

Report on Banks

October 2012



BANCO CENTRAL
DE LA REPÚBLICA ARGENTINA

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Note | Information for October 2012 available by November 11, 2012 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 is included.

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Summary

- **In October the financial system experienced a boost in lending to the private sector and deposits, while liquidity and solvency continued consolidating.** The infrastructure for the provision of financial services has been gradually improving, with a rise in employment, number of ATMs and branches.
- **Lending to the private sector** —in local and foreign currency— **rose 2.7% in October (26.4% y.o.y.), driven by a 3.4% increase in lines in pesos over the month (36.9% y.o.y.)** whereas foreign currency loans dropped over the period. **In the last 12 months, public banks recorded an increase in lending to the private sector accounting for 38.8% y.o.y. (48.3% y.o.y. for loans in pesos),** increasing their share in total stock of loans up to 31.6%. Lending to companies rose 1.8% in October (22% y.o.y.), while lending to households rose 3.2% (32.4% y.o.y.). Loans to manufacturing industries accounted for 46% of the increase in the stock of loans to companies between June and October. Even though lines with shorter residual terms continued to predominate, **in 2012 there was a slight increase in loans with a longer relative term to maturity.**
- This increase in loan terms is in line with public initiatives designed to increase the production of goods and services. Since the implementation of the **Bicentenary Productive Financing Program**, the Central Bank has conducted 19 fund auctions, awarding \$5.8 billion, shared among 14 institutions, which have lent companies a total of \$3.79 billion. At the same time, through the **Credit Line for Productive Investment** —Communication “A” 5319— between July and December 17 (as per the latest preliminary information available), **banks have disbursed \$13.7 billion**, equivalent to 91% of the total \$14.9 billion to be allocated. Out of the total disbursed amount, the main beneficiary was the manufacturing sector and 52.4% of the total was allocated to micro, small and medium-sized companies (MiPyMEs). Total amount of loans to be channeled through this line are expected to exceed by 15% the amounts originally set, as a result of disbursements expected over the second fortnight of December and the amounts anticipated for the first half of 2013 in transactions agreed upon over a phased disbursement schedule. In this context, **and in order to further extend this tool, the Central Bank has decided to renew the Credit Line for Productive Investment**, taking as a reference 5% of the private sector deposits recorded in November 2012. Loans are to be granted before June 30, 2013; and such term may be extended until December 2013 if more than one disbursement is required.
- **The non-performance ratio for loans to the private sector remained at a historically low level, standing at 1.8% over the month.** Coverage of the private sector non-performing portfolio with provisions continued with ample margins for the banking system, reaching 140% in October.
- In October, **total deposit stocks** (in local and foreign currency) **within the financial system’s aggregate rose 2.5% (23.4% y.o.y.).** Public sector deposits increased 3.3% in the month (22.8% y.o.y.) and private sector deposits, 2.2% (23.9% y.o.y.). **The increase in deposits was boosted by private sector time deposits in pesos that recorded an increase of 4.1% in the month (52.2% y.o.y.).**
- **The broad liquidity indicator for the financial system** (in local and foreign currency, including LEBAC and NOBAC holdings) **rose slightly in October, reaching 39.2% of total deposits,** whereas the liquidity indicator that excludes holdings of LEBAC and NOBAC stood at 25.9%. **Coverage for short term liabilities** —with residual terms of up to 1 month— **by assets with greater liquidity reached 46.5% in the third quarter of the year** (the latest period for which information is available), recording a slight increase in 2012.
- **In October, the new regulations on reserve requirements came into effect. Their aim is to promote access to financial services, including zones with lowest relative development and encouraging loans to micro, small and medium-sized companies.** In this month, the first step taken was to implement a non-homogeneous reserve requirement system in pesos broken down by geographical zone. The regulations set forth that the reserve requirement is lower in less developed localities, taking into account where the branches taking deposits are placed. At the same time, a gradual removal of the allowed deduction of eligible cash was also implemented.
- **Financial system consolidated net worth increased 1.7% in October, led mainly by profit accruals.** In the last 12 months, the net worth continued growing at a steady pace, exceeding 30% y.o.y. growth rates. The capital compliance ratio for the banking system stood at 16.9% of risk-weighted assets (RWA), 1.3 p.p. more than at the end of 2011. **All groups of banks recorded capital in excess of the regulatory requirement for the month.**
- **In October, all banks posted positive results equivalent to 2.2%a. of assets,** a reduction recorded in this indicator as compared to September because of the lower gains on securities, all groups of banks evidencing a comparable performance. **In the year to date, the accumulated result increased on year-on-year terms 0.3 p.p. of assets up to 2.9%a.,** mainly from higher interest income.

I. Activity

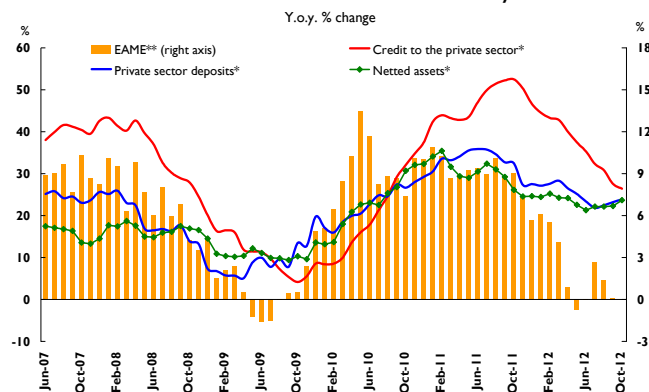
Banking credit activity continued to expand at a steady pace in October. Lending to the private sector¹ rose 2.7%, accumulating a year-on-year (y.o.y.) increase of 26.4%. At the same time, private sector¹ deposits increased 2.2% (23.9% y.o.y.). **In 2012, due to funding availability arising from the growth in deposits and incentive measures implemented to stimulate productive financing, bank lending to the private sector reduced its pro-cyclic behavior** (see Chart 1), a situation quite different from other cases of economic activity deceleration.

In October, the most important sources of funds² for banks were the increases in deposits from the private sector (\$8.3 billion) and from the public sector (\$5.1 billion). Financial institutions also obtained funds from their profits, as well as from the reduction of LEBAC holdings and the placing of financial trusts. In turn, **the increase in lending to the private sector (\$9.5 billion) was the most important use of funds for the month.** The increase in liquid assets (\$7.0 billion) was another use during the month.

Towards October, **the ratio of the banking system loans granted to the private sector and deposits from this sector stood at around 90%**, slightly above the figures recorded 12 months earlier. Gradually, this indicator continued growing from low levels (see Chart 2). Taking into account total loans in relation to total deposits, **in an international comparison, the Argentine financial system continues evidencing one of the lowest levels for this ratio** (see Chart 3).

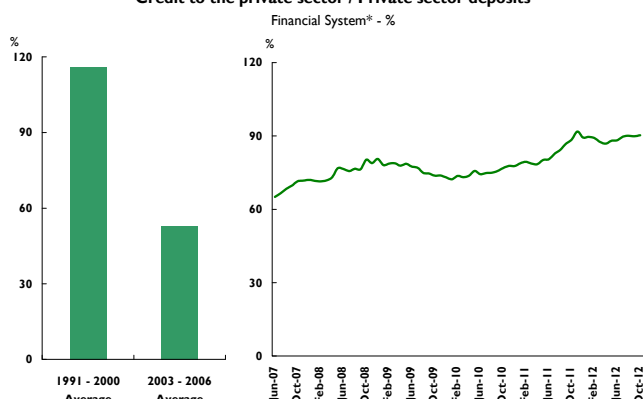
The sector's operating infrastructure continued to gradually increase. The number of financial system employees increased 0.6% in the third quarter (as at September 2012, the latest information available), accumulating a growth of 1.6% y.o.y. (600 additional employees). This growth was mainly boosted by private banks. In relative terms, job creation has been more dynamic in the banking system than in the economy taken as a whole. (see Chart 4). **The improvement in terms of employment levels in the financial institutions was accompanied by a rise in productivity.** One indication of this has been the number of accounts handled by employee that rose 9% in the first 9 months of this year. At the same time, the number of bank branches increased by 97 (2.3%) and almost 800 new ATMs (5.4%) were installed in 2012.

Chart 1
Financial Intermediation and Economic Activity



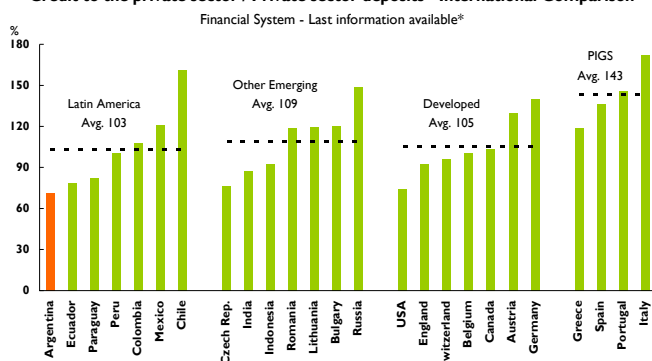
*Financial system, includes national and foreign currency. ** Economic Activity Monthly Estimate - Last data sep-12
Source: BCRA

Chart 2
Credit to the private sector / Private sector deposits



* Includes national and foreign currency
Source: BCRA

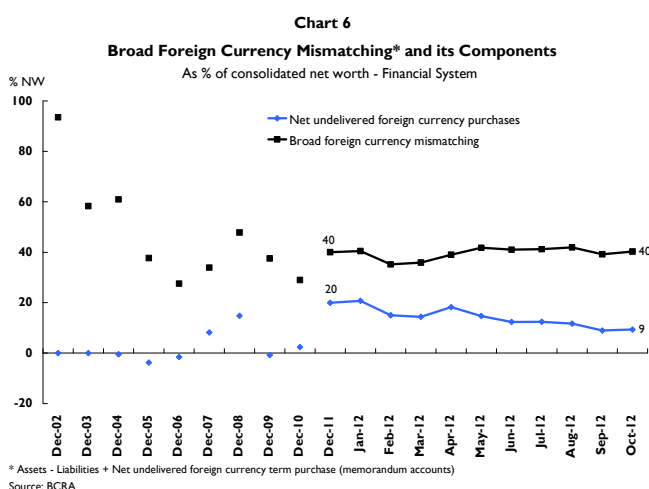
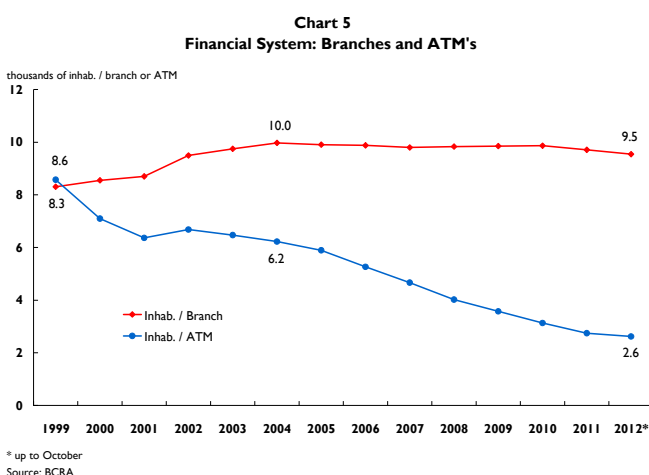
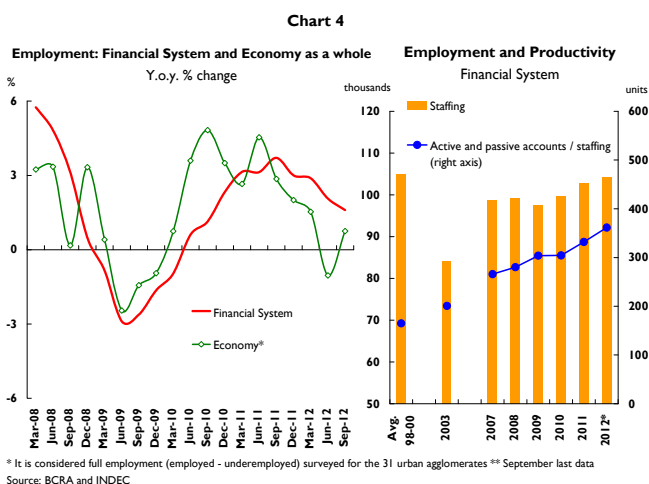
Chart 3
Credit to the private sector / Private sector deposits - International Comparison



** Oct-12: Argentina; Sep-12: Colombia and Chile; Jul-12: Paraguay; Jun-12: Czech Rep., India, Indonesia, Romania, Lithuania, Russia, USA, Canada, Austria, Germany, Spain and Portugal; Mar-12: Peru, Mexico and Greece; Dec-11: Ecuador, England, Switzerland, Belgium and Italy; Dec-09: Bulgaria
Source: BCRA and FMI (Financial Soundness Indicators)

¹ Based on balance sheet stocks corresponding to items in local and foreign currency.

² Estimated on the basis of variation in balance sheet stocks.



In relation to the above mentioned aspect, **over the last 3 years, there were advances made at an aggregate level in the Argentine territory in terms of infrastructure availability for rendering financial services**, mainly through a greater availability of ATMs (see Chart 5). Specially, there was a nationwide improvement in the number of inhabitants per ATMs — a ratio which dropped significantly—, whereas the number of inhabitants per branches evidenced a slight drop.

The Central Bank has been implementing a series of regulatory changes aimed at dealing with the marked disparity between the different nationwide localities in terms of infrastructure for rendering financial services. **A new mechanism for authorizing the opening of new branches³ was implemented**, ordering institutions that want to open new branches in relatively higher developed places to first render services in less favored localities. With the same objective in mind, **the Central Bank has changed the regulation on bank reserve requirements⁴** (see Section on Deposits and Liquidity). It should be noted that, based on statistical information per locality, the Central Bank has developed a new zoning methodology for the Argentine territory in order to better appreciate the different degrees of relative economic development.

In the case of foreign currency mismatching, the broad financial system indicator⁵ slightly increased over the month until reaching 40.3% of net worth (see Chart 6). The monthly increase was mainly accounted for by foreign private banks in the context of an increase in net term currency purchases. Thus, **foreign currency mismatching of institution balance sheets stood at moderate levels** (well below those recorded by late 90s and early last decade) **based on low dollarization levels of assets and liabilities**. Particularly, 92% of private sector banking loan stock is being channeled in pesos; whereas in the 90s, only 43% of loans, on average, were in local currency.

II. Deposits and liquidity

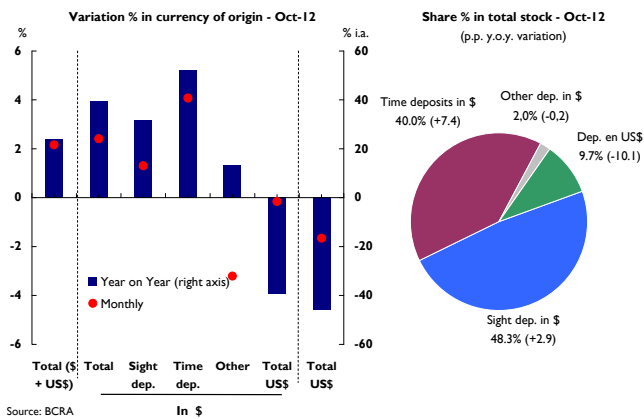
In October, total deposit stocks (in local and foreign currency) for the aggregate financial system rose 2.5%, with an increase in public and private sector deposits (3.3% and 2.2%, respectively). **Private sector deposits in local currency increased by 2.4% in the month, led**

³ Communication “A” 5355.

⁴ Communication “A” 5356.

⁵ Including the difference between assets and liabilities, as well as forward purchases and sales of foreign currency recorded in memorandum accounts (undelivered items).

Chart 7
Non-Financial Private Sector Deposits in the Financial System

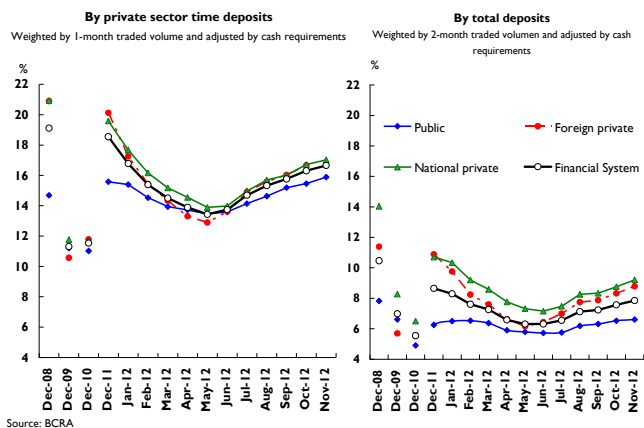


mainly by time deposits, that rose 4.1% (see Chart 7). In turn, private sector sight deposits in pesos rose 1.3% over the period. However, private sector deposits in dollars —currency of origin—, continued their downward trend (-1.7%).

In the last 12 months total financial system deposits rose 23.4%. Such increase was led by private sector deposits in pesos that grew 39.4% over such period. Also to be noted is the momentum evidenced by time deposits in pesos, which rose 52.2% y.o.y., whereas sight accounts in pesos recorded a year-on-year increase of 31.5%. On the contrary, private sector deposits in foreign currency accumulated a 46% reduction as from October 2011.

Chart 8

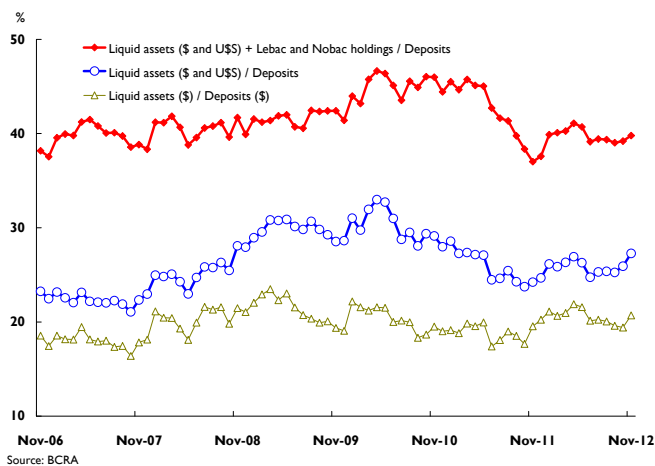
Estimation of Average Funding Costs by Deposits in Pesos



Interest rates of time deposits in pesos continued increasing in the margin, in a context of growth in traded volumes. Consequently, in the last six months, there has been a slight increase in the estimated cost of funding for the aggregate financial system (see Chart 8), reaching 7.9% in November (latest information available). However, this level still remains below the one recorded in December 2011.

Financial system liquidity indicators did not evidence significant changes in the month (see Chart 9). The broad liquidity ratio (in local and foreign currency, including LEBAC and NOBAC holdings) stood at 39.2% of deposits, whereas the liquidity indicator that excludes holdings of LEBAC and NOBAC stood at 25.9%, up 0.6 p.p. against September.

Chart 9
Liquidity

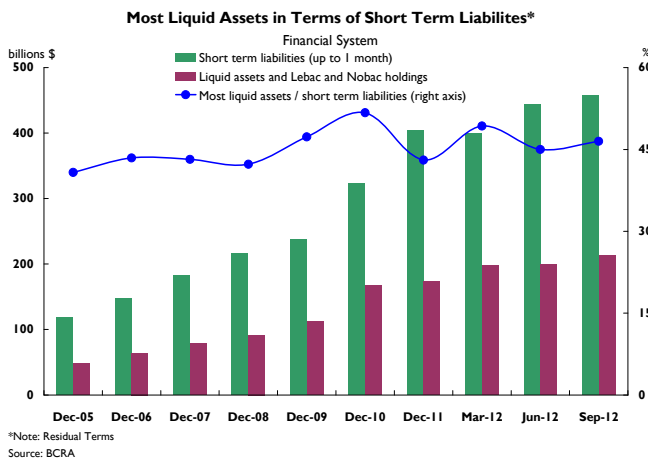


In October, the new regulations on reserve requirements⁶ came into effect. In this first step, a non-homogeneous reduction in reserve requirement ratios was implemented, aiming at promoting nationwide access to financial services, including the zones with lowest relative development. The reduction in reserve requirements for sight deposits in pesos was 1 p.p. for zone 1 (large urban agglomerates and highly-developed locations with greater degree of bankarization) and 2 p.p. for the rest of the country. The reduction in reserve requirements for time deposits in pesos was 0.5 p.p. for zone 1 and 1 p.p. for all others. Additionally in October, the schedule to gradually remove the allowed deduction of eligible cash (EC)⁷ was implemented. The allowed deduction for the months of October and November amounts to 75% of EC. In December, the next step for reserve requirements will be implemented, and a new ratio reduction will be added on the different types of

⁶ Communication “A” 5356.

⁷ “Eligible cash” shall mean the cash used by financial institutions to meet minimum reserve requirements in March this year; and which as from April, may be temporarily deducted from the requirement in pesos.

Chart 10



deposits, as well as deductions in terms of the participation of loans to micro, small and medium-sized companies (MiPyMEs) in the total amount of loans granted to the private sector.

The coverage of short-term liabilities by assets with greater liquidity increased slightly in the third quarter (latest information available), until reaching 46.5% (see Chart 10). Liquid asset accumulation more than offset the increase in deposits with residual terms of less than 30 days. In an international comparison, this indicator is in line with the average for the region.

III. Financing

In October, lending to the private sector increased 2.7%⁸. Lines in pesos have continued to encourage bank lending, reaching a 3.4% growth over the month, mainly through credit card lending, promissory notes and pledged-backed loans (see Chart 11). In turn, loans in foreign currency fell 6.2% over the period⁹, partly due to substitution with financing through lines in local currency. Foreign private banks recorded the greatest dynamism for the month in terms of loan generation. In the last 12 months, total lending to the private sector increased 26.4%, fueled by peso lending (36.9% y.o.y.). Public banks have recorded a 38.8% y.o.y. growth in lending to the private sector (48.3% y.o.y. for loans in local currency), which is above the performance recorded by private banks. Consequently, public institutions recorded an increase in their share of total lending to households and companies of 2.8 p.p. against the figures recorded in October 2011, up to 31.6% (see Chart 12).

Chart 11

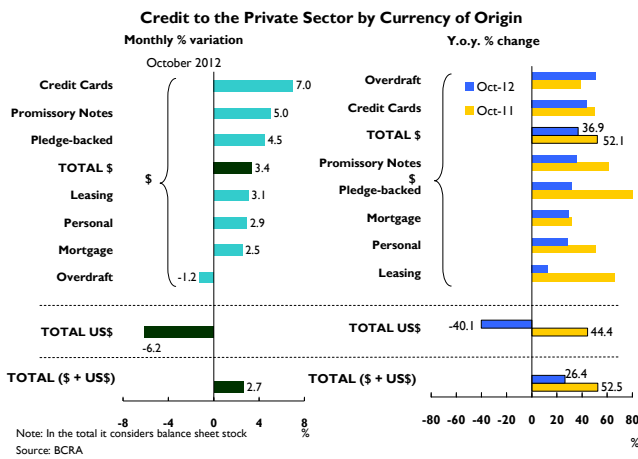
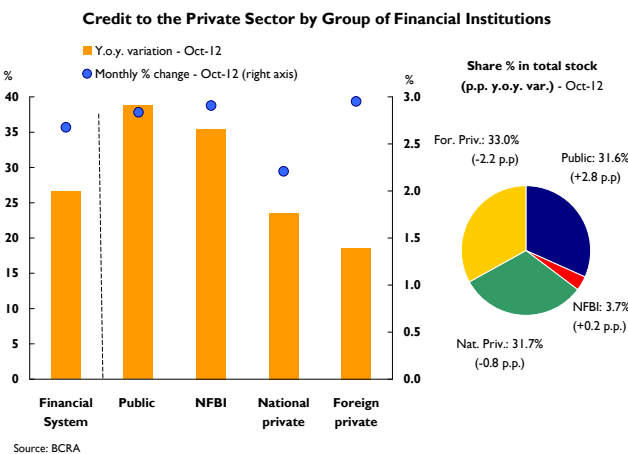


Chart 12

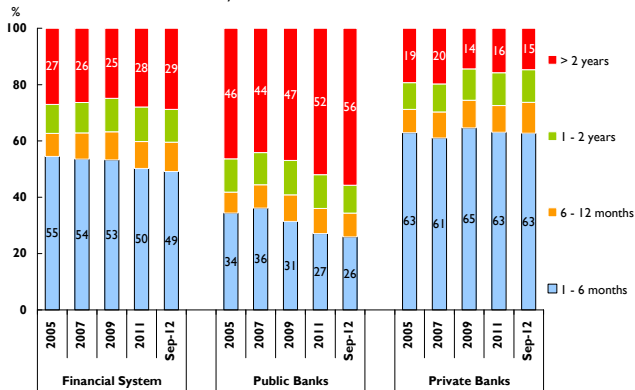


In 2012, at the financial system aggregate level, a slight increase in the number of loans with longer residual terms was recorded; however, lines with relatively shorter-terms to maturity (1 to 6 months) have continued to predominate (see Chart 13). When broken down by group of banks, loans with longer residual terms prevailed in public financial institutions. In this group of banks, loans with residual terms of more than 2 years accounted for 56% of their total lending portfolio to the private sector, a level which recorded an increase of 4 p.p. in the year to date.

⁸ If balance sheet stocks are adjusted by the assets securitized during October (using bank loans as underlying assets), the monthly variation in private sector lending would reach 2.8%. During the period, three financial trusts were issued for a total of \$333 million corresponding to the use of bank personal loans as their underlying assets.

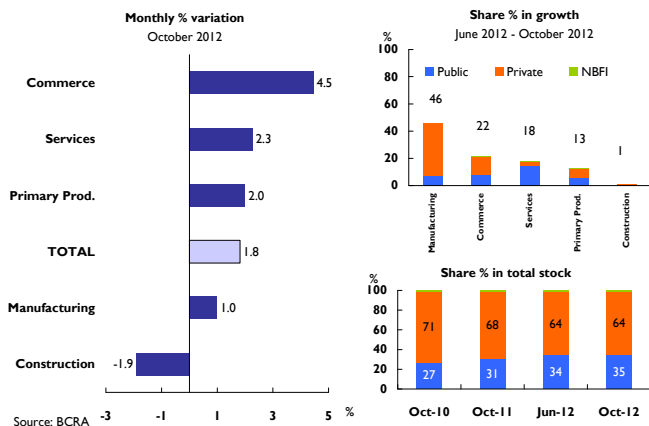
⁹ Considering monthly variations in currency of origin.

Chart 13
Credit to the Private Sector by Group of Banks
Stock by residual term - Share % in total stock



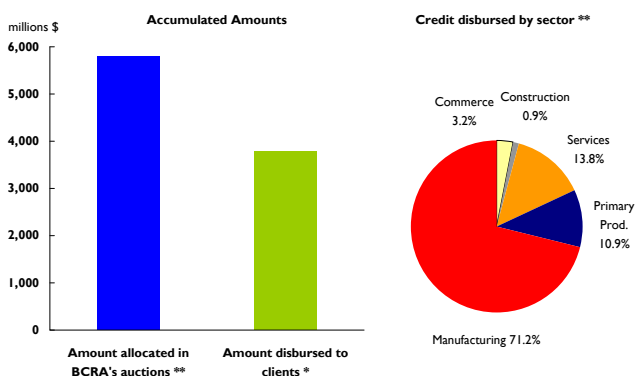
Source: BCRA

Chart 14
Credit to Companies



Source: BCRA

Chart 15
Bicentenary Productive Financing Program



* Includes the first 19 auctions. ** Amount disbursed to 11/30/2012
Source: BCRA

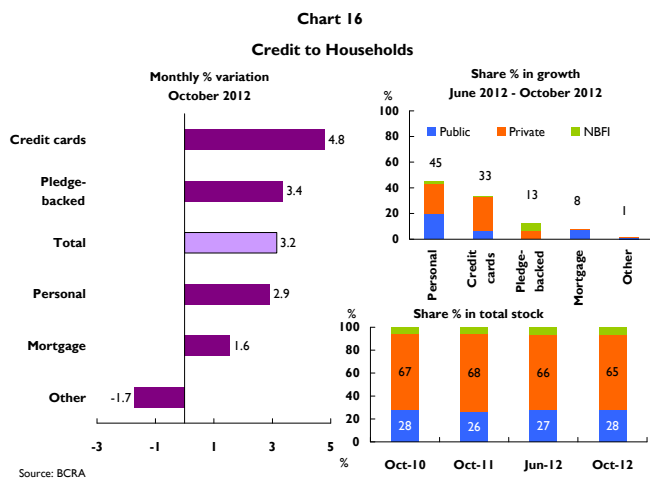
Loans to companies¹⁰ went up 1.8% in the month, accumulating a rise of 22% y.o.y. In October, the greatest relative increases were recorded in loans to commerce, service companies and primary production. So far in the second half of this year, loans to the manufacturing sector accounted for 46% of the increase in loans to the productive sectors. In turn, public banks have gradually gained share in the total balance of loans granted to companies until reaching 35% of the total, almost 8 p.p. above the value recorded two years ago (see Chart 14).

Through the **Bicentenary Productive Financing Program**, the Central Bank has awarded a total amount of \$5.8 billion by means of 19 auctions, distributed among 14 financial institutions (see Chart 15). Towards the end of November (as per the latest information available), participating banks have lent companies an amount of \$3.8 billion. Regional distribution included CABA and 19 provinces, most notably Buenos Aires, Córdoba and Santa Fe as the main destinations of the allocated amounts. Loans to the manufacturing sector continued accounting for the largest share in the total amount allocated (71%).

Together with the Bicentenary Productive Financing program, the Central Bank has also implemented a “**Credit Line for Productive Investment**”¹¹, aimed at encouraging loans to the productive sector. As per the latest preliminary information available, between July and December 17, financial institutions would have disbursed \$13.6 billion, an amount equivalent to 91% of the total \$14.9 billion to be allocated. Out of the total disbursed amount, the main beneficiary was the manufacturing sector and 52.4% corresponded to MiPyMEs. It is estimated that the total amount of loans to be channeled through this line would exceed by 15% the amounts originally set, as a result of disbursements expected over the second fortnight of December and the amounts anticipated for the first half of 2013 in transactions agreed upon over a phased disbursement scheduled. In this context, **and in order to further extend this tool, the Central Bank has decided to renew the Credit Line for Productive Investment, taking as a reference 5% of the private sector deposits recorded in November 2012.** Loans are to be granted before June 30, 2013; and such term may be extended until December 2013 if more than one disbursement is required.

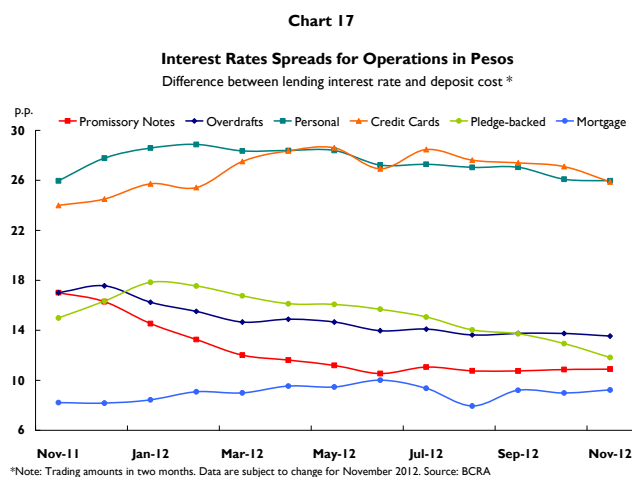
¹⁰ Includes total balances (in local and foreign currency). Loans to companies include those granted to legal persons, as well as commercial loans granted to individuals.

¹¹ Communication “A” 5319 and “A” 5338.



In October, loans to households¹² went up 3.2%, driven mainly by credit cards under the influence of seasonal factors (see Chart 16). So far in the second half of this year, consumer credit accounted for more than 78% of the growth of the stock of loans to this sector, featuring private banks as the main grantors of loans. **In year-on-year terms, lending to households increased 32.4%.**

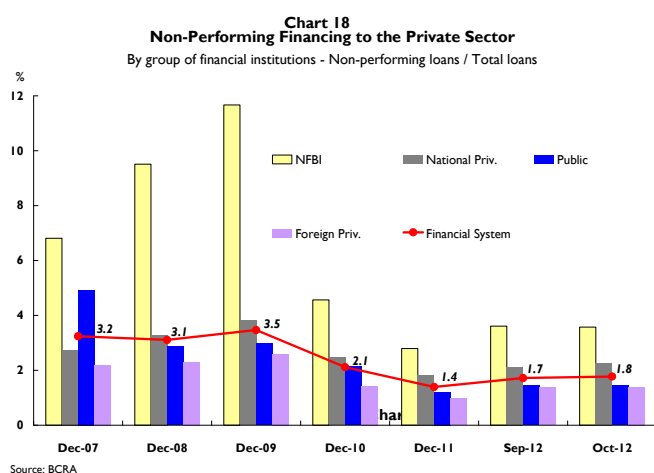
In November (latest available information) lending interest rates in pesos recorded slight increases in almost all lines. As a result of this development and the slight increase in funding costs, interest rate spreads in pesos maintained similar levels to those recorded last month, except for pledged-backed loans and credit card lending that recorded drops higher than 1 p.p. (see Chart 17). So far this year, both lending rates as well as spreads on local currency transactions have decreased across all groups of financial institutions.



In this context, the financial system gross exposure to the public sector¹³ stood at 9.8% of banking system assets, down almost 1 p.p. so far this year. Taking into account public sector deposits, this sector has maintained its net creditor position in relation to the financial system equivalent to 11.6% of banking system total assets.

IV. Portfolio quality

From low levels, non-performance in lending to the private sector has risen slightly over the month (see Chart 18). This behavior was reflected in national private banks, while the delinquency ratio of lending from the remaining financial institutions remained stable in October.



The non-performance ratio of loans to companies rose slightly vis-à-vis September mainly due to financing to providers of services (see Chart 19). So far this year companies' lending delinquency increased 0.2 p.p., with a slight rise in virtually all productive sectors (except for manufacturing). Thus, **non-performance in lending to productive sectors remained very low, around 1%.**

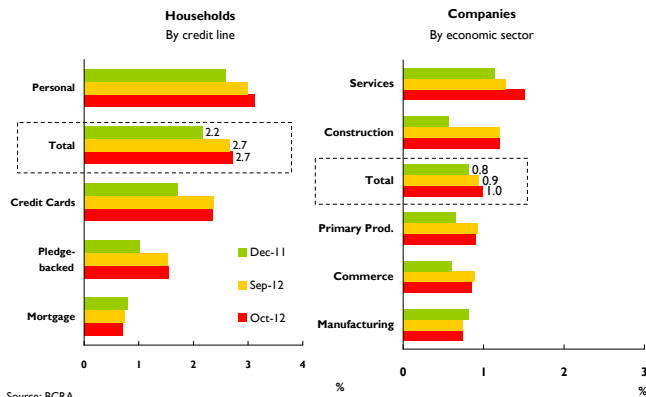
Delinquency for almost all lines of household loans remained stable in October, standing at 2.7% for the whole sector (see Chart 19). In the accumulated total for

¹² Includes total balances (in local and foreign currency). Loans to households are considered to be those granted to individuals, unless they are for commercial purposes.

¹³ (Position in government securities (without LEBAC and NOBAC) + Loans to the public sector + Compensations receivable + Bonds and Participation Certificates in financial trusts with securities from the public sector as underlying items + Other credits to the public sector) / Total Assets.

Chart 19
Non performing Financing

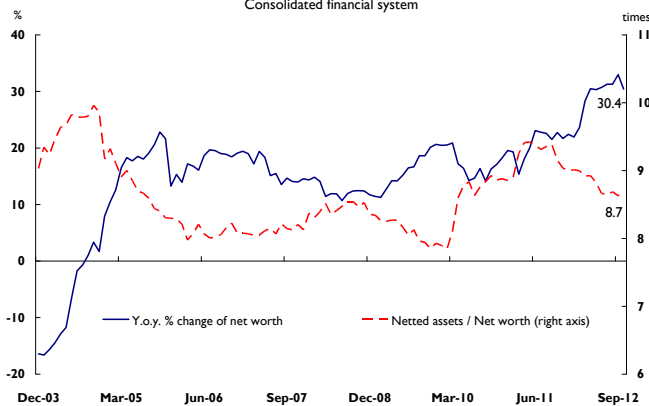
Non-performing loans / Total loans - Financial System



Source: BCRA

Chart 20
Net Worth and Leverage

Consolidated financial system

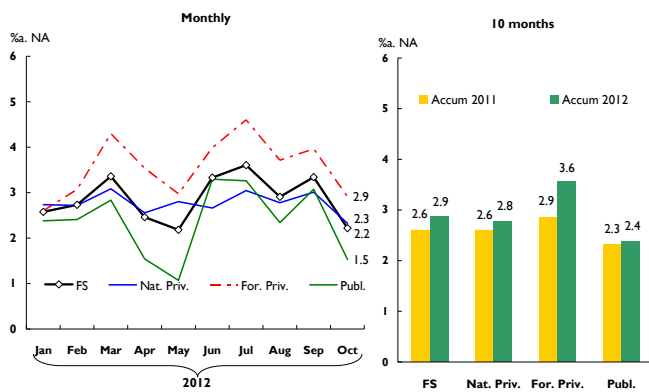


Source: BCRA

Chart 21

Profitability by Group of Banks

As % of netted assets



Source: BCRA

2012, the household lending delinquency ratio increased 0.5 p.p. (mainly in consumption lines), a rise which was higher in the case of private banks.

Credit to households and companies covered by preferred guarantees¹⁴ represented 16.9% of total financing to the private sector in October, 0.9 p.p. in excess of the end of 2011. The delinquency rate for these loans fell slightly in October to 1.2%, being similar to the one recorded in December 2011. In turn, the non-performance ratio for unsecured loans grew slightly in October up to 1.9%, 0.5 p.p. in excess of the 2011 end.

An ample coverage of the private-sector non-performing portfolio by provisions continued to be recorded for financial institutions as a whole, in spite of exhibiting a slight decline. **The ratio for all groups was high, reaching 140% for the aggregate system.**

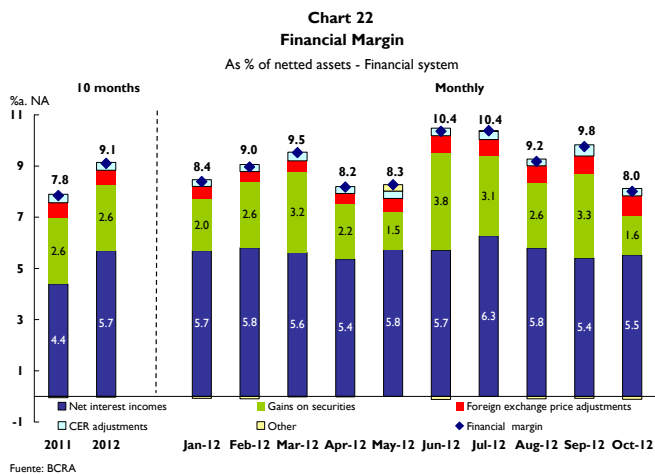
V. Solvency

Financial system consolidated net worth increased 1.7% in October, led mainly by profit accruals. The monthly growth rate of net worth was higher in national private banks. **In year-on-year terms, private banks net worth continued growing on a sustained basis, evidencing expansion rates in excess of 30%** (see Chart 20). In turn, bank assets recorded a lower relative increase in the last 12 months, thus representing 8.7 times the net worth, 0.5 less than that observed in October 2011.

In October capital compliance of in the financial system reached 16.9% of credit risk-weighted assets (RWA). This indicator has risen 1.3 p.p. so far this year, a variation that was relatively higher in foreign private banks. Excess capital compliance in terms of regulatory requirements increased slightly in October to total 63%. All groups of financial institutions recorded capital positions in excess of the regulatory requirement in October.

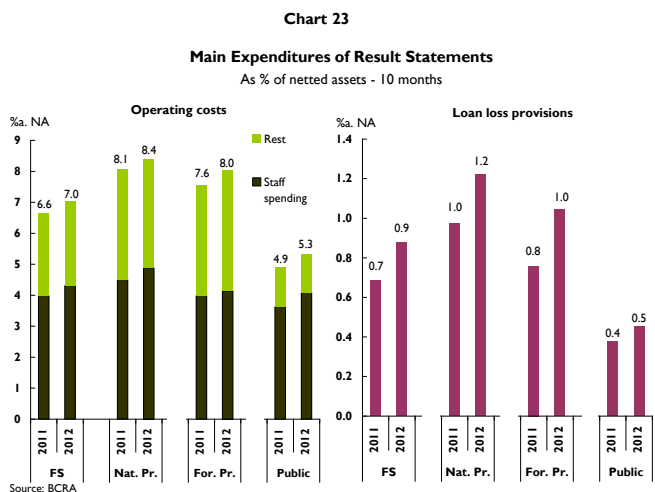
The accounting profits accrued by the financial system stood at 2.2%a. of assets, falling 1.1 p.p. vis-à-vis the previous month (see Chart 21), a behavior that reflects in all groups of banks. However, benefits accrued so far this year rose 0.3 p.p. y.o.y. of assets up to 2.9%a.

¹⁴ Collateral in the form of ceding or assignment of rights in relation to securities or notes (Preferred Class "A") and real rights on assets or third party commitments (Preferred Class "B") which duly instrumented ensure that the entity will be able to avail itself of funds to settle the obligation entered into by its customer. For further details, see the Central Bank's ordered text on Guarantees.



Financial margin for the banking system reached 8%a. of assets in October (see Chart 22), with a monthly 1.8 p.p. drop due to lower yields on securities, in the framework of some deterioration in the price of the main securities. **Throughout 2012 the financial margin for all banks improved compared with the same period of the previous year, rising 1.3 p.p. of assets up to 9.1%a.**, mainly driven by greater dynamism in interest accrued.

Net income from services grew 0.3 p.p. of assets in October to 4.4%a. Thus, in the first 10 months of 2012 this income statement heading stood at 4.2%a. of assets, 0.3 p.p. in excess of that recorded in the same period of 2011. Both public and private banks improved these results in y.o.y. terms.



In October financial system operating costs increased 0.2 p.p. of assets up to 7%a. This record is in line with the level accumulated along the year (see Chart 23), 0.4 p.p. of assets higher than that observed in the first 10 months of 2011. In turn, **financial system loan loss provisions totaled 0.9%a. of assets in the month**, a value slightly below that recorded in the previous month. In the accumulated total for 2012 these expenses increased 0.2 p.p. y.o.y. of assets up to 0.9%a., a behavior mainly observed in 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).

Note: In October 2012 no regulation related to financial institutions was issued.-

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.

%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.

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.

NBFE: Non-banking financial entity.

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

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

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

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

ON: Corporate bonds (Obligaciones Negociables).

OS: Subordinated debt (Obligaciones Subordinadas).

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

PN: Net worth (Patrimonio Neto).

p.p.: percentage points.

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

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

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

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

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

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

RWA: Risk weighted assets.

SME: Small and Medium Enterprises.

US\$: United States dollars

Statistics annex¹ | Financial system

Chart 1 | Financial Soundness Indicators (see Methodology)

As %	Dec 05	Dec 06	Dec 07	Dec 08	Dec 09	Dec 10	Oct 2011	Dec 11	Sep 2012	Oct 2012
1.- Liquidity	20.1	22.5	23.0	27.9	28.6	28.0	23.7	24.7	25.3	25.9
2.- Credit to the public sector	31.5	22.5	16.3	12.7	14.4	12.1	10.4	10.7	9.9	9.8
3.- Credit to the private sector	25.8	31.0	38.2	39.4	38.3	39.8	46.6	47.4	48.0	48.3
4.- Private non-performing loans	7.6	4.5	3.2	3.1	3.5	2.1	1.4	1.4	1.7	1.8
5.- Net worth exposure to the private sector	-2.5	-0.8	-1.5	-1.7	-1.3	-3.2	-4.4	-4.3	-3.2	-3.0
6.- ROA	0.9	1.9	1.5	1.6	2.3	2.8	2.6	2.7	3.0	2.9
7.- ROE	7.0	14.3	11.0	13.4	19.2	24.4	24.3	25.3	26.4	25.6
8.- Efficiency	151	167	160	167	185	179	177	179	190	189
9.- Capital compliance	15.3	16.9	16.9	16.9	18.8	17.7	15.9	15.6	16.6	16.9
10.- Capital compliance Tier I	14.1	14.1	14.6	14.2	14.5	13.1	11.1	10.9	12.9	12.5
11.- Excess capital compliance	173	134	93	90	100	87	70	69	62	63

Source: BCRA

Chart 2 | Balance Sheet

In million of current pesos	Dec 08	Dec 09	Dec 10	Oct 11	Dec 11	Sep 12	Oct 12	Change (in %)		
								Last month	2012	Last 12 months
Assets	346,762	387,381	510,304	612,086	628,381	732,991	747,916	2.0	19.0	22.2
Cash disposal ¹	58,676	71,067	93,085	98,843	104,389	123,351	127,952	3.7	22.6	29.4
Public bonds	65,255	86,318	117,951	115,857	112,906	129,730	130,200	0.4	15.3	12.4
Lebac/Nobac	37,093	43,867	76,948	76,890	71,050	91,338	92,172	0.9	29.7	19.9
Portfolio	25,652	34,748	61,855	66,092	59,664	74,986	74,124	-1.1	24.2	12.2
Repo ²	11,442	9,119	15,093	10,799	11,386	16,353	18,048	10.4	58.5	67.1
Private bonds	203	307	209	217	212	318	296	-7.0	39.9	36.2
Loans	154,719	169,868	230,127	316,949	332,317	391,662	401,537	2.5	20.8	26.7
Public sector	17,083	20,570	25,907	29,099	31,346	36,367	37,226	2.4	18.8	27.9
Private sector	132,844	145,247	199,202	279,438	291,708	345,461	354,690	2.7	21.6	26.9
Financial sector	4,793	4,052	5,018	8,412	9,263	9,835	9,622	-2.2	3.9	14.4
Provisions over loans	-4,744	-5,824	-6,232	-7,049	-7,173	-8,784	-8,992	2.4	25.4	27.6
Other netted credits due to financial intermediation	38,152	33,498	39,009	43,930	40,805	45,611	44,402	-2.6	8.8	1.1
Corporate bonds and subordinated debt	912	1,146	1,433	1,753	1,657	1,957	2,024	3.4	22.2	15.4
Unquoted trusts	5,714	5,942	6,824	7,584	7,967	9,141	9,726	6.4	22.1	28.2
Leasing	3,935	2,933	3,936	5,923	6,222	6,437	6,629	3.0	6.5	11.9
Shares in other companies	7,236	6,711	7,921	8,802	9,123	11,064	11,218	1.4	23.0	27.5
Fixed assets and miscellaneous	7,903	8,239	9,071	9,834	10,111	10,595	10,742	1.4	6.2	9.2
Foreign branches	3,153	3,926	3,283	3,522	3,525	4,136	4,186	1.2	18.7	18.8
Other assets	12,275	10,337	11,943	15,258	15,944	18,870	19,746	4.6	23.8	29.4
Liabilities	305,382	339,047	452,752	545,215	558,264	647,380	660,825	2.1	18.4	21.2
Deposits	236,217	271,853	376,344	452,186	462,517	544,526	557,940	2.5	20.6	23.4
Public sector ³	67,151	69,143	115,954	130,343	129,885	155,038	160,094	3.3	23.3	22.8
Private sector ³	166,378	199,278	257,595	317,923	328,463	385,507	393,822	2.2	19.9	23.9
Current account	39,619	45,752	61,306	73,128	76,804	91,447	95,368	4.3	24.2	30.4
Savings account	50,966	62,807	82,575	101,994	103,636	111,216	109,691	-1.4	5.8	7.5
Time deposits	69,484	83,967	104,492	130,294	135,082	168,755	174,822	3.6	29.4	34.2
Other netted liabilities due to financial intermediation	57,662	52,114	60,029	74,315	76,038	77,836	76,990	-1.1	1.3	3.6
Interbanking obligations	3,895	3,251	4,201	7,125	7,947	8,383	8,211	-2.1	3.3	15.2
BCRA lines	1,885	270	262	1,526	1,920	3,232	3,314	2.5	72.6	117.1
Outstanding bonds	5,984	5,033	3,432	6,772	6,856	8,643	8,613	-0.3	25.6	27.2
Foreign lines of credit	4,541	3,369	3,897	5,568	6,467	6,080	5,873	-3.4	-9.2	5.5
Diversos(1)	13,974	14,891	17,426	21,934	24,137	20,499	21,790	6.3	-9.7	-0.7
Subordinated debts	1,763	1,922	2,165	1,969	2,065	2,565	2,603	1.5	26.0	32.2
Other liabilities	9,740	13,159	14,213	16,746	17,644	22,453	23,291	3.7	32.0	39.1
Net worth	41,380	48,335	57,552	66,870	70,117	85,611	87,092	1.7	24.2	30.2
Memo										
Netted assets	321,075	364,726	482,532	582,013	601,380	703,382	719,774	2.3	19.7	23.7
Consolidated netted assets	312,002	357,118	472,934	568,567	586,805	687,272	703,783	2.4	19.9	23.8

(¹) Includes margin accounts with the BCRA. (²) Booked value from balance sheet (it includes all the counterparties). (³) Does not include accrual on interest or CER.

Source: BCRA

¹ Note | Data available in Excel in www.bcra.gov.ar

Statistics annex 1 | Financial system (cont)

Chart 3 | Profitability Structure

Amount in million of pesos	Annual				10 months		Montly			Last
	2008	2009	2010	2011	2011	2012	Aug-12	Sep-12	Oct-12	12 months
Financial margin	20,462	28,937	35,490	43,670	34,912	49,908	5,247	5,673	4,763	58,667
Net interest income	9,573	14,488	17,963	24,903	19,558	31,212	3,310	3,141	3,287	36,557
CER and CVS adjustments	2,822	1,196	2,434	1,725	1,477	1,669	152	257	171	1,916
Foreign exchange price adjustments	2,307	2,588	2,100	3,025	2,634	3,123	368	393	451	3,515
Gains on securities	4,398	11,004	13,449	14,228	11,481	14,096	1,470	1,924	923	16,843
Other financial income	1,362	-339	-457	-211	-238	-191	-55	-43	-69	-164
Service income margin	10,870	13,052	16,089	21,391	17,373	22,811	2,460	2,394	2,643	26,829
Loan loss provisions	-2,839	-3,814	-3,267	-3,736	-3,045	-4,801	-566	-561	-508	-5,492
Operating costs	-18,767	-22,710	-28,756	-36,365	-29,557	-38,499	-4,045	-3,926	-4,164	-45,307
Tax charges	-2,318	-3,272	-4,120	-6,047	-4,739	-7,180	-790	-768	-860	-8,488
Adjust. to the valuation of gov. securities ²	-1,757	-262	-214	-336	-290	-276	-26	-28	-31	-321
Amort. payments for court-ordered releases	-994	-703	-635	-290	-231	-200	-20	-59	-18	-258
Other	1,441	918	2,079	2,963	2,526	2,247	183	190	317	2,685
Total results before tax ³	6,100	12,145	16,665	21,251	16,949	24,011	2,442	2,914	2,142	28,314
Income tax	-1,342	-4,226	-4,904	-6,531	-5,364	-8,260	-781	-971	-823	-9,426
Total result³	4,757	7,920	11,761	14,720	11,584	15,752	1,662	1,943	1,319	18,887
Adjusted Result ⁴	7,508	8,885	12,610	15,345	12,106	16,228	1,708	2,030	1,368	19,467
<i>Annualized indicators - As % of netted assets</i>										
Financial margin	6.7	8.6	8.5	8.0	7.8	9.1	9.2	9.8	8.0	9.1
Net interest income	3.1	4.3	4.3	4.6	4.4	5.7	5.8	5.4	5.5	5.7
CER and CVS adjustments	0.9	0.4	0.6	0.3	0.3	0.3	0.3	0.4	0.3	0.3
Foreign exchange price adjustments	0.8	0.8	0.5	0.6	0.6	0.6	0.6	0.7	0.8	0.5
Gains on securities	1.4	3.3	3.2	2.6	2.6	2.6	2.6	3.3	1.6	2.6
Other financial income	0.4	-0.1	-0.1	0.0	-0.1	0.0	-0.1	-0.1	-0.1	0.0
Service income margin	3.6	3.9	3.8	3.9	3.9	4.2	4.3	4.1	4.4	4.2
Loan loss provisions	-0.9	-1.1	-0.8	-0.7	-0.7	-0.9	-1.0	-1.0	-0.9	-0.8
Operating costs	-6.1	-6.7	-6.9	-6.7	-6.6	-7.0	-7.1	-6.8	-7.0	-7.0
Tax charges	-0.8	-1.0	-1.0	-1.1	-1.1	-1.3	-1.4	-1.3	-1.4	-1.3
Adjust. to the valuation of gov. securities ²	-0.6	-0.1	-0.1	-0.1	-0.1	-0.1	0.0	0.0	-0.1	0.0
Amort. payments for court-ordered releases	-0.3	-0.2	-0.2	-0.1	-0.1	0.0	0.0	-0.1	0.0	0.0
Other	0.5	0.3	0.5	0.5	0.6	0.4	0.3	0.3	0.5	0.4
Total results before tax ³	2.0	3.6	4.0	3.9	3.8	4.4	4.3	5.0	3.6	4.4
Income tax	-0.4	-1.3	-1.2	-1.2	-1.2	-1.5	-1.4	-1.7	-1.4	-1.5
ROA³	1.6	2.3	2.8	2.7	2.6	2.9	2.9	3.3	2.2	2.9
ROA adjusted ⁴	2.5	2.6	3.0	2.8	2.7	3.0	3.0	3.5	2.3	3.0
ROE before tax ³	17.2	29.5	34.5	36.5	35.6	39.1	37.6	43.9	31.7	39.2
ROE ³	13.4	19.2	24.4	25.3	24.3	25.6	25.6	29.2	19.5	26.2

(1) Com. "A" 3911. Los ajustes a la valuación de títulos públicos en función de la Com. "A" 4084 están incluidos en el rubro "resultado por títulos valores".

(2) A partir de enero de 2008 se dispone de datos para el cálculo del resultado consolidado del sistema financiero. En este indicador se eliminan los resultados y las partidas del activo vinculadas a participaciones permanentes en entidades financieras locales.

(3) Al resultado total se le excluyen la amortización de amparos y los efectos de la Com. "A" 3911 y 4084.

Source: BCRA

Chart 4 | Portfolio Quality

As percentage	Dec 05	Dec 06	Dec 07	Dec 08	Dec 09	Dec 10	Oct 11	Dec 11	Sep 12	Oct 12
Non-performing loans (overall)	5.2	3.4	2.7	2.7	3.0	1.8	1.3	1.2	1.5	1.6
Provisions / Non-performing loans	115	108	115	117	115	148	177	176	148	144
(Total non-performing - Provisions) / Overall financing	-0.8	-0.3	-0.4	-0.5	-0.5	-0.9	-1.0	-0.9	-0.7	-0.7
(Total non-performing - Provisions) / Net worth	-2.6	-0.9	-1.6	-1.8	-1.7	-3.6	-4.7	-4.6	-3.5	-3.2
Non-performing loans to the non-financial private sector	7.6	4.5	3.2	3.1	3.5	2.1	1.4	1.4	1.7	1.8
Provisions / Non-performing loans	115	108	114	116	112	143	171	171	145	140
(Total non-performing - Provisions) / Overall financing	-1.1	-0.3	-0.5	-0.5	-0.4	-0.9	-1.0	-1.0	-0.8	-0.7
(Total non-performing - Provisions) / Net worth	-2.5	-0.8	-1.5	-1.7	-1.3	-3.2	-4.4	-4.3	-3.2	-3.0

Source: BCRA

¹ Note | Data available in Excel in www.bcra.gov.ar

Statistics annex¹ | Private banks

Chart 5 | Financial Soundness Indicators (see Methodology)

As %	Dec 05	Dec 06	Dec 07	Dec 08	Dec 09	Dec 10	Oct 2011	Dec 11	Sep 2012	Oct 2012
1.- Liquidity	21.5	23.7	25.7	34.1	29.8	26.0	26.4	26.7	26.4	27.2
2.- Credit to the public sector	28.5	16.3	9.5	6.3	6.1	4.7	3.4	3.4	3.1	3.1
3.- Credit to the private sector	31.1	37.9	46.6	44.0	43.3	50.3	55.2	54.5	56.4	56.2
4.- Private non-performing loans	6.3	3.6	2.5	2.8	3.3	2.0	1.4	1.4	1.7	1.8
5.- Net worth exposure to the private sector	-0.4	-1.4	-2.0	-1.8	-1.6	-3.4	-4.7	-4.4	-3.3	-3.1
6.- ROA	0.5	2.2	1.6	1.9	3.0	3.2	2.7	3.0	3.2	3.2
7.- ROE	4.1	15.3	10.9	15.2	22.9	24.5	23.6	25.6	26.7	26.1
8.- Efficiency	136	158	152	166	195	176	175	178	189	188
9.- Capital compliance	17.8	18.6	19.2	18.4	22.6	20.3	17.0	16.8	18.5	18.7
10.- Capital compliance Tier I	16.1	15.3	16.8	15.0	17.2	15.2	13.2	12.5	14.7	14.3
11.- Excess capital compliance	155	116	87	87	121	102	71	72	67	69

Source: BCRA

Chart 6 | Balance Sheet

In million of current pesos	Dec 08	Dec 09	Dec 10	Oct 11	Dec 11	Sep 12	Oct 12	Change (in %)		
								Last month	2012	Last 12 months
Assets	208,888	229,549	280,025	349,931	364,122	403,506	415,496	3.0	14.1	18.7
Cash disposal ¹	37,044	43,562	49,730	59,491	58,877	70,601	70,919	0.5	20.5	19.2
Public bonds	29,552	47,949	48,903	41,894	50,055	48,095	52,011	8.1	3.9	24.2
Lebac/Nobac	23,457	31,575	34,422	28,916	34,246	37,151	40,997	10.4	19.7	41.8
Portfolio	12,858	27,413	31,148	22,554	23,908	30,218	30,255	0.1	26.5	34.1
Repo ²	10,598	4,161	3,274	6,362	10,338	6,933	10,742	54.9	3.9	68.9
Private bonds	127	233	184	159	164	192	168	-12.3	2.7	6.0
Loans	98,529	101,722	143,202	196,523	202,117	231,919	237,752	2.5	17.6	21.0
Public sector	6,249	1,694	1,625	1,318	1,215	1,296	1,491	15.0	22.7	13.1
Private sector	88,426	96,790	137,308	187,936	193,126	222,229	227,931	2.6	18.0	21.3
Financial sector	3,854	3,238	4,270	7,269	7,777	8,394	8,330	-0.8	7.1	14.6
Provisions over loans	-2,871	-3,653	-3,926	-4,505	-4,574	-5,635	-5,830	3.5	27.5	29.4
Other netted credits due to financial intermediation	25,265	21,258	20,241	29,527	29,338	26,012	27,384	5.3	-6.7	-7.3
Corporate bonds and subordinated debt	699	734	757	881	796	761	832	9.2	4.4	-5.6
Unquoted trusts	3,869	4,198	4,500	4,854	5,268	5,660	6,207	9.7	17.8	27.9
Leasing	3,451	2,569	3,519	5,203	5,452	5,535	5,723	3.4	5.0	10.0
Shares in other companies	4,538	4,067	4,934	5,730	5,998	7,372	7,518	2.0	25.3	31.2
Fixed assets and miscellaneous	4,926	5,096	5,808	6,413	6,663	6,999	7,116	1.7	6.8	11.0
Foreign branches	-178	-202	-215	-235	-240	0	0	-	-	-
Other assets	8,505	6,946	7,646	9,731	10,271	12,415	12,735	2.6	24.0	30.9
Liabilities	182,596	198,438	243,766	309,274	321,123	350,690	361,679	3.1	12.6	16.9
Deposits	135,711	154,387	198,662	245,887	253,705	287,900	296,719	3.1	17.0	20.7
Public sector ³	19,600	17,757	23,598	28,906	27,664	32,022	33,975	6.1	22.8	17.5
Private sector ³	114,176	134,426	173,203	214,498	223,141	253,490	260,450	2.7	16.7	21.4
Current account	30,188	35,127	46,297	54,173	57,586	68,028	72,453	6.5	25.8	33.7
Savings account	32,778	40,999	53,085	66,657	66,891	67,450	66,033	-2.1	-1.3	-0.9
Time deposit	46,990	54,058	67,568	84,918	89,924	108,345	112,689	4.0	25.3	32.7
Other netted liabilities due to financial intermediation	39,298	34,235	34,427	50,667	53,973	46,796	48,355	3.3	-10.4	-4.6
Interbanking obligations	1,160	1,668	1,903	2,918	3,524	3,647	3,305	-9.4	-6.2	13.3
BCRA lines	649	41	57	405	456	644	638	-0.9	40.0	57.4
Outstanding bonds	5,672	4,626	2,802	5,389	5,119	5,882	5,922	0.7	15.7	9.9
Foreign lines of credit	2,261	1,262	1,716	3,346	4,252	3,497	3,041	-13.0	-28.5	-9.1
Other	11,125	12,015	13,849	17,282	19,059	16,114	17,655	9.6	-7.4	2.2
Subordinated debts	1,759	1,918	2,148	1,951	1,948	2,161	2,204	2.0	13.1	12.9
Other liabilities	5,828	7,897	8,528	10,768	11,497	13,834	14,402	4.1	25.3	33.7
Net worth	26,292	31,111	36,259	40,657	42,999	52,816	53,818	1.9	25.2	32.4
Memo										
Netted assets	192,074	216,100	267,364	329,768	344,101	387,766	398,600	2.8	15.8	20.9

(¹) Includes margin accounts with the BCRA. (²) Booked value from balance sheet (it includes all the counterparts). (³) Does not include accrual on interest or CER.

Source: BCRA

¹ Note | Data available in Excel in www.bcra.gov.ar

Statistics annex¹ | Private banks (cont.)

Chart 7 | Profitability Structure

Amount in million of pesos	Annual				10 months		Montly			Last
	2008	2009	2010	2011	2011	2012	Aug-12	Sep-12	Oct-12	12 months
Financial margin	12,964	19,724	21,837	27,234	21,579	30,944	3,322	3,357	3,092	36,598
Net interest income	7,727	10,572	12,842	18,518	14,677	22,754	2,416	2,316	2,512	26,595
CER and CVS adjustments	651	185	244	288	245	288	25	35	28	332
Foreign exchange price adjustments	1,620	1,646	1,493	2,064	1,809	1,874	228	223	253	2,129
Gains on securities	1,637	7,343	7,464	6,358	4,888	5,985	680	799	339	7,455
Other financial income	1,329	-22	-205	6	-39	43	-28	-15	-40	88
Service income margin	7,632	9,198	11,345	15,243	12,360	16,332	1,748	1,698	1,871	19,214
Loan loss provisions	-1,863	-2,751	-2,253	-2,633	-2,149	-3,458	-442	-393	-386	-3,942
Operating costs	-12,401	-14,807	-18,819	-23,821	-19,412	-25,120	-2,596	-2,606	-2,685	-29,530
Tax charges	-1,715	-2,380	-2,927	-4,300	-3,417	-5,152	-562	-538	-650	-6,036
Adjust. to the valuation of gov. securities ²	-267	0	47	-40	-40	0	0	0	0	0
Amort. payments for court-ordered releases	-688	-367	-441	-133	-107	-137	-14	-53	-11	-163
Other	916	398	1,382	1,723	1,410	1,433	98	184	140	1,747
Total results before tax ³	4,579	9,014	10,171	13,272	10,225	14,841	1,553	1,649	1,371	17,888
Income tax	-1,168	-3,001	-2,733	-4,293	-3,472	-5,122	-532	-535	-511	-5,943
Total result³	3,412	6,014	7,438	8,980	6,753	9,719	1,021	1,114	860	11,945
Adjusted Result ⁴	4,367	6,381	7,832	9,153	6,900	9,856	1,035	1,168	871	12,109
Annualized indicators - As % of netted assets										
Financial margin	7.3	9.8	9.3	9.0	8.7	10.1	10.6	10.5	9.4	10.1
Net interest income	4.4	5.3	5.5	6.1	5.9	7.4	7.7	7.2	7.6	7.4
CER and CVS adjustments	0.4	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	0.7	0.7	0.8	0.6
Gains on securities	0.9	3.7	3.2	2.1	2.0	2.0	2.2	2.5	1.0	2.1
Other financial income	0.8	0.0	-0.1	0.0	0.0	0.0	-0.1	0.0	-0.1	0.0
Service income margin	4.3	4.6	4.8	5.0	5.0	5.3	5.6	5.3	5.7	5.3
Loan loss provisions	-1.1	-1.4	-1.0	-0.9	-0.9	-1.1	-1.4	-1.2	-1.2	-1.1
Operating costs	-7.0	-7.4	-8.0	-7.8	-7.8	-8.2	-8.3	-8.2	-8.2	-8.2
Tax charges	-1.0	-1.2	-1.2	-1.4	-1.4	-1.7	-1.8	-1.7	-2.0	-1.7
Adjust. to the valuation of gov. securities ²	-0.2	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	0.0	0.0	0.0	-0.2	0.0	0.0
Other	0.5	0.2	0.6	0.6	0.6	0.5	0.3	0.6	0.4	0.5
Total results before tax ³	2.6	4.5	4.3	4.4	4.1	4.8	4.9	5.2	4.2	4.9
Income tax	-0.7	-1.5	-1.2	-1.4	-1.4	-1.7	-1.7	-1.7	-1.6	-1.6
ROA³	1.9	3.0	3.2	3.0	2.7	3.2	3.2	3.5	2.6	3.3
ROA adjusted ⁴	2.5	3.2	3.3	3.0	2.8	3.2	3.3	3.7	2.7	3.3
ROE before tax ³	20.4	34.4	33.5	37.8	35.7	39.9	39.4	40.9	33.4	41.0
ROE ³	15.2	22.9	24.5	25.6	23.6	26.1	25.9	27.7	21.0	27.4

(1) Data at December 2002 currency (2) Com. "A" 391 I. Adjustments to the valuation of government unlisted securities according to Com. "A" 4084 are included under the "gains 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 05	Dec 06	Dec 07	Dec 08	Dec 09	Dec 10	Oct 11	Dec 11	Sep 12	Oct 12
Non-performing loans (overall)	4.4	2.9	2.2	2.5	3.1	1.9	1.3	1.3	1.7	1.8
Provisions / Non-performing loans	103	114	123	119	116	144	172	168	145	139
(Total non-performing - Provisions) / Overall financing	-0.1	-0.4	-0.5	-0.5	-0.5	-0.8	-0.9	-0.9	-0.7	-0.7
(Total non-performing - Provisions) / Net worth	-0.4	-1.4	-2.1	-1.9	-1.7	-3.4	-4.8	-4.4	-3.4	-3.2
Non-performing loans to the non-financial private sector	6.3	3.6	2.5	2.8	3.3	2.0	1.4	1.4	1.7	1.8
Provisions / Non-performing loans	102	114	123	118	115	143	170	167	143	138
(Total non-performing - Provisions) / Overall financing	-0.1	-0.5	-0.6	-0.5	-0.5	-0.9	-1.0	-0.9	-0.8	-0.7
(Total non-performing - Provisions) / Net worth	-0.4	-1.4	-2.0	-1.8	-1.6	-3.4	-4.7	-4.4	-3.3	-3.1

Source: BCRA

¹ Note | Data available in Excel in www.bcra.gob.ar