

Report on Banks

October 2010



BANCO CENTRAL
DE LA REPÚBLICA ARGENTINA

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Year VIII, No. 2



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Note | Information for October 2010 available by November 25, 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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For comments, inquiries or electric subscription: analisis.financiero@bcra.gov.ar

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Summary

- **In October the growth trend in financial entities intermediation continued to deepen, at a time of positive economic prospects, ensuring financial stability.** Lending to the private sector has again seen acceleration in its growth rate, having been funded over the course of the year mainly from increased company and household deposits, as well as higher deposits of the public sector. In 2010 banks have increased their payroll, branches and ATMs.
- **Financial system deposit stocks rose 2.9% in October**, mainly reflecting the dynamism of public sector deposits. Non-financial private sector deposits went up 1.8% in the month (26.7% year-on-year -y.o.y.-), mainly driven by sight deposits. **During October the financial system liquidity ratio that includes both peso and foreign currency items rose by 1.3 p.p. of deposits to 29.4%.** Broad liquidity (including holdings of Central Bank bills and notes) performed in a similar manner.
- **Lending to the private sector went up 3.4% (32% y.o.y.) in October, being driven mainly by commercial lines**, notably leasing and promissory notes. Lending to the private sector has then grown by an annualized (a.) 33% in the first 10 months of 2010, 28 p.p. more than in the same period of last year, reflecting greater dynamism by all credit lines. **Bank lending to companies was up 3.7% in October, showing continued expansion, rising at an even faster rate than household consumer loans.**
- **Under the Bicentennial Program for Productive Sector Financing (“Programa de Financiamiento Productivo del Bicentenario”), the Central Bank in November held its second auction of funds. The total amount awarded reached \$340 million.** The interest rate, that each financial entity has to pay, was set at a nominal annual 9%. Using this funding, banks will grant loans at a total financial cost of 9.9%.
- **The private sector non-performing ratio dropped 0.1 p.p. in the month, reaching a new record low of 2.4%.** In the last 12 months this indicator fell 1.2 p.p., mainly from the performance by loans from non-banking financial entities and private banks. In the case of the latter, the improvement in the quality of loans to the private sector has mainly been seen in large banks, and to a lesser extent in those of a relatively smaller size. The decline in credit portfolio delinquency was mainly driven by the behavior observed in the financing segment targeting household consumption. **The financial system non-performing loan portfolio continued to be well covered by provisions (152%).**
- **The recently introduced Settlement Check (“Cheque Cancelatorio”) had recorded transactions for a total of almost \$37 million by mid-December (636 peso-denominated checks) and US\$7.7 million (567 checks denominated in foreign currency).**
- **Broad financial system foreign currency mismatching** continued to follow the declining trend seen last year, mainly as a result of lower net forward purchases of foreign currency by private banks.
- **Financial system net worth rose 2.7% (or 16.3% y.o.y.) in the month**, explained by book profits. **Capital compliance for all banks stood at 18% of risk-weighted assets (RWA).** **During October financial entities accrued book profits equivalent to an annualized 3.8% of assets, an improvement compared with September following better results from public banks and foreign private banks.** Public banks recorded the most significant increase in book profits for the year to date, although private banks recorded relatively larger profits. In 2010 to date there has been an increase in the profitability of relatively larger private banks.

Activity

In a context of greater dynamism in intermediation levels, financial system has continued to increase its payroll in 2010

In October the growth trend in financial intermediation continued, in a context of improved prospects for the economy at the end of 2010. Lending rose at a faster rate, while private sector deposits recorded a slight drop in their year-on-year growth rate (see Chart 1). In this situation, bank netted assets went up 3.8% in the month, accumulating a rise of 30.6% y.o.y., mainly from the dynamism shown by public banks (44.7% y.o.y.).

During October an increase in the more liquid forms of assets (including Lebac and Nobac holdings) was mainly responsible for the rise in financial system netted assets, increasing their participation in the total portfolio. This rise for the month mainly reflects the behavior of public banks (see Chart 2). Lending to households and companies maintained its weighting in terms of financial system netted assets in the month at around 41%, above the level in January 2010.

The steady growth in financial intermediation has continued to encourage expansion of financial system operating structures in 2010. Employment in the sector has risen 1.7% since the fourth quarter of 2009 (1,608 people) (see Chart 3). ATMs have increased 9.7% in the same period, while the number of branches went up slightly.

There has been a notable increase in the number of credit and debit cards issued. At the end of September 2010 the number of credit cards had risen 22.2% compared with the total in the same period of 2009, while the number of debit cards was up 9% in the same period. In both cases, private banks gained share of total cards issued.

With the aim of facilitating access and encouraging a greater use of banking services, in mid-September the Central Bank issued regulations establishing a Free Universal Banking Account (*"Cuenta Gratuita Universal"*). By mid-December, more than 16,500 accounts had already been opened, while total enquiries were three times this number.

Total financial entities flows of funds estimated as from balance sheets indicate that the increase in public and private sector deposit stocks (\$9.5 billion) has been the most notable source of funds in October, followed

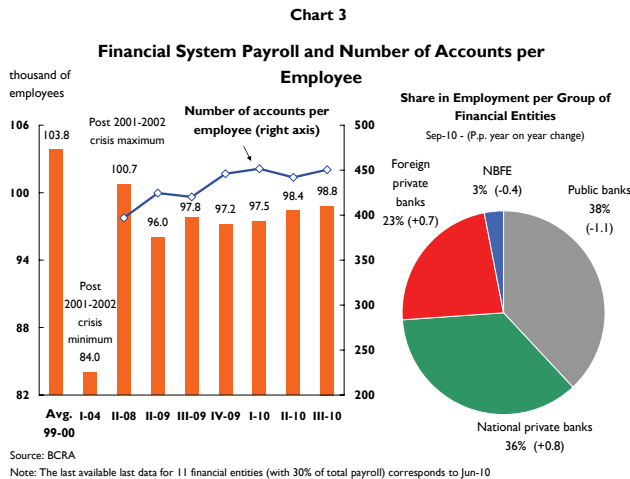
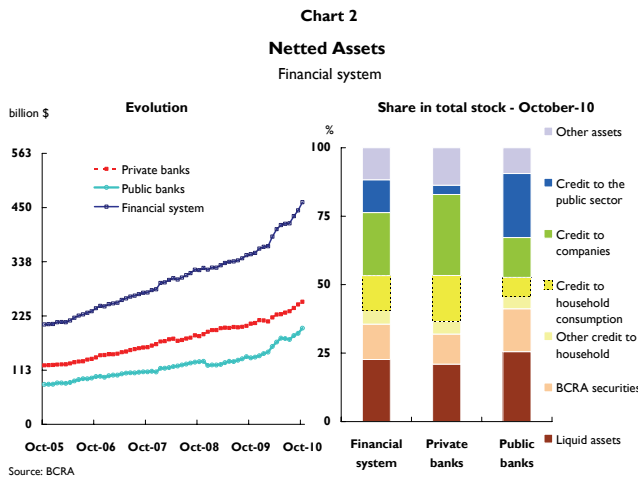
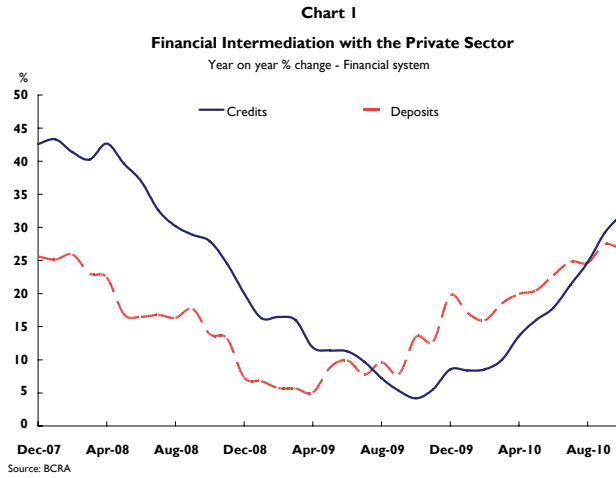
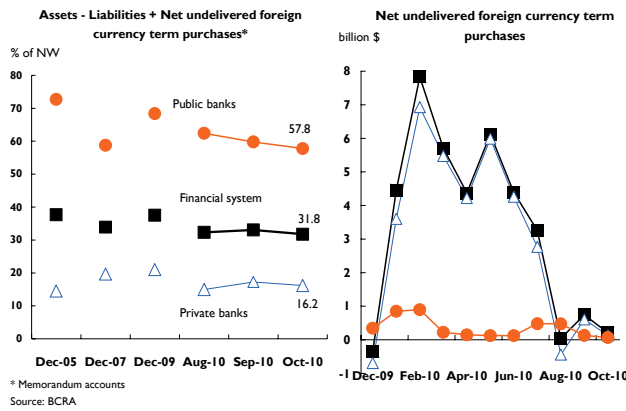


Chart 4

Currency Mismatching

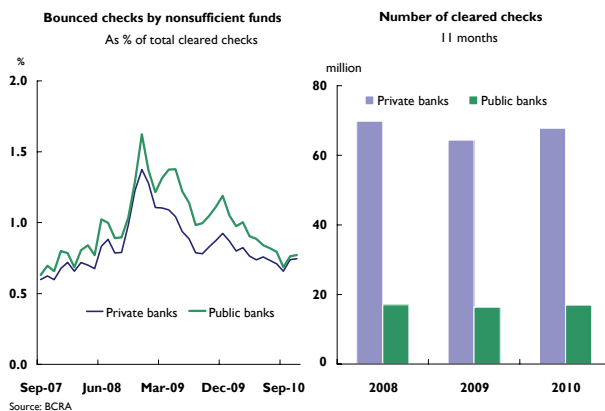


by an increase in other financial liabilities of certain provincial governments¹ (\$2.85 billion). Other resources in the month came from the settlement of repos and the issue of corporate bonds. Increased liquid assets (\$7.35 billion) and lending to the private sector (\$6.4 billion) were the most significant uses of funds.

Financial system foreign currency mismatching (which includes net undelivered term purchases of foreign currency) **dropped slightly in October to 31.8% of net worth, continuing the declining trend that began at the beginning of 2010** (see Chart 4). This change for the month was mainly explained by lower net term purchases of foreign currency (by private banks) and the increase in financial system net worth.

Chart 5

Cleared and Bounced Checks

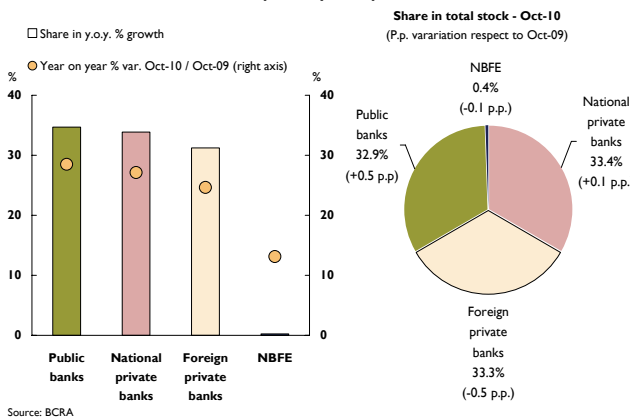


The amount and number of documents cleared reached their highest monthly levels for the last two years during November. Bounced checks by non-sufficient funds remained at low levels, totaling approximately 0.7% of the number of documents cleared in October and 0.4% in terms of amounts. The proportion of bounced checks by non-sufficient funds was similar for both public and private banks, although most of the checks cleared are channeled through the latter (see Chart 5).

With the aim of discouraging the use of cash and expanding the use of banking services, by means of Communication "A" 5130 dated 22 October, the Central Bank approved the regulations for the use of the Settlement Check ("Cheque Cancelatorio"). From the time of its introduction until mid-December transactions were recorded for a total of almost \$37 million (636 peso-denominated checks) and US\$7.7 million (567 checks denominated in foreign currency).

Chart 6

Private Sector Deposits by Group of Financial Entities



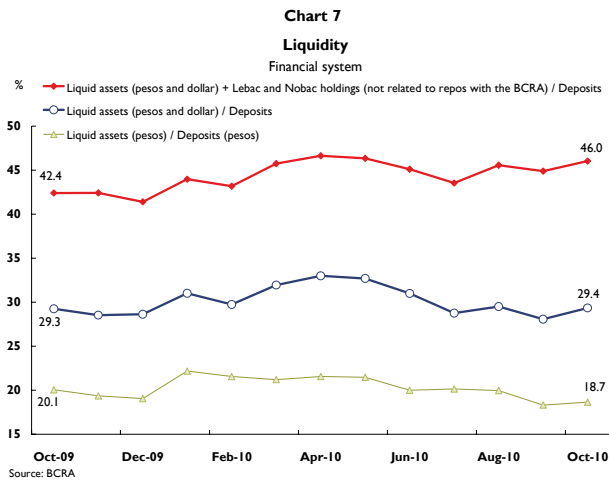
Deposits and liquidity

Deposits have continued to increase, during a period of slightly higher liquidity levels

Financial system balance sheet deposit stocks continued to rise in October, posting an increase of 2.9% (35.2% y.o.y.)², with increases in both time and sight deposits, during a period in which deposits rates remained relatively stable. Public sector deposits continued to drive this increase, with a change of 4.9% (61.3% y.o.y.) for the period. The private sector stock

¹ In the context of public debt issues by the Provinces of Buenos Aires and Cordoba that took place during the period.

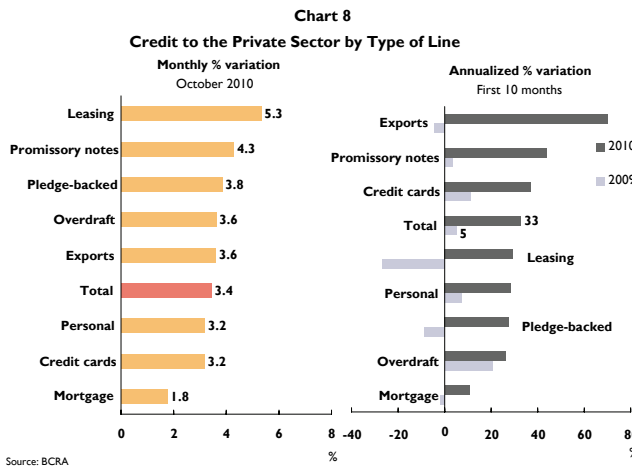
² Balance sheet non-financial sector deposit stocks rose 2.8% in October (35.8% y.o.y.)



of deposits grew by 1.8% compared with September mainly from sight deposits.

In the last 12 months private sector deposits have risen 26.7%. This rise has mainly been accounted for by public banks and private domestic banks (see Chart 6). Sight deposits mainly explain this growth (31.5% y.o.y.), although time deposits were also higher (21.4% y.o.y.).

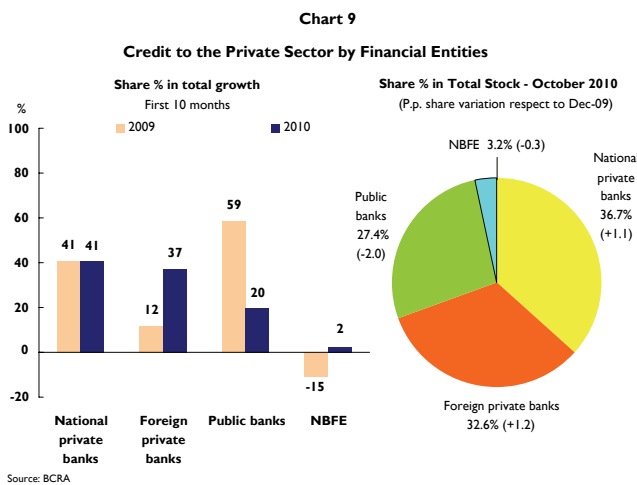
In October financial system liquid assets stocks rose compared with the previous month as a result of an increase in the stock of repos with the Central Bank and an increase in minimum cash compliance. The liquidity indicator, including items in both pesos and foreign currency, went up by 1.3 p.p. of total deposits in October to 29.4% (see Chart 7). The broad liquidity indicator (which includes Lebac and Nobac holdings not related to Central Bank repos) recorded a similar behavior, to stand at 46%. The monthly performance by these indicators was largely explained by public banks.



The average daily trading volume on the call money market continued to rise in October, with increases in interest rates in this market within the framework of greater liquidity demand from banks. The average daily amount traded was \$970 million (6.4% higher than in the previous month), while the interest rate rose to 10.1% (0.7 p.p. higher than in September).

Financing

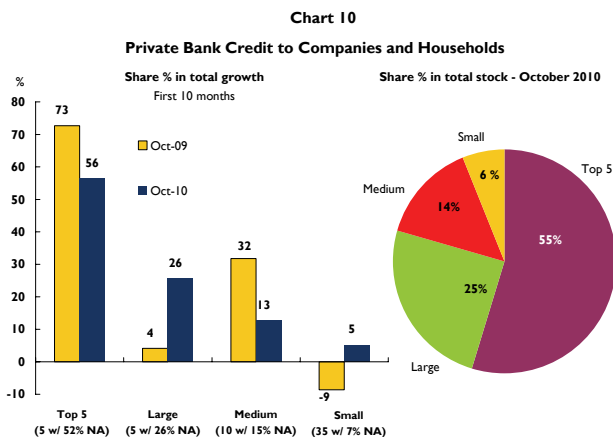
Lending to companies continued to expand at a faster pace than consumer lending to households



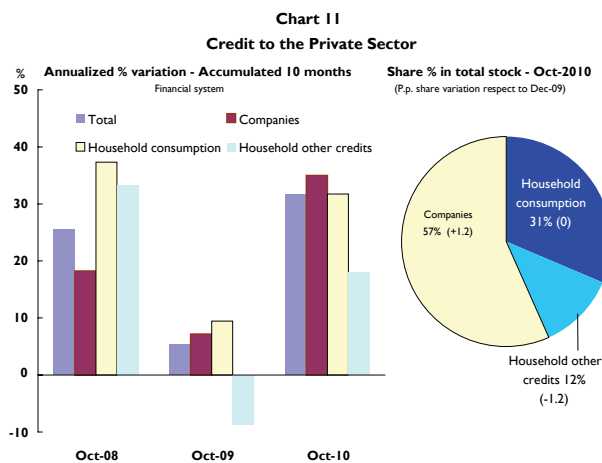
Private sector lending rose 3.4%³ (32% y.o.y.) in October, driven mainly by commercial credit lines, with a notable performance by leasing and promissory notes (see Chart 8). As a result, lending to the private sector has recorded a rise of 33% in the first 10 months of 2010, 28 p.p. more than in the same period of the previous year, reflecting the greater dynamism shown by all lending lines.

Loans to the private sector recorded increases for the month in all groups of banks. During 2010 growth in the stock of lending to companies and households was largely accounted for by private banks (domestic and foreign) (see Chart 9). The 10 largest private banks

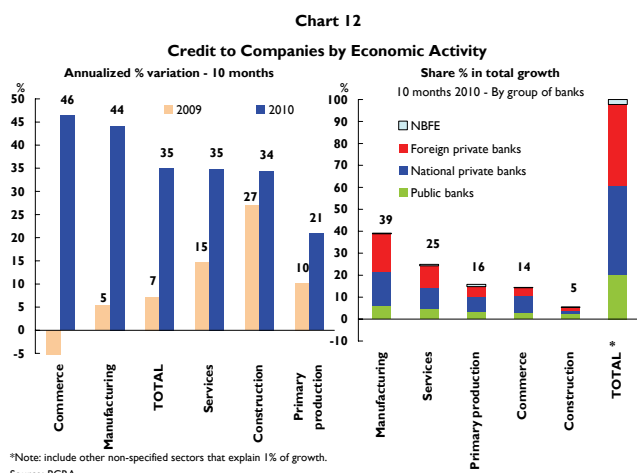
³ If balance sheet stocks are corrected for the assets securitized during the month, the change in lending to the private sector would reach 3.6%. During October there were three issues of financial trusts using bank loan portfolios as underlying assets for a total of \$286 million. All the issues corresponded to the securitization of personal loans.



Source: BCRA



Source: BCRA



*Note: include other non-specified sectors that explain 1% of growth.
Source: BCRA

increased their share of the growth of loans to the private sector (see Chart 10).

Bank lending to companies⁴ rose 3.7% in October, a further increase in the rate at which the financing of productive sectors has been rising (35%a. in the first 10 months of 2010), higher even than the rate of increase in household consumer loans (see Chart 11). Loans to commerce and manufacturing have been the most dynamic during the year, as all productive sectors improved their performance compared with 2009. Private banks (domestic and foreign) led lending to manufacturers and service companies, while public banks showed less differentiation in their relative participation by economic sector (see Chart 12). Manufacturing and services continued to be the activities with the greatest share of the total stock of company loans (with shares of 33% and 25% respectively).

Loans of a relatively larger size⁵ granted to companies (over \$5 million) recorded the strongest growth in the first 10 months of 2010 (44%a.), accounting for 55% of the total stock (3 p.p. more than at the end of 2009). The smaller segments (less than \$5 million) recorded an increase of 25% in the same period.

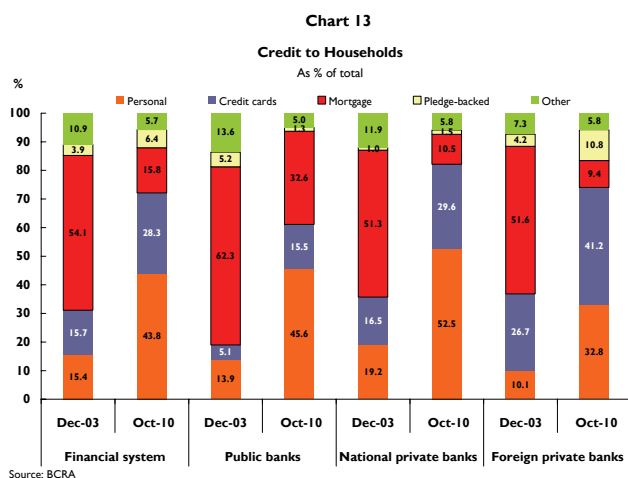
Under the Bicentennial Program for Productive Sector Financing (“Programa de Financiamiento Productivo del Bicentenario”)⁶, designed to increase the availability of long-term credit in local currency for the financing of investment, the Central Bank held its second auction of funding for bank loans. The total amount of resources auctioned has been \$340 million. In all, seven banks have benefitted. The interest rate payable by each bank for the funds awarded was set at a nominal annual 9%. Banks will grant loans using these funds at a total financial cost of 9.9%. The funds allocated to the banks are secured by financial assets for which the debtor or guarantor is the National State.

Lending to households rose 2.3% in the month. Growth has thus totaled an annualized 28% in the first 10 months of the year, mainly driven by consumer loans, which overall rose by 32%a. (credit cards increased 39%a. and personal loans were up 28%a.). Collateralized loans were up 14%a. in the same period, mainly from the rise in pledge-backed loans (41%a.), as mortgage loans recorded more moderate growth. The trend towards an increased share for the

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.

⁵ Based on residual balance stocks.

⁶ See Communication “A” 5089.

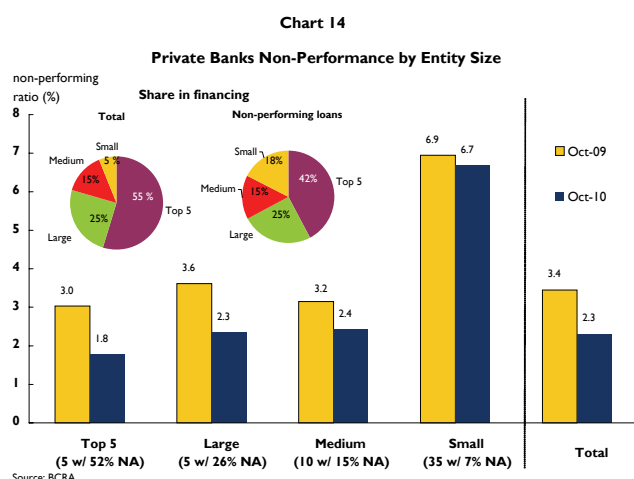


consumer loan portfolio compared with loans for longer terms has been seen in recent years among all groups of financial entities, although it is less pronounced in public banks (see Chart 13).

Increased lending to the private sector took place at the same time as a reduction in the exposure of the financial system to the public sector. Lending to this sector totaled 12.3% of assets in October, with a drop of 0.5 p.p. compared with September, mainly in public banks. If the aggregate level of their deposits is taken into account, the public sector remains a net creditor of the financial sector as a whole (11% of total assets).

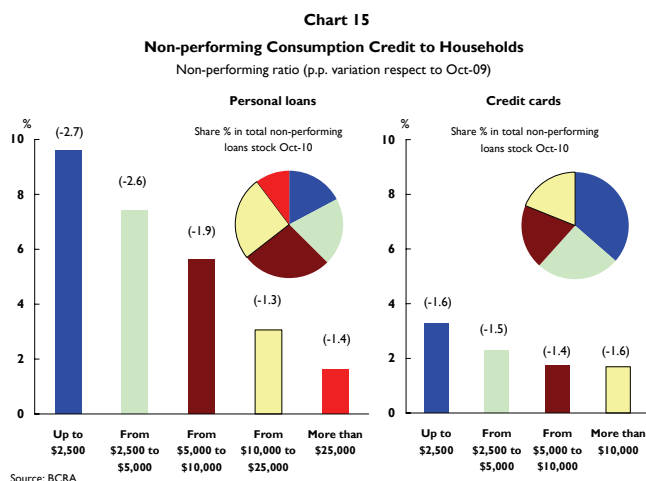
Portfolio quality

The private sector lending non-performing ratio fell again, setting at a new historical minimum

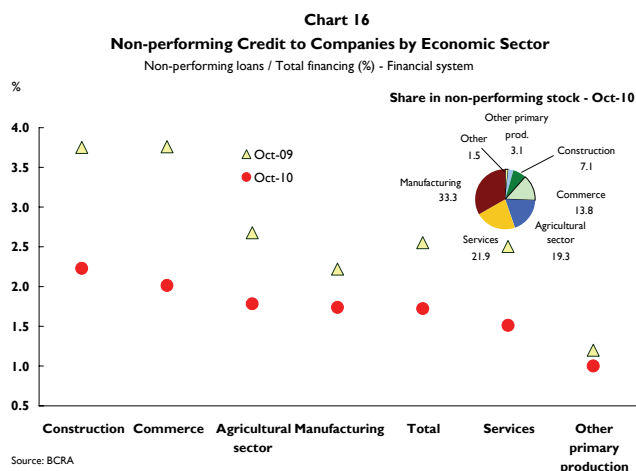


The non-performing ratio for loans to the private sector dropped 0.1 p.p. in the month, reaching a record low of 2.4%. In the last 12 months the delinquency level has dropped 1.2 p.p., mainly from the performance of the loans granted by non-banking financial entities and private banks. In the case of the latter, the improvements in the quality of lending to the private sector took place mainly among the larger banks, and to a lesser extent in those of a relatively lower size (see Chart 14).

The reduction in the delinquency of the private sector loan portfolio in recent months was largely driven by household consumer loans. The non-performing ratio for such loans stood at 3.4% in October, 2.1 p.p. lower than in the same month of 2009. **This improvement in the non-performing consumer loan indicator over the last year has been seen in all segments classified by size of residual balance sheet stocks, in the case of both personal loans and credit card lending** (see Chart 15). In the case of personal loans, those in the segment with a residual balance of between \$5,000 and \$25,000 account for around 52% of non-performing loans, while in the case of credit card lending, the relatively smaller segments (up to \$5,000) account for 62% of the delinquent balance.



Non-performance in the case of loans to companies stood at 1.7% in October, 0.8 p.p. less than in the same months of 2009. All productive sectors posted a reduction in their loan delinquency (see Chart 16), with a notable improvement in the performance by the commerce and construction sectors.

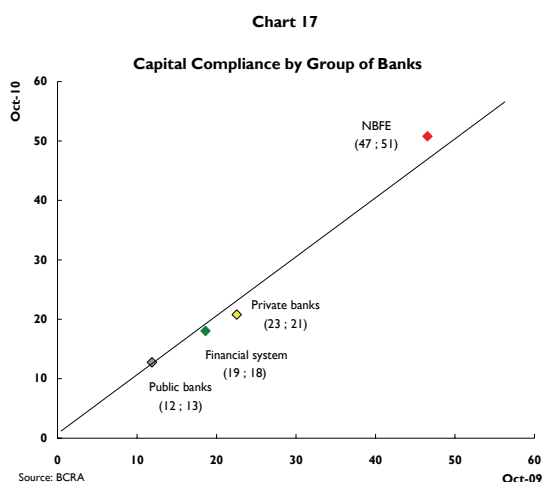


In this context, **the financial system continued to record a high level of provisioning.** The ratio of coverage of the non-performing portfolio by provisions stood at 152% in October, 30 p.p. higher than 12 months earlier.

Solvency

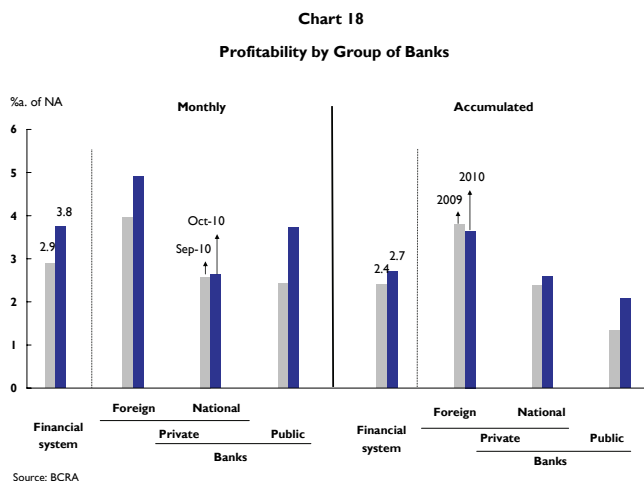
The financial system maintains high solvency indicators, within a context of book profits

Financial system consolidated net worth rose by 2.7% (16.3% y.o.y.) in October, driven by further book profits. All groups of banks increased their net worth, with notable results from public banks.

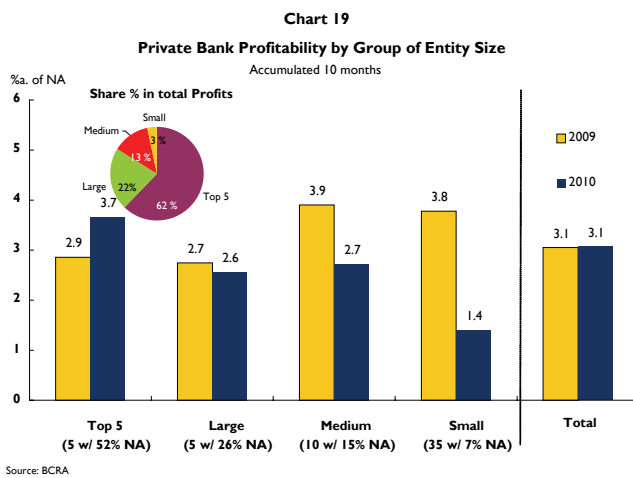


Within the context of growing financial intermediation with the private sector, **the capital compliance ratio for the banking system stood at 18% of risk-weighted assets (RWA) in October.** In year-on-year terms there has been a slight drop in this indicator, mainly among private banks (see Chart 17). The excess capital compliance of the financial system stood at 89% of the regulatory requirement, showing a decline of 11 p.p. in the last year.

During the month, the banking system booked profits for 3.8%a. of assets, 0.9 p.p. above the level of the previous month, mainly following the improved performance by public banks and foreign private banks. In the total for the year to date, the financial system has recorded ROA of 2.7%a. (see Chart 18), higher than the level recorded 12 months ago. Public banks posted a more notable increase in their book profits for the year, although the profits recorded by private banks were greater. During the course of 2010 it can be seen that the five largest private banks (on the basis of assets) increased their book profits compared with the same period of 2009, while the rest of the groups of financial entities recorded lower profits (see Chart 19).



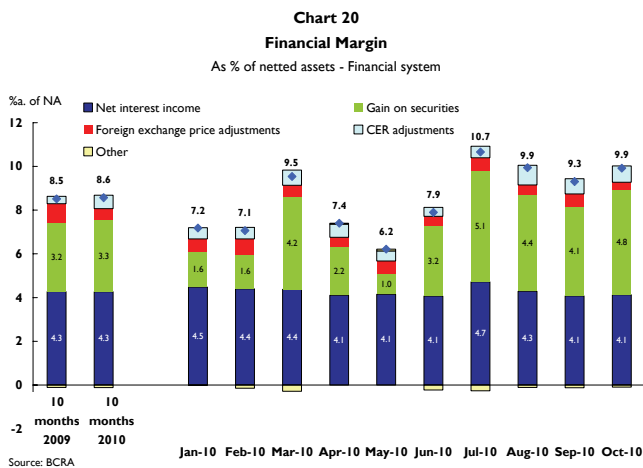
Bank financial margin reached 9.9%a. of assets in October, showing growth of 0.6 p.p. compared with September, mainly from the increased gains on securities (see Chart 20). Private banks posted higher net interest income in the month, while public banks recorded a slight increase in CER adjustments. **During 2010, banking system financial margin improved slightly compared with the same period of 2009, driven mainly by CER adjustments and gains on securities,** these latter results having been partly offset by lower foreign exchange price adjustments.



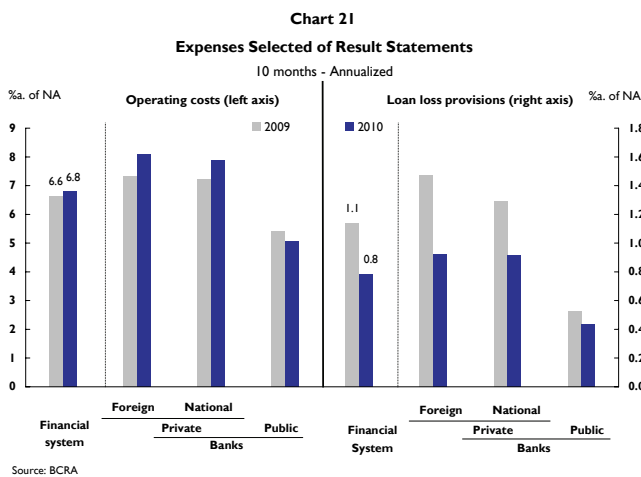
Financial system service income margin dropped during the month by 0.2 p.p. of assets to 3.7%a. For the year to date, net service income margin has remained at around 3.8%a. of assets.

Operating costs stood at 6.6%a. of bank assets, slightly under the level recorded in September. **In the first 10 months of the year, these accrued expenses have totaled 6.8%a. of assets, 0.2 p.p. more than in the same period of 2009** (see Chart 21), driven mainly by private banks (both foreign and domestic) in a scenario in which there was a slight reduction in the case of public financial entities.

In the month loan loss provisions remained steady at 0.7%a. of assets. In line with the improvement in the quality of the credit portfolio, **in the accumulated total for the year to date these expenses have lost weight on the income statement**, particularly in the case of private banks.



According to information available at the date of publishing this Report, it is estimated that in November the financial system will continue to record high solvency levels on the basis of further book profits. As financial intermediation levels increase at a faster rate, private sector lending will continue to consolidate its position as the principal application of bank funds, and net interest income and service income margin can be expected to remain at relatively high levels. The improvement seen in loan portfolio quality is also expected to translate into lower loan loss provisions.



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” 5130 – 22/Oct/10

Introduction of the settlement check (*“Cheque Cancelatorio”*). This tool may be issued in pesos or US dollars, at the request of the applicant. The amount in domestic currency should be \$5,000 or more, up to a maximum of \$400,000, and in foreign currency it should be for a minimum of US\$2,500 and a maximum of US\$100,000. These checks will be issued by banks and will have to be submitted for payment at the bank where the holder has an account within 90 calendar days. Once this period has lapsed, the holder shall only be able to collect the amount at the Central Bank. Such documents may be endorsed twice, in the presence of a notary public, financial entity officer, or legal authority, which will be required to certify the signature.

Communication “A” 5133 – 28/Oct/10

Changes to the ordered text on “Correspondent Accounts.” Banks in Argentina are authorized to offer the opening of correspondent accounts, and to provide services involving transactions on behalf of third parties, observing “Credit Policy” rules. To open accounts at financial entities abroad, the local bank requiring the account must comply with certain requirements, such as obtaining evidence in the public domain, copy of the global certificate under the “US Patriot Act” or adherence to the Wolfsberg Principles by the bank abroad, which should be available on its webpage, or by means of the presentation of an affidavit from the foreign financial entity.

Methodology

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

Glossary

%a.: annualized percentage.

%i.a.: interannual percentage.

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

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

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

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

CEDRO: Certificado de Depósito Reprogramado. Rescheduled Stabilization Coefficient.

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

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

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

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

Lebac and Nobac: Bills and notes of the BCRA.

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

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

mill.: million.

NBFE: Non-banking financial entity.

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

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

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

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

ON: Corporate bonds (Obligaciones Negociables).

OS: Subordinated debt (Obligaciones Subordinadas).

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

PN: Net worth (Patrimonio Neto).

p.p.: percentage points.

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

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

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

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

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

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

RWA: Risk weighted assets.

SME: Small and Medium Enterprises.

US\$: United States dollars

Statistics annex | Financial system

Chart 1 | Financial Soundness Indicators (see Methodology)

As %	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	Oct 2009	2009	Sep 2010	Oct 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	29.3	28.6	28.1	29.4
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	14.2	14.5	12.8	12.3
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	37.7	38.3	38.5	38.2
4.- Private non-performing loans	16.2	13.8	12.2	14.0	16.0	19.1	38.6	33.5	18.6	7.6	4.5	3.2	3.1	3.7	3.5	2.5	2.4
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	-2.5	-2.8	-4.2	-4.3
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	2.4	2.3	2.6	2.7
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	19.8	19.2	22.0	23.2
8.- Efficiency	142	136	138	142	147	143	189	69	125	151	167	160	167	186	185	179	182
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	18.6	18.8	17.7	18.0
10.- Excess capital compliance	64	73	49	54	58	54	-	116	185	173	134	93	90	100	100	87	89

Source: BCRA

Chart 2 | Balance Sheet

In million of current pesos	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Dec 08	Oct 09	Dec 09	Sep 10	Oct 10	Change (in%)					
												Last month	2010	Last 12 months			
Assets	187,532	186,873	212,562	221,962	258,384	297,963	346,762	377,232	387,381	470,696	490,305	4.2	26.6	30.0			
Liquid assets ¹	17,138	27,575	29,154	20,819	37,991	46,320	58,676	67,560	71,067	90,388	93,939	3.9	32.2	39.0			
Public bonds	31,418	45,062	55,382	66,733	64,592	62,678	65,255	83,668	86,318	108,642	115,253	6.1	33.5	37.8			
Lebac/Nobac	-	-	17,755	28,340	29,289	36,022	37,093	45,972	43,867	67,182	73,352	9.2	67.2	59.6			
Portfolio	-	-	11,803	21,067	25,767	31,598	25,652	32,857	34,748	58,271	59,457	2.0	71.1	81.0			
Repo ²	-	-	5,953	7,273	3,521	4,424	11,442	13,115	9,119	8,911	13,895	55.9	52.4	5.9			
Private bonds	332	198	387	389	813	382	203	348	307	322	304	-5.7	-1.3	-12.7			
Loans	84,792	68,042	73,617	84,171	103,668	132,157	154,719	162,464	169,868	206,718	213,151	3.1	25.5	31.2			
Public sector	44,337	33,228	30,866	25,836	20,874	16,772	17,083	19,329	20,570	24,180	24,496	1.3	19.1	26.7			
Private sector	38,470	33,398	41,054	55,885	77,832	110,355	132,844	139,314	145,247	177,679	183,828	3.5	26.6	32.0			
Financial sector	1,985	1,417	1,697	2,450	4,962	5,030	4,793	3,821	4,052	4,859	4,827	-0.6	19.1	26.3			
Provisions over loans	-11,952	-9,374	-7,500	-4,930	-3,728	-4,089	-4,744	-5,642	-5,824	-6,058	-6,111	0.9	4.9	8.3			
Other netted credits due to financial intermediation	39,089	27,030	32,554	26,721	26,039	29,712	38,152	35,901	33,498	37,254	39,576	6.2	18.1	10.2			
Corporate bonds and subordinated debt	1,708	1,569	1,018	873	773	606	912	1,161	1,146	1,269	1,275	0.5	11.3	9.9			
Unquoted trusts	6,698	4,133	3,145	3,883	4,881	5,023	5,714	5,852	5,942	5,969	6,083	1.9	2.4	3.9			
Compensation receivable	17,111	14,937	15,467	5,841	763	377	357	17	16	0	0	0.0	-99.8	-99.9			
Other	13,572	6,392	12,924	16,124	19,622	23,706	31,169	28,871	26,395	30,016	32,217	7.3	22.1	11.6			
Leasing	567	397	611	1,384	2,262	3,469	3,935	3,031	2,933	3,453	3,637	5.3	24.0	20.0			
Shares in other companies	4,653	4,591	3,871	4,532	6,392	6,430	7,236	6,676	6,711	7,737	7,752	0.2	15.5	16.1			
Fixed assets and miscellaneous	8,636	8,164	7,782	7,546	7,619	7,643	7,903	8,191	8,239	8,647	8,731	1.0	6.0	6.6			
Foreign branches	3,522	3,144	3,524	3,647	2,782	2,912	3,153	4,246	3,926	3,245	3,249	0.1	-17.2	-23.5			
Other assets	9,338	12,043	13,180	10,950	9,953	10,347	12,275	10,790	10,337	10,350	10,825	4.6	4.7	0.3			
Liabilities	161,446	164,923	188,683	195,044	225,369	261,143	305,382	330,489	339,047	417,082	435,304	4.4	28.4	31.7			
Deposits	75,001	94,635	116,655	136,492	170,898	205,550	236,217	263,562	271,853	346,486	356,463	2.9	31.1	35.2			
Public sector ³	8,381	16,040	31,649	34,019	45,410	48,340	67,151	70,269	69,143	108,087	113,371	4.9	64.0	61.3			
Private sector ³	59,698	74,951	83,000	100,809	123,431	155,048	166,378	189,491	199,278	235,768	239,996	1.8	20.4	26.7			
Current account	11,462	15,071	18,219	23,487	26,900	35,245	39,619	41,191	45,752	55,464	56,296	1.5	23.0	36.7			
Savings account	10,523	16,809	23,866	29,078	36,442	47,109	50,966	57,756	62,807	72,157	73,784	2.3	17.5	27.8			
Time deposit	19,080	33,285	34,944	42,822	54,338	65,952	69,484	83,607	83,967	99,228	100,568	1.4	19.8	20.3			
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	52,735	52,114	55,515	62,986	13.5	20.9	19.4			
Interbanking obligations	1,649	1,317	1,461	2,164	4,578	4,310	3,895	3,032	3,251	4,052	3,972	-2.0	22.2	31.0			
BCRA lines	27,837	27,491	27,726	17,005	7,686	2,362	1,885	482	270	202	204	0.6	-24.5	-57.7			
Outstanding bonds	9,096	6,675	7,922	6,548	6,603	6,938	5,984	5,328	5,033	4,138	4,244	2.6	-15.7	-20.3			
Foreign lines of credit	25,199	15,196	8,884	4,684	4,240	3,864	4,541	3,462	3,369	3,677	3,738	1.6	10.9	8.0			
Other	11,955	11,012	18,934	21,671	22,930	28,752	41,357	40,432	40,191	43,446	50,828	17.0	26.5	25.7			
Subordinated debts	3,712	2,028	1,415	1,381	1,642	1,672	1,887	1,922	1,951	1,964	1,964	0.7	2.2	4.1			
Other liabilities	6,997	6,569	5,685	5,099	6,792	7,695	9,740	12,305	13,159	13,130	13,891	5.8	5.6	12.9			
Net worth	26,086	21,950	23,879	26,918	33,014	36,819	41,380	46,743	48,335	53,614	55,001	2.6	13.8	17.7			
Memo																	
Netted assets	185,356	184,371	202,447	208,275	244,791	280,336	321,075	353,061	364,726	444,277	461,149	3.8	26.4	30.6			
Consolidated netted assets	181,253	181,077	198,462	203,286	235,845	271,652	312,002	345,795	357,118	434,791	451,527	3.8	26.4	30.6			

(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 | Financial system (cont.)

Chart 3 | Profitability Structure

Amount in million of pesos	Annual								First 10 months		Monthly			Last
	2002 ¹	2003	2004	2005	2006	2007	2008	2009	2009	2010	Aug-10	Sep-10	Oct-10	12 months
Financial margin	13,991	1,965	6,075	9,475	13,262	15,134	20,462	28,937	23,715	29,141	3,546	3,413	3,786	34,363
Net interest income	-3,624	-943	1,753	3,069	4,150	5,744	9,573	14,488	11,899	14,526	1,529	1,494	1,575	17,115
CER and CVS adjustments	8,298	2,315	1,944	3,051	3,012	2,624	2,822	1,196	933	2,087	321	255	285	2,350
Foreign exchange price adjustments	5,977	-890	866	751	944	1,357	2,307	2,588	2,418	1,743	158	211	135	1,913
Gains on securities	3,639	1,962	1,887	2,371	4,923	5,144	4,398	11,004	8,777	11,180	1,577	1,499	1,829	13,407
Other financial income	-299	-480	-375	233	235	264	1,362	-339	-312	-395	-39	-46	-38	-422
Service income margin	4,011	3,415	3,904	4,781	6,243	8,248	10,870	13,052	10,612	13,003	1,346	1,419	1,420	15,443
Loan loss provisions	-10,007	-2,089	-1,511	-1,173	-1,198	-1,894	-2,839	-3,814	-3,160	-2,656	-390	-244	-261	-3,311
Operating costs	-9,520	-7,760	-7,998	-9,437	-11,655	-14,634	-18,767	-22,710	-18,454	-23,169	-2,344	-2,543	-2,528	-27,425
Tax charges	-691	-473	-584	-737	-1,090	-1,537	-2,318	-3,272	-2,699	-3,294	-356	-366	-399	-3,867
Income tax	-509	-305	-275	-581	-595	-1,032	-1,342	-4,226	-3,448	-4,353	-647	-813	-547	-5,131
Adjust. to the valuation of gov. securities ²	0	-701	-320	-410	-752	-837	-1,757	-262	-246	-188	-16	-2	-2	-204
Amort. payments for court-ordered releases	0	-1,124	-1,686	-1,867	-2,573	-1,922	-994	-703	-542	-572	-58	-32	-110	-733
Other	-3,880	1,738	1,497	1,729	2,664	2,380	1,441	918	904	1,263	-142	231	77	1,277
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	6,682	9,175	938	1,063	1,435	10,413
Adjusted results ⁴	-	-3,440	1,337	4,057	7,631	6,665	7,508	8,885	7,470	9,934	1,013	1,097	1,548	11,349
Annualized indicators - As % of netted assets														
Financial margin	6.5	1.1	3.1	4.6	5.8	5.7	6.7	8.6	8.5	8.6	9.9	9.3	9.9	8.6
Net interest income	-1.7	-0.5	0.9	1.5	1.8	2.2	3.1	4.3	4.3	4.3	4.3	4.1	4.1	4.3
CER and CVS adjustments	3.9	1.3	1.0	1.5	1.3	1.0	0.9	0.4	0.3	0.6	0.9	0.7	0.7	0.6
Foreign exchange price adjustments	2.8	-0.5	0.4	0.4	0.4	0.5	0.8	0.8	0.9	0.5	0.4	0.6	0.4	0.5
Gains on securities	1.7	1.1	1.0	1.2	2.2	1.9	1.4	3.3	3.2	3.3	4.4	4.1	4.8	3.4
Other financial income	-0.1	-0.3	-0.2	0.1	0.1	0.1	0.4	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-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	3.9	3.7	3.9
Loan loss provisions	-4.7	-1.1	-0.8	-0.6	-0.5	-0.7	-0.9	-1.1	-1.1	-0.8	-1.1	-0.7	-0.7	-0.8
Operating costs	-4.4	-4.2	-4.1	-4.6	-5.1	-5.5	-6.1	-6.7	-6.6	-6.8	-6.6	-6.9	-6.6	-6.9
Tax charges	-0.3	-0.3	-0.3	-0.4	-0.5	-0.6	-0.8	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0
Income tax	-0.2	-0.2	-0.1	-0.3	-0.3	-0.4	-0.4	-1.3	-1.2	-1.3	-1.8	-2.2	-1.4	-1.3
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	0.0	0.0	0.0	-0.1
Amort. payments for court-ordered releases	0.0	-0.6	-0.9	-0.9	-1.1	-0.7	-0.3	-0.2	-0.2	-0.2	-0.2	-0.1	-0.3	-0.2
Other	-1.8	0.9	0.8	0.8	1.2	0.9	0.5	0.3	0.3	0.4	-0.4	0.6	0.2	0.3
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	2.4	2.7	2.6	2.9	3.8	2.6
ROA adjusted ⁴	-8.9	-1.9	0.7	2.0	3.4	2.5	2.5	2.6	2.7	2.9	2.8	3.0	4.1	2.8
ROE³	-59.2	-22.7	-4.2	7.0	14.3	11.0	13.4	19.2	19.8	23.2	23.3	25.8	33.2	22.1

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

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

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

Source: BCRA

Chart 4 | Portfolio Quality

As percentage	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Dec 08	Oct 09	Dec 09	Sep 10	Oct 10
Non-performing loans (overall)	18.1	17.7	10.7	5.2	3.4	2.7	2.7	3.2	3.0	2.2	2.1
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	2.5	2.4
Provisions / Non-performing loans	73.8	79.2	102.9	124.5	129.9	129.6	131.4	121.6	126.2	148.6	152.0
(Total non-performing - Provisions) / Overall financing	4.7	3.7	-0.3	-1.3	-1.0	-0.8	-0.8	-0.7	-0.8	-1.1	-1.1
(Total non-performing - Provisions) / Net worth	17.2	11.9	-1.0	-4.1	-3.3	-3.0	-3.3	-2.5	-2.9	-4.2	-4.3

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

Source: BCRA

Statistics annex | Private banks

Chart 5 | Financial Soundness Indicators (see Methodology)

As %	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	Oct 2009	2009	Sep 2010	Oct 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	30.7	29.8	27.6	28.3
2.- Credit to the public sector	13.5	13.7	13.6	16.1	14.7	20.8	50.0	47.7	41.6	28.5	16.3	9.5	6.3	6.2	6.2	5.0	4.8
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	42.4	43.3	47.2	48.1
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	3.4	3.3	2.4	2.3
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	-2.7	-3.1	-4.0	-4.1
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	3.1	3.0	3.0	3.1
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	23.6	22.9	22.9	23.5
8.- Efficiency	144	135	139	146	152	151	168	93	115	136	158	152	166	199	195	175	177
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	22.7	22.6	20.6	20.8
10.- Excess capital compliance	33	47	27	60	49	43	-	88	157	155	116	87	86	124	121	103	104

Source: BCRA

Chart 6 | Balance Sheet

In million of current pesos	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Dec 08	Oct 09	Dec 09	Sep 10	Oct 10	Change (in%)					
												Last months	2010	Last 12 months			
Assets	118,906	116,633	128,065	129,680	152,414	175,509	208,888	223,375	229,549	266,473	270,345	1.5	17.8	21.0			
Liquid assets ¹	11,044	14,500	15,893	14,074	22,226	29,418	37,044	40,329	43,562	48,418	50,508	4.3	15.9	25.2			
Public bonds	19,751	22,260	24,817	29,966	27,663	24,444	29,552	47,932	47,949	47,995	47,171	-1.7	-1.6	-1.6			
Lebac/Nobac	-	-	8,359	15,227	15,952	17,684	23,457	33,461	31,575	33,025	32,351	-2.0	2.5	-3.3			
Portfolio	-	-	5,611	12,899	14,220	15,639	12,858	27,041	27,413	29,199	28,023	-4.0	2.2	3.6			
Repo ²	-	-	2,749	2,328	1,732	2,045	10,598	6,419	4,161	3,826	4,328	13.1	4.0	-32.6			
Private bonds	273	172	333	307	683	310	127	217	233	185	204	10.3	-12.5	-5.9			
Loans	51,774	47,017	50,741	56,565	69,294	88,898	98,529	96,911	101,722	128,048	132,104	3.2	29.9	36.3			
Public sector	25,056	23,571	21,420	15,954	10,036	6,413	6,249	1,793	1,694	1,516	1,581	4.3	-6.6	-11.8			
Private sector	26,074	22,816	28,213	39,031	55,632	78,587	88,426	92,147	96,790	122,731	126,725	3.3	30.9	37.5			
Financial sector	644	630	1,107	1,580	3,626	3,898	3,854	2,971	3,238	3,801	3,797	-0.1	17.3	27.8			
Provisions over loans	-7,463	-5,225	-3,717	-2,482	-2,227	-2,365	-2,871	-3,530	-3,653	-3,804	-3,843	1.0	5.2	8.9			
Other netted credits due to financial intermediation	27,212	22,148	25,753	16,873	18,387	17,084	25,265	22,705	21,258	25,282	23,309	-7.8	9.6	2.7			
Corporate bonds and subordinated debt	1,514	1,394	829	675	618	430	699	787	734	731	733	0.2	-0.2	-6.9			
Unquoted trusts	6,205	3,571	2,362	2,444	2,982	3,456	3,869	4,177	4,198	4,060	4,151	2.3	-1.1	-0.6			
Compensation receivable	15,971	13,812	14,657	5,575	760	377	357	17	16	0	0	-	-	-			
Other	3,523	3,370	7,905	8,179	14,027	12,822	20,339	17,724	16,311	20,491	18,425	-10.1	13.0	4.0			
Leasing	553	387	592	1,356	2,126	3,149	3,451	2,649	2,569	3,071	3,241	5.5	26.2	22.4			
Shares in other companies	3,123	2,791	1,892	2,416	4,042	3,762	4,538	3,928	4,067	4,885	4,869	-0.3	19.7	23.9			
Fixed assets and miscellaneous	5,198	4,902	4,678	4,575	4,677	4,685	4,926	5,072	5,096	5,460	5,521	1.1	8.3	8.9			
Foreign branches	-109	-136	-53	-148	-139	-154	-178	-202	-202	-216	-216	0.2	7.0	6.9			
Other assets	7,549	7,816	7,137	6,178	5,682	6,277	8,505	7,365	6,946	7,150	7,478	4.6	7.6	1.5			
Liabilities	103,079	101,732	113,285	112,600	131,476	152,153	182,596	193,340	198,438	232,651	235,784	1.3	18.8	22.0			
Deposits	44,445	52,625	62,685	75,668	94,095	116,719	135,711	148,478	154,387	184,388	187,971	1.9	21.8	26.6			
Public sector ³	1,636	3,077	6,039	6,946	7,029	7,564	19,600	19,032	17,757	25,674	26,375	2.7	48.5	38.6			
Private sector ³	38,289	47,097	55,384	67,859	85,714	107,671	114,176	127,052	134,426	157,204	159,913	1.7	19.0	25.9			
Current account	8,905	11,588	13,966	17,946	20,604	27,132	30,188	31,348	35,127	41,409	41,901	1.2	19.3	33.7			
Savings account	6,309	10,547	14,842	18,362	23,165	30,169	32,778	37,124	40,999	46,249	46,890	1.4	14.4	26.3			
Time deposit	11,083	18,710	22,729	27,736	38,043	45,770	46,990	54,224	54,058	63,422	64,625	1.9	19.5	19.2			
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	35,259	34,235	38,573	37,688	-2.3	10.1	6.9			
Interbanking obligations	836	726	1,070	1,488	3,383	1,979	1,160	1,290	1,668	2,037	1,803	-11.5	8.1	39.8			
BCRA lines	16,624	17,030	17,768	10,088	3,689	675	649	36	41	36	36	1.9	-11.8	1.3			
Outstanding bonds	9,073	6,674	7,922	6,548	6,413	6,686	5,672	4,978	4,626	3,753	3,747	-0.1	-19.0	-24.7			
Foreign lines of credit	15,434	9,998	5,444	2,696	2,249	1,833	2,261	1,257	1,262	1,585	1,643	3.6	30.1	30.7			
Other	7,374	7,939	12,878	11,530	16,015	18,150	29,555	27,698	26,638	31,162	30,458	-2.3	14.3	10.0			
Subordinated debts	3,622	1,850	1,304	1,319	1,642	1,668	1,759	1,884	1,918	1,933	1,946	0.7	1.5	3.3			
Other liabilities	5,671	4,890	4,213	3,264	3,989	4,443	5,828	7,720	7,897	7,757	8,179	5.4	3.6	5.9			
Net worth	15,827	14,900	14,780	17,080	20,938	23,356	26,292	30,035	31,111	33,822	34,561	2.2	11.1	15.1			
Memo																	
Netted assets	117,928	115,091	121,889	123,271	143,807	166,231	192,074	208,906	216,100	248,817	254,446	2.3	17.7	21.8			

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

Source: BCRA

Statistics annex | Private banks (cont.)

Chart 7 | Profitability Structure

Amount in million of pesos	Annual									First 10 months		Monthly			Last
	2002 ¹	2003	2004	2005	2006	2007	2008	2009	2009	2010	Aug-10	Sep-10	Oct-10	12 months	
Financial margin	10,628	2,575	3,415	5,253	7,778	8,960	12,964	19,724	16,407	17,759	1,922	1,942	2,147	21,075	
Net interest income	-304	107	1,214	2,069	2,826	4,191	7,727	10,572	8,791	10,271	1,096	1,069	1,129	12,052	
CER and CVS adjustments	1,476	1,082	900	1,215	858	662	651	185	141	285	57	58	41	328	
Foreign exchange price adjustments	6,189	-312	666	576	740	990	1,620	1,646	1,480	1,225	117	141	117	1,391	
Gains on securities	3,464	1,892	959	1,259	3,154	2,888	1,637	7,343	6,067	6,161	672	705	876	7,437	
Other financial income	-197	-195	-322	134	199	229	1,329	-22	-72	-183	-21	-30	-17	-133	
Service income margin	2,782	2,341	2,774	3,350	4,459	5,881	7,632	9,198	7,496	9,196	955	991	996	10,898	
Loan loss provisions	-6,923	-1,461	-1,036	-714	-737	-1,174	-1,863	-2,751	-2,274	-1,760	-178	-182	-193	-2,236	
Operating costs	-6,726	-5,310	-5,382	-6,303	-7,741	-9,735	-12,401	-14,807	-12,019	-15,243	-1,531	-1,726	-1,627	-18,032	
Tax charges	-512	-366	-393	-509	-769	-1,105	-1,715	-2,380	-1,952	-2,347	-251	-253	-273	-2,775	
Income tax	-337	-295	-202	-217	-365	-380	-1,168	-3,001	-2,646	-2,383	-248	-330	-290	-2,738	
Adjust. to the valuation of gov. securities ²	0	-665	-51	-201	-170	-100	-267	0	-17	36	4	5	12	53	
Amort. payments for court-ordered releases	0	-791	-1,147	-1,168	-1,182	-1,466	-688	-367	-289	-410	-44	-15	-95	-488	
Other	-4,164	1,178	846	1,156	1,641	1,576	916	398	338	1,030	36	226	98	1,090	
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	5,044	5,878	666	658	775	6,848	
Adjusted results ⁴	-	-1,357	252	2,016	4,267	4,023	4,367	6,381	5,351	6,252	705	668	858	7,282	
Annualized indicators - As % of netted assets															
Financial margin	7.6	2.3	2.9	4.3	5.9	5.8	7.3	9.8	9.9	9.3	9.7	9.5	10.2	9.3	
Net interest income	-0.2	0.1	1.0	1.7	2.1	2.7	4.4	5.3	5.3	5.4	5.5	5.2	5.4	5.3	
CER and CVS adjustments	1.1	0.9	0.8	1.0	0.6	0.4	0.4	0.1	0.1	0.1	0.3	0.3	0.2	0.1	
Foreign exchange price adjustments	4.4	-0.3	0.6	0.5	0.6	0.6	0.9	0.8	0.9	0.6	0.6	0.7	0.6	0.6	
Gains on securities	2.5	1.7	0.8	1.0	2.4	1.9	0.9	3.7	3.7	3.2	3.4	3.4	4.2	3.3	
Other financial income	-0.1	-0.2	-0.3	0.1	0.2	0.1	0.8	0.0	0.0	-0.1	-0.1	-0.1	-0.1	-0.1	
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	4.8	4.7	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	-0.9	-0.9	-0.9	-1.0	
Operating costs	-4.8	-4.6	-4.6	-5.1	-5.9	-6.3	-7.0	-7.4	-7.3	-8.0	-7.7	-8.4	-7.7	-8.0	
Tax charges	-0.4	-0.3	-0.3	-0.4	-0.6	-0.7	-1.0	-1.2	-1.2	-1.2	-1.3	-1.2	-1.3	-1.2	
Income tax	-0.2	-0.3	-0.2	-0.2	-0.3	-0.2	-0.7	-1.5	-1.6	-1.2	-1.2	-1.6	-1.4	-1.2	
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	0.1	0.0	
Amort. payments for court-ordered releases	0.0	-0.7	-1.0	-1.0	-0.9	-0.9	-0.4	-0.2	-0.2	-0.2	-0.2	-0.1	-0.4	-0.2	
Other	-3.0	1.0	0.7	0.9	1.2	1.0	0.5	0.2	0.2	0.5	0.2	1.1	0.5	0.5	
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	3.1	3.1	3.3	3.2	3.7	3.0	
ROA adjusted ⁴	-11.3	-1.2	0.2	1.6	3.2	2.6	2.5	3.2	3.2	3.3	3.5	3.3	4.1	3.2	
ROE²	-79.0	-19.1	-8.1	4.1	15.3	10.9	15.2	22.9	23.6	23.5	26.5	25.7	28.6	23.0	

(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	Oct 09	Dec 09	Sep 10	Oct 10
Non-performing loans (overall)	19.8	15.7	8.9	4.4	2.9	2.2	2.5	3.3	3.1	2.3	2.2
Non-performing loans to the non-financial private sector	37.4	30.4	15.3	6.3	3.6	2.5	2.8	3.4	3.3	2.4	2.3
Provisions / Non-performing loans	73.4	79.0	97.0	114.3	129.3	141.3	134.1	124.0	128.9	144.5	146.5
(Total non-performing - Provisions) / Overall financing	5.3	3.3	0.4	-0.6	-0.9	-0.9	-0.9	-0.8	-0.9	-1.0	-1.0
(Total non-performing - Provisions) / Net worth	18.6	11.2	1.3	-2.2	-3.0	-3.6	-3.4	-2.7	-3.1	-4.0	-4.1

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

Source: BCRA