

# Report on Banks

November 2009



BANCO CENTRAL  
DE LA REPÚBLICA ARGENTINA

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November 2009

Year VII, No. 3



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Note | Information for November 2009 available by December 23, 2009 is included. This Report is focussed on the performance of the financial system, including breakdowns by homogeneous subsectors. The data reported (particularly, those referring to profitability) are provisional and are subject to changes later. Except the opposite was indicated the data included corresponds to BCRA Information Regimes (end of month data).

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## Summary

- **Banking activity measured in terms of the financial intermediation and the provision of means of payment services continues to increase at the end of 2009. Within the framework of the policies introduced by the Central Bank, adequate levels of liquidity and solvency have been maintained, and the trend towards reduction in balance sheet mismatches has persisted. Improvement in geographical coverage by financial service infrastructure across the country's various jurisdictions continues to take place, with a notable rise in the number of automated teller machines per inhabitant in regions with the least access.**
- **Total financial system deposits grew in November (0.2% or 10.1% y.o.y.). Private sector deposits were up \$2.1 billion (1.1% or 12.7% y.o.y.) in November, mainly from sight deposits, and to a lesser extent, from time deposits.**
- **Liquid assets held by financial entities as a whole fell slightly during the month** (when considering both domestic and foreign currency items), **reaching 28.5% of total deposits in November.** The broad liquidity indicator that includes holdings of Lebac and Nobac not related to Central Bank repos stood at 42.4% of total deposits.
- **In November, in line with the behavior over the last three months, bank credit to the private sector was driven by consumer lines. From August to November lending to companies and households recorded an annualized increase greater than that seen in the first part of the year.** Growth in lending to the private sector in recent months was also evident from the dynamism of credit channeled through closed system credit cards. The maturity of bank granted loans were extended at a time when interest rates have been lower than in previous months.
- **Growth in lending to the private sector has taken place within the context of limited credit risk.** This can be seen from the fact that non-performance dropped by 0.1 p.p. of loans to the private sector to a level of 3.6% in November, a performance seen in both private and public banks. Household credit delinquency stood at 5%, while that for companies was 2.6%. Coverage of the non-performing portfolio by provisions reached 123%.
- **Consolidated financial system net worth rose by 2% in November (20.1% y.o.y.),** mainly because of accrued earnings, and to a lesser extent, from the receipt of new capital contributions. Financial system capital compliance ratios held steady at 18.6% of risk-weighted assets. At aggregate level, financial system capital compliance almost double the regulatory requirement, a position of comfort that is widespread across all financial entities. **Book profits for the financial system as a whole were down during the month,** mainly because of the decline in profitability in private banks mainly due to a drop in financial margin. In 2009 to date book profits for the financial system have amounted to 2.4%a. of assets (19.6%a. of net worth).

# Activity

*Financial system activity continues to grow in terms of both funds intermediation and the provision of means of payments*

In November the financial system continued to record expansion in its financial intermediation activity, in line with the performance of recent months. Financial system netted assets increased 0.8% during the month, accumulating year-on-year (y.o.y.) growth of 9.6% (see Chart 1), mainly because of private banks performance (12.3% y.o.y.).

At the same time as the total stock of financial system assets has risen, there continue to be signs of improvements in its composition. Loans to the private sector represent 41% of netted assets, and liquid assets are the second most important heading, accounting for 21% of netted assets. Asset growth in recent years has been largely matched by increased deposits from both companies and households. At the same time, low bank indebtedness abroad represents a strength in a still volatile international context.

In the case of the estimated flow of funds for financial entities as a whole, the main sources of resources during the month were the increase in private sector deposits, and the reduction in liquidity. Principal uses of funds during the month included an increase in holdings of Lebac and Nobacs not related to Central Bank repos, and lending to the private sector. Private banks were mainly responsible for the increase in holdings of Central Bank bills and notes (not related to repos with this Institution) and growth in lending to the private sector.

At the end of 2009 the number and value of documents cleared through the financial system has continued to rise, almost reaching the levels recorded at the end of the previous year. Checks rejected by lack of funds in terms of total cleared remained virtually unchanged in the last part of 2009, below the levels recorded one year earlier (see Chart 2).

During the month financial system foreign currency mismatching in terms of net worth has continued to fall, reaching a level of 28%. This reduction has mainly been explained by the improvement in bank solvency, as mismatching in nominal terms was slightly above that for October (because the drop in assets, mainly from the lower compliance of minimum cash requirement, was less than the reduction in liabilities, mainly derived from the reduction in public sector deposits). Broad foreign

Chart 1

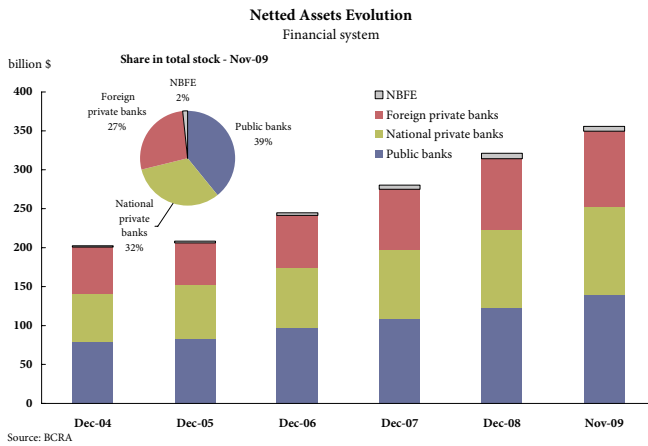


Chart 2

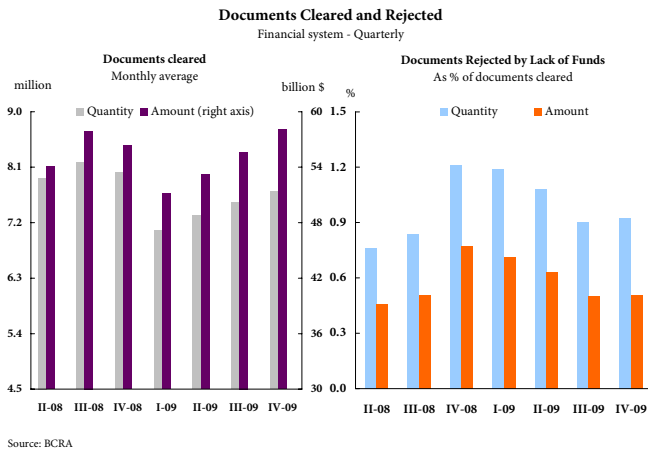
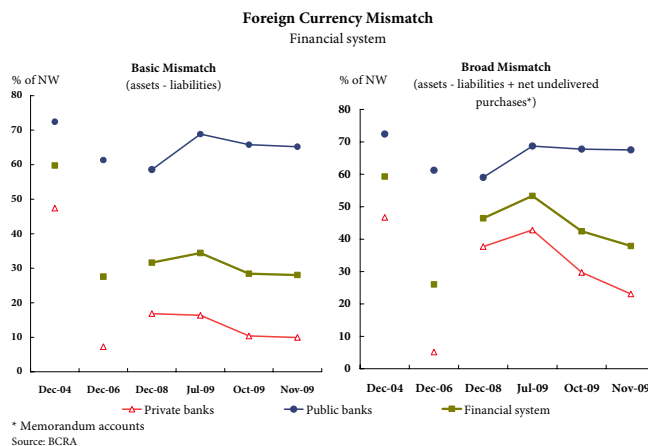
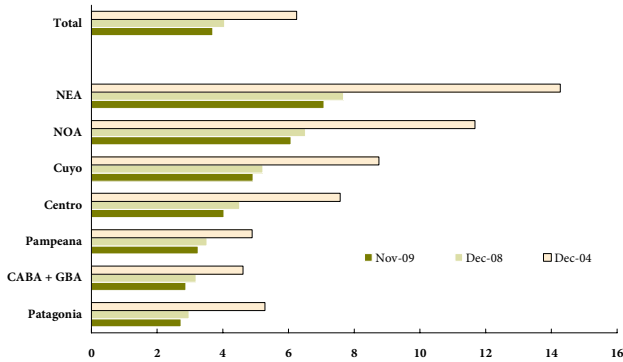


Chart 3



**Chart 4**

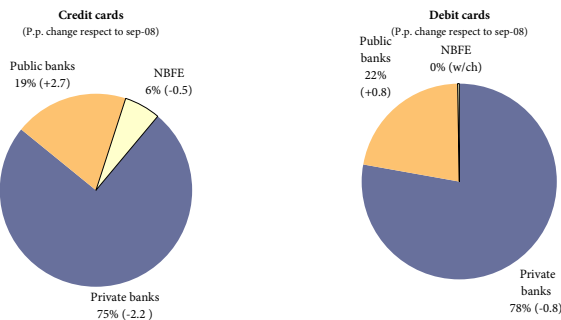
**Financial System Regional Coverage**  
Thousand of inhabitant per ATM



Source: BCRA and Indec

**Chart 5**

**Credit and Debit Cards - Financial System**  
By type of financial entity - Sep-09



Source: BCRA

**Chart 6**

**Non-Financial Private Sector Deposits**  
Monthly change over November 2009 stock balances - Financial system



Source: BCRA

currency mismatching fell for the fourth consecutive month, largely because of the reduction among private banks, influenced by lower net forward purchases of foreign currency without delivery of the underlying asset (see Chart 3). It should be noted that the proportion of private sector loans and deposits in foreign currency is low. Only 15% of balance sheet loans to the private sector stocks are denominated in foreign currency, and mainly involve export credit, while only 20% of private sector deposits concern foreign currency transactions.

There continue to be improvements in terms of the geographical coverage of financial service infrastructure across the various jurisdictions of the country. In particular, there has been notable progress in relation to the number of ATMs per inhabitant in the NEA and NOA regions of Argentina (see Chart 4). In the case of the number of bank branches per inhabitant, despite the increase seen in most of the provinces over the last 5 years, regions in the north still record coverage levels relatively lower than those in the rest of the country.

Another indication of financial system activity has been the growth in the number of credit and debit cards issued. At the end of September 2009, the number of credit cards was 2.2% higher than at the same date in 2008, with an increased participation by official banks, although three quarters of the total number of cards in circulation have been issued by private financial entities (see Chart 5). The number of debit cards has risen 1.5% in the same period.

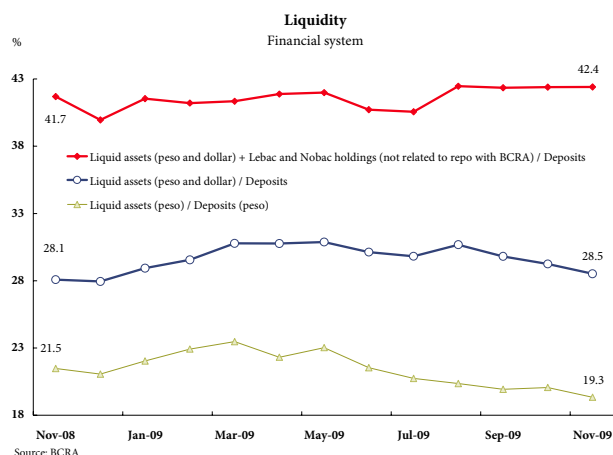
## Deposits and liquidity

*Total private sector deposits have risen, mainly from the increase in sight deposits*

Balance sheet deposit stocks were up \$500 million (0.2% or 10.1% y.o.y.) in November. Over the course of 2009 the increase in total deposits was led by sight deposits, and to a lesser extent by time deposits, for which term to maturity has been lengthening over the last three months.

Private sector deposits increased \$2.1 billion (1.1% or 12.7% y.o.y.) in November (see Chart 6), mainly from higher sight deposits, and to a lesser degree, from an increase in time deposits. Deposits in pesos from the private sector rose 1.1%, while those in foreign currency dropped 1.1%. The increase for the month in private sector deposits was mainly accounted for by public banks, while the accumulated increase for 2009 was

**Chart 7**

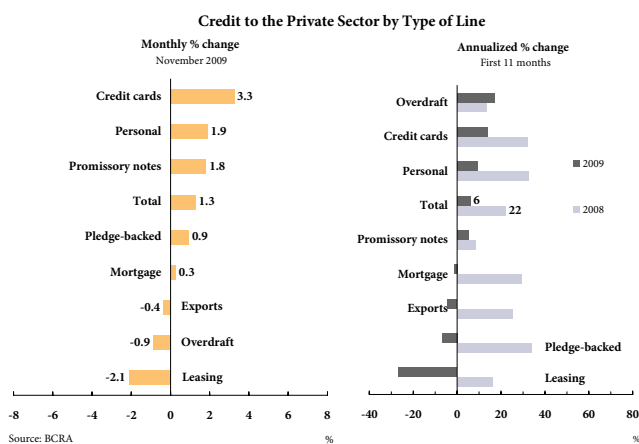


shared equally by national private banks and public banks.

**During November bank liquid assets fell** (by \$1.8 billion) because of the net drop in repos with the Central Bank (\$2.8 billion), partially offset by an increase in cash (\$1.0 billion). **The liquidity ratio** (considering items in both domestic and foreign currency) **was down 0.8 p.p. of total deposits in November, to 28.5%** (see Chart 7). The liquidity indicator for pesos stood at 19.3% of total deposits in domestic currency, slightly below that corresponding to last October and the figure for 12 months earlier. Although holdings of Lebac and Nobac not related to Central Bank repos rose \$2.0 billion in the month, **the broad liquidity indicator remained unchanged at 42.4% of deposits.**

## Financing

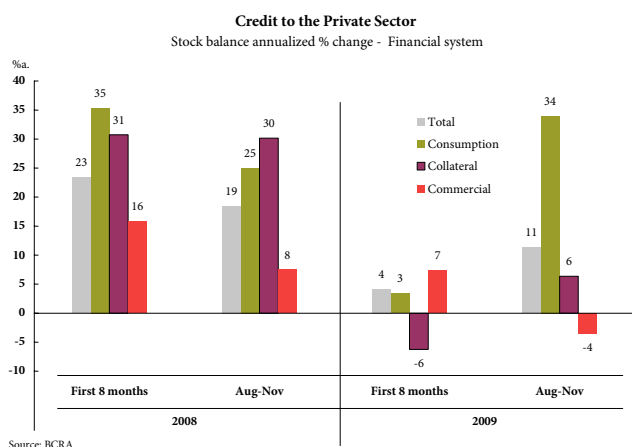
**Chart 8**



**Consumer lending is behind the increase in credit to the private sector**

**Balance sheet totals for loans to the private sector rose \$1.8 billion (1.3% or 5.6% y.o.y.) during the month, mainly as a result of the dynamism of consumer credit lines (personal loans and credit cards)** (see Chart 8). In November an increase was also seen in promissory notes and collateralized loans, while the remaining commercial lines fell back during the month.

**Chart 9**

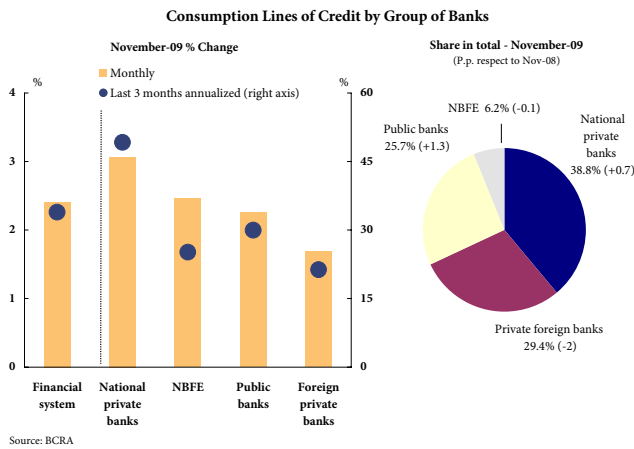


**In the last 3 months bank lending to the private sector has recorded an annualized rate of increase greater than during the first part of the year** (see Chart 9), mainly from the performance by consumer credit lines. In recent months collateralized lines returned to a growth path, while commercial loans fell back moderately. **Private national banks were mainly responsible for the recent increase in consumer lending.** Both this group of banks and official banks gained share in this market compared with one year earlier (see Chart 10).

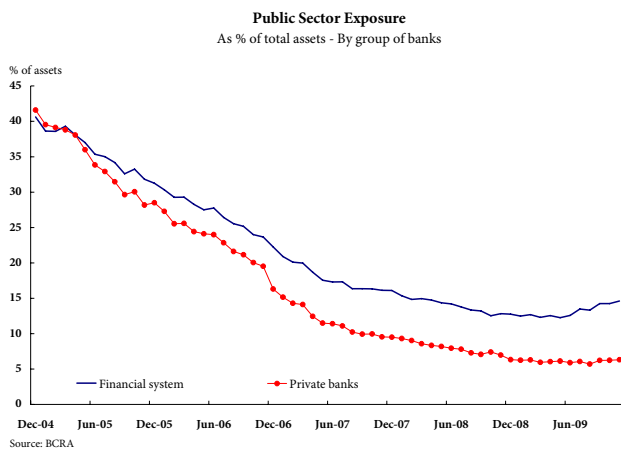
**This growth in consumer lending was also reflected in the market for credit cards issued by non-financial companies** (the so-called closed system), which increased their credit stock by 41% in the last three months. This growth has been accompanied by an increase in the amount of financing per credit card holders.

**The growth in lending to the private sector has taken place at a time when interest rates have been lower** (mainly for promissory notes and pledge-backed loans) **and there has been a gradual lengthening of the**

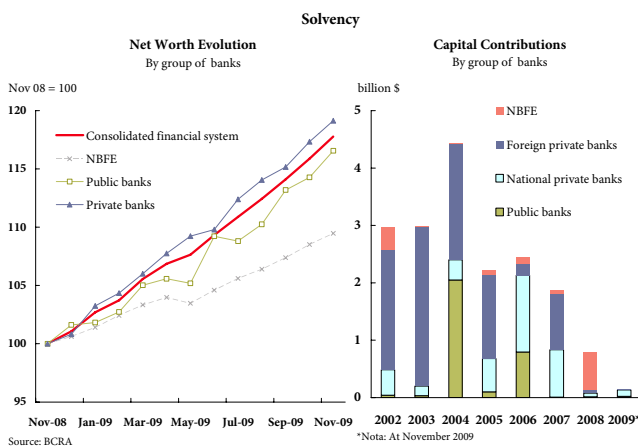
**Chart 10**



**Chart 11**



**Chart 12**



average term of transactions, particularly in the case of collateralized loans.

Private sector loan growth has also occurred within the context of a limited credit risk. One indication of this has been the 0.1 p.p. drop in loan non-performance to 3.6% in November, a result of the behavior posted by both public and private banks. The level of household delinquency<sup>1</sup> stood at 5% (0.7 p.p. below the peak reached in the last 3 years, recorded in May 2009), while company non-performance was 2.6% (0.8 p.p. above the all-time low recorded in September 2008). Coverage of the non-performing portfolio by provisions posted a moderate increase for the month, reaching 123%.

Lending to the public sector rose 0.4 p.p. of total assets to 14.6% (see Chart 11). This increase has mainly been accounted for by public banks as a result of their Treasury financing mechanism (section 74 of Law 26.422).

## Solvency

*Book profits and new capital contributions resulted in growth in consolidated financial system net worth during the month*

Financial system consolidated net worth rose 2% in November, mainly from accrued earnings, and to a lesser extent from the receipt of new capital contributions, leading to an increase of 20.1% y.o.y. (7.7 p.p. more than in the same month of 2008). **One national private bank received capitalization totaling \$20 million during the month.** In 2009 to date, capitalization system-wide has totaled \$140 million (see Chart 12), and has mainly been channeled to national private banks.

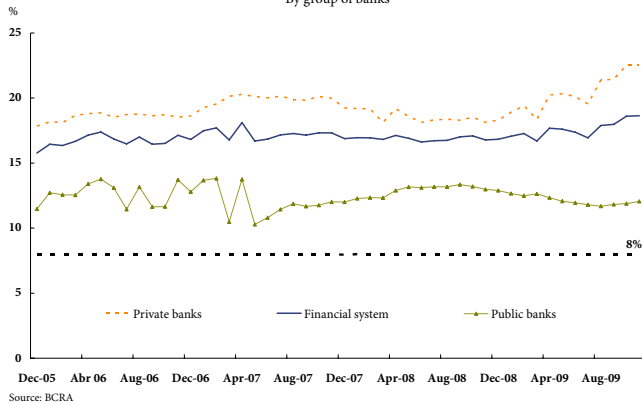
Financial system capital compliance remained steady at 18.6% of risk-weighted assets (RWA) in November. Over the course of 2009 this indicator rose by 1.8 p.p. of RWA, mainly driven by private banks (see Chart 13). **At aggregate level, financial system capital compliance has been practically double the regulatory requirement, a comfortable situation that is widespread across all financial entities.**

Book profits for all financial entities stood at 2%a. of assets in November, a drop of 0.7 p.p. compared with October. This decline can mainly be explained by the

<sup>1</sup> Loans to households are those granted to individuals, except for commercial loans granted to them. The latter are added to lending to legal entities and treated as loans to companies.

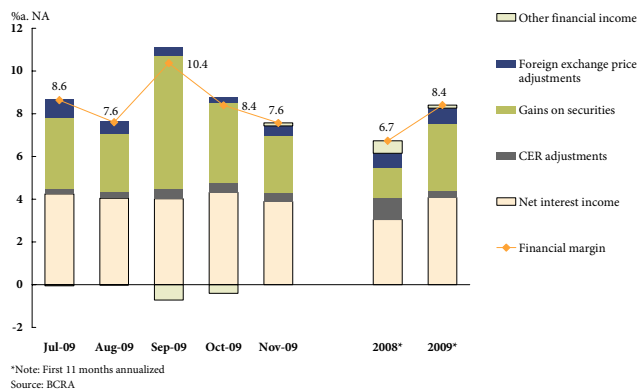


**Chart 13**  
Capital Compliance According to Regulation  
By group of banks



drop in profitability of private banks following a reduction in financial margin. Public banks, for their part have not recorded significant variations in their monthly earnings. **In 2009 to date financial system book profits have totaled 2.4%a. of assets (0.8 p.p. more than in 2008), being mainly driven by private financial entities, which have increased their share of total financial system earnings in recent years.**

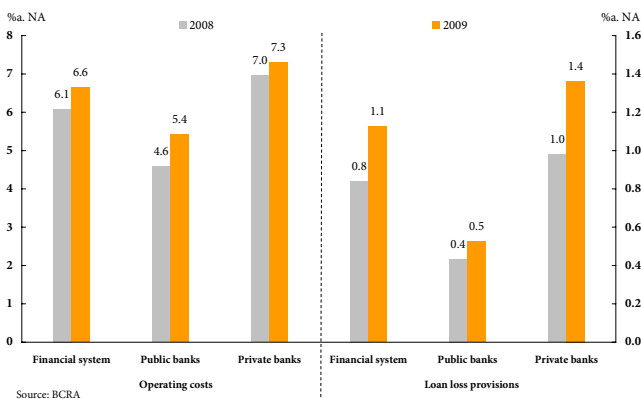
**Chart 14**  
Financial Margin  
Financial system



**Financial margin fell in November to 7.6%a. of assets,** mainly because of the drop in gains on securities, and to a lesser degree, because of lower net interest income (see Chart 14). Over the course of 2009 the financial margin has been 8.4%a. of assets, showing a slight increase compared with the same period of 2008.

**Service income margin went up 0.1 p.p. of assets in the month to 4%a.** Over the course of the year this income source has amounted to 3.8%a. of assets, more than in the same period of the previous year.

**Chart 15**  
Main Expenditures of Financial Entities  
First 11 months - Annualized



**Main financial system income statement expenditure items have recorded a moderate increase for the month.** Operating costs went up by 0.1 p.p. of assets in November to 6.7%a. In the first 11 months of 2009 operating costs rose by 0.5 p.p. of assets over the level for the same period of the previous year. Nevertheless, coverage of these costs by those more stable sources of income (net interest income and service income margin) has continued to improve at system level in the second part of the year, mainly because of the performance of recurring income in public banks. Loan loss provisions also rose slightly during the month. Over the course of the current year these provisions have risen by 0.3 p.p. of assets compared with the same period of 2008 (see Chart 15).

On the basis of the available information at the date of publication of this Report, **the financial system is expected to end 2009 showing robust solvency indicators.** A seasonal increase in operating costs can be anticipated for December, while banks will continue to post book profits, led by recurring sources of income, in a context of increasing financial intermediation with the private sector.

## 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” 5004 – 13/11/09**

Prevention of money-laundering and financing of terrorism. As from January 2010 additions have been made to the types of situations that financial entities and currency exchange agencies must pay special attention in operating with funds remittance companies and those that make use of the services of exchange brokers. Among other procedures, financial entities must obtain an affidavit on compliance with current regulations, as well as copies of policy documents and/or manuals in relation to the basic “know your client” principle.

In a similar manner, special care must be taken on matters in relation to “Prevention of the financing of terrorism”.

### **Communication “A” 5006 – 19/11/09**

Identification of shareholdings for increases in capital by financial and exchange entities. In order to confirm that the entity requesting or acquiring such participations is not a “front bank” the financial entity must submit a certificate from the supervisory body in its country of origin indicating that it carries out business in the jurisdiction in which it is authorized to perform financial activity, that it is subject to inspection by the competent authority, and that it employs a stable staff at its corporate headquarters. Similar treatment is required for applications to operate as exchange houses, agencies or offices, when the party involved is a foreign legal person.

### **Communication “A” 5007 – 20/11/09**

Ordered text on “Savings deposits, payment of wages and special deposits.” Savings accounts for the payment of the universal child social protection benefit granted according to Decree 1602/09 have been included as special deposits, bearing in mind when regulating these payments the special nature of such deposits as indicated in the decree. These deposits are to be included in the calculation of minimum cash requirements, with a weighting of 19%, in pesos.

## Methodology

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

# Glossary

**%a.:** annualized percentage.

**%i.a.:** interannual percentage.

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

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

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

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

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

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

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

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

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

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

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

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

**mill.:** million.

**NBFE:** Non-banking financial entity.

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

**Net worth exposure to 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 Annex | Financial System

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

As %	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	Nov 2008	2008	Sep 2009	Oct 2009	Nov 2009
1.- Liquidity	22.3	26.1	23.1	25.0	23.4	19.6	22.8	29.1	29.6	20.1	22.5	23.0	28.1	27.9	29.8	29.3	28.5
2.- Credit to the public sector	16.9	16.2	16.2	18.0	17.3	23.0	48.9	47.0	40.9	31.5	22.5	16.3	12.8	12.8	14.3	14.2	14.6
3.- Credit to the private sector	50.8	47.7	48.4	44.9	39.9	42.7	20.8	18.1	19.6	25.8	31.0	38.2	39.4	39.4	37.3	37.7	38.2
4.- Private non-performing loans	16.2	13.8	12.2	14.0	16.0	19.1	38.6	33.5	18.6	7.6	4.5	3.2	2.9	3.1	3.7	3.7	3.6
5.- Net worth exposure to the private sector	24.9	22.5	20.6	24.7	26.2	21.9	17.3	12.4	-1.0	-4.1	-3.3	-3.0	-3.1	-3.3	-2.6	-2.5	-2.6
6.- ROA	0.6	1.0	0.5	0.2	0.0	0.0	-8.9	-2.9	-0.5	0.9	1.9	1.5	1.6	1.6	2.4	2.4	2.4
7.- ROE	4.1	6.3	3.9	1.7	0.0	-0.2	-59.2	-22.7	-4.2	7.0	14.3	11.0	13.5	13.4	19.7	19.9	19.6
8.- Efficiency	142	136	138	142	147	143	189	69	125	151	167	160	167	167	186	186	184
9.- Capital compliance	23.8	20.8	20.3	21.0	20.1	21.4	-	14.5	14.0	15.3	16.8	16.9	16.8	16.8	18.0	18.6	18.6
10.- Excess capital compliance	64	73	49	54	58	54	-	116	185	173	134	93	89	90	96	100	100

Source: BCRA

## Chart 2 | Balance Sheet

In million of current pesos	Dec 00	Dec 01	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Nov 08	Dec 08	Oct 09	Nov 09	Change (in %)				
													Last month	2009	Last 12 months		
<b>Assets</b>	<b>163,550</b>	<b>123,743</b>	<b>187,532</b>	<b>186,873</b>	<b>212,562</b>	<b>221,962</b>	<b>258,384</b>	<b>297,963</b>	<b>346,709</b>	<b>346,762</b>	<b>377,232</b>	<b>377,005</b>	<b>-0.1</b>	<b>8.7</b>	<b>8.7</b>		
Liquid assets <sup>1</sup>	20,278	13,005	17,138	27,575	29,154	20,819	37,991	46,320	57,423	58,676	67,560	68,540	1.5	16.8	19.4		
Public bonds	10,474	3,694	31,418	45,062	55,382	66,733	64,592	62,678	69,605	65,255	83,668	83,101	-0.7	27.3	19.4		
Lebac/Nobac	-	-	-	-	17,755	28,340	29,289	36,022	43,943	37,093	45,972	45,370	-1.3	22.3	3.2		
Portfolio	-	-	-	-	11,803	21,067	25,767	31,598	32,645	25,652	34,669	36,658	5.7	42.9	12.3		
Repo <sup>2</sup>	-	-	-	-	5,953	7,273	3,521	4,424	11,298	11,442	11,303	8,712	-22.9	-23.9	-22.9		
Private bonds	633	543	332	198	387	389	813	382	193	203	348	348	0.2	71.9	80.6		
Loans	83,277	77,351	84,792	68,042	73,617	84,171	103,668	132,157	155,287	154,719	162,464	165,231	1.7	6.8	6.4		
Public sector	15,164	22,694	44,337	33,228	30,866	25,836	20,874	16,772	17,221	17,083	19,329	20,267	4.9	18.6	17.7		
Private sector	64,464	52,039	38,470	33,398	41,054	55,885	77,832	110,355	132,773	132,844	139,314	141,169	1.3	6.3	6.3		
Financial sector	3,649	2,617	1,985	1,417	1,697	2,450	4,962	5,030	5,294	4,793	3,821	3,795	-0.7	-20.8	-28.3		
Provisions over loans	-6,907	-6,987	-11,952	-9,374	-7,500	-4,930	-3,728	-4,089	-4,476	-4,744	-5,642	-5,699	1.0	20.1	27.3		
Other netted credits due to financial intermediation	42,361	21,485	39,089	27,030	32,554	26,721	26,039	29,712	35,259	38,152	35,901	32,636	-9.1	-14.5	-7.4		
Corporate bonds and subordinated debt	794	751	1,708	1,569	1,018	873	773	606	968	912	1,161	1,197	3.2	31.3	23.6		
Unquoted trusts	2,053	2,065	6,698	4,133	3,145	3,883	4,881	5,023	5,731	5,714	5,852	5,898	0.8	3.2	2.9		
Compensation receivable	0	0	17,111	14,937	15,467	5,841	763	377	348	357	17	17	0.0	-95.3	-95.2		
Other	39,514	18,669	13,572	6,392	12,924	16,124	19,622	23,706	28,212	31,169	28,871	25,524	-11.6	-18.1	-9.5		
Leasing	786	771	567	397	611	1,384	2,262	3,469	3,976	3,935	3,031	2,967	-2.1	-24.6	-25.4		
Shares in other companies	2,645	2,688	4,653	4,591	3,871	4,532	6,392	6,430	7,153	7,236	6,676	6,740	1.0	-6.8	-5.8		
Fixed assets and miscellaneous	4,939	4,804	8,636	8,164	7,782	7,546	7,619	7,643	7,851	7,903	8,191	8,270	0.6	4.2	4.9		
Foreign branches	1,115	1,057	3,522	3,144	3,524	3,647	2,782	2,912	3,053	3,153	4,246	4,258	0.3	35.0	39.5		
Other assets	3,950	5,334	9,338	12,043	13,180	10,950	9,953	10,347	11,386	12,275	10,790	10,645	-1.3	-13.3	-6.5		
<b>Liabilities</b>	<b>146,267</b>	<b>107,261</b>	<b>161,446</b>	<b>164,923</b>	<b>188,683</b>	<b>195,044</b>	<b>225,369</b>	<b>261,143</b>	<b>305,763</b>	<b>305,382</b>	<b>330,489</b>	<b>329,364</b>	<b>-0.3</b>	<b>7.9</b>	<b>7.7</b>		
Deposits	86,506	66,458	75,001	94,635	116,655	136,492	170,898	205,550	239,919	236,217	263,562	264,060	0.2	11.8	10.1		
Public sector <sup>3</sup>	7,204	950	8,381	16,040	31,649	34,019	45,410	48,340	66,685	67,151	70,269	68,564	-2.4	2.1	2.8		
Private sector <sup>3</sup>	78,397	43,270	59,698	74,951	83,000	100,809	123,431	155,048	169,922	166,378	189,491	191,582	1.1	15.1	12.7		
Current account	6,438	7,158	11,462	15,071	18,219	23,487	26,900	35,245	37,972	39,619	41,191	42,680	3.6	7.7	12.4		
Savings account	13,008	14,757	10,523	16,809	23,866	29,078	36,442	47,109	49,191	50,966	57,756	57,541	-0.4	12.9	17.0		
Time deposit	53,915	18,012	19,080	33,285	34,944	42,822	54,338	65,952	75,866	69,484	83,607	83,805	0.2	20.6	10.5		
CEDRO	0	0	12,328	3,217	1,046	17	13	0	0	0	0	0	-	-	-		
Other netted liabilities due to financial intermediation	55,297	36,019	75,737	61,690	64,928	52,072	46,037	46,225	54,293	57,662	52,735	50,682	-3.9	-12.1	-6.6		
Interbanking obligations	3,545	2,550	1,649	1,317	1,461	2,164	4,578	4,310	4,417	3,895	3,032	3,036	0.1	-22.1	-31.3		
BCRA lines	102	4,470	27,837	27,491	27,726	17,005	7,686	2,362	1,913	1,885	482	375	-22.1	-80.1	-80.4		
Outstanding bonds	4,954	3,777	9,096	6,675	7,922	6,548	6,603	6,938	6,077	5,984	5,328	5,368	0.8	-10.3	-11.7		
Foreign lines of credit	8,813	7,927	25,199	15,196	8,884	4,684	4,240	3,864	4,796	4,541	3,462	3,562	2.9	-21.6	-25.7		
Other	37,883	17,295	11,955	11,012	18,934	21,671	22,930	28,752	37,090	41,357	40,432	38,341	-5.2	-7.3	3.4		
Subordinated debts	2,255	2,260	3,712	2,028	1,415	1,381	1,642	1,672	1,733	1,763	1,887	1,898	0.6	7.6	9.5		
Other liabilities	2,210	2,524	6,997	6,569	5,685	5,099	6,792	7,695	9,819	9,740	12,305	12,724	3.4	30.6	29.6		
<b>Net worth</b>	<b>17,283</b>	<b>16,483</b>	<b>26,086</b>	<b>21,950</b>	<b>23,879</b>	<b>26,918</b>	<b>33,014</b>	<b>36,819</b>	<b>40,946</b>	<b>41,380</b>	<b>46,743</b>	<b>47,641</b>	<b>1.9</b>	<b>15.1</b>	<b>16.3</b>		
<b>Memo</b>																	
Netted assets	129,815	110,275	185,356	184,371	202,447	208,275	244,791	280,336	324,668	321,075	353,061	355,801	0.8	10.8	9.6		
Consolidated netted assets	125,093	106,576	181,253	181,077	198,462	203,286	235,845	271,652	315,095	312,002	345,795	348,382	0.7	11.7	10.6		

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

Source: BCRA

# Statistics Annex | Financial System (cont.)

## Chart 3 | Profitability Structure

Amount in million of pesos	Annual									First 11 months		Monthly			Last
	2000	2001	2002 <sup>1</sup>	2003	2004	2005	2006	2007	2008	2008	2009	Sep-09	Oct-09	Nov-09	12 months
Financial margin	7,291	6,943	13,991	1,965	6,075	9,475	13,262	15,134	20,526	18,595	25,851	3,000	2,443	2,213	27,783
Net interest income	5,106	4,625	-3,624	-943	1,753	3,069	4,150	5,744	9,574	8,554	12,551	1,162	1,258	1,138	13,571
CER and CVS adjustments	0	0	8,298	2,315	1,944	3,051	3,012	2,624	2,822	2,682	1,055	140	130	121	1,195
Foreign exchange price adjustments	185	268	5,977	-890	866	751	944	1,357	2,304	1,882	2,237	111	76	130	2,659
Gains on securities	1,481	1,490	3,639	1,962	1,887	2,371	4,923	5,144	4,462	4,157	9,560	1,794	1,096	783	9,866
Other financial income	519	559	-299	-480	-375	233	235	264	1,363	1,319	448	-208	-116	40	492
Service income margin	3,582	3,604	4,011	3,415	3,904	4,781	6,243	8,248	10,868	9,785	11,795	1,137	1,131	1,182	12,878
Loan loss provisions	-3,056	-3,096	-10,007	-2,089	-1,511	-1,173	-1,198	-1,894	-2,832	-2,346	-3,465	-394	-253	-298	-3,952
Operating costs	-7,375	-7,362	-9,520	-7,760	-7,998	-9,437	-11,655	-14,634	-18,748	-16,965	-20,426	-1,840	-1,932	-1,972	-22,209
Tax charges	-528	-571	-691	-473	-584	-737	-1,090	-1,537	-2,315	-2,065	-2,973	-313	-275	-274	-3,223
Income tax	-446	-262	-509	-305	-275	-581	-595	-1,032	-1,342	-1,407	-3,494	-512	-358	-376	-3,429
Adjust. to the valuation of gov. securities <sup>2</sup>	0	0	0	-701	-320	-410	-752	-837	-1,757	-1,614	-178	-7	-22	-11	-321
Amort. payments for court-ordered releases	0	0	0	-1,124	-1,686	-1,867	-2,573	-1,922	-994	-917	-352	-45	-46	-47	-429
Other	535	702	-3,880	1,738	1,497	1,729	2,664	2,380	1,366	1,311	511	193	92	169	566
Monetary results	0	0	-12,558	69	0	0	0	0	0	0	0	0	0	0	0
<b>Total results<sup>3</sup></b>	<b>3</b>	<b>-42</b>	<b>-19,162</b>	<b>-5,265</b>	<b>-898</b>	<b>1,780</b>	<b>4,306</b>	<b>3,905</b>	<b>4,773</b>	<b>4,377</b>	<b>7,270</b>	<b>1,218</b>	<b>780</b>	<b>587</b>	<b>7,665</b>
Adjusted results <sup>4</sup>	-	-	-	-3,440	1,337	4,057	7,631	6,665	7,523	6,908	7,800	1,271	848	645	8,415
<i>Annualized indicators - As % of netted assets</i>															
Financial margin	5.7	5.7	6.5	1.1	3.1	4.6	5.8	5.7	6.7	6.7	8.4	10.4	8.4	7.6	8.3
Net interest income	4.0	3.8	-1.7	-0.5	0.9	1.5	1.8	2.2	3.1	3.1	4.1	4.0	4.3	3.9	4.1
CER and CVS adjustments	0.0	0.0	3.9	1.3	1.0	1.5	1.3	1.0	0.9	1.0	0.3	0.5	0.4	0.4	0.4
Foreign exchange price adjustments	0.1	0.2	2.8	-0.5	0.4	0.4	0.4	0.5	0.8	0.7	0.7	0.4	0.3	0.4	0.8
Gains on securities	1.2	1.2	1.7	1.1	1.0	1.2	2.2	1.9	1.5	1.5	3.1	6.2	3.8	2.7	3.0
Other financial income	0.4	0.5	-0.1	-0.3	-0.2	0.1	0.1	0.1	0.4	0.5	0.1	-0.7	-0.4	0.1	0.1
Service income margin	2.8	3.0	1.9	1.9	2.0	2.3	2.7	3.1	3.6	3.5	3.8	3.9	3.9	4.0	3.9
Loan loss provisions	-2.4	-2.6	-4.7	-1.1	-0.8	-0.6	-0.5	-0.7	-0.9	-0.8	-1.1	-1.4	-0.9	-1.0	-1.2
Operating costs	-5.8	-6.1	-4.4	-4.2	-4.1	-4.6	-5.1	-5.5	-6.1	-6.1	-6.6	-6.4	-6.6	-6.7	-6.7
Tax charges	-0.4	-0.5	-0.3	-0.3	-0.3	-0.4	-0.5	-0.6	-0.8	-0.7	-1.0	-1.1	-0.9	-0.9	-1.0
Income tax	-0.3	-0.2	-0.2	-0.2	-0.1	-0.3	-0.3	-0.4	-0.4	-0.5	-1.1	-1.8	-1.2	-1.3	-1.0
Adjust. to the valuation of gov. securities <sup>2</sup>	0.0	0.0	0.0	-0.4	-0.2	-0.2	-0.3	-0.3	-0.6	-0.6	-0.1	0.0	-0.1	0.0	-0.1
Amort. payments for court-ordered releases	0.0	0.0	0.0	-0.6	-0.9	-0.9	-1.1	-0.7	-0.3	-0.3	-0.1	-0.2	-0.2	-0.2	-0.1
Other	0.4	0.6	-1.8	0.9	0.8	0.8	1.2	0.9	0.4	0.5	0.2	0.7	0.3	0.6	0.2
Monetary results	0.0	0.0	-5.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>ROA<sup>3</sup></b>	<b>0.0</b>	<b>0.0</b>	<b>-8.9</b>	<b>-2.9</b>	<b>-0.5</b>	<b>0.9</b>	<b>1.9</b>	<b>1.5</b>	<b>1.6</b>	<b>1.6</b>	<b>2.4</b>	<b>4.2</b>	<b>2.7</b>	<b>2.0</b>	<b>2.3</b>
ROA adjusted <sup>4</sup>	0.0	0.0	-8.9	-1.9	0.7	2.0	3.4	2.5	2.5	2.5	2.5	4.4	2.9	2.2	2.5
ROE <sup>3</sup>	0.0	-0.2	-59.2	-22.7	-4.2	7.0	14.3	11.0	13.4	13.5	19.6	34.7	21.9	16.2	19.0

(<sup>1</sup>) Data at December 2002 currency (<sup>2</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>3</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>4</sup>) Excluding amortization of payments for court-ordered releases and the effects of Com. "A" 3911 and 4084.

Source: BCRA

## Chart 4 | Portfolio Quality

As percentage	Dec 00	Dec 01	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Nov 08	Dec 08	Oct 09	Nov 09
Non-performing loans (overall)	12.9	13.1	18.1	17.7	10.7	5.2	3.4	2.7	2.5	2.7	3.2	3.1
<b>Non-performing loans to the non-financial private sector</b>	<b>16.0</b>	<b>19.1</b>	<b>38.6</b>	<b>33.5</b>	<b>18.6</b>	<b>7.6</b>	<b>4.5</b>	<b>3.2</b>	<b>2.9</b>	<b>3.1</b>	<b>3.7</b>	<b>3.6</b>
Provisions / Non-performing loans	61.1	66.4	73.8	79.2	102.9	124.5	129.9	129.6	130.8	131.4	121.6	123.0
(Total non-performing - Provisions) / Overall financing	5.0	4.4	4.7	3.7	-0.3	-1.3	-1.0	-0.8	-0.8	-0.8	-0.7	-0.7
(Total non-performing - Provisions) / Net worth	26.2	21.6	17.2	11.9	-1.0	-4.1	-3.3	-3.0	-3.1	-3.3	-2.5	-2.6

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

Source: BCRA

# Statistics Annex | Private Banks

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

As %	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	Nov 2008	2008	Oct 2009	Nov 2009
1.- Liquidity	23.6	26.9	22.8	24.3	24.1	23.6	24.8	27.6	29.2	21.5	23.7	25.7	32.5	34.1	30.7	29.8
2.- Credit to the public sector	13.5	13.7	13.6	16.1	14.7	20.8	50.0	47.7	41.6	28.5	16.3	9.5	7.0	6.3	6.2	6.3
3.- Credit to the private sector	51.0	46.7	47.6	44.6	38.4	45.4	22.4	19.9	22.5	31.1	37.9	46.6	46.0	44.0	42.4	43.0
4.- Private non-performing loans	11.1	8.5	7.7	8.9	9.8	14.0	37.4	30.4	15.3	6.3	3.6	2.5	2.6	2.8	3.4	3.4
5.- Net worth exposure to the private sector	21.6	14.3	13.2	11.5	13.4	11.4	18.6	11.2	1.9	-2.2	-3.0	-3.6	-3.2	-3.4	-2.7	-2.8
6.- ROA	0.6	0.7	0.5	0.3	0.1	0.2	-11.3	-2.5	-1.0	0.5	2.2	1.6	2.0	1.9	3.1	3.0
7.- ROE	4.1	6.3	4.3	2.3	0.8	1.4	-79.0	-19.1	-8.1	4.1	15.3	10.9	15.6	15.2	23.7	23.5
8.- Efficiency	144	135	139	146	152	151	168	93	115	136	158	152	168	166	199	198
9.- Capital compliance	15.9	15.4	14.6	18.9	18.0	17.6	-	14.0	15.1	17.8	18.6	19.2	18.1	18.3	22.5	22.5
10.- Excess capital compliance	33	47	27	60	49	43	-	88	157	155	116	87	84	86	123	122

Source: BCRA

## Chart 6 | Balance Sheet

In million of current pesos	Dec 00	Dec 01	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Nov 08	Dec 08	Oct 09	Nov 09	Change (in %)			
													Last month	2009	Last 12 months	
<b>Assets</b>	<b>119,371</b>	<b>82,344</b>	<b>118,906</b>	<b>116,633</b>	<b>128,065</b>	<b>129,680</b>	<b>152,414</b>	<b>175,509</b>	<b>201,827</b>	<b>208,888</b>	<b>223,375</b>	<b>223,033</b>	<b>-0.2</b>	<b>6.8</b>	<b>10.5</b>	
Liquid assets <sup>1</sup>	13,920	10,576	11,044	14,500	15,893	14,074	22,226	29,418	35,067	37,044	40,329	40,802	1.2	10.1	16.4	
Public bonds	7,583	1,627	19,751	22,260	24,817	29,966	27,663	24,444	25,034	29,552	47,932	47,690	-0.5	61.4	90.5	
Lebac/Nobac	0	0	-	-	8,359	15,227	15,952	17,684	20,305	23,457	33,461	33,474	0.0	42.7	64.9	
Portfolio	0	0	-	-	5,611	12,899	14,220	15,639	12,016	12,858	27,041	28,849	6.7	124.4	140.1	
Repo <sup>2</sup>	0	0	-	-	2,749	2,328	1,732	2,045	8,289	10,598	6,419	4,626	-27.9	-56.4	-44.2	
Private bonds	563	451	273	172	333	307	683	310	110	127	217	213	-1.6	68.0	93.1	
Loans	56,035	52,319	51,774	47,017	50,741	56,565	69,294	88,898	99,792	98,529	96,911	98,011	1.1	-0.5	-1.8	
Public sector	8,172	13,803	25,056	23,571	21,420	15,954	10,036	6,413	6,317	6,249	1,793	1,786	-0.4	-71.4	-71.7	
Private sector	45,103	36,636	26,074	22,816	28,213	39,031	55,632	78,587	89,350	88,426	92,147	93,362	1.3	5.6	4.5	
Financial sector	2,760	1,880	644	630	1,107	1,580	3,626	3,898	4,125	3,854	2,971	2,864	-3.6	-25.7	-30.6	
Provisions over loans	-3,248	-3,957	-7,463	-5,225	-3,717	-2,482	-2,227	-2,365	-2,740	-2,871	-3,530	-3,576	1.3	24.6	30.5	
Other netted credits due to financial intermediation	36,600	13,037	27,212	22,148	25,753	16,873	18,387	17,084	23,785	25,265	22,705	21,109	-7.0	-16.4	-11.3	
Corporate bonds and subordinated debt	724	665	1,514	1,394	829	675	618	430	758	699	787	805	2.2	15.1	6.2	
Unquoted trusts	1,609	1,637	6,205	3,571	2,362	2,444	2,982	3,456	3,919	3,869	4,177	4,154	-0.5	7.4	6.0	
Compensation receivable	0	0	15,971	13,812	14,657	5,575	760	377	348	357	17	17	0.0	-95.3	-95.2	
Other	34,267	10,735	3,523	3,370	7,905	8,179	14,027	12,822	18,760	20,339	17,724	16,133	-9.0	-20.7	-14.0	
Leasing	776	752	553	387	592	1,356	2,126	3,149	3,492	3,451	2,649	2,591	-2.2	-24.9	-25.8	
Shares in other companies	1,651	1,703	3,123	2,791	1,892	2,416	4,042	3,762	4,509	4,538	3,928	3,995	1.7	-12.0	-11.4	
Fixed assets and miscellaneous	3,225	3,150	5,198	4,902	4,678	4,575	4,677	4,685	4,878	4,926	5,072	5,077	0.1	3.1	4.1	
Foreign branches	75	112	-109	-136	-53	-148	-139	-154	-173	-178	-202	-202	0.0	13.7	17.0	
Other assets	2,190	2,574	7,549	7,816	7,137	6,178	5,682	6,277	8,072	8,505	7,365	7,323	-0.6	-13.9	-9.3	
<b>Liabilities</b>	<b>107,193</b>	<b>70,829</b>	<b>103,079</b>	<b>101,732</b>	<b>113,285</b>	<b>112,600</b>	<b>131,476</b>	<b>152,153</b>	<b>175,754</b>	<b>182,596</b>	<b>193,340</b>	<b>192,472</b>	<b>-0.4</b>	<b>5.4</b>	<b>9.5</b>	
Deposits	57,833	44,863	44,445	52,625	62,685	75,668	94,095	116,719	130,654	135,711	148,478	148,270	-0.1	9.3	13.5	
Public sector <sup>3</sup>	1,276	950	1,636	3,077	6,039	6,946	7,029	7,564	11,533	19,600	19,032	18,000	-5.4	-8.2	56.1	
Private sector <sup>3</sup>	55,917	43,270	38,289	47,097	55,384	67,859	85,714	107,671	117,133	114,176	127,052	127,903	0.7	12.0	9.2	
Current account	4,960	7,158	8,905	11,588	13,966	17,946	20,604	27,132	28,560	30,188	31,348	32,245	2.9	6.8	12.9	
Savings account	9,409	14,757	6,309	10,547	14,842	18,362	23,165	30,169	31,527	32,778	37,124	37,227	0.3	13.6	18.1	
Time deposit	39,030	18,012	11,083	18,710	22,729	27,736	38,043	45,770	52,482	46,990	54,224	53,830	-0.7	14.6	2.6	
CEDRO	0	0	9,016	2,409	798	3	1	0	0	0	0	0	-	-	-	
Other netted liabilities due to financial intermediation	46,271	22,629	49,341	42,367	45,083	32,349	31,750	29,323	37,443	39,298	35,259	34,458	-2.3	-12.3	-8.0	
Interbanking obligations	2,293	1,514	836	726	1,070	1,488	3,383	1,979	1,529	1,160	1,290	1,407	9.1	21.2	-8.0	
BCRA lines	83	1,758	16,624	17,030	17,768	10,088	3,689	675	644	644	36	36	1.6	-94.4	-94.3	
Outstanding bonds	4,939	3,703	9,073	6,674	7,922	6,548	6,413	6,686	5,765	5,672	4,978	4,974	-0.1	-12.3	-13.7	
Foreign lines of credit	5,491	4,644	15,434	9,998	5,444	2,696	2,249	1,833	2,578	2,261	1,257	1,353	7.7	-40.1	-47.5	
Other	33,466	11,010	7,374	7,939	12,878	11,530	16,015	18,150	26,927	29,555	27,698	26,687	-3.6	-9.7	-0.9	
Subordinated debts	1,668	1,700	3,622	1,850	1,304	1,319	1,642	1,668	1,729	1,759	1,884	1,895	0.6	7.7	9.6	
Other liabilities	1,420	1,637	5,671	4,890	4,213	3,264	3,989	4,443	5,928	5,828	7,720	7,849	1.7	34.7	32.4	
<b>Net worth</b>	<b>12,178</b>	<b>11,515</b>	<b>15,827</b>	<b>14,900</b>	<b>14,780</b>	<b>17,080</b>	<b>20,938</b>	<b>23,356</b>	<b>26,073</b>	<b>26,292</b>	<b>30,035</b>	<b>30,561</b>	<b>1.8</b>	<b>16.2</b>	<b>17.2</b>	
<b>Memo</b>																
<b>Netted assets</b>	<b>88,501</b>	<b>73,796</b>	<b>117,928</b>	<b>115,091</b>	<b>121,889</b>	<b>123,271</b>	<b>143,807</b>	<b>166,231</b>	<b>187,058</b>	<b>192,074</b>	<b>208,906</b>	<b>210,110</b>	<b>0.6</b>	<b>9.4</b>	<b>12.3</b>	

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

Source: BCRA

## Statistics Annex | Private Banks (cont.)

### Chart 7 | Profitability Structure

Amount in million of pesos	Annual									First 11 months		Monthly			Last
	2000	2001	2002 <sup>1</sup>	2003	2004	2005	2006	2007	2008	2008	2009	Sep-09	Oct-09	Nov-09	12 months
Financial margin	5,441	5,282	10,628	2,575	3,415	5,253	7,778	8,960	12,964	11,917	17,976	2,177	1,751	1,572	19,023
Net interest income	3,598	3,519	-304	107	1,214	2,069	2,826	4,191	7,727	6,932	9,158	802	894	799	9,953
CER and CVS adjustments	0	0	1,476	1,082	900	1,215	858	662	651	621	162	24	16	20	192
Foreign exchange price adjustments	160	256	6,189	-312	666	576	740	990	1,620	1,356	1,455	95	84	113	1,719
Gains on securities	1,232	962	3,464	1,892	959	1,259	3,154	2,888	1,637	1,724	6,657	1,426	859	590	6,570
Other financial income	450	546	-197	-195	-322	134	199	229	1,329	1,283	544	-170	-102	51	590
Service income margin	2,554	2,598	2,782	2,341	2,774	3,350	4,459	5,881	7,632	6,879	8,318	792	809	822	9,071
Loan loss provisions	-2,173	-2,464	-6,923	-1,461	-1,036	-714	-737	-1,174	-1,863	-1,577	-2,487	-317	-181	-213	-2,773
Operating costs	-5,263	-5,224	-6,726	-5,310	-5,382	-6,303	-7,741	-9,735	-12,401	-11,194	-13,302	-1,184	-1,254	-1,283	-14,509
Tax charges	-379	-418	-512	-366	-393	-509	-769	-1,105	-1,715	-1,534	-2,149	-220	-202	-196	-2,329
Income tax	-393	-216	-337	-295	-202	-217	-365	-380	-1,168	-1,095	-2,852	-403	-265	-206	-2,925
Adjust. to the valuation of gov. securities <sup>2</sup>	0	0	0	-665	-51	-201	-170	-100	-267	-272	-5	11	-1	9	0
Amort. payments for court-ordered releases	0	0	0	-791	-1,147	-1,168	-1,182	-1,466	-688	-642	-181	-28	-24	-26	-228
Other	307	615	-4,164	1,178	846	1,156	1,641	1,576	916	727	222	64	53	17	411
Monetary results	0	0	-10,531	-20	0	0	0	0	0	0	0	0	0	0	0
<b>Total results<sup>3</sup></b>	<b>93</b>	<b>174</b>	<b>-15,784</b>	<b>-2,813</b>	<b>-1,176</b>	<b>648</b>	<b>2,915</b>	<b>2,457</b>	<b>3,412</b>	<b>3,210</b>	<b>5,540</b>	<b>893</b>	<b>685</b>	<b>496</b>	<b>5,742</b>
Adjusted results <sup>4</sup>	-	-	-	-1,357	252	2,016	4,267	4,023	4,367	4,124	5,726	910	710	513	5,969
<i>Annualized indicators - As % of netted assets</i>															
Financial margin	6.2	6.4	7.6	2.3	2.9	4.3	5.9	5.8	7.3	7.4	9.9	12.9	10.2	9.1	9.6
Net interest income	4.1	4.3	-0.2	0.1	1.0	1.7	2.1	2.7	4.4	4.3	5.0	4.8	5.2	4.6	5.0
CER and CVS adjustments	0.0	0.0	1.1	0.9	0.8	1.0	0.6	0.4	0.4	0.4	0.1	0.1	0.1	0.1	0.1
Foreign exchange price adjustments	0.2	0.3	4.4	-0.3	0.6	0.5	0.6	0.6	0.9	0.8	0.8	0.6	0.5	0.7	0.9
Gains on securities	1.4	1.2	2.5	1.7	0.8	1.0	2.4	1.9	0.9	1.1	3.7	8.5	5.0	3.4	3.3
Other financial income	0.5	0.7	-0.1	-0.2	-0.3	0.1	0.2	0.1	0.8	0.8	0.3	-1.0	-0.6	0.3	0.3
Service income margin	2.9	3.2	2.0	2.0	2.4	2.7	3.4	3.8	4.3	4.3	4.6	4.7	4.7	4.8	4.6
Loan loss provisions	-2.5	-3.0	-5.0	-1.3	-0.9	-0.6	-0.6	-0.8	-1.1	-1.0	-1.4	-1.9	-1.1	-1.2	-1.4
Operating costs	-6.0	-6.4	-4.8	-4.6	-4.6	-5.1	-5.9	-6.3	-7.0	-7.0	-7.3	-7.0	-7.3	-7.4	-7.3
Tax charges	-0.4	-0.5	-0.4	-0.3	-0.3	-0.4	-0.6	-0.7	-1.0	-1.0	-1.2	-1.3	-1.2	-1.1	-1.2
Income tax	-0.4	-0.3	-0.2	-0.3	-0.2	-0.2	-0.3	-0.2	-0.7	-0.7	-1.6	-2.4	-1.5	-1.2	-1.5
Adjust. to the valuation of gov. securities <sup>2</sup>	0.0	0.0	0.0	-0.6	0.0	-0.2	-0.1	-0.1	-0.2	-0.2	0.0	0.1	0.0	0.1	0.0
Amort. payments for court-ordered releases	0.0	0.0	0.0	-0.7	-1.0	-1.0	-0.9	-0.9	-0.4	-0.4	-0.1	-0.2	-0.1	-0.1	-0.1
Other	0.4	0.7	-3.0	1.0	0.7	0.9	1.2	1.0	0.5	0.5	0.1	0.4	0.3	0.1	0.2
Monetary results	0.0	0.0	-7.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>ROA<sup>3</sup></b>	<b>0.1</b>	<b>0.2</b>	<b>-11.3</b>	<b>-2.5</b>	<b>-1.0</b>	<b>0.5</b>	<b>2.2</b>	<b>1.6</b>	<b>1.9</b>	<b>2.0</b>	<b>3.0</b>	<b>5.3</b>	<b>4.0</b>	<b>2.9</b>	<b>2.9</b>
ROA adjusted <sup>4</sup>	0.1	0.2	-11.3	-1.2	0.2	1.6	3.2	2.6	2.5	2.6	3.1	5.4	4.1	3.0	3.0
ROE <sup>2</sup>	0.8	1.4	-79.0	-19.1	-8.1	4.1	15.3	10.9	15.2	15.6	23.5	40.0	30.1	21.5	22.5

(<sup>1</sup>) Data at December 2002 currency (<sup>2</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>3</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>4</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 00	Dec 01	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07	Nov 08	Dec 08	Oct 09	Nov 09
Non-performing loans (overall)	8.3	9.9	19.8	15.7	8.9	4.4	2.9	2.2	2.4	2.5	3.3	3.2
<b>Non-performing loans to the non-financial private sector</b>	<b>9.8</b>	<b>14.0</b>	<b>37.4</b>	<b>30.4</b>	<b>15.3</b>	<b>6.3</b>	<b>3.6</b>	<b>2.5</b>	<b>2.6</b>	<b>2.8</b>	<b>3.4</b>	<b>3.4</b>
Provisions / Non-performing loans	67.7	75.7	73.4	79.0	97.0	114.3	129.3	141.3	133.6	134.1	124.0	125.7
(Total non-performing - Provisions) / Overall financing	2.7	2.4	5.3	3.3	0.4	-0.6	-0.9	-0.9	-0.8	-0.9	-0.8	-0.8
(Total non-performing - Provisions) / Net worth	13.4	11.4	18.6	11.2	1.3	-2.2	-3.0	-3.6	-3.2	-3.4	-2.7	-2.8

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

Source: BCRA