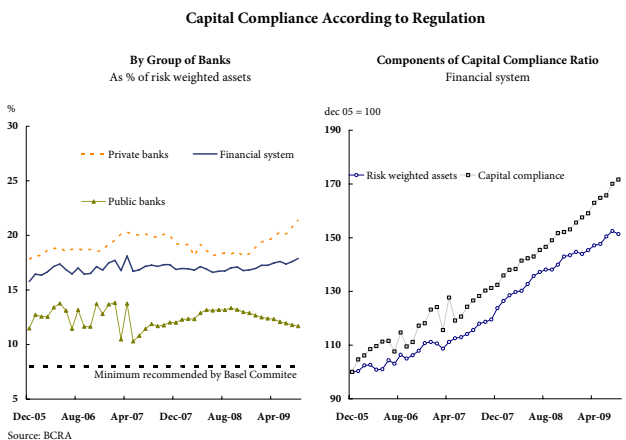
Coverage of non-performing loans by provisions remains high (117% in August), although a slight drop has taken place in 2009 (see Chart 14).

Solvency

Financial system net worth growth in 2009 has been higher than that of previous years

Book profits have driven the monthly growth of financial system consolidated net worth (1.4%)⁸, accumulating expansion of 17%a. in the first 8 months of the year, more than in previous years.

Chart 15

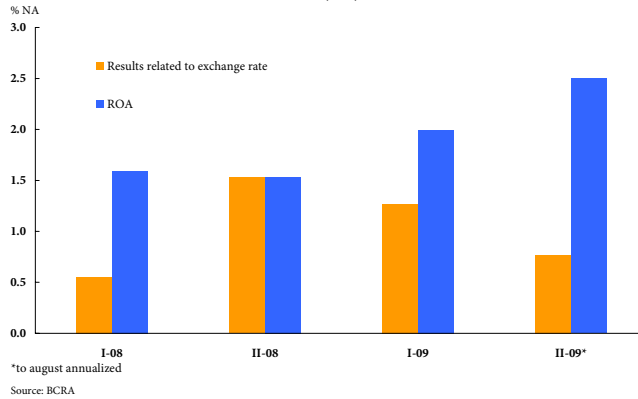


Over the course of 2009 there has been moderate growth in the capital compliance ratio for the financial system as a whole, particularly among private banks. This performance is in line with the dynamism of lending to the private sector and is reflected in the behavior of risk-weighted assets, which together with the increased compliance, have resulted in the capital ratio reaching 17.9% (see Chart 15). Excess capital compliance in terms of the total requirement stands at 93% for the system as a whole, being widespread across all financial entities.

Banking system book profits for the month dropped to 2.1%a. of assets, mainly because of the reduction in the accrual of gains from securities and traditionally more stable sources of revenue (interest and service income), partly offset by lower operating costs and loan loss provisions. Profits for the month were mainly recorded by private banks. In 2009 to date profitability has been 2.1%a. If items directly related to changes in the exchange rate were to be excluded, the profitability

⁸ In terms of non-consolidated financial system net worth, a reduction for the month has been recorded from the effect of the take-over of one private bank by another in August (although both these financial institutions had been members of the same group since August 2006).

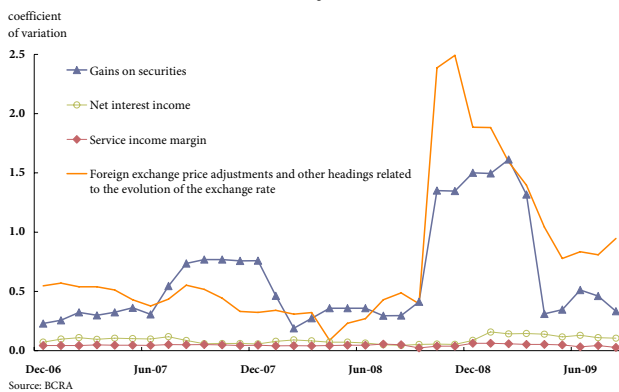
Chart 16
Profitability of the Financial System
Half-yearly



of the financial sector in the first 8 months of the year would fall by half, showing levels similar to those recorded in the same period of 2008. In line with the anti-cyclical strategy developed by the Central Bank, during the second part of the year there has been less volatility in the nominal exchange rate, which reduces the participation of income statement headings largely connected with the performance of this variable (see Chart 16).

In the second half of the year there continued to be limited volatility shown by financial system revenue sources. Service income margin and net interest income again showed the lowest relative variability, with a notable performance by the traditionally more volatile headings (see Chart 17). **The financial margin stood at 7.6%a. of assets in August, lower than the figure recorded in the previous month as a consequence of the drop in gains on securities, exchange rate differences and net interest income.**

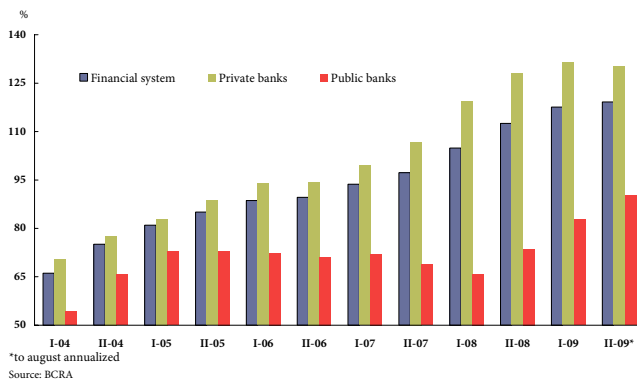
Chart 17
Volatility of the Main Components of Profitability Structure
6-month moving coefficient of variation



Service income margin was also down slightly at 3.8%a. of assets. Private banks were largely responsible for the monthly decline. In the first 8 months of the year net income from services also amounted to 3.8%a. of assets, showing growth compared with the figure recorded in the same period one year earlier.

Main financial system expense headings have posted a drop for the month. Operating costs fell slightly in August, to 6.7%a. of assets. **Coverage of operating costs by those more stable sources of income has continued to improve at system level in the second part of the year, mainly because of the performance of public banks** (see Chart 18). Loan loss provisions were also mildly lower in the month, in line with the slower growth in delinquency.

Chart 18
Efficiency
More stable earnings in terms of operating costs



On the basis of the information available at the time this Report is being published, **it is expected that the financial system would continue to show sound solvency indicators for the third quarter of the year.** The more stable sources of revenue (service income margin and net interest income) would continue to drive bank profits. Gains on securities are expected to post favorable results, in line with the development of the main securities prices held in bank portfolios. In the case of expenditure, in the context of some stabilization in delinquency levels it is expected that loan loss provisions accruals would remain at moderate levels.

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” 4971 – 14/Aug/09

Current account regulations. A series of changes to check transactions have been approved to improve use and confidence in the receipt of such payment and credit instruments. This Communication will come into effect as from November 1, 2009. “Endorsement by proxy” as established by the Law on Checks is to be regulated. A “Register of checks reported lost, stolen or adulterated” has been created. The requirement for inclusion of indication of the term for crediting of the checks has been reintroduced (this term is currently unified at 48 hours for all areas of the country). The body of the check must indicate the length of time the account has been held.

Communication “A” 4972 – 20/Aug/09

Measures intended to ease various requirements for access to credit. The main changes, most of which are addressed to SMEs, are as follows: (i) The limit according to which companies can be evaluated on the basis of the same criteria used to evaluate debtors included in the consumer loan portfolio has been increased from \$500,000 to \$750,000; (ii) The debt balance leading to a given number of companies become subject to annual rather than half-yearly rating has been increased from \$1 million to \$ 2 million; (iii) Additional facilities granted in excess of the current margins agreed for debtors shall not be considered as refinancing when they do not exceed 10% of the quota assigned at the time of the last evaluation carried out according to the regulations then in force; (iv) Refinancing granted to companies in the context of judicially-approved creditor agreements (APE) shall be treated in the same manner as that obtained under the protection of schemes of arrangement with creditors when it comes to improving their classification; (v) In the case of companies undergoing various stages of litigation in relation to their debt, it will be possible for updated information required for their classification not to be held during a period not to exceed 18 months.

Furthermore, the financing regime for financial entities with operations subject to consolidation that are rated in categories 1, 2 or 3 by the SEFyC has been modified, with the setting of an additional limit as long as certain requirements are met.

Communication “A” 4975 – 28/Aug/09

As from August 20, 2009 the limit for facilitating credit to SMEs has been raised from a maximum of \$500,000 to \$750,000. This limit applies to loans of a commercial nature that can be treated as consumer credit. In the case of the commercial portfolio, debtors with a high insolvency risk (situation 4) recording arrears in excess of 540 days (previously 360 days) must be classified in the following category. Unrecoverable debtors (situation 5) shall be those customers filing for creditor protection or out-of-court scheme of arrangement, even if there is a possibility of recovering the credit, once arrears have reached 540 days.

Introduction of new percentages for minimum settlement to enable reclassification have been deferred until January 2010.

Communication “A” 4976 – 31/Aug/09

National Government public debt instruments subscribed to by banks as a result of debt swaps, receipt in payment or swaps for other public debt instruments approved by the appropriate authority shall be recorded at their book value, net of the proportional part of the regularizing account, if appropriate. Subsequently, banks shall be able to opt on a definitive basis to record the instruments acquired on the basis of one of the following valuation criteria: (i) the higher of the current value published by the Central Bank and the net book value of their regularizing account; (ii) in “Investment Accounts” using the criteria foreseen for Central Bank monetary regulation instruments.

The limit on securities held in “Investment Accounts” has been increased by 7.5% of total assets only for securities received by banks under debt swaps, as payment or in exchanges. In addition, the rule on “Distribution of Earnings” has been modified in relation to the calculation of the results to be distributed in the case of public debt instruments and Central Bank monetary regulation instruments.

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	Aug 2008	2008	Jul 2009	Aug 2009
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	25.8	28.1	29.8	30.7
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	13.4	12.8	13.5	13.4
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	38.4	39.4	38.1	38.0
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	3.0	3.1	3.8	3.8
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	-2.7	-3.3	-2.2	-2.0
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	1.6	2.1	2.1
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	13.3	13.4	17.7	17.7
8.- Efficiency	142	136	138	142	147	143	189	69	125	151	167	160	164	167	183	181
9.- Capital compliance	23.8	20.8	20.3	21.0	20.1	21.4	-	14.5	14.0	15.3	16.8	16.9	16.7	16.8	17.6	17.9
10.- Excess capital compliance	64	73	49	54	58	54	-	116	185	173	134	93	88	90	89	93

Source: BCRA

Chart 2 | Balance Sheet

In million of current pesos	Dec 00	Dec 01	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Aug 08	Dec 08	Jul 09	Aug 09	Change (in %)			
													Last month	2009	Last 12 months	
Assets	163,550	123,743	187,532	186,873	212,562	221,962	258,384	297,963	341,229	347,336	368,253	369,527	0.3	6.4	8.3	
Liquid assets ¹	20,278	13,005	17,138	27,575	29,154	20,819	37,991	46,320	48,586	59,049	61,082	68,540	12.2	16.1	41.1	
Public bonds	10,474	3,694	31,418	45,062	55,382	66,733	64,592	62,678	73,770	65,298	78,729	76,545	-2.8	17.2	3.8	
Lebac/Nobac	-	-	-	-	17,755	28,340	29,289	36,022	50,500	37,156	42,879	42,189	-1.6	13.5	-16.5	
Portfolio	-	-	-	-	11,803	21,067	25,767	31,598	35,225	25,652	27,061	30,221	11.7	17.8	-14.2	
Repo ²	-	-	-	-	5,953	7,273	3,521	4,424	15,275	11,505	15,818	11,969	-24.3	4.0	-21.6	
Private bonds	633	543	332	198	387	389	813	382	306	206	273	309	13.0	49.8	0.9	
Loans	83,277	77,351	84,792	68,042	73,617	84,171	103,668	132,157	150,014	154,675	158,576	158,802	0.1	2.7	5.9	
Public sector	15,164	22,694	44,337	33,228	30,866	25,836	20,874	16,772	17,298	17,062	17,532	17,689	0.9	3.7	2.3	
Private sector	64,464	52,039	38,470	33,398	41,054	55,885	77,832	110,355	126,911	132,812	137,245	137,339	0.1	3.4	8.2	
Financial sector	3,649	2,617	1,985	1,417	1,697	2,450	4,962	5,030	5,805	4,801	3,798	3,774	-0.6	-21.4	-35.0	
Provisions over loans	-6,907	-6,987	-11,952	-9,374	-7,500	-4,930	-3,728	-4,089	-4,362	-4,748	-5,509	-5,459	-0.9	15.0	25.2	
Other netted credits due to financial intermediation	42,361	21,485	39,089	27,030	32,554	26,721	26,039	29,712	41,091	38,194	40,459	37,728	-6.8	-1.2	-8.2	
Corporate bonds and subordinated debt	794	751	1,708	1,569	1,018	873	773	606	1,008	911	1,161	1,204	3.7	32.1	19.4	
Unquoted trusts	2,053	2,065	6,698	4,133	3,145	3,883	4,881	5,023	5,760	5,682	6,081	5,875	-3.4	3.4	2.0	
Compensation receivable	0	0	17,111	14,937	15,467	5,841	763	377	317	357	17	17	0.0	-95.3	-94.7	
Other	39,514	18,669	13,572	6,392	12,924	16,124	19,622	23,706	34,005	31,244	33,200	30,632	-7.7	-2.0	-9.9	
Leasing	786	771	567	397	611	1,384	2,362	3,469	4,006	3,951	3,169	3,100	-2.2	-21.6	-22.6	
Shares in other companies	2,645	2,688	4,653	4,591	3,871	4,532	6,392	6,430	6,981	7,175	7,913	6,559	-17.1	-8.6	-6.0	
Fixed assets and miscellaneous	4,939	4,804	8,636	8,164	7,782	7,546	7,619	7,643	7,738	7,903	8,158	8,140	-0.2	3.0	5.2	
Foreign branches	1,115	1,057	3,522	3,144	3,524	3,647	2,782	2,912	2,877	3,152	4,136	4,159	0.6	31.9	44.5	
Other assets	3,950	5,334	9,338	12,043	13,180	10,950	9,953	10,347	10,222	12,481	11,267	11,105	-1.4	-11.0	8.6	
Liabilities	146,267	107,261	161,446	164,923	188,683	195,044	225,369	261,143	301,895	305,964	322,832	324,934	0.7	6.2	7.6	
Deposits	86,506	66,458	75,001	94,635	116,655	136,492	170,898	205,550	234,597	236,508	252,014	256,571	1.8	8.5	9.4	
Public sector ³	7,204	950	8,381	16,040	31,649	34,019	45,410	48,340	63,724	67,361	69,203	68,867	-0.5	2.2	8.1	
Private sector ³	78,397	43,270	59,698	74,951	83,000	100,809	123,431	155,048	167,810	166,459	178,942	183,980	2.8	10.5	9.6	
Current account	6,438	7,158	11,462	15,071	18,219	23,487	26,900	35,245	38,016	39,710	38,851	40,212	3.5	1.3	5.8	
Savings account	13,008	14,757	10,523	16,809	23,866	29,078	36,442	47,109	47,191	50,945	55,878	57,082	2.2	12.0	21.0	
Time deposit	53,915	18,012	19,080	33,285	34,944	42,822	54,338	65,952	76,123	69,549	77,590	79,548	2.5	14.4	4.5	
CEDRO	0	0	12,328	3,217	1,046	17	13	0	0	0	0	0	-	-	-	
Other netted liabilities due to financial intermediation	55,297	36,019	75,737	61,690	64,928	52,072	46,037	46,225	57,609	57,655	57,797	54,780	-5.2	-5.0	-4.9	
Interbanking obligations	3,545	2,550	1,649	1,317	1,461	2,164	4,578	4,310	5,082	3,894	3,052	2,991	-2.0	-23.2	-41.1	
BCRA lines	102	4,470	27,837	27,491	27,726	17,005	7,686	2,362	2,013	1,884	905	724	-20.0	-61.6	-64.0	
Outstanding bonds	4,954	3,777	9,096	6,675	7,922	6,548	6,603	6,938	6,128	5,984	5,515	5,519	0.1	-7.8	-9.9	
Foreign lines of credit	8,813	7,927	25,199	15,196	8,884	4,684	4,240	3,864	4,860	4,542	3,541	3,564	0.6	-21.5	-26.7	
Other	37,883	17,295	11,955	11,012	18,934	21,671	22,930	28,752	39,526	41,351	44,785	41,982	-6.3	1.5	6.2	
Subordinated debts	2,255	2,260	3,712	2,028	1,415	1,381	1,642	1,672	1,592	1,763	1,914	1,940	1.3	10.0	21.9	
Other liabilities	2,210	2,524	6,997	6,569	5,685	5,099	6,792	7,695	8,098	10,037	11,108	11,644	4.8	16.0	43.8	
Net worth	17,283	16,483	26,086	21,950	23,879	26,918	33,014	36,819	39,334	41,372	45,420	44,593	-1.8	7.8	13.4	
Memo																
Netted assets	129,815	110,275	185,356	184,371	202,447	208,275	244,791	280,336	313,883	321,366	340,093	344,710	1.4	7.3	9.8	
Consolidated netted assets	125,093	106,576	181,253	181,077	198,462	203,286	235,845	271,652	304,220	312,310	331,611	337,603	1.8	8.1	11.0	

(1) Includes margin accounts with the BCRA and excludes financial entities repos against BCRA. (*) 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 8 months		Monthly			Last
	2000	2001	2002 ¹	2003	2004	2005	2006	2007	2008	2008	2009	Jun-09	Jul-09	Aug-09	12 months	
Financial margin	7,291	6,943	13,991	1,965	6,075	9,475	13,262	15,134	20,526	12,877	18,193	3,082	2,416	2,165	27,386	
Net interest income	5,106	4,625	-3,624	-943	1,753	3,069	4,150	5,744	9,574	5,882	8,992	1,280	1,187	1,151	13,511	
CER and CVS adjustments	0	0	8,298	2,315	1,944	3,051	3,012	2,624	2,822	2,222	663	60	61	88	1,443	
Foreign exchange price adjustments	185	268	5,977	-890	866	751	944	1,357	2,304	859	1,919	306	242	161	3,435	
Gains on securities	1,481	1,490	3,639	1,962	1,887	2,371	4,923	5,144	4,462	3,812	5,887	1,379	941	769	6,978	
Other financial income	519	559	-299	-480	-375	233	235	264	1,363	102	732	57	-15	-4	2,019	
Service income margin	3,582	3,604	4,011	3,415	3,904	4,781	6,243	8,248	10,868	6,865	8,345	1,089	1,123	1,083	13,244	
Loan loss provisions	-3,056	-3,096	-10,007	-2,089	-1,511	-1,173	-1,198	-1,894	-2,832	-1,623	-2,513	-335	-276	-252	-3,938	
Operating costs	-7,375	-7,362	-9,520	-7,760	-7,998	-9,437	-11,655	-14,634	-18,748	-12,027	-14,690	-2,084	-1,904	-1,909	-22,983	
Tax charges	-528	-571	-691	-473	-584	-737	-1,090	-1,537	-2,315	-1,389	-2,111	-277	-283	-266	-3,231	
Income tax	-446	-262	-509	-305	-275	-581	-595	-1,032	-1,342	-914	-2,904	-782	-329	-235	-3,428	
Adjust. to the valuation of gov. securities ²	0	0	0	-701	-320	-410	-752	-837	-1,757	-1,183	-138	-13	-13	-15	-842	
Amort. payments for court-ordered releases	0	0	0	-1,124	-1,686	-1,867	-2,573	-1,922	-994	-637	-209	-64	-42	-45	-624	
Other	535	702	-3,880	1,738	1,497	1,729	2,664	2,380	1,366	1,121	702	113	119	75	1,067	
Monetary results	0	0	-12,558	69	0	0	0	0	0	0	0	0	0	0	0	
Total results³	3	-42	-19,162	-5,265	-898	1,780	4,306	3,905	4,773	3,091	4,675	728	811	601	6,652	
Adjusted results ⁴	-	-	-	-3,440	1,337	4,057	7,631	6,665	7,523	4,910	5,022	806	866	661	8,117	
<i>Annualized indicators - As % of netted assets</i>																
Financial margin	5.7	5.7	6.5	1.1	3.1	4.6	5.8	5.7	6.7	6.5	8.3	11.1	8.6	7.6	8.4	
Net interest income	4.0	3.8	-1.7	-0.5	0.9	1.5	1.8	2.2	3.1	3.0	4.1	4.6	4.2	4.0	4.2	
CER and CVS adjustments	0.0	0.0	3.9	1.3	1.0	1.5	1.3	1.0	0.9	1.1	0.3	0.2	0.2	0.3	0.4	
Foreign exchange price adjustments	0.1	0.2	2.8	-0.5	0.4	0.4	0.5	0.8	0.4	0.9	1.1	0.9	0.6	1.1	1.1	
Gains on securities	1.2	1.2	1.7	1.1	1.0	1.2	2.2	1.9	1.5	1.9	2.7	5.0	3.4	2.7	2.1	
Other financial income	0.4	0.5	-0.1	-0.3	-0.2	0.1	0.1	0.1	0.4	0.1	0.3	0.2	-0.1	0.0	0.6	
Service income margin	2.8	3.0	1.9	1.9	2.0	2.3	2.7	3.1	3.6	3.4	3.8	3.9	4.0	3.8	4.1	
Loan loss provisions	-2.4	-2.6	-4.7	-1.1	-0.8	-0.6	-0.5	-0.7	-0.9	-0.8	-1.1	-1.2	-1.0	-0.9	-1.2	
Operating costs	-5.8	-6.1	-4.4	-4.2	-4.1	-4.6	-5.1	-5.5	-6.1	-6.0	-6.7	-7.5	-6.8	-6.7	-7.1	
Tax charges	-0.4	-0.5	-0.3	-0.3	-0.3	-0.4	-0.5	-0.6	-0.8	-0.7	-1.0	-1.0	-1.0	-0.9	-1.0	
Income tax	-0.3	-0.2	-0.2	-0.2	-0.1	-0.3	-0.3	-0.4	-0.4	-0.5	-1.3	-2.8	-1.2	-0.8	-1.1	
Adjust. to the valuation of gov. securities ²	0.0	0.0	0.0	-0.4	-0.2	-0.2	-0.3	-0.3	-0.6	-0.6	-0.1	0.0	0.0	-0.1	-0.3	
Amort. payments for court-ordered releases	0.0	0.0	0.0	-0.6	-0.9	-0.9	-1.1	-0.7	-0.3	-0.3	-0.1	-0.2	-0.2	-0.2	-0.2	
Other	0.4	0.6	-1.8	0.9	0.8	0.8	1.2	0.9	0.4	0.6	0.3	0.4	0.4	0.3	0.3	
Monetary results	0.0	0.0	-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	
ROA³	0.0	0.0	-8.9	-2.9	-0.5	0.9	1.9	1.5	1.6	1.6	2.1	2.6	2.9	2.1	2.0	
ROA adjusted ⁴	0.0	0.0	-8.9	-1.9	0.7	2.0	3.4	2.5	2.5	2.5	2.3	2.9	3.1	2.3	2.5	
ROE ³	0.0	-0.2	-59.2	-22.7	-4.2	7.0	14.3	11.0	13.4	13.3	17.7	21.8	23.7	17.3	17.3	

(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 00	Dec 01	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Aug 08	Dec 08	Jul 09	Aug 09
Non-performing loans (overall)	12.9	13.1	18.1	17.7	10.7	5.2	3.4	2.7	2.6	2.7	3.3	3.3
Non-performing loans to the non-financial private sector	16.0	19.1	38.6	33.5	18.6	7.6	4.5	3.2	3.0	3.1	3.8	3.8
Provisions / Non-performing loans	61.1	66.4	73.8	79.2	102.9	124.5	129.9	129.6	126.7	131.4	118.7	116.6
(Total non-performing - Provisions) / Overall financing	5.0	4.4	4.7	3.7	-0.3	-1.3	-1.0	-0.8	-0.7	-0.8	-0.6	-0.5
(Total non-performing - Provisions) / Net worth	26.2	21.6	17.2	11.9	-1.0	-4.1	-3.3	-3.0	-2.7	-3.3	-2.2	-2.0

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

Source: BCRA

Statistics Annex | Private Banks

Chart 5 | Financial Soundness Indicators (see Methodology)

As %	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	Aug 2008	2008	Jul 2009	Aug 2009
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	27.5	34.1	33.0	33.2
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	7.3	6.3	6.1	5.9
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	47.2	43.9	42.8	42.9
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	2.7	2.8	3.6	3.6
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	-2.8	-3.4	-2.2	-2.0
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	1.9	2.7	2.6
7.- ROE	4.1	6.3	4.3	2.3	0.8	1.4	-79.0	-19.1	-8.1	4.1	15.3	10.9	14.5	15.2	20.8	20.6
8.- Efficiency	144	135	139	146	152	151	168	93	115	136	158	152	162	166	194	192
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	18.4	18.3	20.7	21.4
10.- Excess capital compliance	33	47	27	60	49	43	-	88	157	155	116	87	83	86	103	111

Source: BCRA

Chart 6 | Balance Sheet

In million of current pesos	Dec 04	Dec 05	Dec 06	Dec 07	Aug 08	Dec 08	Jul 09	Aug 09	Change (in %)		
									Last month	2009	Last 12 months
Assets	128,065	129,680	152,414	175,509	193,704	209,087	217,116	216,890	-0.1	3.7	12.0
Liquid assets ¹	15,893	14,074	22,226	29,418	29,489	37,110	40,291	42,028	4.3	13.3	42.5
Public bonds	24,817	29,966	27,663	24,444	25,523	29,542	39,695	40,984	3.2	38.7	60.6
Lebac/Nobac	8,359	15,227	15,952	17,684	20,629	23,457	26,432	27,772	5.1	18.4	34.6
Portfolio	5,611	12,899	14,220	15,639	14,116	12,858	18,959	21,246	12.1	65.2	50.5
Repo ²	2,749	2,328	1,732	2,045	6,513	10,599	7,473	6,525	-12.7	-38.4	0.2
Private bonds	333	307	683	310	215	130	136	173	27.4	33.1	-19.6
Loans	50,741	56,565	69,294	88,898	98,711	98,499	95,028	95,171	0.2	-3.4	-3.6
Public sector	21,420	15,954	10,036	6,413	6,361	6,213	1,797	1,785	-0.7	-71.3	-71.9
Private sector	28,213	39,031	55,632	78,587	87,792	88,422	90,198	90,438	0.3	2.3	3.0
Financial sector	1,107	1,580	3,626	3,898	4,559	3,864	3,033	2,948	-2.8	-23.7	-35.3
Provisions over loans	-3,717	-2,482	-2,227	-2,365	-2,678	-2,881	-3,436	-3,386	-1.5	17.5	26.5
Other netted credits due to financial intermediation	25,753	16,873	18,387	17,084	22,914	25,240	24,724	22,888	-7.4	-9.3	-0.1
Corporate bonds and subordinated debt	829	675	618	430	803	699	804	847	5.3	21.2	5.5
Unquoted trusts	2,362	2,444	2,982	3,456	4,129	3,845	4,286	4,242	-1.0	10.3	2.7
Compensation receivable	14,657	5,575	760	377	317	357	17	17	0.0	-95.3	-94.7
Other	7,905	8,179	14,027	12,822	17,666	20,339	19,618	17,782	-9.4	-12.6	0.7
Leasing	592	1,356	2,126	3,149	3,555	3,462	2,760	2,701	-2.1	-22.0	-24.0
Shares in other companies	1,892	2,416	4,042	3,762	4,321	4,529	5,186	3,807	-26.6	-15.9	-11.9
Fixed assets and miscellaneous	4,678	4,575	4,677	4,685	4,800	4,926	5,071	5,055	-0.3	2.6	5.3
Foreign branches	-53	-148	-139	-154	-153	-178	-201	-203	0.8	14.1	32.4
Other assets	7,137	6,178	5,682	6,277	7,007	8,708	7,863	7,672	-2.4	-11.9	9.5
Liabilities	113,285	112,600	131,476	152,153	168,503	182,810	187,726	188,504	0.4	3.1	11.9
Deposits	62,685	75,668	94,095	116,719	127,767	135,737	141,874	143,947	1.5	6.0	12.7
Public sector ³	6,039	6,946	7,029	7,564	10,565	19,553	19,967	19,249	-3.6	-1.6	82.2
Private sector ³	55,384	67,859	85,714	107,671	115,420	114,250	119,709	122,493	2.3	7.2	6.1
Current account	13,966	17,946	20,604	27,132	28,392	30,278	29,021	29,963	3.2	-1.0	5.5
Savings account	14,842	18,362	23,165	30,169	29,385	32,707	35,839	36,208	1.0	10.7	23.2
Time deposit	22,729	27,736	38,043	45,770	53,163	47,044	50,553	51,623	2.1	9.7	-2.9
CEDRO	798	3	1	0	0	0	0	0	-	-	-
Other netted liabilities due to financial intermediation	45,083	32,349	31,750	29,323	34,341	39,254	37,153	35,508	-4.4	-9.5	3.4
Interbanking obligations	1,070	1,488	3,383	1,979	2,026	1,150	1,166	1,121	-3.8	-2.5	-44.6
BCRA lines	17,768	10,088	3,689	675	632	649	90	72	-19.6	-88.9	-88.6
Outstanding bonds	7,922	6,548	6,413	6,686	5,785	5,672	5,162	5,191	0.6	-8.5	-10.3
Foreign lines of credit	5,444	2,696	2,249	1,833	2,901	2,262	1,145	1,153	0.7	-49.0	-60.2
Other	12,878	11,530	16,015	18,150	22,999	29,521	29,591	27,970	-5.5	-5.3	21.6
Subordinated debts	1,304	1,319	1,642	1,668	1,588	1,759	1,910	1,936	1.4	10.1	22.0
Other liabilities	4,213	3,264	3,989	4,443	4,807	6,060	6,789	7,112	4.8	17.4	48.0
Net worth	14,780	17,080	20,938	23,356	25,201	26,277	29,389	28,386	-3.4	8.0	12.6
Memo											
Netted assets	121,889	123,271	143,807	166,231	179,830	191,991	201,260	202,547	0.6	5.5	12.6

(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 8 months		Monthly			Last
	2000	2001	2002 ¹	2003	2004	2005	2006	2007	2008	2008	2009	Jun-09	Jul-09	Aug-09	12 months
Financial margin	5,441	5,282	10,628	2,575	3,415	5,253	7,778	8,960	12,964	8,078	12,476	2,041	1,681	1,437	18,333
Net interest income	3,598	3,519	-304	107	1,214	2,069	2,826	4,191	7,727	4,739	6,664	864	858	803	10,293
CER and CVS adjustments	0	0	1,476	1,082	900	1,215	858	662	651	526	101	7	8	9	269
Foreign exchange price adjustments	160	256	6,189	-312	666	576	740	990	1,620	898	1,164	186	151	105	1,961
Gains on securities	1,232	962	3,464	1,892	959	1,259	3,154	2,888	1,637	1,841	3,783	920	669	514	3,767
Other financial income	450	546	-197	-195	-322	134	199	229	1,329	75	765	64	-5	5	2,043
Service income margin	2,554	2,598	2,782	2,341	2,774	3,350	4,459	5,881	7,632	4,833	5,895	759	800	774	9,330
Loan loss provisions	-2,173	-2,464	-6,923	-1,461	-1,036	-714	-737	-1,174	-1,863	-1,058	-1,777	-257	-190	-187	-2,720
Operating costs	-5,263	-5,224	-6,726	-5,310	-5,382	-6,303	-7,741	-9,735	-12,401	-7,947	-9,581	-1,338	-1,240	-1,243	-15,072
Tax charges	-379	-418	-512	-366	-393	-509	-769	-1,105	-1,715	-1,035	-1,531	-191	-206	-194	-2,354
Income tax	-393	-216	-337	-295	-202	-217	-365	-380	-1,168	-646	-1,978	-408	-309	-217	-2,587
Adjust. to the valuation of gov. securities ²	0	0	0	-665	-51	-201	-170	-100	-267	-191	-24	-4	-2	-2	-127
Amort. payments for court-ordered releases	0	0	0	-791	-1,147	-1,168	-1,182	-1,466	-688	-434	-103	-40	-22	-30	-397
Other	307	615	-4,164	1,178	846	1,156	1,641	1,576	916	544	88	-25	43	81	552
Monetary results	0	0	-10,531	-20	0	0	0	0	0	0	0	0	0	0	0
Total results³	93	174	-15,784	-2,813	-1,176	648	2,915	2,457	3,412	2,144	3,466	537	556	419	4,958
Adjusted results⁴	-	-	-	-1,357	252	2,016	4,267	4,023	4,367	2,769	3,593	581	580	450	5,482
<i>Annualized indicators - As % of netted assets</i>															
Financial margin	6.2	6.4	7.6	2.3	2.9	4.3	5.9	5.8	7.3	7.0	9.5	12.3	10.2	8.6	9.6
Net interest income	4.1	4.3	-0.2	0.1	1.0	1.7	2.1	2.7	4.4	4.1	5.1	5.2	5.2	4.8	5.4
CER and CVS adjustments	0.0	0.0	1.1	0.9	0.8	1.0	0.6	0.4	0.4	0.5	0.1	0.0	0.1	0.1	0.1
Foreign exchange price adjustments	0.2	0.3	4.4	-0.3	0.6	0.5	0.6	0.6	0.9	0.8	0.9	1.1	0.9	0.6	1.0
Gains on securities	1.4	1.2	2.5	1.7	0.8	1.0	2.4	1.9	0.9	1.6	2.9	5.6	4.1	3.1	2.0
Other financial income	0.5	0.7	-0.1	-0.2	-0.3	0.1	0.2	0.1	0.8	0.1	0.6	0.4	0.0	0.0	1.1
Service income margin	2.9	3.2	2.0	2.0	2.4	2.7	3.4	3.8	4.3	4.2	4.5	4.6	4.8	4.6	4.9
Loan loss provisions	-2.5	-3.0	-5.0	-1.3	-0.9	-0.6	-0.6	-0.8	-1.1	-0.9	-1.4	-1.6	-1.1	-1.1	-1.4
Operating costs	-6.0	-6.4	-4.8	-4.6	-4.6	-5.1	-5.9	-6.3	-7.0	-6.9	-7.3	-8.1	-7.5	-7.4	-7.9
Tax charges	-0.4	-0.5	-0.4	-0.3	-0.3	-0.4	-0.6	-0.7	-1.0	-0.9	-1.2	-1.2	-1.2	-1.2	-1.2
Income tax	-0.4	-0.3	-0.2	-0.3	-0.2	-0.2	-0.3	-0.2	-0.7	-0.6	-1.5	-2.5	-1.9	-1.3	-1.4
Adjust. to the valuation of gov. securities ²	0.0	0.0	0.0	-0.6	0.0	-0.2	-0.1	-0.1	-0.2	-0.2	0.0	0.0	0.0	0.0	-0.1
Amort. payments for court-ordered releases	0.0	0.0	0.0	-0.7	-1.0	-1.0	-0.9	-0.9	-0.4	-0.4	-0.1	-0.2	-0.1	-0.2	-0.2
Other	0.4	0.7	-3.0	1.0	0.7	0.9	1.2	1.0	0.5	0.5	0.1	-0.2	0.3	0.5	0.3
Monetary results	0.0	0.0	-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
ROA³	0.1	0.2	-11.3	-2.5	-1.0	0.5	2.2	1.6	1.9	1.9	2.6	3.2	3.4	2.5	2.6
ROA adjusted⁴	0.1	0.2	-11.3	-1.2	0.2	1.6	3.2	2.6	2.5	2.4	2.7	3.5	3.5	2.7	2.9
ROE⁵	0.8	1.4	-79.0	-19.1	-8.1	4.1	15.3	10.9	15.2	14.5	20.6	25.2	25.6	18.9	20.3

(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 00	Dec 01	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Aug 08	Dec 08	Jul 09	Aug 09
Non-performing loans (overall)	8.3	9.9	19.8	15.7	8.9	4.4	2.9	2.2	2.4	2.5	3.4	3.5
Non-performing loans to the non-financial private sector	9.8	14.0	37.4	30.4	15.3	6.3	3.6	2.5	2.7	2.8	3.6	3.6
Provisions / Non-performing loans	67.7	75.7	73.4	79.0	97.0	114.3	129.3	141.3	128.1	134.1	119.0	116.6
(Total non-performing - Provisions) / Overall financing	2.7	2.4	5.3	3.3	0.4	-0.6	-0.9	-0.9	-0.7	-0.9	-0.6	-0.6
(Total non-performing - Provisions) / Net worth	13.4	11.4	18.6	11.2	1.3	-2.2	-3.0	-3.6	-2.8	-3.4	-2.2	-2.0

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

Source: BCRA