

Report on Banks

March 2009



BANCO CENTRAL
DE LA REPÚBLICA ARGENTINA

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March 2009

Year VI, No. 7



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Note | Information for March 2009 available by May 8, 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 slowing trend in domestic financial intermediation growth persists, conditioned by developments in a highly volatile international context. This process has evolved within the framework of a sound domestic financial system based on appropriate liquidity and solvency levels. Nevertheless, the slowing rate of financial intermediation growth together with a gradual deterioration in loan portfolio quality have reduced the profitability of the sector.**
- **The financial system records a limited level of foreign currency mismatching**, equivalent to less than 30% of financial entities net worth, almost half the level seen four years earlier. The Central Bank's financial policy has encouraged this process by means of the introduction of prudential regulations aimed to appropriate control for foreign currency lending operations.
- **Non-financial sector deposits balance sheet stocks rose 1.2% in March**, ending the first quarter with a year-on-year increase of 10% (compared with an increment of 22% y.o.y. one year earlier). **The change for the month was driven by foreign currency deposits**, as private sector deposits in pesos recorded a temporary decline for the month of 1.2%.
- **Banks continue to show adequate liquidity levels**, amounting to 31% of deposits, up 1.2 p.p. for the month. The broad liquidity indicator (which includes Lebac and Nobac holdings) remains at 41.4% of deposits.
- **Credit to the private sector balance sheet stocks grew by 1.1% for the month**, accumulating a change of 16% y.o.y., 24 p.p. less than the rate of increase recorded in March 2008. Credit to the private sector stock in pesos rises almost 1% if the total is adjusted to reflect the issue of financial trusts for the month, with notable dynamism in the case of promissory notes and consumer credit (personal loans and credit cards).
- **A gradual increase is being recorded in the level of private sector lending non-performance, although levels remain low from a historical perspective.** During the first quarter of 2009 non-performance rose 0.4 p.p. to a level of 3.5%, mainly due to lending to households (where non-performance has gone up by 0.6 p.p. in the year to date). The level of coverage of non-performing loans by provisions stands at 123%.
- **Financial system consolidated net worth rose 1.7% (or 12.7% y.o.y.) during the month.** Capital compliance totals 17.2% of assets at risk, a similar level to that of the last three years and above those levels recommended internationally as well as domestic required. **Overall financial entities excess capital compliance amounts to 86% of the requirement, a comfortable position that is widespread across the banking sector.**

Activity

Financial system currency mismatching remains delimited

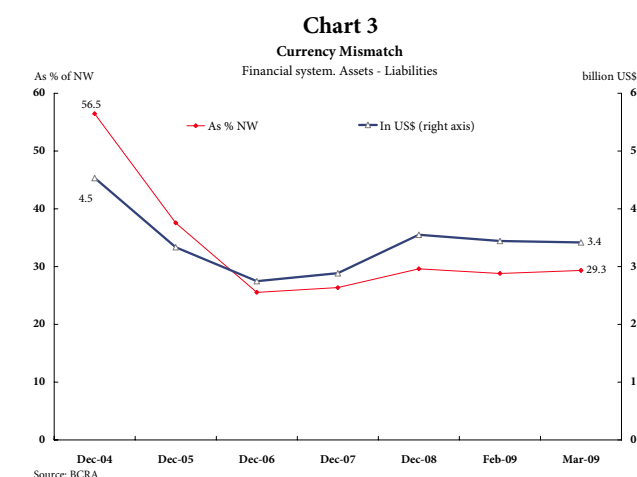
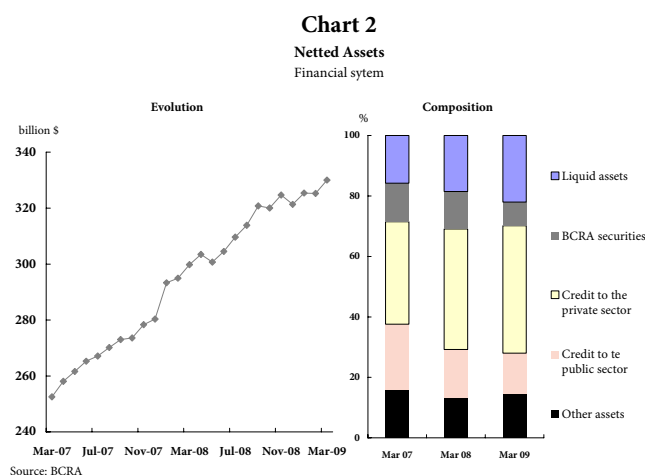
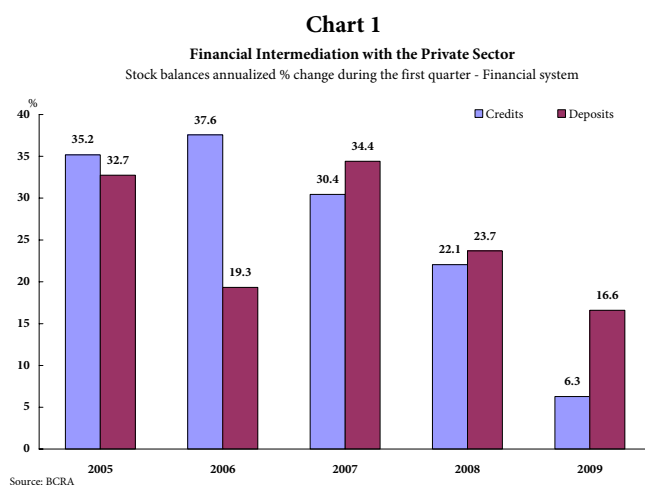
A gradual decline in the volume of financial intermediation carried out with the private sector has continued to be recorded. The first quarter of 2009 ended with growth rates for lending to companies and households and private sector deposits lower than those recorded in previous years (see Chart 1).

Estimated flow of funds based on financial entities balance sheet data as a whole (excluding the effect of the increase in the nominal exchange rate on stocks¹) shows that during March the reduction in Lebac and Nobac holdings not linked to repo transactions (\$2.25 billion) and higher foreign currency deposits from the private sector (\$2.1 billion²) and the public sector (\$950 million³) have been the main origin of resources. Uses of funds included an increase in liquid assets (\$2.65 billion), a reduction in private sector deposits in pesos (\$1.75 billion) and an increase in domestic currency lending to households and companies (\$1.1 billion⁴).

In March financial entities recorded an increase of 1.5% of netted assets (see Chart 2), driven mainly by private banks. As a result, financial system netted assets have accumulated year-on-year growth of 10.1%, which has been accompanied by an improvement in its composition. Lending to the private sector stands at approximately 42.1% of netted assets for the month (2.2 p.p. above the level recorded one year earlier), more than three times the exposure to the public sector, which totals 13.5% (2.6 p.p. less than in the same month of 2008).

Financial system foreign currency balance sheet mismatching remains steady (see Chart 3). Growth in both assets and liabilities in foreign currency has been due to similar monthly increases for liquid assets and deposits. In terms of net worth there has been a slight increase during the month in mismatching, which remains in line with the level posted at the end of 2008, at almost half the levels recorded in 2004.

This low balance sheet exposure to credit risk from changes in the exchange rate is largely a reflection of the



¹ In March the nominal peso-dollar exchange rate between ends rose 4.3%.

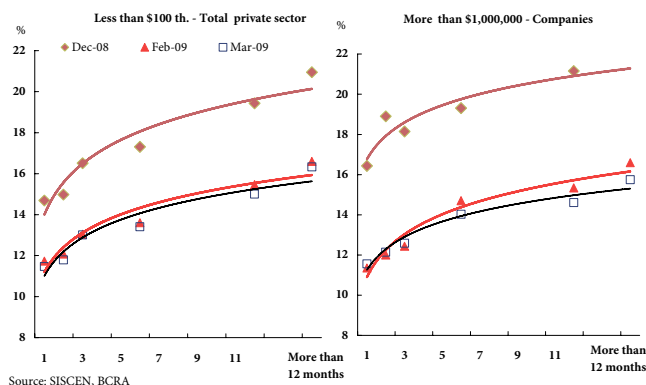
² Equivalent to an increase of US\$590 million. If totals were not to be corrected for the effect of the rise in the nominal exchange rate during the month, the change in stock levels shown on balance sheets would be of approximately \$3.5 billion.

³ Equivalent to an increase of US\$270 million.

⁴ Balance adjusted for the issue of financial trusts during the month.

Chart 4

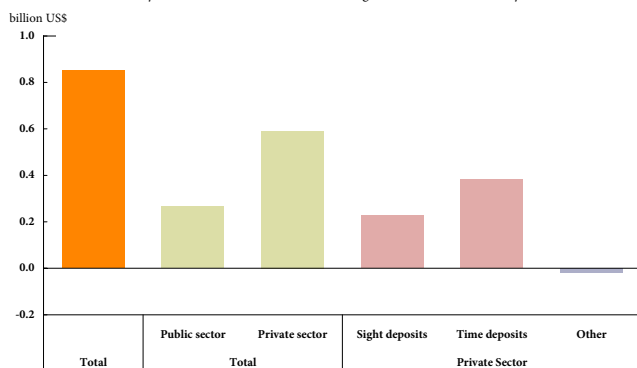
Private Sector Time Deposits in Pesos
Interest rate operations by contractual maturity - Financial system



Source: SISCEN, BCRA

Chart 5

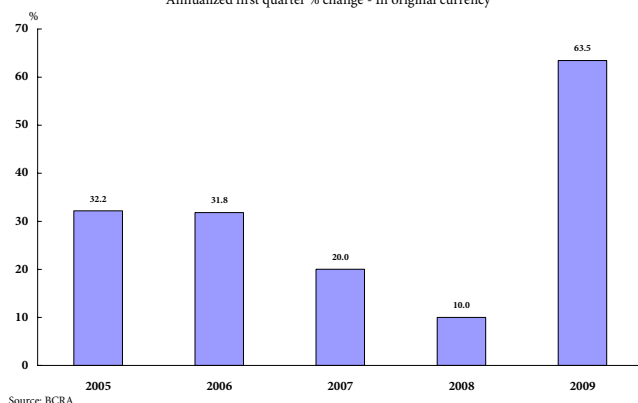
Non-Financial Sector Total Deposits in Foreign Currency
Monthly balance sheet stocks variation during March 2009 - Financial system



Source: BCRA

Chart 6

Private Sector Foreign Currency Deposits
Annualized first quarter % change - In original currency



Source: BCRA

monetary and financial policies of the Central Bank. Following the introduction of changes to regulations by this Institution, **foreign currency credit lines may only be granted to borrowers that show income correlation with the peso-dollar exchange rate.**

Deposits and liquidity

Foreign currency deposits rise in a context of high liquidity levels

Balance sheet deposits for the non-financial sector went up 1.2% in March (13% on an annualized basis for the first quarter, 10% y.o.y.). This change for the month reflects the impact of an increase in foreign currency stocks and a rise in the nominal exchange rate, more than offsetting the drop in peso deposits. The share of total deposits remains at around 68% of total financial system funding (liabilities plus net worth).

Non-financial sector deposits balance sheet stocks in pesos⁵ posted a temporary reduction of \$1.95 billion in March, which was not connected to any fundamental financial system variables⁶.

The fall in private sector peso deposits during the month mainly reflects a reduction in term deposits, and, to a lesser extent, in sight deposits. This decline in private sector peso deposits took place at the same time as a slight drop in deposit interest rates (see Chart 4) during a period of high financial system liquidity. **It should be noted that in April a recovery took place in private sector deposit total stock** (according to SisCen data, they went up approximately \$1.6 billion between month-ends), mainly because of an improvement in sight deposits.

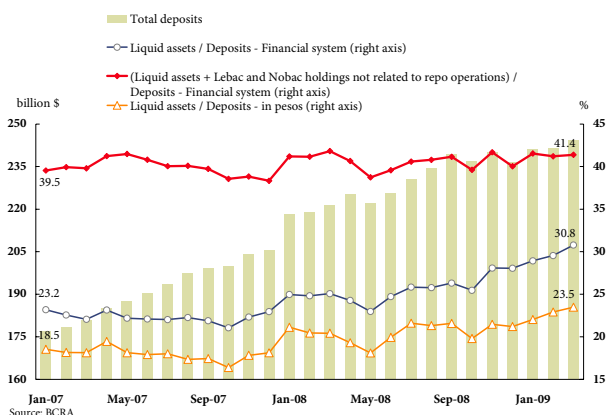
Total foreign currency deposits by the non-financial sector rose US\$850 million (8.4%) in March, led mainly by private sector deposits (up US\$590 million or 6.9%) in savings accounts and term accounts (see Chart 5). Private non-financial sector foreign currency deposits have accumulated an annualized increase of 63.5% in the first quarter of 2009, significantly above the rate recorded for such deposits in previous years (see Chart 6).

In the context of a reduction in peso deposits balance sheet stocks in March, financial system liquid assets in local currency increased by almost \$700 million, led by an increase in the net position in repos with the Central

⁵ Includes private and public sector deposits, accrued interest and CER adjustments.

⁶ There was a recovery by total deposits in pesos in April (according to SisCen data, they rose approximately \$2.2 billion between month-ends).

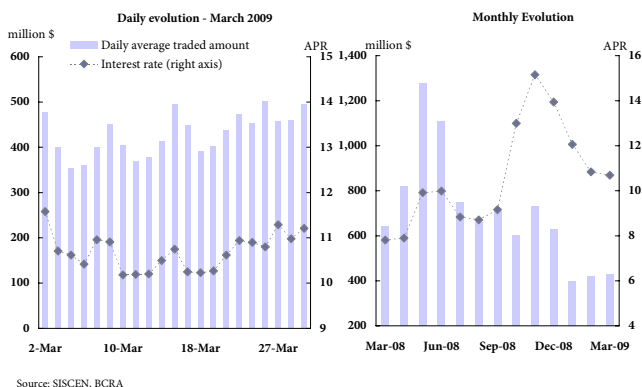
Chart 7
Deposits and Liquidity



Bank (\$2.4 billion), partly offset by a drop in cash (\$1.7 billion). As a result, **the financial system peso liquidity indicator rose 0.6 p.p. in March to 23.5% of total deposits, 3.1 p.p. more than in the same period of 2008** (see Chart 7). **The liquidity indicator that includes both items in pesos and items in dollars reached 30.8%, with an increase for the month of 1.2 p.p.** Although there was a reduction of \$2.25 billion in holdings of Lebac and Nobac not linked to repo transactions, **the broad banking liquidity indicator (which includes such holdings) rose 0.2 p.p. in the month to 41.4% of total deposits.**

In a highly liquid scenario, there were no significant changes in the call market. Both trading volumes and interest rates remained relatively steady during the month (see Chart 8).

Chart 8
Call Market
Operations in pesos

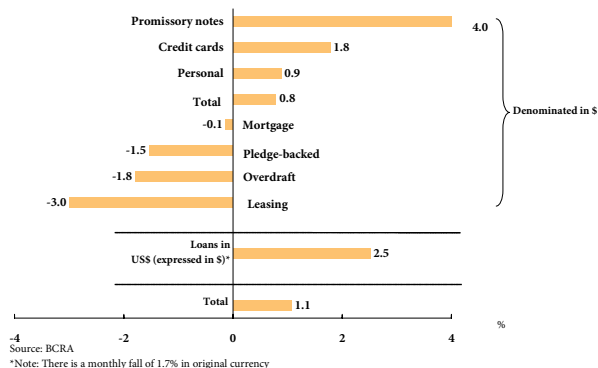


Financing

Credit to the private sector is driven by local currency loans

Credit to the private sector balance sheet stock in pesos rose \$900 million (0.8%) in March, almost \$1.1 billion (0.9%) if adjusted for the issue of financial trusts during the month⁷. Notable dynamism was shown by promissory notes and consumer credit lines (personal loans and credit cards), while overdrafts and leasing finance posted a drop for the month (see Chart 9). Collateralized loans in pesos declined during the month because of the performance by pledge-backed loans. Over the course of the year lending in pesos to the private sector has seen a slowing rate of growth, having risen by only an annualized 1%, 22 p.p. less than in the same period of 2008, a development that has been widespread across all lines.

Chart 9
Credit to the Private Sector by Type of Line
Monthly % change - march 2009

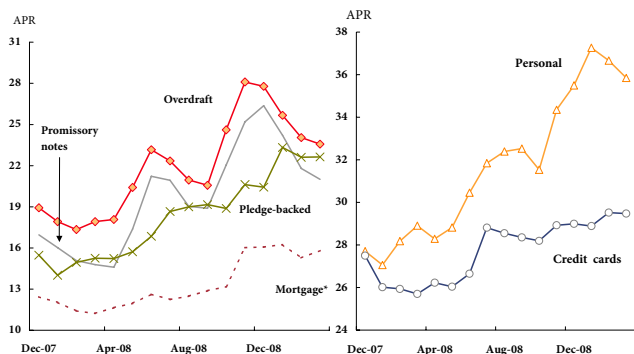


The increase in lending to the private sector in pesos took place at a time of lower lending interest rates, with a slight decline in spreads in terms of the average interest rate for time deposits. The largest drops in lending interest rates took place in commercial lines (overdrafts and promissory notes), and also in personal loans (see Chart 10).

Credit to the private sector in foreign currency balance sheet stocks went up \$550 million (2.5%) in March, reflecting the impact on the accounting stock of the increase in the nominal peso-dollar exchange rate. It should be noted that these loans posted a drop

⁷ In March four financial trusts were issued for a total of \$182 million, of which \$139 million corresponded to securitization of personal loans and the rest to credit card coupons.

Chart 10
Lending Interest Rates in Pesos
Credit to the private sector - Financial system



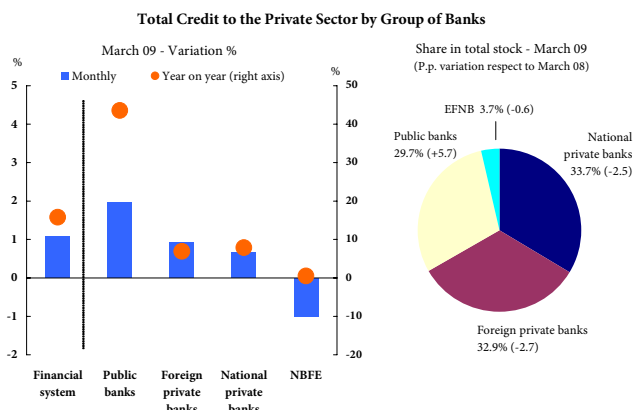
* Mortgage loan interest rate include fixed interest rate or re-negotiated interest rate operations.
Source: SISCEM, BCRA

for the month (-1.7% or US\$110 million) when measured in their currency of origin, a change explained by the reduction in export-related lending.

As a result, balance sheet totals for all lending to the private sector (in both pesos and foreign currency) registered an increase of \$1.45 billion in March (almost \$1.65 billion if adjusted for the issue of financial trusts during the month). As a consequence of this rise during the month, the total for loans to the private sector recorded annualized growth of 6.3% in the first quarter, 16 p.p. down on the level one year earlier.

Monthly growth in balance sheet totals for lending to households and companies has been due to the activity of both public and private banks, while lending by non-bank financial entities recorded a decline (see Chart 11). In year-on-year terms, public banks continue to show greater relative growth in private sector lending.

Chart 11



Source: BCRA

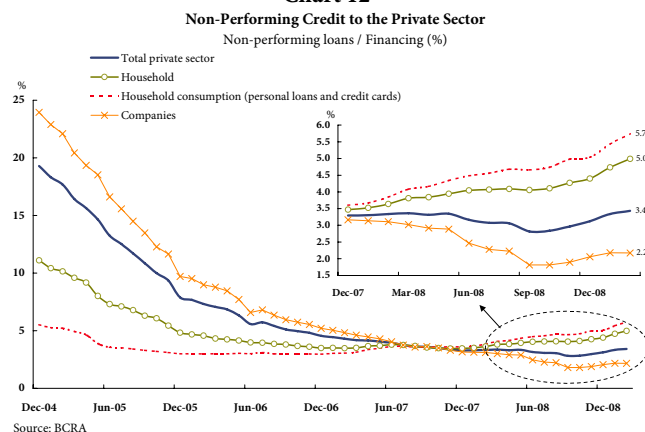
Although still at a moderate level, there are some signs of materialization of the risk of lending to households and companies. One indication of this has been the 0.1 p.p. rise in private sector non-performance in March to 3.5%. As a result, private sector loan delinquency was up 0.4 p.p. in the first quarter of the year, driven mainly by loans to households (for which non-performance is up 0.6 p.p. in the year to date, based on figures through February 09) (see Chart 12). Coverage of non-performing loans by provisions amounts to 123%, an indication of the sound position of banks in the face of private sector credit risk.

Solvency

First quarter ends with adequate solvency levels

Within the framework of rising levels of assets at risk following growth in lending to the private sector, the capital compliance ratio for the financial sector continues to exceed local requirements and minimum standards recommended internationally, reaching 17.2% of risk-weighted assets, a level similar to that recorded in recent years (see Chart 13). Excess capital compliance in terms of the total requirement totals 86%. On this basis, the financial system currently records a sound position from which to confront the current international situation.

Chart 12

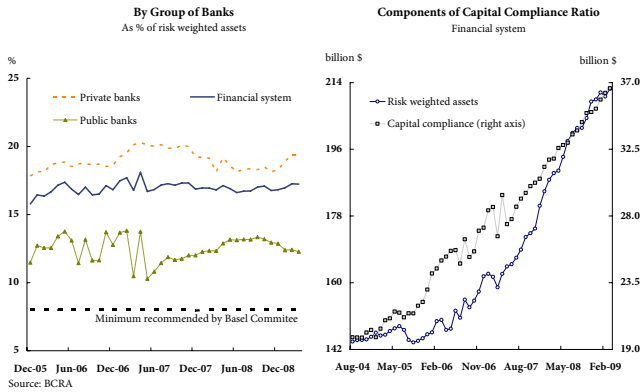


Source: BCRA

During the month financial system consolidated net worth went up 1.7%, recording an increase of 12.7% y.o.y. Although in March the increase in net worth has been evenly spread across all bank groups, over the last

Chart 13

Capital Compliance According to Regulation

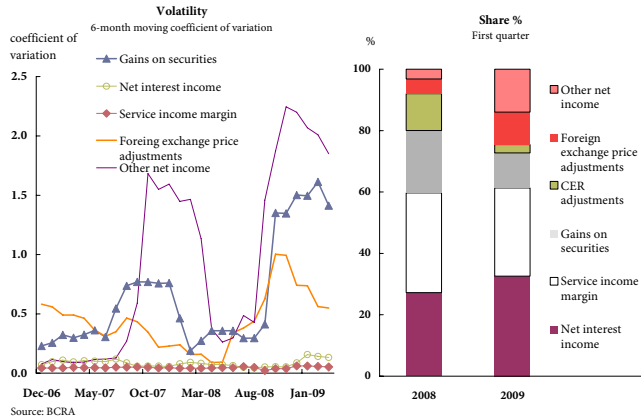


year private financial entities have recorded a growth rate higher than that seen in official banks.

Financial system book results for the month show the effects of the fluctuations in the nominal peso-dollar exchange rate. If analysis excludes only those items reflecting the book revaluation of foreign currency assets and liabilities (exchange rate differences) and net gains from exchange-related transactions (other financial results), the result for the month totals an annualized -0.9% of assets, compared with 0.2%a. in February. The drop in bank results excluding the impact of the nominal depreciation of the peso can also be seen in terms of earnings accrued in the first quarter: an annualized profit of 0.1% of assets in 2009 compared with 1.2%a. in 2008.

Chart 14

Main Sources of Income of the Financial System

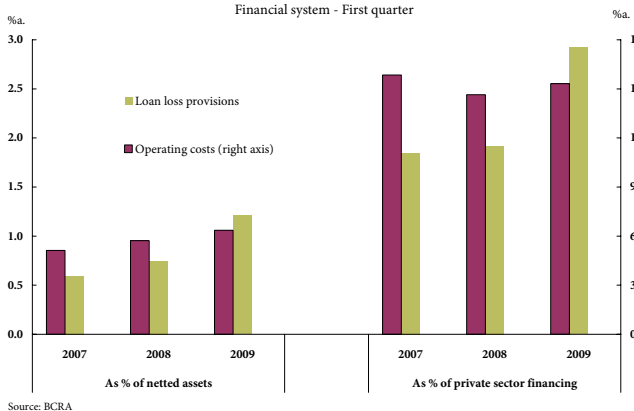


The most volatile sources of income continue to be gains on securities, foreign exchange price adjustments and other financial results, the two latter headings **having gained share of book income in a context where the most stable sources have maintained their weighting** (see Chart 14).

Operating costs rose 0.4 p.p. of assets for the month to an annualized 6.5%, mainly accounted by private banks. Loan loss provisions have continued to rise in line with the deterioration in loan portfolios, showing an increase for the month of 0.2 p.p. of assets, to a total of 1.3%a. (1.2%a. of assets in the first quarter of the year). Although part of the increase in expenditure accrued during the month was due to quarter-end adjustments, the outlook is for loan loss charges to continue to increase their share (see Chart 15).

Chart 15

Main Cost Items of Result Statements
Financial system - First quarter



On the basis of the information available at the date of publication of this Report, it is estimated that in April banks would have continued to record good solvency indicators, following the recording of a moderate level of book profits. It is expected that the less volatile income statement headings (net income from services and interest) would lead sector income. In turn, it is likely that outflows for loan loss provisions and operating costs would continue to increase. Faced by a scenario of lower nominal peso-dollar exchange rate volatility, it is expected that the foreign exchange price adjustments and the other financial results heading would return to the levels recorded in the first two months of the year.

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” 4926 – 25/Mar/09**

Lending to the non-financial public sector. The Central Bank may authorize financial entities so that in addition to the primary subscription of shares and debt certificates issued by financial trusts, they may grant financial assistance to trusts established by national law of decree of the National Executive, existing or to be set up, which comply with a series of conditions laid down in the rules (regarding the purpose of the trust in relation to investments declared to be in the public interest, that the beneficiary should be the non-financial public sector in its capacity as trustee, for terms of no more than 10 years, with the presentation of guarantees from the participating financial entities, etc.) In addition, in relation to the individual and global limits on transactions with the non-financial public sector, this type of lending shall be computed on the basis of 25% of the total balance under all headings.

- **Communication “A” 4928 – 31/Mar/09**

As from June 1, 2009, financial entities must reinforce their monitoring of cash deposits received for amounts of \$30,000 or more. In such cases, banks must identify the person making the deposit from the presentation of an identity document, recording the name and the type and number of the document on the corresponding deposit record. If the deposit is on behalf of a third party, the name of the party ordering the deposit and his identity number must be indicated. In this instance, the responsibility of the financial entity is limited to identification of the person involved in making the deposit.

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 Responsabilidad Patrimonial Computable (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.

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)

SME: Small and Medium Enterprises.

US\$: United States dollars.

RWA: Risk weighted assets.

Statistics Annex | Financial System

Chart 1 | Financial Soundness Indicators (see Methodology)

As %	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	Mar 2008	2008	Feb 2009	Mar 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	25.1	28.0	29.6	30.8
2.- Credit to the public sector	16.9	16.2	16.2	18.0	17.3	23.0	48.9	47.0	40.9	31.5	22.5	16.3	14.9	12.7	12.7	12.4
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	37.1	39.4	39.2	38.7
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	3.3	3.1	3.4	3.5
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	-2.5	-3.3	-2.6	-2.6
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	1.9	1.6	1.8	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	16.0	13.4	15.5	17.8
8.- Efficiency	142	136	138	142	147	143	189	69	125	151	167	160	174	167	173	183
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	16.8	16.8	17.3	17.2
10.- Excess capital compliance	64	73	49	54	58	54	-	116	185	173	134	93	80	90	86	86

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	Mar 08	Dec 08	Feb 09	Mar 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	322,536	347,117	350,626	359,023	2.4	3.4	11.3	
Liquid assets ¹	20,278	13,005	17,138	27,575	29,154	20,819	37,991	46,320	49,161	58,989	56,841	58,264	2.5	-1.2	18.5	
Public bonds	10,474	3,694	31,418	45,062	55,382	66,733	64,592	62,678	72,208	65,320	75,581	75,514	-0.1	15.6	4.6	
Lebac/Nobac	-	-	-	-	17,755	28,340	29,289	36,022	46,231	37,158	43,478	44,191	1.6	18.9	-4.4	
Portfolio	-	-	-	-	11,803	21,067	25,767	31,598	37,073	25,716	28,141	25,903	-8.0	0.7	-30.1	
Repo ²	-	-	-	-	5,953	7,273	3,521	4,424	9,158	11,442	15,338	18,289	19.2	59.8	99.7	
Private bonds	633	543	332	198	387	389	813	382	329	203	188	188	-0.1	-7.4	-43.0	
Loans	83,277	77,351	84,792	68,042	73,617	84,171	103,668	132,157	138,857	154,727	150,598	152,229	1.1	-1.6	9.6	
Public sector	15,164	22,694	44,337	33,228	30,866	25,836	20,874	16,772	17,554	17,097	12,707	12,746	0.3	-25.4	-27.4	
Private sector	64,464	52,039	38,470	33,398	41,054	55,885	77,832	110,355	115,915	132,837	133,791	135,363	1.2	1.9	16.8	
Financial sector	3,649	2,617	1,985	1,417	1,697	2,450	4,962	5,030	5,388	4,793	4,100	4,120	0.5	-14.0	-23.5	
Provisions over loans	-6,907	-6,987	-11,952	-9,374	-7,500	-4,930	-3,728	-4,089	-4,238	-4,740	-4,987	-5,143	3.1	8.5	21.4	
Other netted credits due to financial intermediation	42,361	21,485	39,089	27,030	32,554	26,721	26,039	29,712	35,610	38,158	38,400	42,747	11.3	12.0	20.0	
Corporate bonds and subordinated debt	794	751	1,708	1,569	1,018	873	773	606	632	912	1,044	1,084	3.8	18.8	71.6	
Unquoted trusts	2,053	2,065	6,698	4,133	3,145	3,883	4,881	5,023	5,268	5,722	6,060	6,129	1.1	7.1	16.3	
Compensation receivable	0	0	17,111	14,937	15,467	5,841	763	377	326	357	368	383	4.2	7.3	17.5	
Other	39,514	18,669	13,572	6,392	12,924	16,124	19,622	23,706	29,384	31,167	30,929	35,152	13.7	12.8	19.6	
Leasing	786	771	567	397	611	1,384	2,262	3,469	3,699	3,935	3,636	3,546	-2.5	-9.9	-4.1	
Shares in other companies	2,645	2,688	4,653	4,591	3,871	4,532	6,392	6,430	6,751	7,184	7,451	7,408	-0.6	3.1	9.7	
Fixed assets and miscellaneous	4,939	4,804	8,636	8,164	7,782	7,546	7,619	7,643	7,705	7,905	7,971	8,010	0.5	1.3	3.9	
Foreign branches	1,115	1,057	3,522	3,144	3,524	3,647	2,782	2,912	2,970	3,154	3,243	3,485	7.5	10.5	17.3	
Other assets	3,950	5,334	9,338	12,043	13,180	10,950	9,953	10,347	9,483	12,283	11,704	12,776	9.2	4.0	34.7	
Liabilities	146,267	107,261	161,446	164,923	188,683	195,044	225,369	261,143	284,381	305,725	308,106	315,748	2.5	3.3	11.0	
Deposits	86,506	66,458	75,001	94,635	116,655	136,492	170,898	205,550	221,260	236,482	241,471	244,151	1.1	3.2	10.3	
Public sector ³	7,204	950	8,381	16,040	31,649	34,019	45,410	48,340	55,152	67,421	67,060	68,145	1.6	1.1	23.6	
Private sector ³	78,397	43,270	59,698	74,951	83,000	100,809	123,431	155,048	163,512	166,373	171,107	172,880	1.0	3.9	5.7	
Current account	6,438	7,158	11,462	15,071	18,219	23,487	26,900	35,245	38,545	39,619	37,627	38,018	1.0	-4.0	-1.4	
Savings account	13,008	14,757	10,523	16,809	23,866	29,078	36,442	47,109	46,864	51,016	51,051	51,311	0.5	0.6	9.5	
Time deposit	53,915	18,012	19,080	33,285	34,944	42,822	54,338	65,952	70,021	69,484	76,066	76,999	1.2	10.8	10.0	
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	53,118	57,662	55,627	59,828	7.6	3.8	12.6	
Interbanking obligations	3,545	2,550	1,649	1,317	1,461	2,164	4,578	4,310	4,678	3,895	3,311	3,346	1.1	-14.1	-28.5	
BCRA lines	102	4,470	27,837	27,491	27,726	17,005	7,686	2,362	2,296	1,885	1,486	1,440	-3.1	-23.6	-37.3	
Outstanding bonds	4,954	3,777	9,096	6,675	7,922	6,548	6,603	6,938	6,688	5,984	5,764	5,738	-0.5	-4.1	-14.2	
Foreign lines of credit	8,813	7,927	25,199	15,196	8,884	4,684	4,240	3,864	4,358	4,541	4,170	3,998	-4.1	-12.0	-8.3	
Other	37,883	17,295	11,955	11,012	18,934	21,671	22,930	28,752	35,098	41,357	40,895	45,306	10.8	9.5	29.1	
Subordinated debts	2,255	2,260	3,712	2,028	1,415	1,381	1,642	1,672	1,648	1,763	1,794	1,883	4.9	6.8	14.2	
Other liabilities	2,210	2,524	6,997	6,569	5,685	5,099	6,792	7,695	8,355	9,818	9,214	9,887	7.3	0.7	18.3	
Net worth	17,283	16,483	26,086	21,950	23,879	26,918	33,014	36,819	38,154	41,392	42,520	43,274	1.8	4.5	13.4	
Memo																
Netted assets	129,815	110,275	185,356	184,371	202,447	208,275	244,791	280,336	299,736	321,429	325,268	330,012	1.5	2.7	10.1	
Consolidated netted assets	125,093	106,576	181,253	181,077	198,462	203,286	235,845	271,652	290,451	312,372	316,691	321,327	1.5	2.9	10.6	

(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 3 months		Monthly			Last
	2000	2001	2002 ¹	2003	2004	2005	2006	2007	2008	2008	2009	Jan-09	Feb-09	Mar-09	12 months
Financial margin	7,291	6,943	13,991	1,965	6,075	9,475	13,262	15,134	20,526	4,874	6,424	2,137	1,768	2,520	22,076
Net interest income	5,106	4,625	-3,624	-943	1,753	3,069	4,150	5,744	9,574	2,014	3,370	1,259	1,002	1,108	10,930
CER and CVS adjustments	0	0	8,298	2,315	1,944	3,051	3,012	2,624	2,822	884	283	125	84	75	2,221
Foreign exchange price adjustments	185	268	5,977	-890	866	751	944	1,357	2,304	358	1,092	181	319	592	3,038
Gains on securities	1,481	1,490	3,639	1,962	1,887	2,371	4,923	5,144	4,462	1,508	1,183	497	303	383	4,137
Other financial income	519	559	-299	-480	-375	233	235	264	1,363	110	496	75	60	361	1,750
Service income margin	3,582	3,604	4,011	3,415	3,904	4,781	6,243	8,248	10,868	2,403	2,969	1,001	946	1,022	11,434
Loan loss provisions	-3,056	-3,096	-10,007	-2,089	-1,511	-1,173	-1,198	-1,894	-2,832	-548	-977	-315	-300	-361	-3,262
Operating costs	-7,375	-7,362	-9,520	-7,760	-7,998	-9,437	-11,655	-14,634	-18,748	-4,190	-5,125	-1,730	-1,644	-1,750	-19,682
Tax charges	-528	-571	-691	-473	-584	-737	-1,090	-1,537	-2,315	-468	-753	-237	-230	-286	-2,600
Income tax	-446	-262	-509	-305	-275	-581	-595	-1,032	-1,342	-398	-771	-234	-198	-339	-1,715
Adjust. to the valuation of gov. securities ²	0	0	0	-701	-320	-410	-752	-837	-1,757	-235	-145	-116	-16	-13	-1,666
Amort. payments for court-ordered releases	0	0	0	-1,124	-1,686	-1,867	-2,573	-1,922	-994	-320	-170	-50	-54	-66	-844
Other	535	702	-3,880	1,738	1,497	1,729	2,664	2,380	1,366	259	255	102	156	-3	1,362
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	1,377	1,708	557	428	723	5,103
Adjusted results ⁴	-	-	-	-3,440	1,337	4,057	7,631	6,665	7,523	1,932	2,023	724	497	802	7,613
<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	6.7	8.0	8.0	6.6	9.3	7.1
Net interest income	4.0	3.8	-1.7	-0.5	0.9	1.5	1.8	2.2	3.1	2.8	4.2	4.7	3.7	4.1	3.5
CER and CVS adjustments	0.0	0.0	3.9	1.3	1.0	1.5	1.3	1.0	0.9	1.2	0.4	0.5	0.3	0.3	0.7
Foreign exchange price adjustments	0.1	0.2	2.8	-0.5	0.4	0.4	0.4	0.5	0.8	0.5	1.4	0.7	1.2	2.2	1.0
Gains on securities	1.2	1.2	1.7	1.1	1.0	1.2	2.2	1.9	1.5	2.1	1.5	1.9	1.1	1.4	1.3
Other financial income	0.4	0.5	-0.1	-0.3	-0.2	0.1	0.1	0.1	0.4	0.2	0.6	0.3	0.2	1.3	0.6
Service income margin	2.8	3.0	1.9	1.9	2.0	2.3	2.7	3.1	3.6	3.3	3.7	3.7	3.5	3.8	3.7
Loan loss provisions	-2.4	-2.6	-4.7	-1.1	-0.8	-0.6	-0.5	-0.7	-0.9	-0.7	-1.2	-1.2	-1.1	-1.3	-1.0
Operating costs	-5.8	-6.1	-4.4	-4.2	-4.1	-4.6	-5.1	-5.5	-6.1	-5.7	-6.4	-6.5	-6.1	-6.5	-6.3
Tax charges	-0.4	-0.5	-0.3	-0.3	-0.3	-0.4	-0.5	-0.6	-0.8	-0.6	-0.9	-0.9	-0.9	-1.1	-0.8
Income tax	-0.3	-0.2	-0.2	-0.2	-0.1	-0.3	-0.3	-0.4	-0.4	-0.5	-1.0	-0.9	-0.7	-1.3	-0.5
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	-0.3	-0.2	-0.4	-0.1	0.0	-0.5
Amort. payments for court-ordered releases	0.0	0.0	0.0	-0.6	-0.9	-0.9	-1.1	-0.7	-0.3	-0.4	-0.2	-0.2	-0.2	-0.2	-0.3
Other	0.4	0.6	-1.8	0.9	0.8	0.8	1.2	0.9	0.4	0.4	0.3	0.4	0.6	0.0	0.4
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	1.9	2.1	2.1	1.6	2.7	1.6
ROA adjusted ⁴	0.0	0.0	-8.9	-1.9	0.7	2.0	3.4	2.5	2.5	2.6	2.5	2.7	1.9	3.0	2.4
ROE ³	0.0	-0.2	-59.2	-22.7	-4.2	7.0	14.3	11.0	13.4	16.0	17.8	17.6	13.4	22.2	14.0

(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 4 | Portfolio Quality

As percentage	Dec 00	Dec 01	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Mar 08	Dec 08	Feb 09	Mar 09
Non-performing loans (overall)	12.9	13.1	18.1	17.7	10.7	5.2	3.4	2.7	2.8	2.7	3.0	3.1
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	3.3	3.1	3.4	3.5
Provisions / Non-performing loans	61.1	66.4	73.8	79.2	102.9	124.5	129.9	129.6	123.6	131.3	122.7	122.8
(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	-0.7	-0.7
(Total non-performing - Provisions) / Net worth	26.2	21.6	17.2	11.9	-1.0	-4.1	-3.3	-3.0	-2.5	-3.3	-2.6	-2.6

(*) 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	Mar 2008	2008	Feb 2009	Mar 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	26.7	34.1	34.4	36.4
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	8.6	6.3	6.3	6.0
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	45.2	44.0	42.8	42.0
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	2.6	2.8	3.2	3.2
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	-2.9	-3.4	-2.6	-2.7
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	2.1	1.9	2.5	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	16.7	15.2	20.2	20.5
8.- Efficiency	144	135	139	146	152	151	168	93	115	136	158	152	170	166	184	191
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	18.1	18.3	19.4	19.4
10.- Excess capital compliance	33	47	27	60	49	43	-	88	157	155	116	87	89	86	91	91

Source: BCRA

Chart 6 | Balance Sheet

In million of current pesos	Dec 00	Dec 01	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Mar 08	Dec 08	Feb 09	Mar 09	Change (in %)			
													Last month	2009	Last 12 months	
Assets	119,371	82,344	118,906	116,633	128,065	129,680	152,414	175,509	189,990	208,888	214,356	220,272	2.8	5.4	15.9	
Liquid assets ¹	13,920	10,576	11,044	14,500	15,893	14,074	22,226	29,418	28,368	37,044	36,690	38,068	3.8	2.8	34.2	
Public bonds	7,583	1,627	19,751	22,260	24,817	29,966	27,663	24,444	29,593	29,552	37,602	38,652	2.8	30.8	30.6	
Lebac/Nobac	0	0	-	-	8,359	15,227	15,952	17,684	22,958	23,457	27,135	28,328	4.4	20.8	23.4	
Portfolio	0	0	-	-	5,611	12,899	14,220	15,639	17,485	12,858	14,915	13,765	-7.7	7.1	-21.3	
Repo ²	0	0	-	-	2,749	2,328	1,732	2,045	5,473	10,598	12,220	14,562	19.2	37.4	166.1	
Private bonds	563	451	273	172	333	307	683	310	272	127	118	116	-1.5	-8.8	-57.4	
Loans	56,035	52,319	51,774	47,017	50,741	56,565	69,294	88,898	93,341	98,529	94,214	94,934	0.8	-3.6	1.7	
Public sector	8,172	13,803	25,056	23,571	21,420	15,954	10,036	6,413	6,462	6,249	2,236	2,171	-2.9	-65.3	-66.4	
Private sector	45,103	36,636	26,074	22,816	28,213	39,031	55,632	78,587	82,474	88,426	88,613	89,436	0.9	1.1	8.4	
Financial sector	2,760	1,880	644	630	1,107	1,580	3,626	3,898	4,405	3,854	3,365	3,328	-1.1	-13.7	-24.5	
Provisions over loans	-3,248	-3,957	-7,463	-5,225	-3,717	-2,482	-2,227	-2,365	-2,456	-2,871	-3,051	-3,193	4.7	11.2	30.0	
Other netted credits due to financial intermediation	36,600	13,037	27,212	22,148	25,753	16,873	18,387	17,084	22,484	25,265	27,852	30,092	8.0	19.1	33.8	
Corporate bonds and subordinated debt	724	665	1,514	1,394	829	675	618	430	456	699	762	797	4.5	13.9	74.7	
Unquoted trusts	1,609	1,637	6,205	3,571	2,362	2,444	2,982	3,456	3,853	3,869	4,149	4,241	2.2	9.6	10.1	
Compensation receivable	0	0	15,971	13,812	14,657	5,575	760	377	326	357	368	383	4.2	7.3	17.5	
Other	34,267	10,735	3,523	3,370	7,905	8,179	14,027	12,822	17,850	20,339	22,573	24,672	9.3	21.3	38.2	
Leasing	776	752	553	387	592	1,356	2,126	3,149	3,336	3,451	3,174	3,093	-2.5	-10.4	-7.3	
Shares in other companies	1,651	1,703	3,123	2,791	1,892	2,416	4,042	3,762	3,985	4,538	4,750	4,817	1.4	6.2	20.9	
Fixed assets and miscellaneous	3,225	3,150	5,198	4,902	4,678	4,575	4,677	4,685	4,748	4,926	4,939	4,973	0.7	0.9	4.7	
Foreign branches	75	112	-109	-136	-53	-148	-139	-154	-157	-178	-184	-193	4.6	8.4	23.1	
Other assets	2,190	2,574	7,549	7,816	7,137	6,178	5,682	6,277	6,477	8,505	8,253	8,913	8.0	4.8	37.6	
Liabilities	107,193	70,829	103,079	101,732	113,285	112,600	131,476	152,153	165,424	182,596	187,106	192,537	2.9	5.4	16.4	
Deposits	57,833	44,863	44,445	52,625	62,685	75,668	94,095	116,719	123,925	135,711	139,994	141,997	1.4	4.6	14.6	
Public sector ³	1,276	950	1,636	3,077	6,039	6,946	7,029	7,564	8,051	19,600	21,150	22,047	4.2	12.5	173.8	
Private sector ³	55,917	43,270	38,289	47,097	55,384	67,859	85,714	107,671	114,315	114,176	116,490	117,849	1.2	3.2	3.1	
Current account	4,960	7,158	8,905	11,588	13,966	17,946	20,604	27,132	29,457	30,188	28,046	28,795	2.7	-4.6	-2.2	
Savings account	9,409	14,757	6,309	10,547	14,842	18,362	23,165	30,169	30,354	32,778	32,763	32,938	0.5	0.5	8.5	
Time deposit	39,030	18,012	11,083	18,710	22,729	27,736	38,043	45,770	48,864	46,990	51,324	51,688	0.7	10.0	5.8	
CEDRO	0	0	9,016	2,409	798	3	1	0	0	0	0	0	-	-	-	
Other netted liabilities due to financial intermediation	46,271	22,629	49,341	42,367	45,083	32,349	31,750	29,323	35,029	39,298	39,625	42,598	7.5	8.4	21.6	
Interbanking obligations	2,293	1,514	836	726	1,070	1,488	3,383	1,979	2,006	1,160	1,011	1,199	18.7	3.3	-40.2	
BCRA lines	83	1,758	16,624	17,030	17,768	10,088	3,689	675	693	649	328	327	-0.5	-49.6	-52.9	
Outstanding bonds	4,939	3,703	9,073	6,674	7,922	6,548	6,413	6,686	6,467	5,672	5,449	5,439	-0.2	-4.1	-15.9	
Foreign lines of credit	5,491	4,644	15,434	9,998	5,444	2,696	2,249	1,833	2,286	2,261	1,850	1,594	-13.8	-29.5	-30.2	
Other	33,466	11,010	7,374	7,939	12,878	11,530	16,015	18,150	23,577	29,555	30,987	34,038	9.8	15.2	44.4	
Subordinated debts	1,668	1,700	3,622	1,850	1,304	1,319	1,642	1,644	1,644	1,759	1,790	1,878	4.9	6.8	14.3	
Other liabilities	1,420	1,637	5,671	4,890	4,213	3,264	3,989	4,443	4,826	5,828	5,697	6,064	6.4	4.0	25.7	
Net worth	12,178	11,515	15,827	14,900	14,780	17,080	20,938	23,356	24,566	26,292	27,250	27,735	1.8	5.5	12.9	
Memo																
Netted assets	88,501	73,796	117,928	115,091	121,889	123,271	143,807	166,231	176,141	192,074	195,749	199,497	1.9	3.9	13.3	

(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 3 months		Monthly			Last
	2000	2001	2002 ¹	2003	2004	2005	2006	2007	2008	2008	2009	Jan-09	Feb-09	Mar-09	12 months
Financial margin	5,441	5,282	10,628	2,575	3,415	5,253	7,778	8,960	12,964	3,017	4,322	1,506	1,138	1,679	14,270
Net interest income	3,598	3,519	-304	107	1,214	2,069	2,826	4,191	7,727	1,604	2,628	991	763	874	8,750
CER and CVS adjustments	0	0	1,476	1,082	900	1,215	858	662	651	217	60	44	8	8	495
Foreign exchange price adjustments	160	256	6,189	-312	666	576	740	990	1,620	260	571	114	178	279	1,931
Gains on securities	1,232	962	3,464	1,892	959	1,259	3,154	2,888	1,637	842	563	277	127	158	1,358
Other financial income	450	546	-197	-195	-322	134	199	229	1,329	94	501	79	63	359	1,736
Service income margin	2,554	2,598	2,782	2,341	2,774	3,350	4,459	5,881	7,632	1,717	2,106	709	671	727	8,022
Loan loss provisions	-2,173	-2,464	-6,923	-1,461	-1,036	-714	-737	-1,174	-1,863	-382	-675	-205	-190	-279	-2,155
Operating costs	-5,263	-5,224	-6,726	-5,310	-5,382	-6,303	-7,741	-9,735	-12,401	-2,787	-3,374	-1,123	-1,069	-1,181	-12,987
Tax charges	-379	-418	-512	-366	-393	-509	-769	-1,105	-1,715	-342	-554	-178	-168	-207	-1,926
Income tax	-393	-216	-337	-295	-202	-217	-365	-380	-1,168	-237	-524	-165	-120	-239	-1,454
Adjust. to the valuation of gov. securities ²	0	0	0	-665	-51	-201	-170	-100	-267	5	-17	-24	7	0	-289
Amort. payments for court-ordered releases	0	0	0	-791	-1,147	-1,168	-1,182	-1,466	-688	-238	-80	-20	-26	-34	-530
Other	307	615	-4,164	1,178	846	1,156	1,641	1,576	916	165	42	37	36	-30	794
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	916	1,247	536	277	434	3,743
Adjusted results ⁴	-	-	-	-1,357	252	2,016	4,267	4,023	4,367	1,149	1,345	579	297	468	4,562
<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	7.1	8.9	9.4	7.1	10.3	7.8
Net interest income	4.1	4.3	-0.2	0.1	1.0	1.7	2.1	2.7	4.4	3.7	5.4	6.2	4.8	5.4	4.8
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	0.3	0.0	0.0	0.3
Foreign exchange price adjustments	0.2	0.3	4.4	-0.3	0.6	0.5	0.6	0.6	0.9	0.6	1.2	0.7	1.1	1.7	1.1
Gains on securities	1.4	1.2	2.5	1.7	0.8	1.0	2.4	1.9	0.9	2.0	1.2	1.7	0.8	1.0	0.7
Other financial income	0.5	0.7	-0.1	-0.2	-0.3	0.1	0.2	0.1	0.8	0.2	1.0	0.5	0.4	2.2	1.0
Service income margin	2.9	3.2	2.0	2.0	2.4	2.7	3.4	3.8	4.3	4.0	4.3	4.4	4.2	4.5	4.4
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	-1.3	-1.2	-1.7	-1.2
Operating costs	-6.0	-6.4	-4.8	-4.6	-4.6	-5.1	-5.9	-6.3	-7.0	-6.5	-7.0	-7.0	-6.7	-7.2	-7.1
Tax charges	-0.4	-0.5	-0.4	-0.3	-0.3	-0.4	-0.6	-0.7	-1.0	-0.8	-1.1	-1.1	-1.0	-1.3	-1.1
Income tax	-0.4	-0.3	-0.2	-0.3	-0.2	-0.2	-0.3	-0.2	-0.7	-0.6	-1.1	-1.0	-0.7	-1.5	-0.8
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	0.0	0.0	-0.1	0.0	0.0	-0.2
Amort. payments for court-ordered releases	0.0	0.0	0.0	-0.7	-1.0	-1.0	-0.9	-0.9	-0.4	-0.6	-0.2	-0.1	-0.2	-0.2	-0.3
Other	0.4	0.7	-3.0	1.0	0.7	0.9	1.2	1.0	0.5	0.4	0.1	0.2	0.2	-0.2	0.4
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	2.1	2.6	3.3	1.7	2.7	2.1
ROA adjusted ⁴	0.1	0.2	-11.3	-1.2	0.2	1.6	3.2	2.6	2.5	2.7	2.8	3.6	1.9	2.9	2.5
ROE³	0.8	1.4	-79.0	-19.1	-8.1	4.1	15.3	10.9	15.2	16.7	20.5	26.8	13.7	21.1	16.2

(1) Data at December 2002 currency.

(2) Com. "A" 3911. Adjustments to the valuation of government unlisted securities according to Com. "A" 4084 are included under the "gains from securities" heading.

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

(4) Excluding amortization of payments for court-ordered releases and the effects of Com. "A" 3911 and 4084.

Source: BCRA

Chart 8 | Portfolio Quality

As percentage	Dec 00	Dec 01	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Mar 08	Dec 08	Feb 09	Mar 09
Non-performing loans (overall)	8.3	9.9	19.8	15.7	8.9	4.4	2.9	2.2	2.3	2.5	3.0	3.1
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	2.6	2.8	3.2	3.2
Provisions / Non-performing loans	67.7	75.7	73.4	79.0	97.0	114.3	129.3	141.3	132.5	134.1	123.4	124.4
(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	-0.7	-0.7
(Total non-performing - Provisions) / Net worth	13.4	11.4	18.6	11.2	1.3	-2.2	-3.0	-3.6	-2.9	-3.4	-2.6	-2.7

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

Source: BCRA