

Report on Banks

July 2009



BANCO CENTRAL
DE LA REPÚBLICA ARGENTINA

Report on Banks

July 2009

Year VI, No.11



BANCO CENTRAL
DE LA REPÚBLICA ARGENTINA

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Note | Information for July 2009 available by August 25, 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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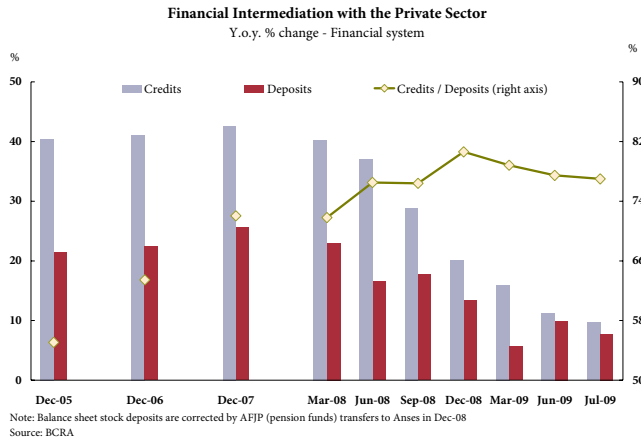
Summary

- **The Central Bank's risk management approach, which has resulted in a sound financial system in terms of liquidity and solvency, is currently being complemented by a more positive economic context. Figures for the month of July indicate an incipient steadying of the private sector credit risk in the financial system.** There has been a noticeable drop in check rejection and a slowing evolution of bank loan non-performance ratio.
- **As part of its anticyclical strategy, in July the BCRA for the first time in the five years since their introduction cut the repo rate by 50 b.p..** Following the improved monetary market performance, in August the Central Bank announced a further 50 b.p. reduction in the repo interest rate.
- **According to balance sheet data of financial entities, total non-financial sector deposits rose 0.7% in July,** reflecting the behavior of public sector placements. Private sector deposits fell back slightly during the month as a result of a drop in sight accounts, despite **an increase in time deposits (up \$2.5 billion)**. In the first 7 months of 2009, private sector deposits have accumulated an increase of 13.3%a., with growth mainly coming from time deposits.
- **The liquidity indicator for the financial system (items in both pesos and foreign currency) has remained at around 30% of deposits during the month** (4 p.p. above the level recorded in the same month of 2008). Lebac and Nobac holdings increased in July, helping the broad liquidity indicator to remain at around 41% of deposits.
- **Bank lending to households and companies grew at a year-on-year rate of 10%.** In the last year **public banks have accounted for more than three-quarters of the total increase in loans** to the private sector, gaining share in the credit market. Lending to the private sector dropped slightly in July.
- **Private sector loan non-performance has remained at around 3.8% in recent months,** standing 0.9 p.p. above the minimum level reached in September 2008, mainly because of the performance of household credit lines. Provisions stood at 119% of non-performing loans, a slight decline in the coverage ratio over the year to date.
- **The upward trend in the number and volume of documents cleared through the financial system** has been maintained in the year to date, **whereas there has been a reduction in the number of rejected checks as a proportion of total cleared.**
- **Consolidated financial system net worth increased 2.1% during the month.** Public banks, and particularly private banks, have posted an improvement in their capital in July. The financial system capital compliance ratio rose slightly during the month to 17.6% of risk-weighted assets, within the framework of the recording of widespread excess capital compliance among financial entities. Bank book profits were equivalent to 2.9%a. of assets in July, evidencing an improvement for the month, mainly because of the reduction in loan loss provisions and operating costs during a period in which service income margin has increased. In the first 7 months of 2009 financial system ROA has amounted to 2.1%a. If the headings directly related to the evolution of the exchange rate were to be excluded, book profits for 2009 to date would be reduced to one third, to stand below the level recorded in the same period of the previous year.

Activity

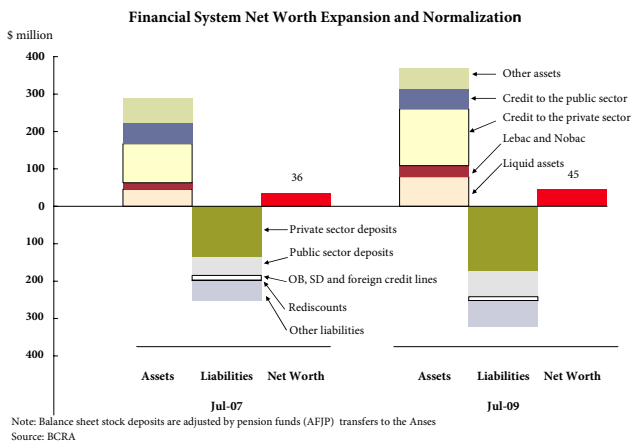
Financial intermediation growth rate steadies

Chart 1



At the start of the second half of 2009 banking intermediation activity has continued to increase. In July the year-on-year (y.o.y.) rates of growth in lending to the private sector and company and household deposits remain at levels similar to those seen in recent quarters (see Chart 1). As a result, balance sheet stocks of loans to the private sector in terms of deposits from that sector have remained at around 77%. Bank netted assets rose 0.6% in July, for an annualized (a.) rise of 10.4% in the first 7 months of 2009, as a consequence of the performance by both official and private banks.

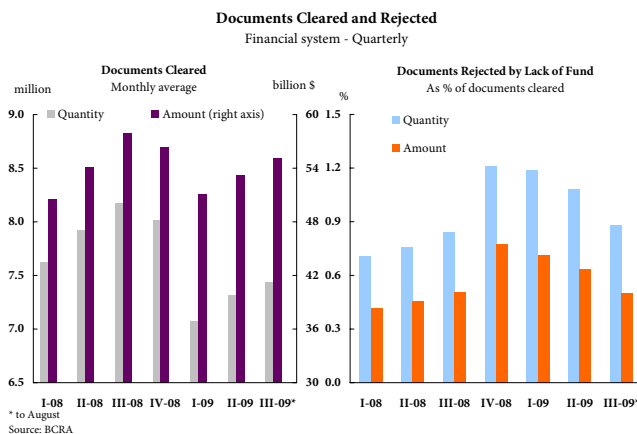
Chart 2



Keeping pace with the development of financial intermediation with the private sector, banks continue to post improvements in the composition of their balance sheets (see Chart 2). Growth in banking assets has mainly been led by the recovery in liquidity and the increased lending to companies and households. In addition, improvements in liabilities have come from deposit growth in both the public and private sectors. In this situation, the net worth of financial entities as a whole has continued to expand.

In the case of estimated financial system flow of funds, based on balance sheet information, the main movements that took place in July were in public banks. The increase in public sector deposits was the principal source of resources for the month, while the main use of funds was the financing to the National Treasury (by means of the use of section 74 of Law 26,422). There was a drop in private sector deposits during the month, as well as in lending to companies and households.

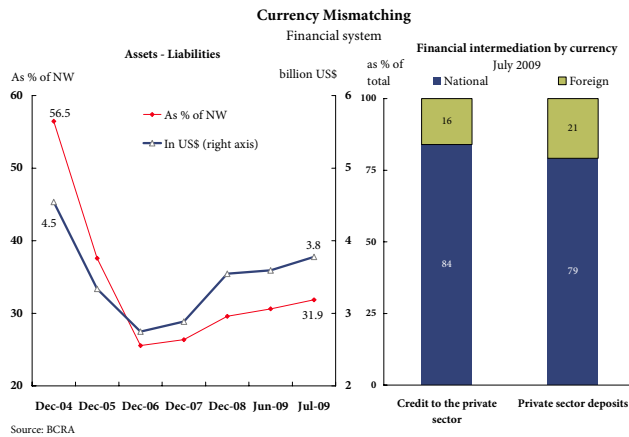
Chart 3



In recent months there has continued to be a gradual increase in the number and value of documents cleared by the financial system, a development that has been matched by a reduction in the volume of rejected checks as a proportion of the total (see Chart 3). In the first 8 months of the year 58 million checks were cleared (\$423 billion).

Bank balance sheet foreign currency mismatching rose slightly during the month from very low levels in comparison with those recorded in previous years (see Chart 4). The drop for the month in foreign currency liabilities has exceeded the decrease in assets. Dollar liabilities fell by US\$280 million in July, mainly because of the fall in public sector deposits, while assets in foreign currency declined by US\$90 million, basically

Chart 4



from the reduction in loans to the private sector. Long balance sheet foreign currency position reached 32% of bank net worth, slightly more than in June.

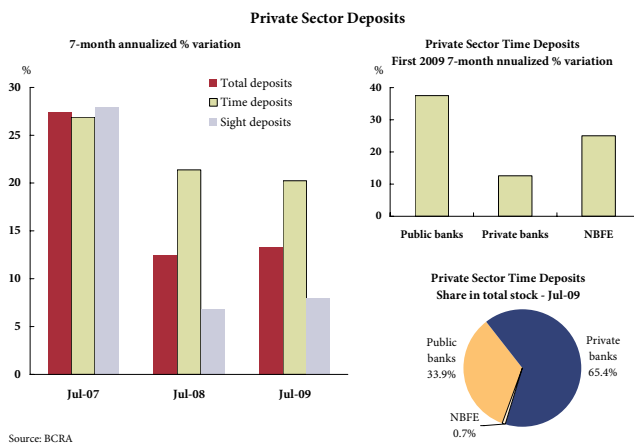
From current low levels, and in the context of the CER-adjusted bond and loan swaps carried out recently¹, it is expected that the financial system will gradually reduce the mismatching of inflation-adjusted items during the second half of the year.

Deposits and liquidity

Private sector time deposits have continued their upward trend

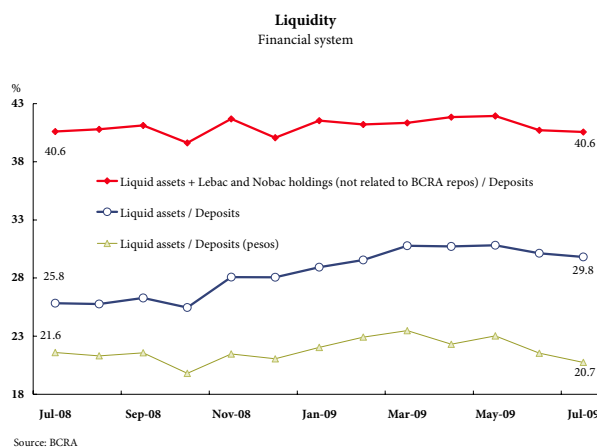
Balance sheet stocks for non-financial sector deposits² went up 0.7% in July (9.1% y.o.y.). The increase for the month was accounted for by public sector deposits (2.9%), as those of the private sector fell back moderately.

Chart 5



This slight reduction in the balance sheet stock for private sector deposits in the month was driven by sight accounts (-2.2%), as time deposits posted an increase (3.3%), mainly explained by placements in local currency. Over the course of 2009 the total for private sector deposits has grown at a faster rate than in the same period of 2008, this year being mainly led by time deposits, in particular those channeled to official banks (see Chart 5).

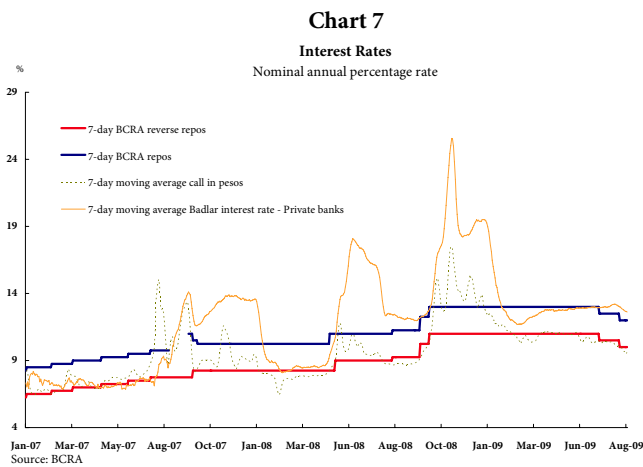
Chart 6



The financial system continues to maintain high liquidity levels. In July the liquid assets of financial entities as a whole fell very slightly (-\$200 million) as a result of lower cash holdings at banks and at the Central Bank (-\$1.5 billion), partly offset by a rise in the stock of net repos with this Institution (\$1.3 billion). The liquidity indicator (including items denominated in both pesos and foreign currency) has remained at around 30% of total deposits, 4 p.p. above the level recorded in the same month of the previous year (see Chart 6). The peso liquidity indicator stands at 20.7% of total peso deposits, just below the level recorded last month and the figure corresponding to 12 months earlier. Holdings of Lebac and Nobac not related to repo transactions with the Central Bank grew \$550 million in July, so that the broad liquidity indicator (which takes into account items in pesos and in foreign currency) remained at around 41% of deposits, in line with the level recorded in the same month of 2008.

¹ In September a swap was performed of CER-adjusted government securities and guaranteed loans in which local financial entities participated.

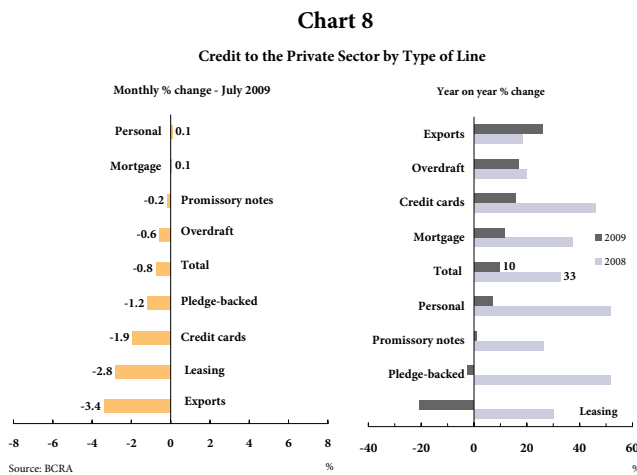
² Includes private and public sector deposits, accrued interest and CER adjustments.



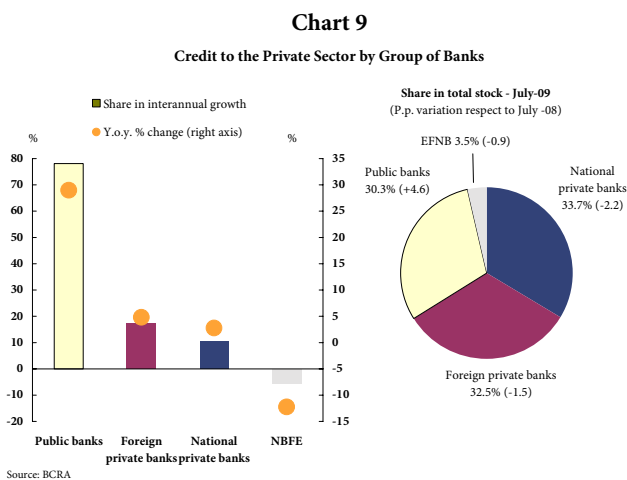
As part of its anticyclical actions, and with the aim of ensuring the normal operation of the domestic monetary market and contributing to financial stability, in July the Central Bank announced a 50 b.p. cut in the interest rate on reverse repos and repos, the first such cut in the five years since their introduction. **In this context both the call market interest rate and the private bank Badlar rate began to show signs of a slight downward trend** (see Chart 7). Faced by the improved performance of the money market, in August the Central Bank decided on a further 50 b.p. cut in the interest rate on repos and reverse repos.

Financing

Public banks continued to increase their share of total loans to the private sector



In July, lending to the private sector recorded a growth rate of 10% i.a. Balance sheet stocks of loans to the private sector dropped slightly (-0.8%) compared with the previous month (-0.7% when adjusted for the issue of financial trusts during the month³). This moderate decline is mainly explained by the fall in commercial lending (overdrafts, promissory notes, exports and leasing) and credit cards (see Chart 8), while personal and mortgage loans posted a slight increase for the month.



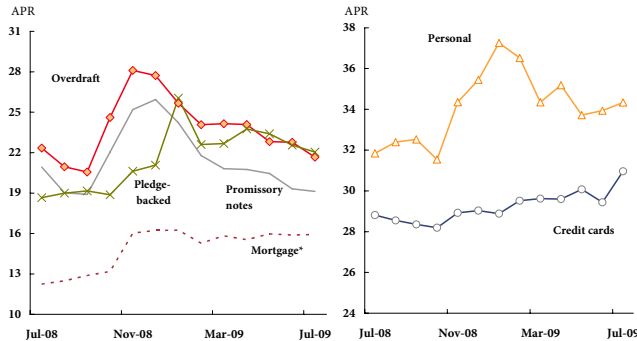
The monthly reduction in balance sheet stocks of lending to households and companies has mainly been driven by foreign private banks, and to a lesser extent by national private banks and non-banking financial entities, while public banks showed a slight increase for the month. **In the last year public financial entities have accounted for over three-quarters of the total growth in lending to the private sector** (see Chart 9) rising by 29% y.o.y. and therefore increasing their share of the overall stock of loans.

The reduction in lending to the private sector during July took place in the framework of lower peso lending interest rates for commercial lines (promissory notes and overdrafts) and pledge-backed loans, with a slightly declining spread measured in terms of average interest rates for time deposits. Consumer loans (credit cards and personal loans) on the other hand posted a slight increase for the month in their interest rates (see Chart 10).

³ In July three financial trust issues were recorded with securitized bank loan portfolios as collateral for a total of \$115 million. The entire amount corresponded to the securitization of personal loans.

Chart 10

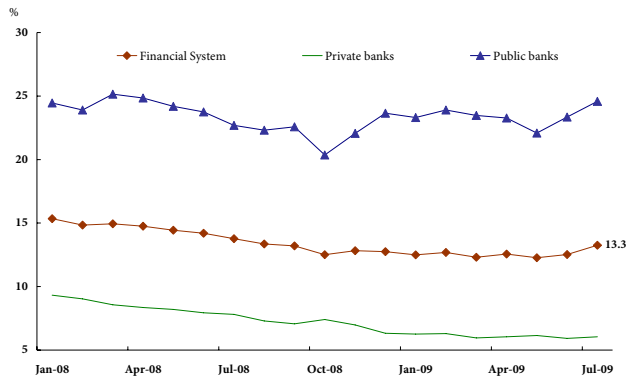
Lending Interest Rates in Pesos
Credit to the private sector - Financial system



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

Chart 11

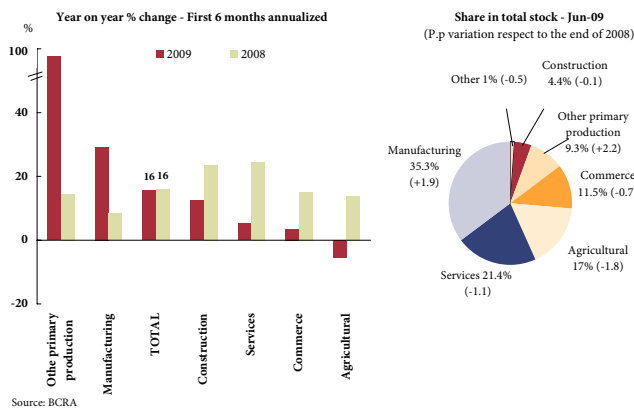
Public Sector Exposure
As % of total assets



Source: BCRA

Chart 12

Credit to Companies by Economic Sector



Source: BCRA

The above-mentioned performance by lending to the private sector has taken place simultaneously with a moderate increase in lending to the public sector, although from low levels both in the historical comparison and regionally. Exposure to the public sector therefore stands at 13.3% of assets in July, mainly as a result of the performance of public banks (see Chart 11).

During the course of 2009 lending to the private sector is being driven by loans to companies⁴, which have therefore increased their participation in the total stock of loans, while lending to households has fallen back slightly. In the first 6 months of the year loans to the corporate sector⁵ went up 15.5% a., reaching 23.8% of netted financial system assets, 0.6 p.p. more than in the same month of 2008. Bank lending continues to increase for all productive sectors except agriculture. Credit for manufacturing industry and primary production⁶ (excluding agriculture) has recorded above-average increases, gaining share of total lending (see Chart 12).

While still at a moderate level, there continues to be certain materialization of the risk of lending to households and companies. Private sector loan non-performance has steadied at around 3.8% in recent months, to stand at 0.9 p.p. above the low achieved in September 2008, mainly from household consumer loan lines, for which non-performance has risen by 1.1 p.p. in 2009 to date to 6.1%, according to the latest figures available (June 09) (see Chart 13). Corporate delinquency has reached 2.5%, 0.4 p.p. more than at the end of 2008. The coverage of non-performing loans by provisions stands at 119%, having posted a very slight drop in 2009.

Solvency

Book profits have boosted growth in financial system net worth

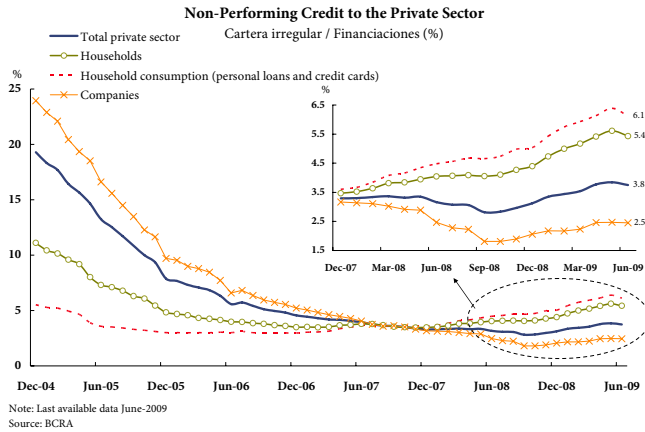
The second half of the year has begun with an improvement in financial system net worth, mainly as a result of the book profits obtained in July. Financial entity consolidated net worth expanded by 2.1% in the month, reaching an increase of 15.7% y.o.y. Growth has taken place in public and private banks, with the latter showing the greater dynamism.

⁴ Loans to companies are those granted to legal persons, as well as commercial loans to individuals. The remaining loans to individuals are considered as falling within the household category.

⁵ The latest data available for this breakdown is dated June 2009.

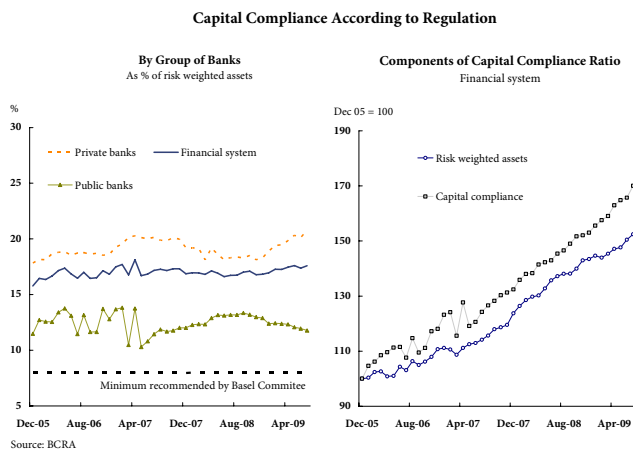
⁶ The primary sector (excluding agriculture) includes mining and quarrying and the sale of extraction goods (except oil and gas); the extraction, exploitation and sale of products derived from petroleum, and fishing and related services.

Chart 13



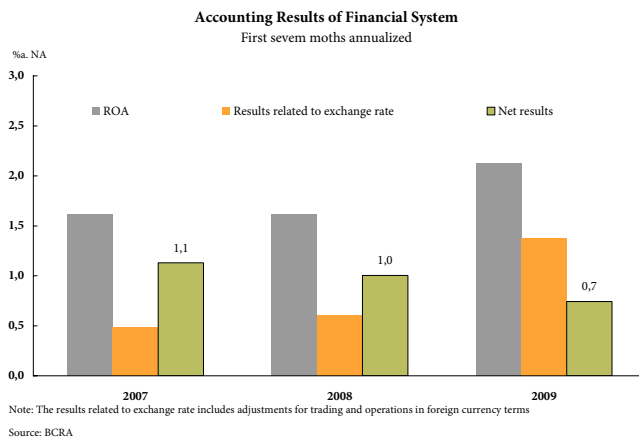
Capital compliance increased marginally in July, to 17.6% of risk-weighted assets (RWA). Over the course of 2009 greater relative growth has been noted in compliance in relation to RWA (see Chart 14), generating an improvement in the capital adequacy indicator. **Excess capital compliance continues to be recorded in a widespread manner across all the financial entities.** Excess capital compliance as a percentage of total requirement stands at 89% at system-wide level.

Chart 14



Financial system book profits represented 2.9%a. of assets in July, with profits being recorded by both private and public banks. In the first 7 months of 2009 financial system ROA totaled 2.1%a., 0.5 p.p. higher than the level recorded in the same period of the previous year. It should be noted that **if the headings directly relating to the evolution of the exchange rate were to be excluded, book profits for 2009 to date would be reduced to one third** (see Chart 15).

Chart 15



Bank financial margin as a whole reached 8.6%a. of assets in July, posting a drop for the month. **This reduction in financial margin was seen for all headings, with a more notable drop in gains on securities** (see Chart 16) and to some extent, in net interest income. **Foreign exchange price adjustments were lower in July, during a period of greater stability in the peso-dollar exchange rate.** As a result, foreign exchange price adjustments are running at similar levels to those seen in the same month of previous years.

Services income margin has continued to rise steadily. In July these results increased by 0.1 p.p. of assets to 4%a. During the course of the year they have reached 3.8%a., increasing compared with the same period of 2008 and exceeding the levels prior to the crisis in 2001-2002.

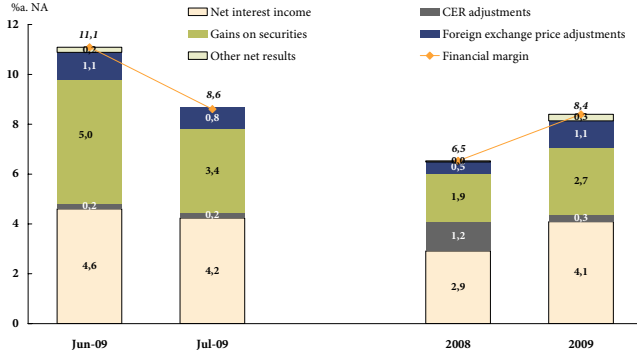
In the case of expenses from the income statement, during the month there was a significant reduction in operating costs⁷. **In the first 7 months of 2009, such expenditure went up 0.7 p.p. compared with the same period of the previous year.** Loan loss provisions have also fallen during the month, although in the first 7 months of the year an increase has been noted compared with the same period of 2008 (see Chart 17).

On the basis of the information available at the time of publication of this Report, **it is expected that the financial system will continue to record sound**

⁷ It should be noted that the salary adjustment agreed for the current year took place in June.

Chart 16

Financial Margin
Financial system

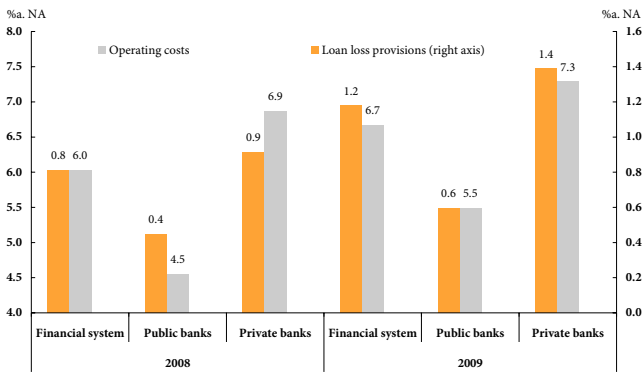


Source: BCRA

solvency levels. It is foreseen that the more stable sources of revenue (interest and service income) will continue to exceed operating costs. For their part, loan loss provisions will remain at levels higher than those of the previous year. In addition, some improvement is anticipated in gains from securities in coming months, in view of the increased market prices for some of the securities held in bank portfolios.

Chart 17

Main Costs Items of Result Statements
First 7 months annualized



Source: BCRA

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).

Note: There were no major regulatory announcements affecting the financial system during July 2009.

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	Jul 2008	2008	Jun 2009	Jul 2009
1.- Liquidity	22.3	26.1	23.1	25.0	23.4	19.6	22.8	29.1	29.6	20.1	22.5	23.0	25.8	27.9	30.1	29.8
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	13.8	12.8	12.5	13.3
3.- Credit to the private sector	50.8	47.7	48.4	44.9	39.9	42.7	20.8	18.1	19.6	25.8	31.0	38.2	37.7	39.4	38.6	38.1
4.- Private non-performing loans	16.2	13.8	12.2	14.0	16.0	19.1	38.6	33.5	18.6	7.6	4.5	3.2	3.1	3.1	3.7	3.8
5.- Net worth exposure to the private sector	24.9	22.5	20.6	24.7	26.2	21.9	17.3	12.4	-1.0	-4.1	-3.3	-3.0	-2.7	-3.3	-2.2	-2.2
6.- ROA	0.6	1.0	0.5	0.2	0.0	0.0	-8.9	-2.9	-0.5	0.9	1.9	1.5	1.6	1.6	2.0	2.1
7.- ROE	4.1	6.3	3.9	1.7	0.0	-0.2	-59.2	-22.7	-4.2	7.0	14.3	11.0	13.8	13.4	16.7	17.7
8.- Efficiency	142	136	138	142	147	143	189	69	125	151	167	160	165	167	182	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	16.7	16.8	17.4	17.6
10.- Excess capital compliance	64	73	49	54	58	54	-	116	185	173	134	93	88	90	86	89

Source: BCRA
n.a.: not available

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	Jul 08	Dec 08	Jun 09	Jul 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	339,424	346,762	366,154	368,036	0.5	6.1	8.4	
Liquid assets ¹	20,278	13,005	17,138	27,575	29,154	20,819	37,991	46,320	46,300	58,676	62,573	61,087	-2.4	4.1	31.9	
Public bonds	10,474	3,694	31,418	45,062	55,382	66,733	64,592	62,678	75,274	65,255	76,262	78,727	3.2	20.6	4.6	
Lebac/Nobac	-	-	-	-	17,755	28,340	29,289	36,022	50,453	37,093	41,030	42,879	4.5	15.6	-15.0	
Portfolio	-	-	-	-	11,803	21,067	31,598	34,029	25,652	26,464	27,061	2.3	5.5	-20.5		
Repo ²	-	-	-	-	5,953	7,273	3,521	4,424	16,424	11,442	14,566	15,818	8.6	38.2	-3.7	
Private bonds	633	543	332	198	387	389	813	382	599	203	270	271	0.3	33.8	-54.8	
Loans	83,277	77,351	84,792	68,042	73,617	84,171	103,668	132,157	146,865	154,719	156,786	158,558	1.1	2.5	8.0	
Public sector	15,164	22,694	44,337	33,228	30,866	25,836	20,874	16,772	17,242	17,083	14,786	17,533	18.6	2.6	1.7	
Private sector	64,464	52,039	38,470	33,398	41,054	55,885	77,832	110,355	123,942	132,844	138,166	137,227	-0.7	3.3	10.7	
Financial sector	3,649	2,617	1,985	1,417	1,697	2,450	5,030	5,681	4,793	3,834	3,798	3,798	-0.9	-20.7	-33.1	
Provisions over loans	-6,907	-6,987	-11,952	-9,374	-7,500	-4,930	-3,728	-4,089	-4,287	-4,744	-5,475	-5,508	0.6	16.1	28.5	
Other netted credits due to financial intermediation	42,361	21,485	39,089	27,030	32,554	26,721	26,039	29,712	43,277	38,152	41,075	40,256	-2.0	5.5	-7.0	
Corporate bonds and subordinated debt	794	751	1,708	1,569	1,018	873	773	606	727	912	1,197	1,161	-3.0	27.3	59.8	
Unquoted trusts	2,053	2,065	6,698	4,133	3,145	3,883	4,881	5,023	5,572	5,714	6,260	6,081	-2.9	6.4	9.1	
Compensation receivable	0	0	17,111	14,937	15,467	5,841	763	377	314	357	17	17	0.0	-95.3	-94.7	
Other	39,514	18,669	13,572	6,392	12,924	16,124	19,622	23,706	36,663	31,169	33,601	32,998	-1.8	5.9	-10.0	
Leasing	786	771	567	397	611	1,384	2,262	3,469	3,985	3,935	3,260	3,169	-2.8	-19.5	-20.5	
Shares in other companies	2,645	2,688	4,653	4,591	3,871	4,532	6,430	6,881	7,236	7,802	7,913	7,913	1.4	9.4	15.0	
Fixed assets and miscellaneous	4,939	4,804	8,636	8,164	7,782	7,546	7,619	7,643	7,731	7,903	8,132	8,159	0.3	3.2	5.5	
Foreign branches	1,115	1,057	3,522	3,144	3,524	3,647	2,782	2,912	2,888	3,153	4,075	4,136	1.5	31.2	43.2	
Other assets	3,950	5,334	9,338	12,043	13,180	10,950	9,953	10,347	9,911	12,275	11,392	11,269	-1.1	-8.2	13.7	
Liabilities	146,267	107,261	161,446	164,923	188,683	195,044	225,369	261,143	300,337	305,382	321,637	322,620	0.3	5.6	7.4	
Deposits	86,506	66,458	75,001	94,635	116,655	136,492	170,898	205,550	230,566	236,217	250,083	252,020	0.8	6.7	9.3	
Public sector ³	7,204	950	8,381	16,040	31,649	34,019	45,410	48,340	61,524	67,151	67,268	69,203	2.9	3.1	12.5	
Private sector ³	78,397	43,270	59,698	74,951	83,000	100,809	123,431	155,048	166,060	166,378	179,232	178,953	-0.2	7.6	7.8	
Current account	6,438	7,158	11,462	15,071	18,219	23,487	26,900	35,245	37,744	39,619	40,259	38,908	-3.4	-1.8	3.1	
Savings account	13,008	14,757	10,523	16,809	23,866	29,078	36,442	47,109	47,845	50,966	56,649	55,821	-1.5	9.5	16.7	
Time deposit	53,915	18,012	19,080	33,285	34,944	42,822	54,338	65,952	73,815	69,484	75,068	77,599	3.4	11.7	5.1	
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	60,203	57,662	58,636	57,573	-1.8	-0.2	-4.4	
Interbanking obligations	3,545	2,550	1,649	1,317	1,461	2,164	4,578	4,310	4,997	3,895	3,087	3,024	-2.0	-22.4	-39.5	
BCRA lines	102	4,470	27,837	27,491	27,726	17,005	7,686	2,362	2,202	1,885	1,002	905	-9.7	-52.0	-58.9	
Outstanding bonds	4,954	3,777	9,096	6,675	7,922	6,548	6,603	6,240	5,984	5,670	5,522	5,522	-2.6	-7.7	-11.5	
Foreign lines of credit	8,813	7,927	25,199	15,196	8,884	4,684	4,240	3,864	4,822	4,541	3,608	3,541	-1.9	-22.0	-26.6	
Other	37,883	17,295	11,955	11,012	18,934	21,671	22,930	28,752	41,942	41,357	45,269	44,581	-1.5	7.8	6.3	
Subordinated debts	2,255	2,260	3,712	2,028	1,415	1,381	1,642	1,672	1,580	1,763	1,914	1,914	0.0	8.5	21.2	
Other liabilities	2,210	2,524	6,997	6,569	5,685	5,099	6,792	7,695	7,988	9,740	11,004	11,114	1.0	14.1	39.1	
Net worth	17,283	16,483	26,086	21,950	23,879	26,918	33,014	36,819	39,087	41,380	44,517	45,416	2.0	9.8	16.2	
Memo																
Netted assets	129,815	110,275	185,356	184,371	202,447	208,275	244,791	280,336	309,635	321,075	337,979	340,082	0.6	5.9	9.8	
Consolidated netted assets	125,093	106,576	181,253	181,077	198,462	203,286	235,845	271,652	300,021	312,002	329,523	331,601	0.6	6.3	11.7	

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

Source: BCRA

Statistics Annex | Financial System (cont.)

Chart 3 | Profitability Structure

Amount in million of pesos	Annual									First 7 months		Monthly			Last
	2000	2001	2002 ¹	2003	2004	2005	2006	2007	2008	2008	2009	May-09	Jun-09	Jul-09	12 months
Financial margin	7,291	6,943	13,991	1,965	6,075	9,475	13,262	15,134	20,526	11,333	16,102	2,278	3,082	2,410	26,928
Net interest income	5,106	4,625	-3,624	-943	1,753	3,069	4,150	5,744	9,574	5,056	7,840	1,128	1,280	1,185	13,127
CER and CVS adjustments	0	0	8,298	2,315	1,944	3,051	3,012	2,624	2,822	2,042	576	76	60	61	1,584
Foreign exchange price adjustments	185	268	5,977	-890	866	751	944	1,357	2,304	788	2,064	271	306	237	3,747
Gains on securities	1,481	1,490	3,639	1,962	1,887	2,371	4,923	5,144	4,462	3,371	5,118	774	1,379	940	6,672
Other financial income	519	559	-299	-480	-375	233	235	264	1,363	76	504	28	57	-15	1,798
Service income margin	3,582	3,604	4,011	3,415	3,904	4,781	6,243	8,248	10,868	5,969	7,252	1,046	1,089	1,113	13,087
Loan loss provisions	-3,056	-3,096	-10,007	-2,089	-1,511	-1,173	-1,198	-1,894	-2,832	-1,407	-2,260	-380	-335	-275	-3,850
Operating costs	-7,375	-7,362	-9,520	-7,760	-7,998	-9,437	-11,655	-14,634	-18,748	-10,455	-12,778	-1,922	-2,084	-1,900	-22,642
Tax charges	-528	-571	-691	-473	-584	-737	-1,090	-1,537	-2,315	-1,195	-1,844	-276	-277	-282	-3,148
Income tax	-446	-262	-509	-305	-275	-581	-595	-1,032	-1,342	-818	-2,666	-478	-782	-326	-3,338
Adjust. to the valuation of gov. securities ²	0	0	0	-701	-320	-410	-752	-837	-1,757	-1,053	-201	-14	-13	-13	-1,074
Amort. payments for court-ordered releases	0	0	0	-1,124	-1,686	-1,867	-2,573	-1,922	-994	-578	-396	-56	-64	-42	-868
Other	535	702	-3,880	1,738	1,497	1,729	2,664	2,380	1,366	1,001	862	177	112	124	1,387
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	2,796	4,071	375	727	808	6,482
Adjusted results ⁴	-	-	-	-3,440	1,337	4,057	7,631	6,665	7,523	4,428	4,668	445	805	863	8,424
<i>Annualized indicators - As % of netted assets</i>															
Financial margin	5.7	5.7	6.5	1.1	3.1	4.6	5.8	5.7	6.7	6.5	8.4	8.2	11.1	8.6	8.4
Net interest income	4.0	3.8	-1.7	-0.5	0.9	1.5	1.8	2.2	3.1	2.9	4.1	4.1	4.6	4.2	4.1
CER and CVS adjustments	0.0	0.0	3.9	1.3	1.0	1.5	1.3	1.0	0.9	1.2	0.3	0.3	0.2	0.2	0.5
Foreign exchange price adjustments	0.1	0.2	2.8	-0.5	0.4	0.4	0.4	0.5	0.8	0.5	1.1	1.0	1.1	0.8	1.2
Gains on securities	1.2	1.2	1.7	1.1	1.0	1.2	2.2	1.9	1.5	1.9	2.7	2.8	5.0	3.4	2.1
Other financial income	0.4	0.5	-0.1	-0.3	-0.2	0.1	0.1	0.4	0.0	0.3	0.1	0.2	0.2	-0.1	0.6
Service income margin	2.8	3.0	1.9	1.9	2.0	2.3	2.7	3.1	3.6	3.4	3.8	3.8	3.9	4.0	4.1
Loan loss provisions	-2.4	-2.6	-4.7	-1.1	-0.8	-0.6	-0.5	-0.7	-0.9	-0.8	-1.2	-1.4	-1.2	-1.0	-1.2
Operating costs	-5.8	-6.1	-4.4	-4.2	-4.1	-4.6	-5.1	-5.5	-6.1	-6.0	-6.7	-6.9	-7.5	-6.8	-7.0
Tax charges	-0.4	-0.5	-0.3	-0.3	-0.3	-0.4	-0.5	-0.6	-0.8	-0.7	-1.0	-1.0	-1.0	-1.0	-1.0
Income tax	-0.3	-0.2	-0.2	-0.2	-0.1	-0.3	-0.3	-0.4	-0.4	-0.5	-1.4	-1.7	-2.8	-1.2	-1.0
Adjust. to the valuation of gov. securities ²	0.0	0.0	0.0	-0.4	-0.2	-0.2	-0.3	-0.3	-0.6	-0.6	-0.1	-0.1	0.0	0.0	-0.3
Amort. payments for court-ordered releases	0.0	0.0	0.0	-0.6	-0.9	-0.9	-1.1	-0.7	-0.3	-0.3	-0.2	-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	0.6	0.4	0.6	0.4	0.4	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
ROA ³	0.0	0.0	-8.9	-2.9	-0.5	0.9	1.9	1.5	1.6	1.6	2.1	1.4	2.6	2.9	2.0
ROA adjusted ⁴	0.0	0.0	-8.9	-1.9	0.7	2.0	3.4	2.5	2.5	2.6	2.4	1.6	2.9	3.1	2.6
ROE ³	0.0	-0.2	-59.2	-22.7	-4.2	7.0	14.3	11.0	13.4	13.8	17.7	11.3	21.7	23.2	17.0

(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	Jul 08	Dec 08	Jun 09	Jul 09
Non-performing loans (overall)	12.9	13.1	18.1	17.7	10.7	5.2	3.4	2.7	2.6	2.7	3.3	3.3
Non-performing loans to the non-financial private sector	16.0	19.1	38.6	33.5	18.6	7.6	4.5	3.2	3.1	3.1	3.7	3.8
Provisions / Non-performing loans	61.1	66.4	73.8	79.2	102.9	124.5	129.9	129.6	126.9	131.4	118.0	118.7
(Total non-performing - Provisions) / Overall financing	5.0	4.4	4.7	3.7	-0.3	-1.3	-1.0	-0.8	-0.7	-0.8	-0.6	-0.6
(Total non-performing - Provisions) / Net worth	26.2	21.6	17.2	11.9	-1.0	-4.1	-3.3	-3.0	-2.7	-3.3	-2.2	-2.2

(*) 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	Jul 2008	2008	Jun 2009	Jul 2009
1.- Liquidity	23.6	26.9	22.8	24.3	24.1	23.6	24.8	27.6	29.2	21.5	23.7	25.7	27.9	34.1	32.7	33.0
2.- Credit to the public sector	13.5	13.7	13.6	16.1	14.7	20.8	50.0	47.7	41.6	28.5	16.3	9.5	7.8	6.3	5.9	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	46.1	44.0	42.9	42.8
4.- Private non-performing loans	11.1	8.5	7.7	8.9	9.8	14.0	37.4	30.4	15.3	6.3	3.6	2.5	2.7	2.8	3.6	3.6
5.- Net worth exposure to the private sector	21.6	14.3	13.2	11.5	13.4	11.4	18.6	11.2	1.9	-2.2	-3.0	-3.6	-2.8	-3.4	-2.2	-2.2
6.- ROA	0.6	0.7	0.5	0.3	0.1	0.2	-11.3	-2.5	-1.0	0.5	2.2	1.6	1.9	1.9	2.5	2.7
7.- ROE	4.1	6.3	4.3	2.3	0.8	1.4	-79.0	-19.1	-8.1	4.1	15.3	10.9	14.9	15.2	20.1	20.8
8.- Efficiency	144	135	139	146	152	151	168	93	115	136	158	152	164	166	193	194
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	18.3	20.1	20.8
10.- Excess capital compliance	33	47	27	60	49	43	-	88	157	155	116	87	83	86	97	103

Source: BCRA
n.a.: not available

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	Jul 08	Dec 08	Jun 09	Jul 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	193,748	208,888	218,949	216,899	-0.9	3.8	11.9	
Liquid assets ¹	13,920	10,576	11,044	14,500	15,893	14,074	22,226	29,418	28,591	37,044	40,376	40,296	-0.2	8.8	40.9	
Public bonds	7,583	1,627	19,751	22,260	24,817	29,966	27,663	24,444	26,956	29,552	38,736	39,693	2.5	34.3	47.2	
Lebac/Nobac	0	0	-	-	8,359	15,227	15,952	17,684	20,785	23,457	25,784	26,432	2.5	12.7	27.2	
Portfolio	0	0	-	-	5,611	12,899	14,220	15,639	13,492	12,858	18,274	18,274	0.0	42.1	35.4	
Repo ²	0	0	-	-	2,749	2,328	1,732	2,045	7,293	10,598	7,510	8,158	8.6	-23.0	11.9	
Private bonds	563	451	273	172	333	307	683	310	504	127	135	134	-0.7	5.6	-73.4	
Loans	56,035	52,319	51,774	47,017	50,741	56,565	69,294	88,898	96,624	98,529	96,017	95,010	-1.0	-3.6	-1.7	
Public sector	8,172	13,803	25,056	23,571	21,420	15,954	10,036	6,413	6,357	6,249	1,820	1,797	-1.3	-71.2	-71.7	
Private sector	45,103	36,636	26,074	22,816	28,213	39,031	55,632	78,587	85,840	88,426	91,151	90,180	-1.1	2.0	5.1	
Financial sector	2,760	1,880	644	630	1,107	1,580	3,626	3,898	4,426	3,854	3,046	3,034	-0.4	-21.3	-31.5	
Provisions over loans	-3,248	-3,957	-7,463	-5,225	-3,717	-2,482	-2,227	-3,365	-2,630	-2,871	-3,425	-3,435	0.3	19.7	30.6	
Other netted credits due to financial intermediaries	36,600	13,037	27,212	22,148	25,753	16,873	18,387	17,084	24,610	25,265	26,447	24,521	-7.3	-2.9	-0.4	
Corporate bonds and subordinated debt	724	665	1,514	1,394	829	675	618	430	538	699	840	804	-4.3	14.9	49.4	
Unquoted trusts	1,609	1,637	6,205	3,571	2,362	2,444	2,982	3,456	3,900	3,869	4,424	4,286	-3.1	10.8	9.9	
Compensation receivable	0	0	15,971	13,812	14,657	5,575	760	377	314	357	17	17	0.0	-95.3	-94.7	
Other	34,267	10,735	3,523	3,370	7,905	8,179	14,027	12,822	19,857	20,339	21,167	19,415	-8.3	-4.5	-2.2	
Leasing	776	752	553	387	592	1,356	2,126	3,149	3,549	3,451	2,842	2,760	-2.9	-20.0	-22.2	
Shares in other companies	1,651	1,703	3,123	2,791	1,892	2,416	4,042	3,762	4,231	4,538	5,083	5,186	2.0	14.3	22.6	
Fixed assets and miscellaneous	3,225	3,150	5,198	4,902	4,678	4,575	4,677	4,685	4,789	4,926	5,062	5,071	0.2	2.9	5.9	
Foreign branches	75	112	-109	-136	-53	-148	-139	-154	-153	-178	-199	-201	1.2	13.1	31.8	
Other assets	2,190	2,574	7,549	7,816	7,137	6,178	5,682	6,277	6,678	8,505	7,873	7,865	-0.1	-7.5	17.8	
Liabilities	107,193	70,829	103,079	101,732	113,285	112,600	131,476	152,153	168,722	182,596	190,219	187,514	-1.4	2.7	11.1	
Deposits	57,833	44,863	44,445	52,625	62,685	75,668	94,095	116,719	126,015	135,711	142,901	141,880	-0.7	4.5	12.6	
Public sector ³	1,276	950	1,636	3,077	6,039	6,946	7,029	7,564	10,118	19,600	20,528	19,967	-2.7	1.9	97.4	
Private sector ³	55,917	43,270	38,289	47,097	55,384	67,859	85,714	107,671	114,221	114,176	120,170	119,719	-0.4	4.9	4.8	
Current account	4,960	7,158	8,905	11,588	13,966	17,946	20,604	27,132	28,586	30,188	30,337	29,078	-4.1	-3.7	1.7	
Savings account	9,409	14,757	6,309	10,547	14,842	18,362	23,165	30,169	29,487	32,778	36,265	35,783	-1.3	9.2	21.3	
Time deposit	39,030	18,012	11,083	18,710	22,729	27,736	38,043	45,770	51,520	46,990	48,974	50,562	3.2	7.6	-1.9	
CEDRO	0	0	9,016	2,409	798	3	1	0	0	0	0	0	-	-	-	
Other netted liabilities due to financial intermediaries	46,271	22,629	49,341	42,367	45,083	32,349	31,750	29,323	36,409	39,298	38,817	36,929	-4.9	-6.0	1.4	
Interbanking obligations	2,293	1,514	836	726	1,070	1,488	3,383	1,979	1,953	1,160	1,163	1,138	-2.2	-2.0	-41.7	
BCRA lines	83	1,758	16,624	17,030	17,768	10,088	3,689	675	724	649	91	90	-0.9	-86.1	-87.6	
Outstanding bonds	4,939	3,703	9,073	6,674	7,922	6,548	6,413	6,686	5,896	5,672	5,317	5,169	-2.8	-8.9	-12.3	
Foreign lines of credit	5,491	4,644	15,434	9,998	5,444	2,696	2,249	1,833	2,825	2,261	1,231	1,145	-7.0	-49.4	-59.5	
Other	33,466	11,010	7,374	7,939	12,878	11,530	16,015	18,150	25,012	29,555	31,016	29,386	-5.3	-0.6	17.5	
Subordinated debts	1,668	1,700	3,622	1,850	1,304	1,319	1,642	1,668	1,576	1,759	1,910	1,910	0.0	8.6	21.2	
Other liabilities	1,420	1,637	5,671	4,890	4,213	3,264	3,989	4,443	4,721	5,828	6,591	6,795	3.1	16.6	43.9	
Net worth	12,178	11,515	15,827	14,900	14,780	17,080	20,938	23,356	25,026	26,292	28,730	29,385	2.3	11.8	17.4	
Memo																
Netted assets	88,501	73,796	117,928	115,091	121,889	123,271	143,807	166,231	177,959	192,074	201,837	201,248	-0.3	4.8	13.1	

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

Statistics Annex | Private Banks (cont.)

Chart 7 | Profitability Structure

Amount in million of pesos	Annual									First 7 months		Monthly			Last
	2000	2001	2002 ¹	2003	2004	2005	2006	2007	2008	2008	2009	May-09	Jun-09	Jul-09	12 months
Financial margin	5,441	5,282	10,628	2,575	3,415	5,253	7,778	8,960	12,964	7,107	11,037	1,618	2,041	1,674	17,994
Net interest income	3,598	3,519	-304	107	1,214	2,069	2,826	4,191	7,727	4,097	5,859	861	864	856	10,123
CER and CVS adjustments	0	0	1,476	1,082	900	1,215	858	662	651	483	92	7	7	8	314
Foreign exchange price adjustments	160	256	6,189	-312	666	576	740	990	1,620	823	1,192	169	186	147	2,118
Gains on securities	1,232	962	3,464	1,892	959	1,259	3,154	2,888	1,637	1,653	3,268	544	920	668	3,530
Other financial income	450	546	-197	-195	-322	134	199	229	1,329	51	626	38	64	-5	1,908
Service income margin	2,554	2,598	2,782	2,341	2,774	3,350	4,459	5,881	7,632	4,197	5,111	721	759	790	9,195
Loan loss provisions	-2,173	-2,464	-6,923	-1,461	-1,036	-714	-737	-1,174	-1,863	-920	-1,589	-254	-257	-189	-2,632
Operating costs	-5,263	-5,224	-6,726	-5,310	-5,382	-6,303	-7,741	-9,735	-12,401	-6,910	-8,334	-1,217	-1,338	-1,236	-14,857
Tax charges	-379	-418	-512	-366	-393	-509	-769	-1,105	-1,715	-891	-1,336	-199	-191	-205	-2,296
Income tax	-393	-216	-337	-295	-202	-217	-365	-380	-1,168	-558	-1,758	-350	-408	-306	-2,465
Adjust. to the valuation of gov. securities ²	0	0	0	-665	-51	-201	-170	-100	-267	-163	-26	0	-4	-2	-161
Amort. payments for court-ordered releases	0	0	0	-791	-1,147	-1,168	-1,182	-1,466	-688	-394	-207	-33	-40	-22	-540
Other	307	615	-4,164	1,178	846	1,156	1,641	1,576	916	452	146	39	-26	48	659
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	1,920	3,044	325	536	553	4,897
Adjusted results ⁴	-	-	-	-1,357	252	2,016	4,267	4,023	4,367	2,478	3,277	358	580	577	5,597
Annualized indicators - As % of netted assets															
Financial margin	6.2	6.4	7.6	2.3	2.9	4.3	5.9	5.8	7.3	7.1	9.6	9.9	12.3	10.1	9.5
Net interest income	4.1	4.3	-0.2	0.1	1.0	1.7	2.1	2.7	4.4	4.1	5.1	5.2	5.2	5.2	5.3
CER and CVS adjustments	0.0	0.0	1.1	0.9	0.8	1.0	0.6	0.4	0.4	0.5	0.1	0.0	0.0	0.1	0.2
Foreign exchange price adjustments	0.2	0.3	4.4	-0.3	0.6	0.5	0.6	0.6	0.9	0.8	1.0	1.0	1.1	0.9	1.1
Gains on securities	1.4	1.2	2.5	1.7	0.8	1.0	2.4	1.9	0.9	1.6	2.9	3.3	5.6	4.0	1.9
Other financial income	0.5	0.7	-0.1	-0.2	-0.3	0.1	0.2	0.1	0.8	0.1	0.5	0.2	0.4	0.0	1.0
Service income margin	2.9	3.2	2.0	2.0	2.4	2.7	3.4	3.8	4.3	4.2	4.5	4.4	4.6	4.8	4.9
Loan loss provisions	-2.5	-3.0	-5.0	-1.3	-0.9	-0.6	-0.6	-0.8	-1.1	-0.9	-1.4	-1.5	-1.6	-1.1	-1.4
Operating costs	-6.0	-6.4	-4.8	-4.6	-4.6	-5.1	-5.9	-6.3	-7.0	-6.9	-7.3	-7.4	-8.1	-7.5	-7.8
Tax charges	-0.4	-0.5	-0.4	-0.3	-0.3	-0.4	-0.6	-0.7	-1.0	-0.9	-1.2	-1.2	-1.2	-1.2	-1.2
Income tax	-0.4	-0.3	-0.2	-0.3	-0.2	-0.2	-0.3	-0.2	-0.7	-0.6	-1.5	-2.1	-2.5	-1.9	-1.3
Adjust. to the valuation of gov. securities ²	0.0	0.0	0.0	-0.6	0.0	-0.2	-0.1	-0.1	-0.2	-0.2	0.0	0.0	0.0	0.0	-0.1
Amort. payments for court-ordered releases	0.0	0.0	0.0	-0.7	-1.0	-1.0	-0.9	-0.9	-0.4	-0.4	-0.2	-0.2	-0.2	-0.1	-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	0.3	0.3
Monetary results	0.0	0.0	-7.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ROA³	0.1	0.2	-11.3	-2.5	-1.0	0.5	2.2	1.6	1.9	1.9	2.7	2.0	3.2	3.3	2.6
ROA adjusted ⁴	0.1	0.2	-11.3	-1.2	0.2	1.6	3.2	2.6	2.5	2.5	2.9	2.2	3.5	3.5	3.0
ROE ²	0.8	1.4	-79.0	-19.1	-8.1	4.1	15.3	10.9	15.2	14.9	20.8	15.4	25.2	24.8	20.3

(1) Data at December 2002 currency (2) Com. "A" 3911. Adjustments to the valuation of government unlisted securities according to Com. "A" 4084 are included under the "gains from securities" heading.

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

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

Source: BCRA

Chart 8 | Portfolio Quality

As percentage	Dec 00	Dec 01	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Jul 08	Dec 08	Jun 09	Jul 09
Non-performing loans (overall)	8.3	9.9	19.8	15.7	8.9	4.4	2.9	2.2	2.4	2.5	3.4	3.4
Non-performing loans to the non-financial private sector	9.8	14.0	37.4	30.4	15.3	6.3	3.6	2.5	2.7	2.8	3.6	3.6
Provisions / Non-performing loans	67.7	75.7	73.4	79.0	97.0	114.3	129.3	141.3	128.9	134.1	118.3	119.0
(Total non-performing - Provisions) / Overall financing	2.7	2.4	5.3	3.3	0.4	-0.6	-0.9	-0.9	-0.7	-0.9	-0.6	-0.6
(Total non-performing - Provisions) / Net worth	13.4	11.4	18.6	11.2	1.3	-2.2	-3.0	-3.6	-2.8	-3.4	-2.2	-2.2

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

Source: BCRA