

# Report on Banks

August 2013



BANCO CENTRAL  
DE LA REPÚBLICA ARGENTINA

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August 2013

Year X, N° 12



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Note | Information for August 2013 available by September 27, 2013 is included. This Report is focused on the performance of the financial system, including breakdowns by homogeneous sub-sectors. The data reported (particularly, those referring to profitability) are provisional and are subject to changes. Except otherwise provided, end-of-month data are included.

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## Summary

- **In August, banks' financial intermediation continued with its upward trend.** Thus, bank deposits and lending to the private sector accounted for 16.7% and 18% of GDP, respectively, and accumulate a year-on-year (y.o.y.) improvement of almost 1 percentage point (p.p.) in each case. The reason behind this positive momentum was the financial intermediation with the private sector in domestic currency, to such extent that the lending stock in pesos accounted for 94% of total credit and the stock of deposits in pesos reached 92% of total deposits.
- **The use of electronic means of payment has had a positive performance,** and has helped diversify the tools providing more security and efficiency to transactions. In particular, on the basis of a y.o.y. comparison, the monthly value of instant transfer of funds increased 65%, while the number of transactions went up 30%. With a view to deepening the use of electronic means of payment, **as from September the daily amount of electronic transfers at no cost for the user was expanded from \$10,000 to \$20,000.**
- **Financing in pesos to the private sector expanded 3% in August (36.9% y.o.y.), covering all credit lines.** The momentum of financing in domestic currency boosted total lending to the private sector (including domestic and foreign currency), which grew 2.7% in the month (31.9% y.o.y.). **Both in monthly and year-on-year terms, lending to companies was the most dynamic component,** posting a 3.4% increase in August (34.4% y.o.y.) and accounting for over 59% of the y.o.y. increase of loans to the private sector. In turn, loans to households went up 1.8% in August (29.3% y.o.y.).
- **The non-performing ratio of loans to the private sector remained stable at 1.9% of total financing in August.** In turn, delinquency ratios of loans granted to companies and to households also remained unchanged at 1% and 3%, respectively. The financial system continued posting high provisioning levels, evidencing a ratio between total provisions and non-performing loans that reached 134.2%.
- **The financial system stock of total deposits in pesos increased 2.1% (28.2% y.o.y.) in August;** private sector deposits went up 1.8% (32.9% y.o.y.) and public sector deposits rose 2.8% (17.3% y.o.y.). **Especially remarkable is the momentum shown by the private sector time deposits, which expanded 2.9% (40.4% y.o.y.).** In this context, the balance sheet stock of total deposits of the private and public sectors (considering both domestic and foreign currency) posted a 2% increase in August (26.6% y.o.y.).
- **The financial system broad liquidity indicator** (including items in domestic and foreign currency, and LEBAC and NOBAC holdings) **continued to stand at 37.5% of total deposits in August.** Meanwhile, the liquidity indicator (with items in domestic and foreign currency) stood at 24.4% of total deposits, down 0.3 p.p. in the month.
- **The financial system consolidated net worth grew 2.3% in August.** The financial system regulatory capital compliance in terms of total risk weighted assets (RWA) stood at levels similar to those of July, around 13.2%. In turn, in August, compliance in excess of the requirement (capital position) went up 0.9 p.p. to 68.8%, recording a y.o.y. increase of 6.5 p.p.
- In August, the ROA of the financial system stood at 3.5% a. of assets, slightly below the figure recorded in July. **In the first 8 months of the year, the ensemble of financial institutions has posted a ROA of 2.9% a., a level similar to that of the same period of 2012,** within a framework where the increase, in terms of assets of the main income items (interest and services) was offset by the rise of expenditures. In year-on-year terms, the accumulated ROA of public banks has increased so far this year, while a reduction was observed in the case of foreign private banks.
- In recent years, an improvement has been observed in the availability of financial infrastructure in the different regional economies. **The number of inhabitants per ATM has gone down, especially in the areas with fewer banking services.** However, considering that there is still some disparity in terms of banking services and economic development, the Central Bank of Argentina introduced in early 2011 a series of regulatory changes in the guidelines for authorization of new branches. As a result, **in the last two years and a half, a total of 102 new branches were authorized to operate in areas with fewer banking services, equivalent to over 40% of the total new branches opened in the country.**

# I. Activity

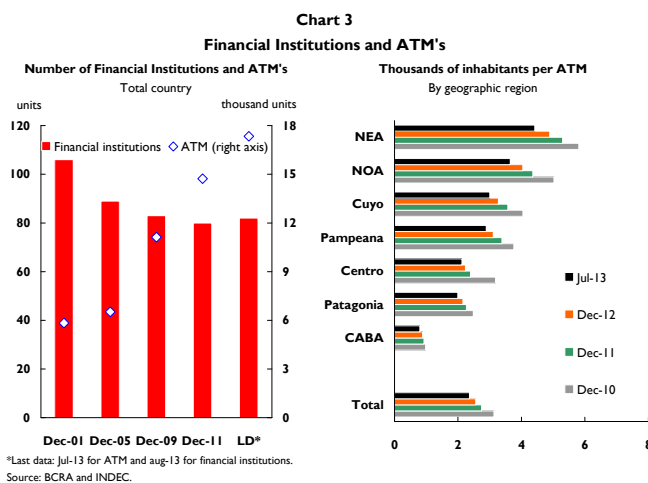
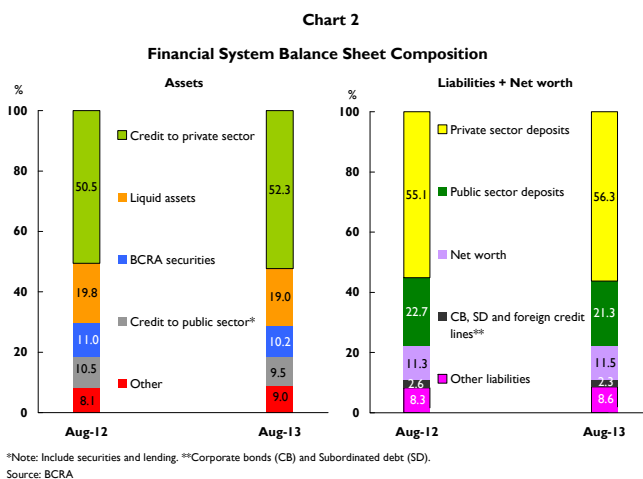
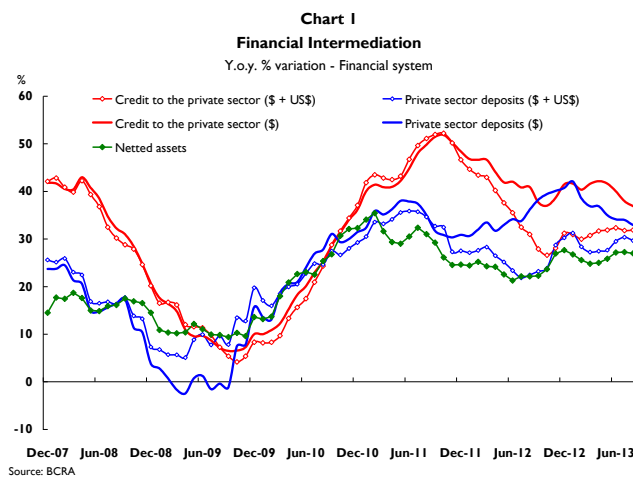
**Banks' financial intermediation with the private sector continued growing in August**, and the expansion encompassed increases in both lending and deposits for all groups of institutions. In this framework, netted assets of the financial system went up 2.3% in the month and accumulate a 27% y.o.y. increase (see Chart 1).

**The increase of lending to the private sector (\$12.5 billion) was the main use of funds during August**, a performance led by private banks. To a lesser extent, funds were also used to increase the holdings of LEBACs and NOBACs (\$3.8 billion). **These uses were mainly funded with increases in private sector deposits** (\$8.5 billion) and public sector deposits (\$4.65 billion). In addition, even though to a lesser extent, book profits arising from the activity developed were another source of resources for banks.

**Lending to the private sector continued to gain a greater share in banking assets.** A year-on-year comparison shows that loans to companies and households have increased their weight and account for 52.3% of the assets<sup>1</sup> (see Chart 2). In turn, **within total funding<sup>2</sup> (liabilities and net worth) the relative share of private sector deposits increased** up to 56.3% in August. The ROA of the private sector in the last 12 months translated into **an increased share of net worth in the total funding of the period.**

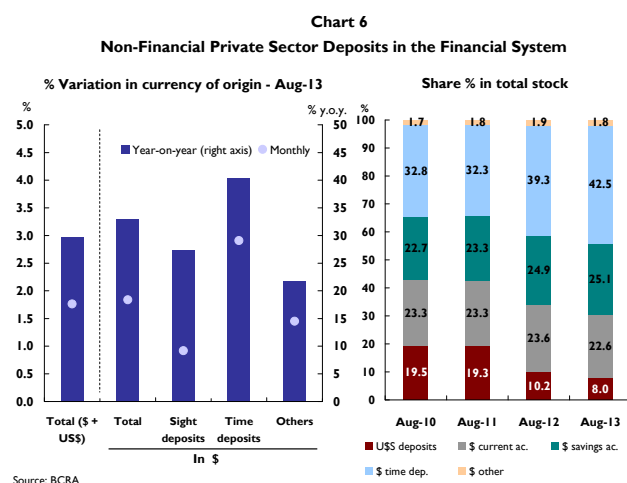
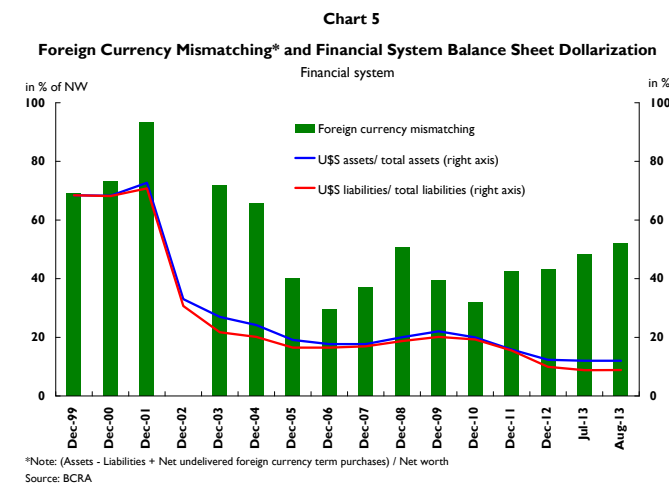
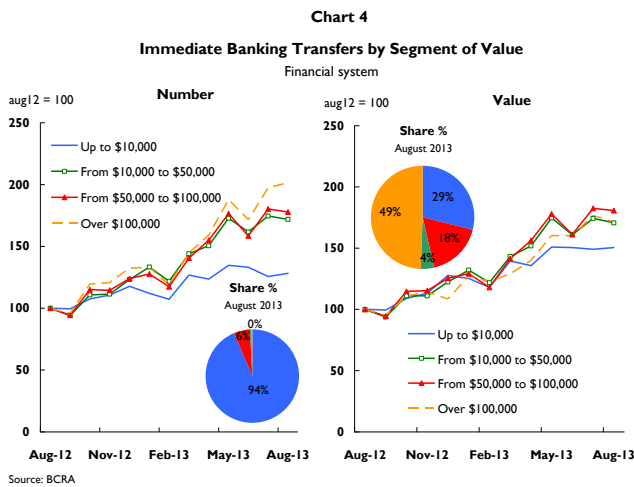
**In recent years, the availability of financial infrastructure has improved gradually in the country in general, and in the different regional economies in particular.** For example, the number of inhabitants per ATM went down, especially in the areas with fewer banking services (see Chart 3). However, considering that there is still a high disparity in terms of banking services and economic development, **the BCRA introduced in early 2011 a series of regulatory changes in the guidelines for authorization of new branches.** As a result, in the last two years and a half a total of 102 new branches were authorized to operate in areas with fewer banking services, equivalent to over 40% of the total new branches opened in the country.

The number of transactions performed through instant transfer of funds went up in August, even though the total value of such transactions decreased slightly. **In year-on-year terms, the monthly value of such transfers rose 65% while the number of transactions expanded 30%.** Breaking down by amount tranches, the



<sup>1</sup> Netted and consolidated.

<sup>2</sup> Netted and consolidated.



most relevant segment in terms of number continues to be that of transactions below \$10,000, while in terms of value almost a half corresponds to the segment of transactions over \$100,000 (see Chart 4). In turn, **total cleared checks**—considering both number and value—as well as the level of instruments returned due to insufficient funds went down slightly in August.

The current dollarization level of bank balance sheets continues to stand at historically low levels: in terms of assets, items in foreign currency accounted for only 12% of the total, while relative to liabilities, they were equivalent to 9% (see Chart 5). In this context, the foreign currency broad mismatching<sup>3</sup> of the financial system in terms of the RPC (adjusted stockholder's equity) increased 3.7 p.p. to 51.8%. The monthly performance was mainly driven by private banks, within a context of higher net forward purchases of foreign currency.

## II. Deposits and liquidity

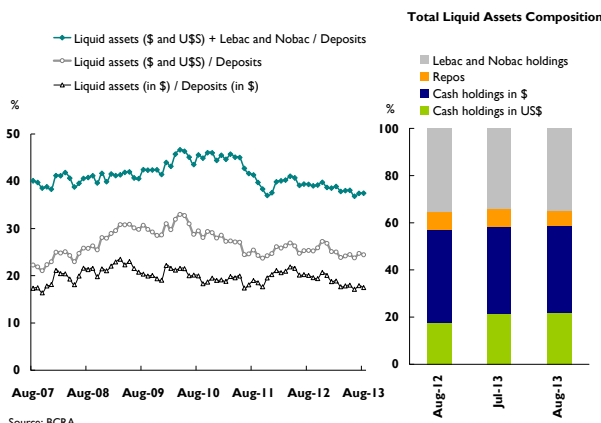
In August, the stock of total deposits in pesos in the financial system rose 2.1%; public sector deposits went up 2.8% while private sector deposits followed suit with 1.8% (see Chart 6). In the case of the private sector, **time deposits showed a more remarkable momentum, up 2.9% between ends of months**, while the stock of sight deposits rose 0.9% in the period. In turn, deposits in dollars in the financial system continued with their declining trend. In this framework, the balance sheet stock of total deposits of the non-financial sector (in both pesos and dollars) posted a 2% increase between July and August.

In terms of the performance exhibited in the last 12 months, deposits in domestic currency in the financial system grew 28.2%, with a 32.9% rise in private sector deposits and a 17.3% in those of the public sector. **The main reason behind the expansion of private sector deposits in pesos was the growth recorded by time deposits (40.4% y.o.y.)**. The significant boost of time deposits of recent years resulted in an increase of their share in the private sector total deposits in the financial system, a performance observed in all groups of banks (see Chart 6). Even though deposits in dollars continued to fall, the balance sheet stock of total deposits of the non-financial sector (considering both pesos and dollars) accumulates a 26.6% expansion since August 2012.

The broad liquidity ratio of the financial system (which includes items in domestic and foreign currency and LEBAC and NOBAC holdings) stood at 37.5% of

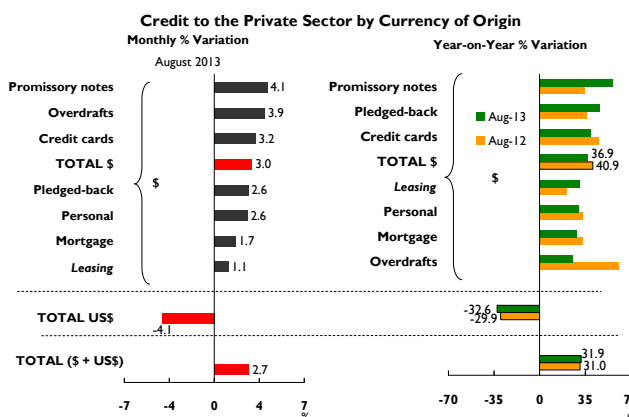
<sup>3</sup> Assets in foreign currency – Liabilities in foreign currency + Forward net purchases of foreign currency in memorandum accounts.

**Chart 7**  
**Financial System Liquidity**



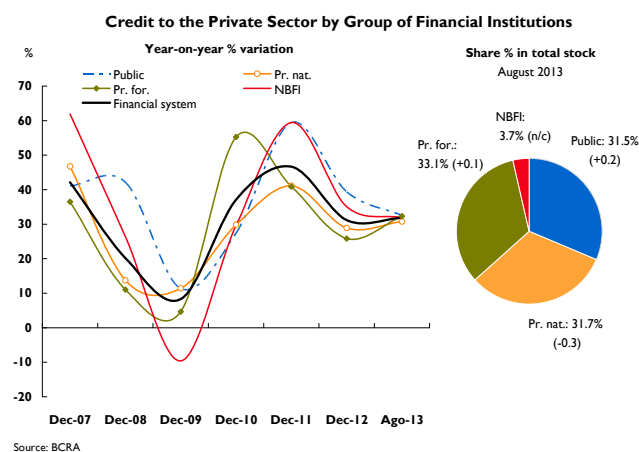
Source: BCRA

**Chart 8**



Note: Total includes balance sheet stock. Variations in currency of origin.  
Source: BCRA

**Chart 9**



Source: BCRA

**total deposits and remained unchanged during the month.** Meanwhile, the liquidity ratio (pesos and dollars) in terms of total deposits stood at 24.4% in August, down 0.3 p.p. against July (see Chart 7), in both public and private banks. Regarding the financial system liquidity structure, there was a slight fall in the share of liquid assets and repo transactions with the BCRA, offset by higher holdings of LEBACs and NOBACs.

**In turn, a change in the regulatory framework of the Minimum Cash<sup>4</sup> regime became effective in August.** With a view to improving financial inclusion throughout the national territory, the BCRA decided to apply a reduction of the minimum reserve requirement in pesos based on cash withdrawals made through the ATMs of each entity. The level of this deduction depends on two criteria: 1) whether the ATM is inside or outside the branch and 2) its actual geographical location. The deduction of the requirement is higher when ATMs are installed outside bank branches and when they are in remote and less developed areas with reduced access to banking services.

### III. Financing

**In August, lending in pesos<sup>5</sup> to the private sector went up 3%<sup>6</sup>, mainly driven by loans for commercial purposes (promissory notes and overdrafts) and credit cards (see Chart 8).** All credit lines in pesos expanded during the eighth month of the year, while lending in foreign currency followed the opposite direction (-4.1%). As a result, total lending (in domestic and foreign currencies) to the private sector increased 2.7% during this period<sup>7</sup>, exhibiting one of the most remarkable growth rates of 2013. In turn, in August, this momentum was mainly boosted by national private banks, which accounted for over 37% of the monthly change.

**In year-on-year terms, loans in pesos to companies and households rose 36.9%.** In this respect, promissory notes, pledged-back loans, and credit cards were the credit lines with the highest relative y.o.y. increase. Within this framework, in August, the growth rate for total lending to the private sector stood at 31.9% y.o.y. **As from the end of 2011, the y.o.y. expansion rate of the lending granted by public banks to companies and households has exceeded the rate of the remaining groups of financial institutions (see Chart 9).** Particularly, in the last 12 months, lending to the

<sup>4</sup> Communication "A" 5471.

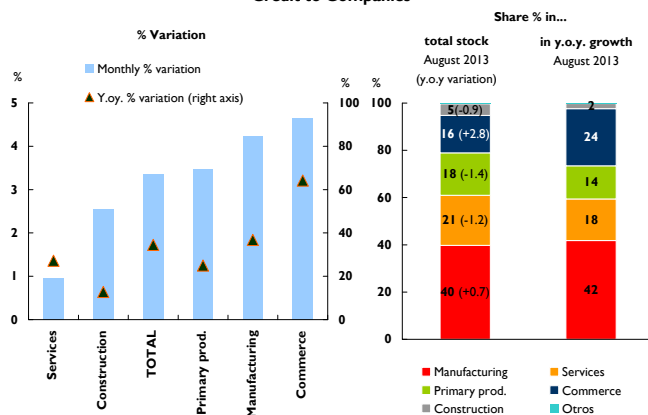
<sup>5</sup> Information obtained from balance sheet stocks corresponding to the Monthly Accounting Reporting System.

<sup>6</sup> In August, six financial trust issues for a total of \$911 million were recorded; four of them corresponded to personal loan securitizations (\$648 million), one to leasing contracts (\$197 million) and another one to credit card coupons securitizations (\$66 million). Thus, if the balance sheet stock is adjusted by these assets securitized during the month, the monthly growth of lending in pesos to companies and households would reach 3.2%.

<sup>7</sup> The monthly change in total loans (in pesos and in foreign currency) granted to the private sector would amount to 2.9%, by adjusting the balance sheet stock according to assets securitized in August.

private sector channeled through public banks went up 32.5% y.o.y., and its share in the total stock of loans increased 0.2 p.p. to 31.5%.

**Chart 10**  
**Credit to Companies**

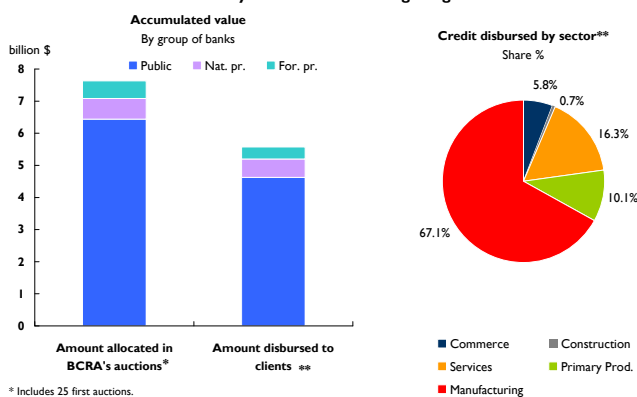


Source: BCRA

Lending to companies<sup>8</sup> posted a 3.4% hike in August mainly due to loans for commercial and manufacturing purposes (see Chart 10). In specific terms, these two sectors accounted for over 71% of the monthly increase of loans to companies. **In year-on-year terms, lending to companies expanded 34.4%, exceeding the growth rate of loans to households. Consequently, loans to companies accounted for over 59% of the y.o.y. growth of lending to the private sector and their share in the total stock increased 1 p.p. to 56%.**

The lending expansion of credit to companies has been mainly boosted by the **Credit Line for Productive Investment (LCIP)**. This measure, effective since mid-2012 and renewed on two occasions, promotes financing to productive projects and facilitates small and medium-sized enterprises' (SMEs) access to the financial system. It is estimated that the third tranche of the LCIP, corresponding to the second half of 2013, will distribute \$20 billion in additional bank funds. Due to the positive effect of the LCIP performance, in August, the amount granted to SMEs accounted for 40.6% of the total amount given to legal persons<sup>9</sup>, up 0.5 p.p. against the figures recorded in July, and 10.1 p.p. against August 2012.

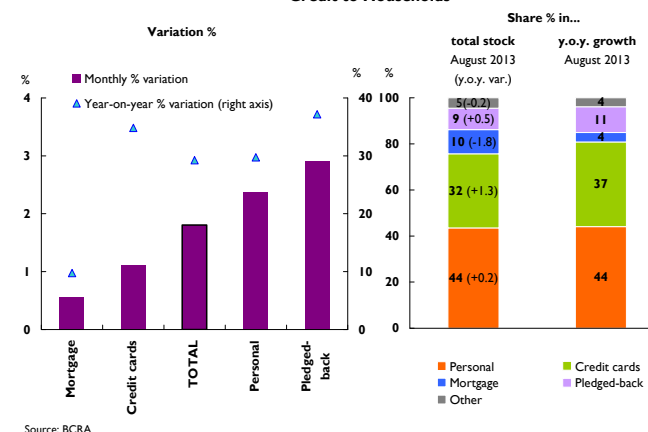
**Chart 11**  
**Bicentenary Productive Financing Program**



\* Includes 25 first auctions.  
\*\* Data up to September 30th, 2013.  
Source: BCRA

In turn, since the implementation of the **Bicentenary Productive Financing Program (PFPB)**, the BCRA has awarded \$7.63 billion, out of which banks allocated over 73% (\$5.57 billion) to several productive projects (see Chart 11). Lending awarded under the PFPB program was mainly channeled by public financing institutions (which accounted for 83% of the total value allocated). Over two thirds of the resources granted were loans to the industrial sector, followed by loans to service companies (16.3% of the total).

**Chart 12**  
**Credit to Households**



Source: BCRA

**Bank credit to households increased 1.8% in August and accumulated a 29.3% y.o.y. increase** (see Chart 12). Pledged-back loans and personal loans exhibited the highest relative monthly momentum. During the last 12 months, lending to consumption grew 31.9% y.o.y. (credit cards went up 34.8% y.o.y. and personal loans 29.7% y.o.y.) and accounted for almost 81% of the expansion of credit to households, gaining share in the stock of total loans. In turn, pledged-back loans recorded the highest y.o.y. growth rate, reaching 37.2%.

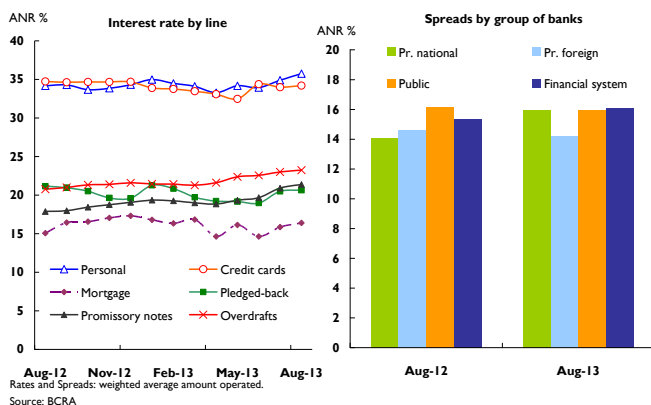
<sup>8</sup> Information obtained from the Debtors' Database (in pesos and in foreign currency). Loans to companies include those granted to legal persons and commercial loans granted to natural persons. In turn, loans to households are those given to natural persons unless they have a commercial purpose.

<sup>9</sup> Considering the segment in pesos and excluding current account overdrafts.



Chart 13

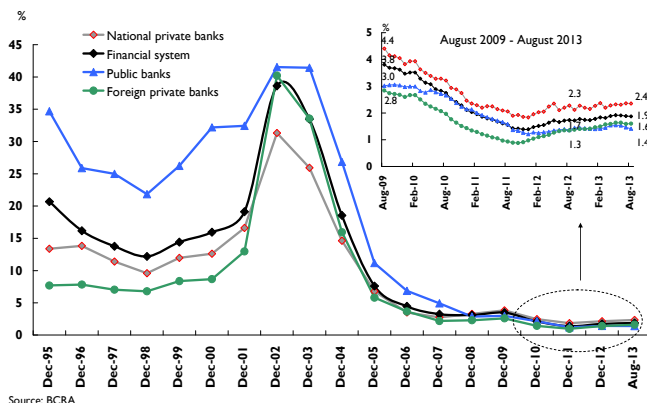
Lending Interest Rates and Spreads Operated in Pesos



Lending interest rates operated in pesos went up slightly during August. **The level of the lending rates operated in pledge-backed loans and credit cards was lesser than the one recorded one year ago, while the remaining interest rates of credit lines exhibited moderately higher levels than those recorded in August 2012** (see Chart 13). Vis-à-vis a context characterized by a slight rise of funding cost for deposits in pesos, the spreads of transactions in pesos exhibited a mixed performance against July this year depending on the credit line: the spread between rates narrowed in overdrafts and pledge-backed loans, whereas it widened slightly in the case of consumption loans, mortgage-backed loans and promissory notes. **If compared against the values recorded 12 months ago, the spread for transactions in pesos shrank in almost all credit lines, except for commercial loans.**

Chart 14

Non performing Financing to the Private Sector  
Non-performing loans / Total loans



## IV. Portfolio quality

**In August, the ratio of non-performing loans to the private sector remained stable at 1.9% of total lending for the fifth consecutive month** (see Chart 14). It stood slightly above the level recorded in August 2012, mainly due to the performance posted by foreign private banks. **The financial system's non-performing portfolio continues standing at low levels, both in historical and international terms.**

**During August, the delinquency indicator corresponding to lending to companies accounted for 1% of the total portfolio, exhibiting the same value of July 2013 and of August 2012** (see Chart 15). If analyzed by sectors, the y.o.y. performance of the non-performing loans ratio showed a heterogeneous performance: drops in the business sector and service companies, and slight increases in the remaining sectors.

Chart 15

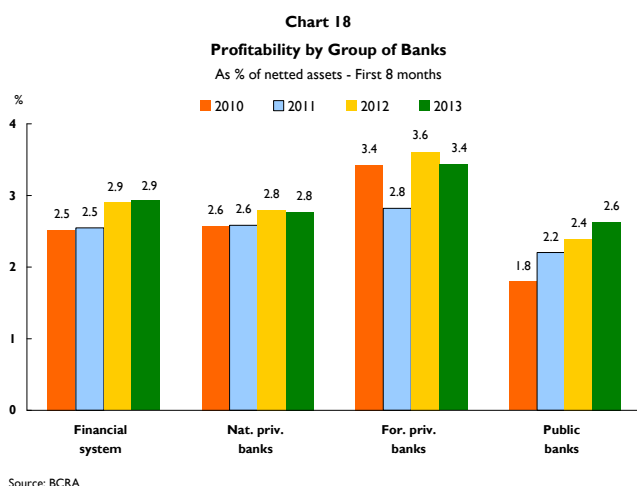
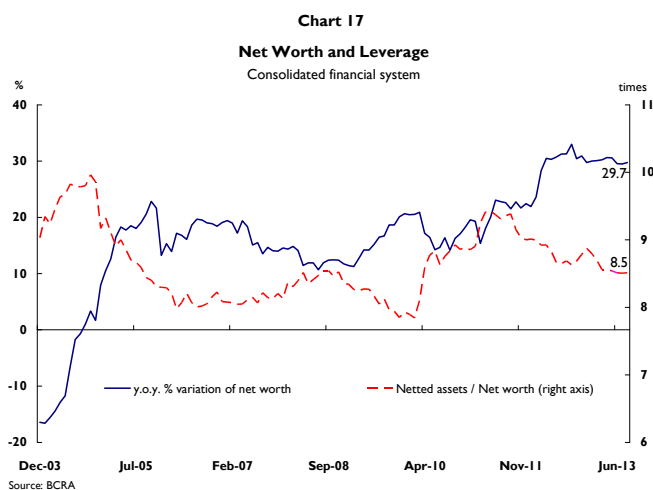
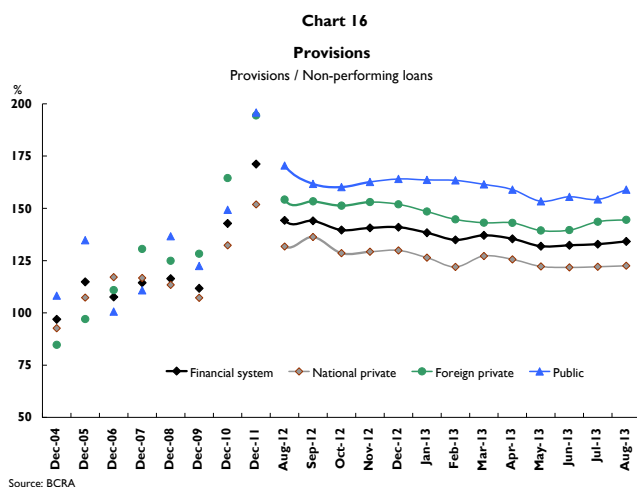
Non performing Financing to the Private Sector  
Non-performing loans / Total loans - Financial System



**The ratio of non-performing lending to households remained unchanged at 3% of the portfolio during the eighth month of the year.**

**In August, the share of loans with preferred guarantees<sup>10</sup> in total lending to the private sector was 16.8%, standing unchanged against July. In y.o.y. terms, this share went up 0.3 p.p.** In turn, the non-performing ratio of these loans totaled 1.2%, a value that has remained stable since mid-2012. On the other hand, the delinquency rate of unsecured loans to companies and households reached 2%, the same as in July but up 0.2 p.p. against August 2012.

<sup>10</sup> They consist in the assignment or guaranty of rights regarding instruments or documents (Preferred "A") and real property rights on third party's property or commitments (Preferred "B"). For more information see Restated Text on Guarantees, BCRA.



The coverage of the private sector non-performing portfolio through provisions increased in August, for the third consecutive month, to 134.2%. Therefore, the financial system continues showing high provisioning levels (see Chart 16). If the minimum provisions applicable to a performing ratio were excluded, the coverage ratio would reach 79.9% at aggregate level, an amount that sizably exceeds the minimum provisions required by the regulation for non-performing lending (49.5%).

## V. Solvency

The consolidated financial system net worth grew 2.3% over the month, within a context where certain institutions distributed dividends<sup>11</sup>. In year-on-year terms, the consolidated financial system net worth increased 29.7% (see Chart 17), and the different groups of banks exhibited similar growth rates. In turn, over the past 12 months, bank assets expanded relatively less than net worth, leading to a reduction in the leverage ratio at aggregate level.

Financial system regulatory capital compliance accounted for 13.2% of the total risk weighted assets (RWA) in August, and stood at levels similar to those of July. Tier 1 capital compliance<sup>12</sup> accounted for 11.9% of RWA and stood in line with July figures. In turn, the compliance in excess of the requirement (capital position) went up 0.9 p.p. to 68.8% and has accumulated a 6.5 p.p. y.o.y. increase.

In August, the profits accrued by the ensemble of financial institutions stood at 3.5%a. of assets, slightly below the level recorded in July. Therefore, in year-to-date terms, the financial system's ROA stood at levels similar to those of August 2012, around 2.9%a. of assets (see Chart 18). In y.o.y. terms, public banks increased the book profits accumulated throughout the year, whereas private foreign banks' book profits went down.

The financial margin recorded by the ensemble of banks reached 10.6%a. of assets in August, down 0.9 p.p. against July. The net interest income contracted during the month (-0.8 p.p. of assets to 5.8%a.)<sup>13</sup>, thus returning to levels in line with 2013 average. In turn, gains from securities decreased during the eighth month of the year (-0.5 p.p. of assets to 2.7%a.), even though they stood above the average of the last eight months. Consequently, the financial margin stood at 9.7%a. of assets in year-to-date terms, up 0.5 p.p. against the

<sup>11</sup> For a total amount of almost \$305 million.

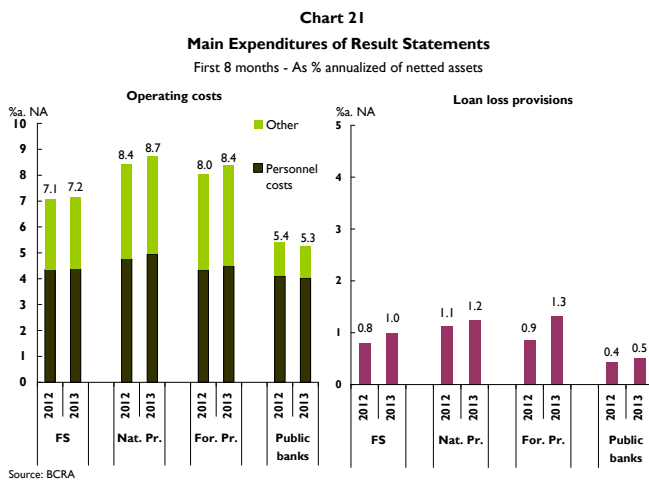
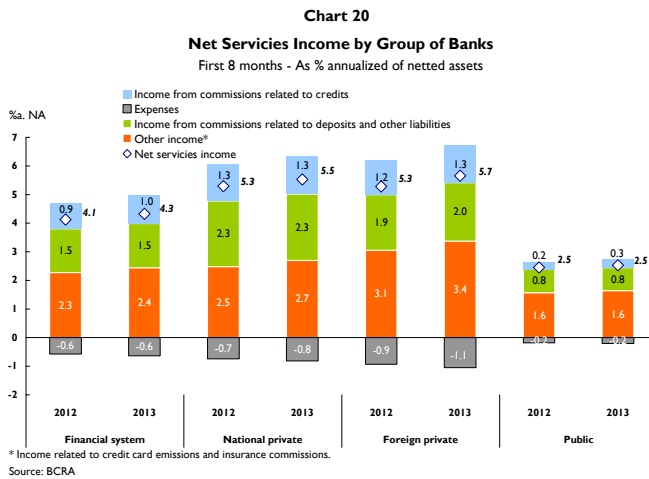
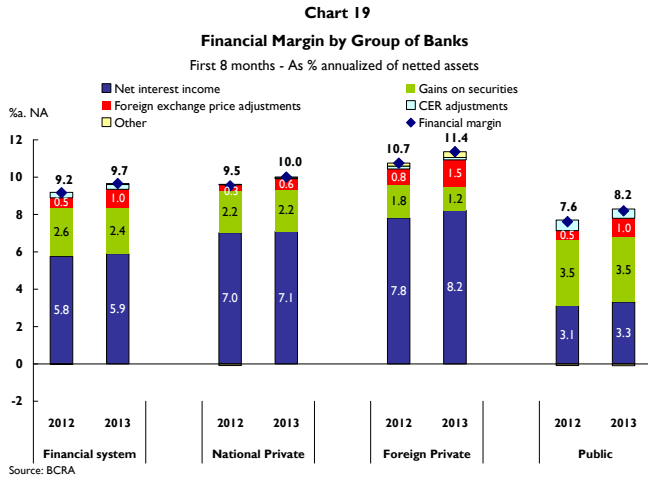
<sup>12</sup> Defined as basic net worth (common and additional capital), net of deductible accounts.

<sup>13</sup> In July 2013, these results had stood at high levels mainly due to an adjustment made by a public bank.

same period of 2012. Such rise resulted from higher profits on account of prices and, to a lesser extent, from increases in the results on account of interest. All the groups of banks improved their accumulated y.o.y. financial margin during the period (see Chart 19).

In August, the income from services of the financial system reached 4.4%a. of assets, slightly below the value recorded in July. This monthly performance was observed in both private and public banks. As a result, in the first eight months of 2013 and mainly due to the momentum exhibited by private banks, these results totaled 4.3%a. of assets (see Chart 20), up 0.2 p.p. against the same period of 2012.

Financial system operating costs stood at 7.1%a. of assets in August. So far this year, these expenditures increased slightly against the first eight months of 2012 to 7.2%a. of assets, mainly due to the performance of private banks. In turn, loan loss provisions totaled 0.9%a. of assets in August. So far this year, these expenditures recorded a slight y.o.y. increase to 1%a. of assets (see Chart 21), mainly accounted for by foreign private banks.



## 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” 5469 – August 05, 2013**

This regulation established the flexibilization, effective as from June 1<sup>st</sup>, 2013, of the schedule set forth for implementation of the minimum cash requirement due to operational risk for institutions of groups “B” and “C” as of February 1<sup>st</sup>, 2012 —i.e., those institutions whose amount of deposits, taking into consideration the average of the last three months prior to February 1<sup>st</sup>, 2012, is below 1% of total deposits of the financial system according to the reporting regime currently in force—, thus extending until December 2014 the term for full application of these provisions.

### **Communication “A” 5471 – August 08, 2013**

This regulation sets forth the adjustment, effective as at August 1<sup>st</sup>, 2013, of prudential regulations providing for the reduction of the minimum cash requirement in pesos taking into account the categories of the jurisdictions where the ATMs are found, their location —inside or outside an operating entity, with a relative priority given to the latter—, if they are available for users of any financial entity and management network of such equipment, the extension of working hours and amount of money given. In addition, this provision states that for application of this measure, the only ATMs to be taken into account will be those allowing to make withdrawals in cash to users irrespective of the entity of which they are regular clients and of the management network of such equipment and that are available to the public for long working hours, i.e. the ATMs that, at least on a monthly average —calculating working and non-working days— have been available to the public for ten hours a day.

### **Communication “A” 5472 – August 09, 2013**

This regulation approves, effective as from September 1<sup>st</sup>, 2013, the restated text of standards on “Spreading of credit risk”: Allocation of financing; classes of clients; financing included; financing calculation; credit margins; computable guarantees; non-compliance; credit portfolio distribution; minimum control on financing to related parties; basis for fulfillment of temporary rules and provisions. Such regulations comprise the provisions set forth in several communications as well as aspects not yet contemplated and interpretations and explanations to improve application.

### **Communication “A” 5473 – August 09, 2013**

This regulation establishes the increase of the free maximum cap from \$10,000 to \$20,000 for transfers through electronic means. As regards charges and/or commission fees that institutions may collect for amounts exceeding the free maximum cap —currently, a maximum 50% of the maximum commission fee according to the commission fee table for transfers through bank cashiers—, it is highlighted that a deduction equal to the free daily margin not yet used must be made on the amount of the transfer. The effective date for this provision is September 1<sup>st</sup>, 2013, for the purpose of giving financial institutions time to adjust their administrative and operating circuits.

### **Communication “A” 5477 – August 23, 2013**

This regulation establishes the adjustment of regulations regarding “Interest rates in credit transactions”, stating that certain credit lines, created under programs and/or measures for incentive or social aid purposes, may be excluded from the calculation basis to be averaged.

# 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 institution 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 institutions 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. Profit ratios are annualized with the exception of those ,.
- (e) Initially, the breakdown by group of banks was determined by the majority of decision making role -in terms of voting rights at shareholder meetings- distinguishing between private sector financial institutions (national or foreign depending on their residence) and public banks. In order to increase depth of the analysis, private sector institutions were also classed according to the geographic coverage and business scope of their operations. Investment banking is defined as those specializing in 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 institutions specialized in a financial sector niche market -usually smaller institutions-. 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.- (Minimum cash compliance at the BCRA in pesos and foreign currency + Other cash holding in pesos and foreign currency + Creditor net balance for BCRA repo transactions with Lebac and Nobac) / Total deposits; 2.- (Position in government securities (without Lebac and Nobac) + Loans to the public sector + Compensations receivable) / Total assets; 3.- (Loans to the non-financial private sector + Leasing) / Total assets; 4.- Non-performing portfolio with the non-financial private sector / Loans to the non-financial private sector; 5.- (Total non-performing portfolio – Loan loss provisions) / Net worth. Non-performing portfolio includes loans classified into situations 3, 4, 5 and 6; 6.- Cumulated annual result / Average monthly netted assets - % annualized; 7.- Cumulated annual result / Average monthly net worth - % annualized; 8.- (Financial margin (Net interest income + CER and CVS adjustments + Gains on securities + Foreign exchange price adjustments + Other financial income) + Service income margin) / Cumulated annual operating costs; 9.- Capital compliance (Responsabilidad Patrimonial Computable) / Risk - adjusted assets according to the regulation of BCRA about Minimum Capital Compliance; 10.- Capital compliance Tier 1 / Risk weighted assets, according to the BCRA rule on minimum capital; 11.- (Capital compliance - Capital requirement) / Capital requirement. Included exemptions.

# Glossary

**%a.:** annualized 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.

**CABA:** Ciudad Autónoma de Buenos Aires

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

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

**CEDRO:** Certificado de Depósito Reprogramado. Scheduled Stabilization Coefficient.

**Financial margin:** Income less outlays of a financial nature. Include 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.

**Net 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.

**Net 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. Include interest on loans of government securities and premiums on repos and reverse repos.

**Lebac and Nobac:** Bills and notes of the BCRA.

**Liquid assets:** Cash disposal (Minimum cash compliance – cash, current account at BCRA and special accounts in guarantee – and other liquid items mainly correspondent accounts) plus Creditor net balance for BCRA repo transactions with Lebac and Nobac.

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

**mill.:** million.

**NBFI:** Non-banking financial institution.

**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<sup>1</sup> | Financial system

## Chart 1 | Financial Soundness Indicators (see Methodology)

As %	Dec 05	Dec 06	Dec 07	Dec 08	Dec 09	Dec 10	Dec 11	Aug 2012	Dec 12	Jul 2013	Aug 2013
1.- Liquidity	20.1	22.5	23.0	27.9	28.6	28.0	24.7	25.4	26.8	24.7	24.4
2.- Credit to the public sector	31.5	22.5	16.3	12.7	14.4	12.1	10.7	10.0	9.7	9.2	9.1
3.- Credit to the private sector	25.8	31.0	38.2	39.4	38.3	39.8	47.4	48.0	49.5	49.8	50.0
4.- Private non-performing loans	7.6	4.5	3.2	3.1	3.5	2.1	1.4	1.7	1.7	1.9	1.9
5.- Net worth exposure to the private sector	-2.5	-0.8	-1.5	-1.7	-1.3	-3.2	-4.3	-3.2	-3.1	-2.7	-2.7
6.- ROA	0.9	1.9	1.5	1.6	2.3	2.8	2.7	2.9	2.9	2.8	2.9
7.- ROE	7.0	14.3	11.0	13.4	19.2	24.4	25.3	26.0	25.7	24.7	25.4
8.- Efficiency	151	167	160	167	185	179	179	188	190	193	195
9a.- Capital compliance	-	-	-	-	-	-	-	-	-	13.3	13.2
9b.- Capital compliance (credit risk)	15.3	16.9	16.9	16.9	18.8	17.7	15.6	16.7	17.1	-	-
10a.- Capital compliance Tier I	-	-	-	-	-	-	-	-	-	11.9	11.9
10b.- Capital compliance Tier I (credit risk)	14.1	14.1	14.6	14.2	14.5	13.1	10.9	13.1	11.9	-	-
11.- Excess capital compliance	173.5	134.0	92.8	89.8	99.8	86.9	68.6	62.4	58.7	67.9	68.8

Note: According to Communication "A" 5369, since February 2013 methodological changes in some indicators were carried out. Among others changes, risk weighing coefficients considered to determine capital requirements were redefined, concepts included in the different segments of capital compliance were rearranged and new minimum limits in terms of the Total Risk Weighted Assets (RWA) were added. A wider definition of RWA is considered since Communication "A" 5369, including not only credit risk, but also market and operational risk.

Data subject to changes

Source: BCRA

## Chart 2 | Balance Sheet

In million of current pesos	Dec 08	Dec 09	Dec 10	Dec 11	Aug 12	Dec 12	Jul-13	Aug-13	Change (in %)		
									Last month	2013	Last 12 months
<b>Assets</b>	<b>346,762</b>	<b>387,381</b>	<b>510,304</b>	<b>628,381</b>	<b>720,485</b>	<b>790,026</b>	<b>891,360</b>	<b>911,749</b>	<b>2.3</b>	<b>15.4</b>	<b>26.5</b>
Cash disposal <sup>1</sup>	58,676	71,067	93,085	104,389	120,507	148,254	146,239	149,406	2.2	0.8	24.0
Public bonds	65,255	86,318	117,951	112,906	130,131	123,491	150,999	154,125	2.1	24.8	18.4
Lebac/Nobac	37,093	43,867	76,948	71,050	92,374	84,057	105,151	107,218	2.0	27.6	16.1
Portfolio	25,652	34,748	61,855	59,664	75,204	70,569	85,014	88,783	4.4	25.8	18.1
Repo <sup>2</sup>	11,442	9,119	15,093	11,386	17,170	13,488	20,138	18,436	-8.5	36.7	7.4
Private bonds	203	307	209	212	270	251	384	432	12.6	72.3	59.9
Loans	154,719	169,868	230,127	332,317	384,816	433,925	487,774	500,308	2.6	15.3	30.0
Public sector	17,083	20,570	25,907	31,346	36,140	39,951	40,992	41,576	1.4	4.1	15.0
Private sector	132,844	145,247	199,202	291,708	339,158	383,674	435,523	447,429	2.7	16.6	31.9
Financial sector	4,793	4,052	5,018	9,263	9,518	10,299	11,259	11,303	0.4	9.7	18.8
Provisions over loans	-4,744	-5,824	-6,232	-7,173	-8,692	-9,596	-11,217	-11,477	2.3	19.6	32.0
Other netted credits due to financial intermediation	38,152	33,498	39,009	40,805	43,783	38,769	56,569	57,501	1.6	48.3	31.3
Corporate bonds and subordinated debt	912	1,146	1,433	1,657	1,602	2,255	3,314	3,505	5.8	55.4	118.8
Unquoted trusts	5,714	5,942	6,824	7,967	8,770	10,822	11,786	12,057	2.3	11.4	37.5
Leasing	3,935	2,933	3,936	6,222	6,347	7,203	8,119	8,207	1.1	13.9	29.3
Shares in other companies	7,236	6,711	7,921	9,123	10,685	11,682	13,151	13,474	2.5	15.3	26.1
Fixed assets and miscellaneous	7,903	8,239	9,071	10,111	10,527	11,251	12,370	12,584	1.7	11.8	19.5
Foreign branches	3,153	3,926	3,283	3,525	4,085	4,354	4,791	4,918	2.7	13.0	20.4
Other assets	12,275	10,337	11,943	15,944	18,026	20,441	22,181	22,272	0.4	9.0	23.6
<b>Liabilities</b>	<b>305,382</b>	<b>339,047</b>	<b>452,752</b>	<b>558,264</b>	<b>636,859</b>	<b>699,205</b>	<b>785,641</b>	<b>803,648</b>	<b>2.3</b>	<b>14.9</b>	<b>26.2</b>
Deposits	236,217	271,853	376,344	462,517	537,643	595,764	667,336	680,728	2.0	14.3	26.6
Public sector <sup>3</sup>	67,151	69,143	115,954	129,885	155,897	163,691	180,794	185,443	2.6	13.3	19.0
Private sector <sup>3</sup>	166,378	199,278	257,595	328,463	378,009	427,857	481,672	490,174	1.8	14.6	29.7
Current account	39,619	45,752	61,306	76,804	89,259	103,192	109,635	110,809	1.1	7.4	24.1
Savings account	50,966	62,807	82,575	103,636	109,574	125,210	136,068	136,872	0.6	9.3	24.9
Time deposits	69,484	83,967	104,492	135,082	165,744	183,736	220,147	226,325	2.8	23.2	36.6
Other netted liabilities due to financial intermediation	57,662	52,114	60,029	76,038	75,864	75,106	90,333	92,329	2.2	22.9	21.7
Interbanking obligations	3,895	3,251	4,201	7,947	8,050	8,329	9,103	9,105	0.0	9.3	13.1
BCRA lines	1,885	270	262	1,920	3,167	3,535	4,441	4,524	1.9	28.0	42.8
Outstanding bonds	5,984	5,033	3,432	6,856	8,764	9,101	11,360	12,147	6.9	33.5	38.6
Foreign lines of credit	4,541	3,369	3,897	6,467	6,373	4,992	5,148	5,157	0.2	3.3	-19.1
Other <sup>4</sup>	13,974	14,891	17,426	24,137	19,739	26,280	25,784	26,189	1.6	-0.3	32.7
Subordinated debts	1,763	1,922	2,165	2,065	2,529	2,647	2,775	2,997	8.0	13.2	18.5
Other liabilities	9,740	13,159	14,213	17,644	20,822	25,688	25,197	27,594	9.5	7.4	32.5
<b>Net worth</b>	<b>41,380</b>	<b>48,335</b>	<b>57,552</b>	<b>70,117</b>	<b>83,626</b>	<b>90,820</b>	<b>105,719</b>	<b>108,101</b>	<b>2.3</b>	<b>19.0</b>	<b>29.3</b>
<b>Memo</b>											
Netted assets	321,075	364,726	482,532	601,380	691,578	767,744	858,258	878,277	2.3	14.4	27.0
Consolidated netted assets	312,002	357,118	472,934	586,805	675,953	750,598	839,576	859,404	2.4	14.5	27.1

(<sup>1</sup>) Includes margin accounts with the BCRA. (<sup>2</sup>) Booked value from balance sheet (it includes all the counterparts)

(<sup>3</sup>) Does not include accrual on interest or CER.

Source: BCRA

<sup>1</sup> Note | Data available in Excel in [www.bcra.gov.ar](http://www.bcra.gov.ar)

# Statistics annex<sup>1</sup> | Financial system (cont)

## Chart 3 | Profitability Structure

Amount in million of pesos	Annual					First 8 months		Monthly			Last 12 Months
	2008	2009	2010	2011	2012	2012	2013	Jun-13	Jul-13	Aug-13	
Financial margin	20,462	28,937	35,490	43,670	61,667	39,472	52,490	5,733	8,144	7,707	74,685
Net interest income	9,573	14,488	17,963	24,903	38,365	24,784	32,081	3,954	4,693	4,237	45,663
CER and CVS adjustments	2,822	1,196	2,434	1,725	2,080	1,241	1,381	129	150	163	2,220
Foreign exchange price adjustments	2,307	2,588	2,100	3,025	4,127	2,279	5,443	722	894	1,096	7,291
Gains on securities	4,398	11,004	13,449	14,228	17,356	11,248	13,265	808	2,270	1,939	19,374
Other financial income	1,362	-339	-457	-211	-261	-79	319	120	138	272	137
Service income margin	10,870	13,052	16,089	21,391	28,172	17,774	23,507	2,979	3,201	3,173	33,904
Loan loss provisions	-2,839	-3,814	-3,267	-3,736	-6,127	-3,732	-5,387	-712	-734	-674	-7,782
Operating costs	-18,767	-22,710	-28,756	-36,365	-47,318	-30,408	-38,922	-5,181	-5,096	-5,122	-55,831
Tax charges	-2,318	-3,272	-4,120	-6,047	-8,981	-5,551	-8,910	-1,091	-1,203	-1,566	-12,339
Adjust. to the valuation of gov. Securities <sup>1</sup>	-1,757	-262	-214	-336	-338	-217	-243	-27	-29	-33	-364
Amort. payments for court-ordered releases	-994	-703	-635	-290	-274	-124	-76	-8	-8	-8	-226
Other	1,441	918	2,079	2,963	2,475	1,740	1,782	350	-172	233	2,518
Total results before tax <sup>2</sup>	6,100	12,145	16,665	21,251	29,276	18,955	24,242	2,043	4,103	3,710	34,563
Income tax	-1,342	-4,226	-4,904	-6,531	-9,861	-6,465	-8,335	-620	-1,532	-1,166	-11,731
<b>Total result<sup>2</sup></b>	<b>4,757</b>	<b>7,920</b>	<b>11,761</b>	<b>14,720</b>	<b>19,415</b>	<b>12,490</b>	<b>15,907</b>	<b>1,422</b>	<b>2,572</b>	<b>2,544</b>	<b>22,833</b>
Adjusted Result <sup>3</sup>	7,508	8,885	12,610	15,345	20,027	12,830	16,226	1,457	2,608	2,585	23,424
<b>Annualized indicators - As % of netted assets</b>											
Financial margin	6.7	8.6	8.5	8.0	9.2	9.2	9.7	8.3	11.5	10.6	9.5
Net interest income	3.1	4.3	4.3	4.6	5.7	5.8	5.9	5.7	6.6	5.8	5.8
CER and CVS adjustments	0.9	0.4	0.6	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.3
Foreign exchange price adjustments	0.8	0.8	0.5	0.6	0.6	0.5	1.0	1.0	1.3	1.5	0.9
Gains on securities	1.4	3.3	3.2	2.6	2.6	2.6	2.4	1.2	3.2	2.7	2.5
Other financial income	0.4	-0.1	-0.1	0.0	0.0	0.0	0.1	0.2	0.2	0.4	0.0
Service income margin	3.6	3.9	3.8	3.9	4.2	4.1	4.3	4.3	4.5	4.4	4.3
Loan loss provisions	-0.9	-1.1	-0.8	-0.7	-0.9	-0.9	-1.0	-1.0	-1.0	-0.9	-1.0
Operating costs	-6.1	-6.7	-6.9	-6.7	-7.0	-7.1	-7.2	-7.5	-7.2	-7.1	-7.1
Tax charges	-0.8	-1.0	-1.0	-1.1	-1.3	-1.3	-1.6	-1.6	-1.7	-2.2	-1.6
Adjust. to the valuation of gov. Securities <sup>1</sup>	-0.6	-0.1	-0.1	-0.1	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0
Amort. payments for court-ordered releases	-0.3	-0.2	-0.2	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.5	0.3	0.5	0.5	0.4	0.4	0.3	0.5	-0.2	0.3	0.3
Total results before tax <sup>2</sup>	2.0	3.6	4.0	3.9	4.3	4.4	4.5	2.9	5.8	5.1	4.4
Income tax	-0.4	-1.3	-1.2	-1.2	-1.5	-1.5	-1.5	-0.9	-2.2	-1.6	-1.5
<b>ROA<sup>2</sup></b>	<b>1.6</b>	<b>2.3</b>	<b>2.8</b>	<b>2.7</b>	<b>2.9</b>	<b>2.9</b>	<b>2.9</b>	<b>2.1</b>	<b>3.6</b>	<b>3.5</b>	<b>2.9</b>
ROA adjusted <sup>3</sup>	2.5	2.6	3.0	2.8	3.0	3.0	3.0	2.1	3.7	3.6	3.0
ROE before tax	17.2	29.5	34.5	36.5	38.8	39.4	38.8	25.5	49.9	44.1	38.5
ROE <sup>2</sup>	13.4	19.2	24.4	25.3	25.7	26.0	25.4	17.7	31.2	30.2	25.4

(<sup>1</sup>) Com. "A" 391 I. Adjustments to the valuation of government unlisted securities according to Com. "A" 4084 are included under the "gains from securities" heading.

(<sup>2</sup>) 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.

(<sup>3</sup>) Excluding amortization of payments for court-ordered releases and the effects of Com. "A" 391 I and 4084.

Source: BCRA

## Chart 4 | Portfolio Quality

As percentage	Dec 05	Dec 06	Dec 07	Dec 08	Dec 09	Dec 10	Dec 11	Aug 12	Dec 12	Jul-13	Aug-13
<b>Non-performing loans (overall)</b>	<b>5.2</b>	<b>3.4</b>	<b>2.7</b>	<b>2.7</b>	<b>3.0</b>	<b>1.8</b>	<b>1.2</b>	<b>1.5</b>	<b>1.5</b>	<b>1.7</b>	<b>1.7</b>
Provisions / Non-performing loans	115	108	115	117	115	148	176	148	144	136	137
(Total non-performing - Provisions) / Overall financing	-0.8	-0.3	-0.4	-0.5	-0.5	-0.9	-0.9	-0.7	-0.7	-0.6	-0.6
(Total non-performing - Provisions) / Net worth	-2.6	-0.9	-1.6	-1.8	-1.7	-3.6	-4.6	-3.5	-3.4	-2.9	-3.0
<b>Non-performing loans to the non-financial private sector</b>	<b>7.6</b>	<b>4.5</b>	<b>3.2</b>	<b>3.1</b>	<b>3.5</b>	<b>2.1</b>	<b>1.4</b>	<b>1.7</b>	<b>1.7</b>	<b>1.9</b>	<b>1.9</b>
Provisions / Non-performing loans	115	108	114	116	112	143	171	144	141	133	134
(Total non-performing - Provisions) / Overall financing	-1.1	-0.3	-0.5	-0.5	-0.4	-0.9	-1.0	-0.8	-0.7	-0.6	-0.6
(Total non-performing - Provisions) / Net worth	-2.5	-0.8	-1.5	-1.7	-1.3	-3.2	-4.3	-3.2	-3.1	-2.7	-2.7

Source: BCRA

<sup>1</sup> Note | Data available in Excel in [www.bcr.gov.ar](http://www.bcr.gov.ar)



# Statistics annex<sup>1</sup> | Private banks

## Chart 5 | Financial Soundness Indicators (see Methodology)

As %	Dec 05	Dec 06	Dec 07	Dec 08	Dec 09	Dec 10	Dec 11	Aug 2012	Dec 12	Jul 2013	Aug 2013
1.- Liquidity	21.5	23.7	25.7	34.1	29.8	26.0	26.7	26.4	27.6	26.1	25.8
2.- Credit to the public sector	28.5	16.3	9.5	6.3	6.1	4.7	3.4	3.2	3.1	3.2	3.2
3.- Credit to the private sector	31.1	37.9	46.6	44.0	43.3	50.3	54.5	56.7	58.4	58.3	58.7
4.- Private non-performing loans	6.3	3.6	2.5	2.8	3.3	2.0	1.4	1.8	1.8	2.0	2.0
5.- Net worth exposure to the private sector	-0.4	-1.4	-2.0	-1.8	-1.6	-3.4	-4.4	-3.2	-3.1	-2.7	-2.8
6.- ROA	0.5	2.2	1.6	1.9	3.0	3.2	3.0	3.2	3.2	2.9	3.1
7.- ROE	4.1	15.3	10.9	15.2	22.9	24.5	25.6	26.6	26.4	23.4	24.6
8.- Efficiency	136	158	152	166	195	176	178	188	189	187	190
9a.- Capital compliance	-	-	-	-	-	-	-	-	-	14.5	14.2
9b.- Capital compliance (credit risk)	17.8	18.7	19.2	18.4	22.6	20.3	16.8	18.5	18.3	-	-
10a.- Capital compliance Tier I	-	-	-	-	-	-	-	-	-	13.4	13.1
10b.- Capital compliance Tier I (credit risk)	16.1	15.4	16.8	15.0	17.2	15.2	12.5	15.0	13.4	-	-
11.- Excess capital compliance	155.0	116.6	87.4	87.2	121.3	101.5	72.2	67.4	57.5	71.9	71.3

Note: According to Communication "A" 5369, since February 2013 methodological changes in some indicators were carried out. Among others changes, risk weighing coefficients considered to determine capital requirements were redefined, concepts included in the different segments of capital compliance were rearranged and new minimum limits in terms of the Total Risk Weighted Assets (RWA) were added. A wider definition of RWA is considered since Communication "A" 5369, including not only credit risk, but also market and operational risk.

Data subject to changes

Source: BCRA

n.a.: non available

## Chart 6 | Balance Sheet

Amount in million of pesos	Dec 08	Dec 09	Dec 10	Dec 11	Aug 12	Dec 12	Jul-13	Aug-13	Change (in %)		
									Last month	2013	Last 12 months
<b>Assets</b>	<b>208,888</b>	<b>229,549</b>	<b>280,025</b>	<b>364,122</b>	<b>395,983</b>	<b>432,994</b>	<b>492,127</b>	<b>502,648</b>	<b>2.1</b>	<b>16.1</b>	<b>26.9</b>
Cash disposal <sup>1</sup>	37,044	43,562	49,730	58,877	68,562	85,717	82,960	85,630	3.2	-0.1	24.9
Public bonds	29,552	47,949	48,903	50,055	48,924	43,350	54,163	53,001	-2.1	22.3	8.3
Lebac/Nobac	23,457	31,575	34,422	34,246	38,483	30,531	39,033	36,468	-6.6	19.4	-5.2
Portfolio	12,858	27,413	31,148	23,908	31,211	27,656	28,639	28,179	-1.6	1.9	-9.7
Repo <sup>2</sup>	10,598	4,161	3,274	10,338	7,272	2,874	10,394	8,288	-20.3	188.4	14.0
Private bonds	127	233	184	164	144	188	204	164	-19.5	-12.8	14.0
Loans	98,529	101,722	143,202	202,117	228,222	256,708	290,330	298,638	2.9	16.3	30.9
Public sector	6,249	1,694	1,625	1,215	1,353	1,601	1,649	1,659	0.6	3.6	22.6
Private sector	88,426	96,790	137,308	193,126	218,959	246,560	279,734	287,982	2.9	16.8	31.5
Financial sector	3,854	3,238	4,270	7,777	7,910	8,546	8,948	8,997	0.6	5.3	13.7
Provisions over loans	-2,871	-3,653	-3,926	-4,574	-5,641	-6,193	-7,330	-7,536	2.8	21.7	33.6
Other netted credits due to financial intermediation	25,265	21,258	20,241	29,338	24,292	18,646	32,180	33,307	3.5	78.6	37.1
Corporate bonds and subordinated debt	699	734	757	796	710	988	1,891	2,006	6.1	103.1	182.4
Unquoted trusts	3,869	4,198	4,500	5,268	5,381	7,084	7,235	7,479	3.4	5.6	39.0
Leasing	3,451	2,569	3,519	5,452	5,457	6,287	7,158	7,239	1.1	15.1	32.7
Shares in other companies	4,538	4,067	4,934	5,998	7,142	7,920	9,180	9,416	2.6	18.9	31.8
Fixed assets and miscellaneous	4,926	5,096	5,808	6,663	6,956	7,592	8,616	8,786	2.0	15.7	26.3
Foreign branches	-178	-202	-215	-240	0	0	0	0	-	-	-
Other assets	8,505	6,946	7,646	10,271	11,925	12,778	14,664	14,004	-4.5	9.6	17.4
<b>Liabilities</b>	<b>182,596</b>	<b>198,438</b>	<b>243,766</b>	<b>321,123</b>	<b>344,322</b>	<b>376,774</b>	<b>426,989</b>	<b>436,035</b>	<b>2.1</b>	<b>15.7</b>	<b>26.6</b>
Deposits	135,711	154,387	198,662	253,705	283,916	317,443	354,603	360,392	1.6	13.5	26.9
Public sector <sup>3</sup>	19,600	17,757	23,598	27,664	31,801	33,232	40,880	42,238	3.3	27.1	32.8
Private sector <sup>4</sup>	114,176	134,426	173,203	223,141	249,877	281,698	310,983	315,259	1.4	11.9	26.2
Current account	30,188	35,127	46,297	57,586	66,986	77,269	82,453	82,257	-0.2	6.5	22.8
Savings account	32,778	40,999	53,085	66,891	66,795	76,130	80,107	79,694	-0.5	4.7	19.3
Time deposit	46,990	54,058	67,568	89,924	106,895	117,888	137,953	142,643	3.4	21.0	33.4
Other netted liabilities due to financial intermediation	39,298	34,235	34,427	53,973	45,357	41,780	54,595	56,309	3.1	34.8	24.1
Interbanking obligations	1,160	1,668	1,903	3,524	3,657	3,473	4,066	4,073	0.2	17.3	11.4
BCRA lines	649	41	57	456	615	694	668	671	0.5	-3.2	9.1
Outstanding bonds	5,672	4,626	2,802	5,119	5,839	6,001	7,088	7,640	7.8	27.3	30.8
Foreign lines of credit	2,261	1,262	1,716	4,252	3,810	2,168	2,203	2,152	-2.3	-0.7	-43.5
Other	11,125	12,015	13,849	19,059	15,912	21,087	20,456	20,720	1.3	-1.7	30.2
Subordinated debts	1,759	1,918	2,148	1,948	2,123	2,253	2,749	2,974	8.2	32.0	40.1
Other liabilities	5,828	7,897	8,528	11,497	12,927	15,297	15,043	16,360	8.8	6.9	26.6
<b>Net worth</b>	<b>26,292</b>	<b>31,111</b>	<b>36,259</b>	<b>42,999</b>	<b>51,661</b>	<b>56,220</b>	<b>65,138</b>	<b>66,613</b>	<b>2.3</b>	<b>18.5</b>	<b>28.9</b>
<b>Memo</b>											
<b>Netted assets</b>	<b>192,074</b>	<b>216,100</b>	<b>267,364</b>	<b>344,101</b>	<b>381,285</b>	<b>425,181</b>	<b>472,931</b>	<b>482,774</b>	<b>2.1</b>	<b>13.5</b>	<b>26.6</b>

(<sup>1</sup>) Includes margin accounts with the BCRA. (<sup>2</sup>) Booked value from balance sheet (it includes all the counterparts).

(<sup>3</sup>) Does not include accrual on interest or CER.

Source: BCRA

<sup>1</sup> Note | Data available in Excel in [www.bcra.gov.ar](http://www.bcra.gov.ar)

# Statistics annex<sup>1</sup> | Private banks (cont.)

## Chart 7 | Profitability Structure

Amount in million of pesos	Annual					First 8 months		Monthly			Last 12 Months
	2008	2009	2010	2011	2012	2012	2013	Jun-13	Jul-13	Aug-13	
Financial margin	12,964	19,724	21,837	27,234	38,151	24,494	31,959	3,724	4,660	4,773	45,616
Net interest income	7,727	10,572	12,842	18,518	27,893	17,927	22,927	2,881	3,113	3,100	32,893
CER and CVS adjustments	651	185	244	288	350	225	229	23	24	28	354
Foreign exchange price adjustments	1,620	1,646	1,493	2,064	2,451	1,398	3,061	417	520	594	4,115
Gains on securities	1,637	7,343	7,464	6,358	7,426	4,848	5,188	258	836	747	7,767
Other financial income	1,329	-22	-205	6	31	97	553	144	167	303	486
Service income margin	7,632	9,198	11,345	15,243	20,081	12,762	16,734	2,128	2,274	2,284	24,053
Loan loss provisions	-1,863	-2,751	-2,253	-2,633	-4,416	-2,679	-3,857	-502	-552	-474	-5,594
Operating costs	-12,401	-14,807	-18,819	-23,821	-30,858	-19,830	-25,629	-3,274	-3,363	-3,352	-36,658
Tax charges	-1,715	-2,380	-2,927	-4,300	-6,450	-3,965	-6,142	-780	-847	-899	-8,628
Adjust. to the valuation of gov. Securities <sup>1</sup>	-267	0	47	-40	0	0	0	0	0	0	0
Amort. payments for court-ordered releases	-688	-367	-441	-133	-199	-73	-37	-3	-3	-4	-164
Other	916	398	1,382	1,723	1,867	1,109	1,498	153	174	218	2,256
Total results before tax <sup>2</sup>	4,579	9,014	10,171	13,272	18,176	11,820	14,525	1,446	2,344	2,546	20,881
Income tax	-1,168	-3,001	-2,733	-4,293	-6,089	-4,076	-5,246	-545	-836	-904	-7,260
<b>Total result<sup>2</sup></b>	<b>3,412</b>	<b>6,014</b>	<b>7,438</b>	<b>8,980</b>	<b>12,086</b>	<b>7,744</b>	<b>9,279</b>	<b>900</b>	<b>1,508</b>	<b>1,642</b>	<b>13,622</b>
Adjusted Result <sup>3</sup>	4,367	6,381	7,832	9,153	12,285	7,817	9,317	904	1,511	1,646	13,785
<b>Annualized indicators - As % of netted assets</b>											
Financial margin	7.3	9.8	9.3	9.0	10.2	10.2	10.7	9.7	12.0	12.0	10.5
Net interest income	4.4	5.3	5.5	6.1	7.4	7.4	7.7	7.5	8.0	7.8	7.6
CER and CVS adjustments	0.4	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Foreign exchange price adjustments	0.9	0.8	0.6	0.7	0.7	0.6	1.0	1.1	1.3	1.5	1.0
Gains on securities	0.9	3.7	3.2	2.1	2.0	2.0	1.7	0.7	2.1	1.9	1.8
Other financial income	0.8	0.0	-0.1	0.0	0.0	0.0	0.2	0.4	0.4	0.8	0.1
Service income margin	4.3	4.6	4.8	5.0	5.4	5.3	5.6	5.5	5.8	5.7	5.6
Loan loss provisions	-1.1	-1.4	-1.0	-0.9	-1.2	-1.1	-1.3	-1.3	-1.4	-1.2	-1.3
Operating costs	-7.0	-7.4	-8.0	-7.8	-8.2	-8.2	-8.6	-8.5	-8.6	-8.4	-8.5
Tax charges	-1.0	-1.2	-1.2	-1.4	-1.7	-1.6	-2.1	-2.0	-2.2	-2.3	-2.0
Adjust. to the valuation of gov. Securities <sup>1</sup>	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amort. payments for court-ordered releases	-0.4	-0.2	-0.2	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.5	0.2	0.6	0.6	0.5	0.5	0.5	0.4	0.4	0.5	0.5
Total results before tax <sup>2</sup>	2.6	4.5	4.3	4.4	4.9	4.9	4.9	3.8	6.0	6.4	4.8
Income tax	-0.7	-1.5	-1.2	-1.4	-1.6	-1.7	-1.8	-1.4	-2.1	-2.3	-1.7
<b>ROA<sup>2</sup></b>	<b>1.9</b>	<b>3.0</b>	<b>3.2</b>	<b>3.0</b>	<b>3.2</b>	<b>3.2</b>	<b>3.1</b>	<b>2.3</b>	<b>3.9</b>	<b>4.1</b>	<b>3.1</b>
ROA adjusted <sup>3</sup>	2.5	3.2	3.3	3.0	3.3	3.2	3.1	2.4	3.9	4.1	3.2
ROE before tax	20.4	34.4	33.5	37.8	39.8	40.6	38.5	29.8	47.2	50.1	38.4
ROE <sup>2</sup>	15.2	22.9	24.5	25.6	26.4	26.6	24.6	18.6	30.4	32.3	25.1

(<sup>1</sup>) Com. "A" 3911. Adjustments to the valuation of government unlisted securities according to Com. "A" 4084 are included under the "gains from securities" heading.

(<sup>2</sup>) 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.

(<sup>3</sup>) 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 05	Dec 06	Dec 07	Dec 08	Dec 09	Dec 10	Dec 11	Aug 12	Dec 12	Jul-13	Aug-13
<b>Non-performing loans (overall)</b>	<b>4.4</b>	<b>2.9</b>	<b>2.2</b>	<b>2.5</b>	<b>3.1</b>	<b>1.9</b>	<b>1.3</b>	<b>1.7</b>	<b>1.7</b>	<b>1.9</b>	<b>1.9</b>
Provisions / Non-performing loans	103	114	123	119	116	144	168	142	140	132	133
(Total non-performing - Provisions) / Overall financing	-0.1	-0.4	-0.5	-0.5	-0.5	-0.8	-0.9	-0.7	-0.7	-0.6	-0.6
(Total non-performing - Provisions) / Net worth	-0.4	-1.4	-2.1	-1.9	-1.7	-3.4	-4.4	-3.3	-3.2	-2.8	-2.9
<b>Non-performing loans to the non-financial private sector</b>	<b>6.3</b>	<b>3.6</b>	<b>2.5</b>	<b>2.8</b>	<b>3.3</b>	<b>2.0</b>	<b>1.4</b>	<b>1.8</b>	<b>1.8</b>	<b>2.0</b>	<b>2.0</b>
Provisions / Non-performing loans	102	114	123	118	115	143	167	140	139	131	132
(Total non-performing - Provisions) / Overall financing	-0.1	-0.5	-0.6	-0.5	-0.5	-0.9	-0.9	-0.7	-0.7	-0.6	-0.6
(Total non-performing - Provisions) / Net worth	-0.4	-1.4	-2.0	-1.8	-1.6	-3.4	-4.4	-3.2	-3.1	-2.7	-2.8

Source: BCRA