

Report on Banks

April 2008



BANCO CENTRAL
DE LA REPÚBLICA ARGENTINA

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Note | this report contains information from April 2008 available on May 22, 2008. Description centers mainly on the behavior of the financial system (including breakdowns by uniform sub-groups). Figures provided (particularly in the case of profitability) are preliminary, and may be subject to change.

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Summary

- Deposits and credits to the private sector increased again in April, continuing with the expansion of financial intermediation. **Banks have carried out their activity within a framework of limited credit and liquidity risks, preserving appropriate levels of solvency** and showing signs of strength in the face of greater volatility on financial markets.
- **This growth in financial intermediation is being matched by expansion in the system's operating structure during the first part of 2008.** The bank payroll rose 0.6% in the first quarter of 2008 (600 workers), with growth of 5.9% (almost 5,600 new employees) in the last 12 months, taking employment to practically the same level at which it stood prior to the 2001-2002 crisis. There has also been an increase in the number of ATMs and branches. This expansion in bank operating structure is happening at the same time as there has been an increase in the number of accounts per employee and per branch to levels above those for 2001, a sign of the progress that has been made in the operating efficiency of the sector.
- **Total deposits have been gaining share in total bank funding.** They are currently equivalent to 69% of liabilities and net worth taken together (14 p.p. more than at the end of 2004). In the last 12 months overall growth in deposits has been driven by time deposits (28.6% y.o.y.) and by sight accounts (17.2% y.o.y.). The increase in deposits in April was mainly due to a rise in private sector deposits.
- **Financial system liquidity stood at 24.2% of total deposits in April**, exceeding the levels recorded one year earlier, before the beginning of volatility on international financial markets cause by the subprime crisis in the United States. As a result, at the end of April banks held adequate levels of liquidity to confront the increased financial turbulence seen in May, a situation that was reinforced by measures implemented by the BCRA to consolidate systemic liquidity levels.
- Within this scenario, **lending to the private sector maintained its growth rate during the month.** In April credit to the private sector increased 4.1% (42.7% y.o.y.), driven by both commercial lines (5.2% or 34% y.o.y.) and consumer credit (4.4% or 59% y.o.y.). Year-on-year growth in lending to companies has been widespread across all residual stock ranges.
- **The financial system continues to record low levels of delinquency and a sound level of provision coverage, a sign that its strength in the face of the private sector credit risk remained steady.** In April, the non-performance ratio of financing to the private sector held at 3.3%, having fallen 0.8 p.p. in the last 12 months, mainly because of the dynamic of corporate lending. Provisions reached a level of 123% of non-performing credit in April.
- **During the month financial system net worth fell \$80 million** (down 0.2%, taking the year-on-year increase to 8.6%) following the payment of dividends by two private banks and the adjustments to the valuation of securities. These movements were partly offset by the receipt of new capital contributions and the positive results accrued during the month. **The financial system continued to record profits during April.** Profits for the month totaled \$260 million (ROA of 1.1%a. and ROE of 9.1%a.), below March, mainly because of the increase posted by operating costs and a drop in gains on securities.
- Consequently, **in April banks continued to report sound levels of solvency.** Financial system capital compliance in terms of risk-weighted assets remains in excess of local requirements and internationally-recommended standards, reaching 17% in April (0.2 p.p. more than in March). Excess capital compliance laid down in prudent regulations by 83% in April.

Activity

Growth in financial intermediation is driving the expansion in bank operating structure

In line with the growth trend recorded by financial intermediation with the private sector that has been seen in the last 4 years, bank netted assets rose 1.2% in April (see Chart 1), for a total year-on-year (y.o.y.) increase of 17.6%. This increase for the month was mainly driven by lending to the private sector, in a context of limited credit risk. Deposits taken from the private sector provided banks with their main source of funding in April.

Steady growth in financial intermediation has continued to drive expansion in financial system operating structure during the first part of 2008. The bank payroll rose 0.6% in the first quarter of the year (600 workers), with growth of 5.9% (almost 5,600 new employees) in the last 12 months, taking employment to practically the same level at which it stood prior to the 2001-2002 crisis (see Chart 2). The number of ATMs went up 2.6% in the first quarter of 2008 (12.6% y.o.y.), while the number of branches rose at a more moderate rhythm (1.5% y.o.y.). This expansion in bank operating structure is happening at the same time as there has been an increase in the number of deposit and loan accounts per employee and per branch to levels above those for 2001 (see Chart 3). In terms of these indicators, the financial system continues to show an improvement in its operating efficiency.

In terms of the estimated flow of funds for the financial system during April, **growth in deposits of the private sector (\$3.5 billion) and a drop in liquid assets¹ (\$900 million) provided the main sources of funds during the month. The most notable use of resources by banks was the increase in lending to the private sector² (\$ 4.9 billion).**

Private bank flow of funds followed the pattern of those of the system as a whole in April: increased private sector deposits (\$2.0 billion) and growth in lending to companies and households (\$3.3 billion) were the most significant source and use of funds during the month. The drop in private bank Lebac and Nobac position in April (\$800 million) was the second largest source of funds for private banks.

Chart 1

Netted Assets
Financial system

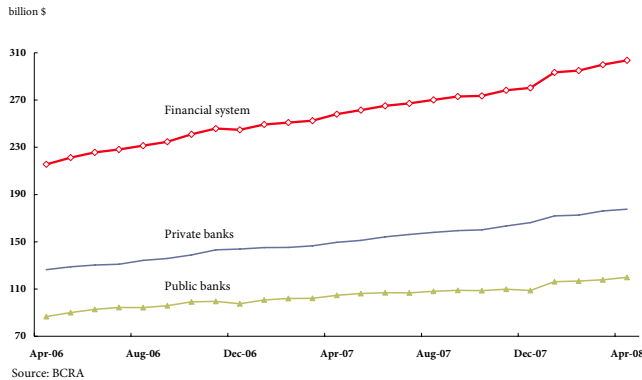


Chart 2

Branches and Payroll
Financial system

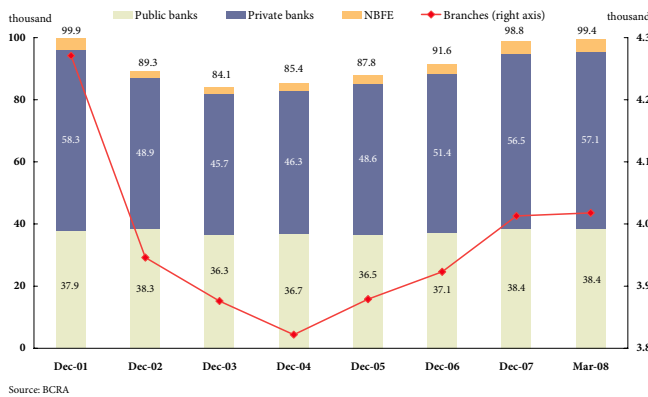
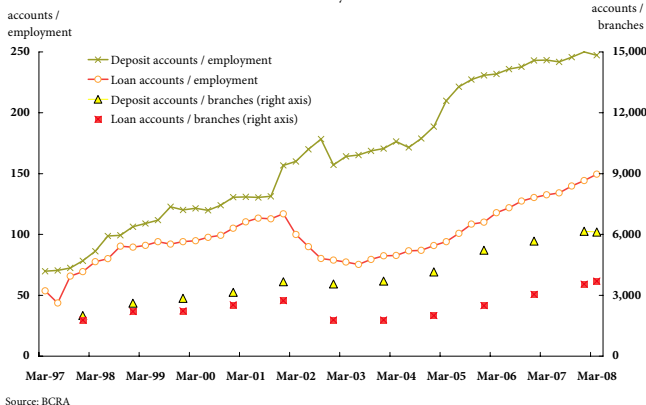


Chart 3

Number of Accounts in Terms of Employment and Branches
Financial system



¹ These include minimum cash compliance (cash, current accounts held at the BCRA and special collateral accounts) and other cash holdings, including correspondent accounts, as well as the stock of repos in cash with the BCRA.

² Balances have been adjusted to take into account financial trust issuance during the month. Totals include financing by means of leasing.

Deposits and liquidity

Total deposits increase their share in bank funding

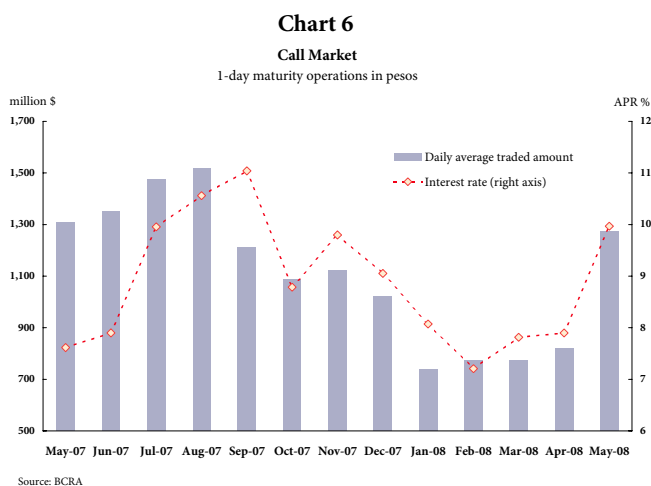
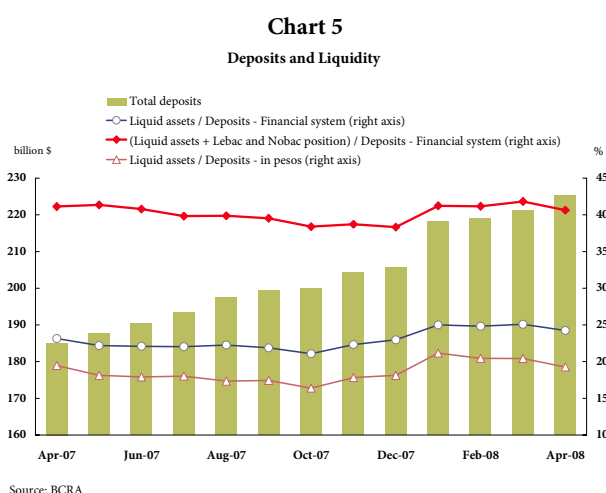
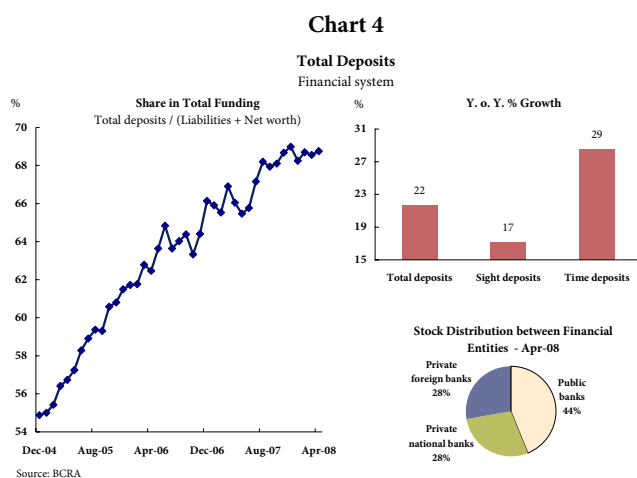
In April the performance of total deposits was mainly driven by private sector placements. Total deposits grew by close to \$4.0 billion (1.8% or 21.7% y.o.y.) for the month, an increase explained by the rise of \$3.5 billion (2.1% or 22.4% y.o.y.) in deposits of the private sector, and to a lesser extent, the \$650 million increase (1.2% or 21.2% y.o.y.) in those of the public sector. **The growth recorded in deposits of private sector in April took place mainly in sight accounts (2.9%) and, to a lesser extent, in time deposits³ (1.7%), at a time when deposit interest rates have shown a slightly upward trend.**

Total deposits have been gaining share in total bank funding, leading the normalization process taking place in banking liabilities. Total deposits currently account for 69% of liabilities and financial system net worth taken as a whole, 14 p.p. more than at the end of 2004. In the last 12 months, **growth in total deposit has been driven by time deposits (28.6% y.o.y.) and sight deposits (17.2% y.o.y.)** (see Chart 4).

Within the framework of persistent volatility on international financial markets, the financial system continued to display adequate liquidity levels. In April bank liquid assets recorded a slight drop of \$900 million, mainly as a result of transactions by a large private sector bank⁴. During the month the position in repos in cash with the BCRA posted a fall (\$1.1 billion), which was partially offset by an increase in the current accounts held at the monetary authority and cash held by banks (\$200 million).

As a result, **the liquidity indicator reached 24.2% of total deposits for the month** (see Chart 5), 0.9 p.p. less than in March, although 1.1 p.p. more than one year earlier, before the beginning of the subprime crisis in the United States. As Lebac and Nobac position also declined in April (by \$150 million), the liquidity ratio that includes that position stood at 40.6% of total deposits for the month.

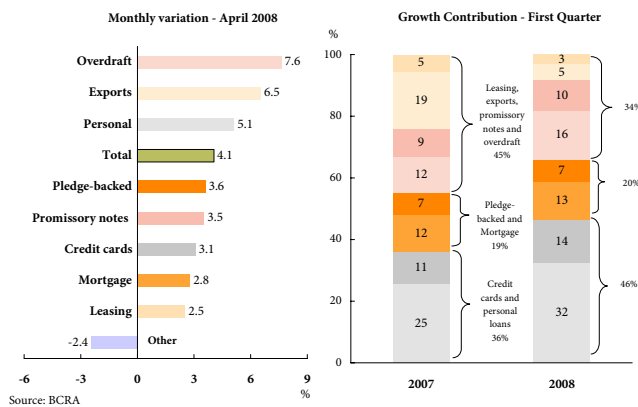
Interest rates of one-day maturity call money operations in pesos went up 0.1 p.p. during the month, averaging 7.9% during April (see Chart 6). This increase was mainly due to transactions traded during the final days of the month. Daily average traded



³ Including long-term investments.

⁴ If this bank were to be excluded from the calculation, liquid assets at aggregate level would increase by \$300 million in April.

Chart 7
Credit to the Private Sector



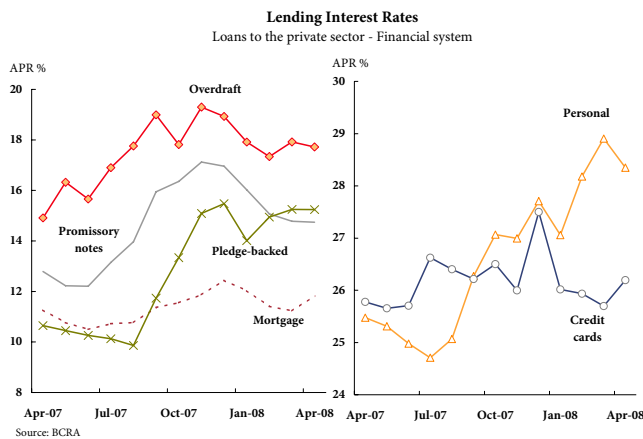
amounts was \$820 million per day in April, an increase of 27% compared with March. The upward trend in interest rates and trading volumes continued during May, when the BCRA increased the repo interest rate by 0.75 p.p. and the reverse repo interest rate by 1 p.p. for transactions in which this Institution participates. At the same time, in order to prevent excessive volatility on the interbank market the BCRA established a two-monthly period for minimum cash requirement, covering June and July 2008⁵.

Financing

Commercial credit lines showed the most dynamism during April

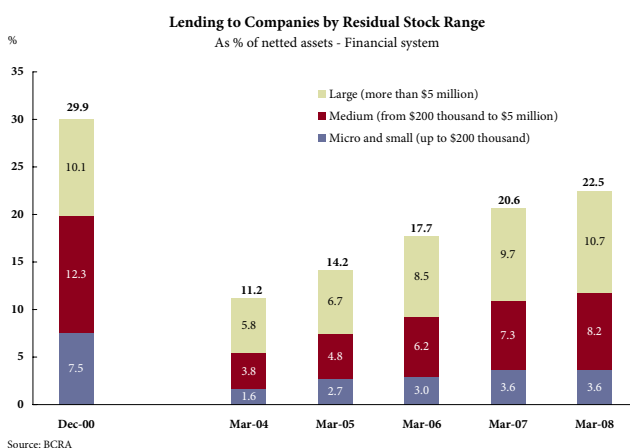
Within a limited credit risk scenario, financing to the private sector⁶ maintained their year-on-year growth rate at a level of over 40%. In April, lending to companies and households increased 4.1% (4.2% if the balance is adjusted to reflect the setting up of financial trusts during the month⁷). Notable dynamism was shown during the month by certain commercial credit lines such as overdrafts (7.6%) and export loans (6.5%)⁸. A significant increase was also recorded by personal loans (5.1%). In terms of their contribution to the overall growth in lending to the private sector, in the first part of 2008 those lines mainly related to consumer credit (credit cards and personal loans) gained ground when compared with the same period of the previous year (see Chart 7).

Chart 8



This growth in lending to the private sector in April is taking place in the context of an uneven development by interest rates. Whereas interest rates on overdrafts and personal loans recorded a slight decline for the month, there was an increase in the mortgage loans and credit cards interest rates (see Chart 8).

Chart 9



Lending to the corporate sector⁹ continues to gain ground in the financial system portfolio. Following a growth of 30% in the last 12 months, credit to companies totaled 22.5% of netted assets at the end of the first quarter, 1.9 p.p. more than in the same period of 2007 (see Chart 9). **Growth by these credit lines was widespread across all residual stock ranges.** Over the last year the medium-size credit stock range has shown

⁵ Com. "A" 4807.

⁶ Including leasing and excluding accrued interest and CER adjustments.

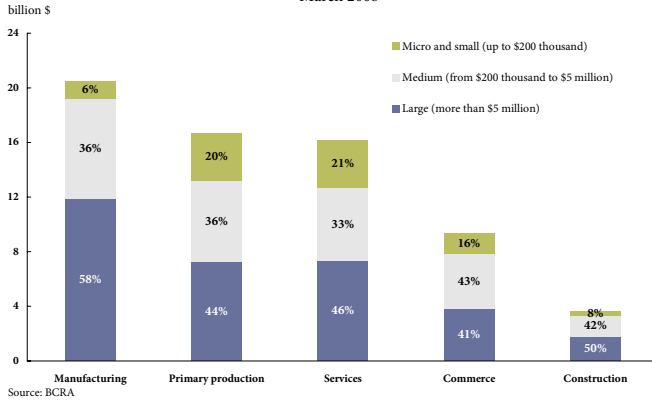
⁷ The total financial trusts issued by financial entities during April was almost \$200 million.

⁸ The stock balance sheet was adjusted to reflect a reclassification made by one private bank.

⁹ Loans to companies are considered to be those granted to legal persons and commercial credit to individuals, while remaining lending to individuals is included under the households heading. Figures have been obtained from the Financial System Debtors and Composition of Economic Groups Information Regime.

Chart 10

Lending by Economic Sector and Residual Stock Range
March 2008

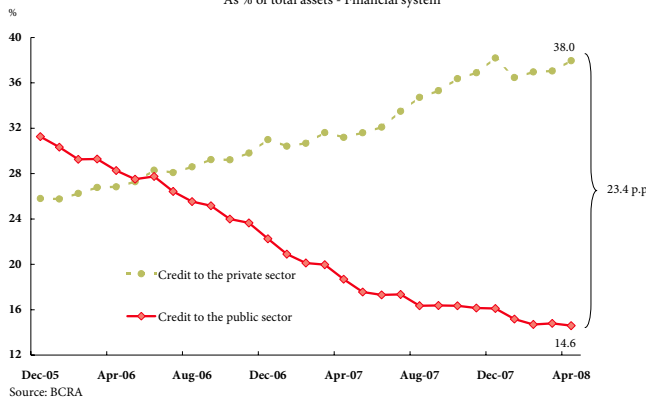


the most notable relative growth, followed by the large credit stock range (from \$200 thousand to \$5 million went up 34% y.o.y., while those for over \$5 million increased 31% y.o.y.).

Credits showing the largest residual stock range has the greatest weighting in lending to all productive sectors (for example, in the case of manufacturing industry this segment accounts for almost 58% of the total) (see Chart 10). While medium stock range have a share of somewhat more than one-third in the case of most productive sectors, **credit lines with micro and small residual stock ranges are particularly significant in the case of primary production and service sector** (accounting for around 20% of the total).

Chart 11

Public and Private Sector Exposure
As % of total assets - Financial system

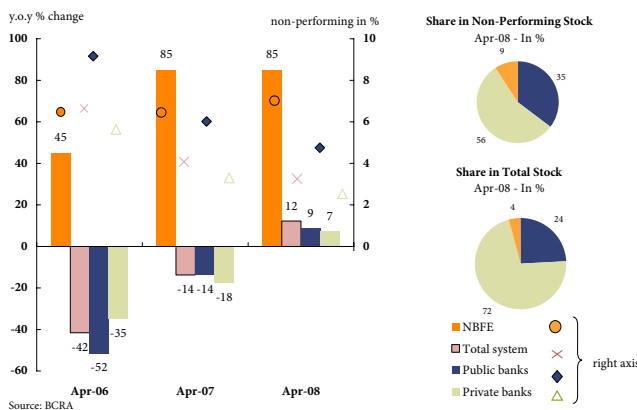


It should be noted that **in recent years there has been a growth in non-traditional financing for companies, such as leasing, a tool that is especially favored by the SME segment**. Although starting from low levels, in April financing by means of leasing rose 2.5%, for a total increase of 41.5% in the last 12 months, reaching the equivalent of almost half of all traditional collateralized lending to companies (mortgage and pledge-backed).

At the same time as it increases its lending to the private sector, the financial system has been strengthening its independence from the borrowing requirements of the public sector. In April the reduction in exposure to the public sector was 0.2 p.p., reaching 14.6% of total assets (see Chart 11), for a cumulative drop of 4.1 p.p. in the last 12 months. This year-on-year change was driven by private sector financial entities, which lowered their exposure to the public sector by 4.1 p.p. over the period (to 8% of assets), while public financial entities contributed to a lesser extent, with a drop of 3.7 p.p., (to 24.9% of their assets).

Chart 12

Non-Performing Lending to the Private Sector



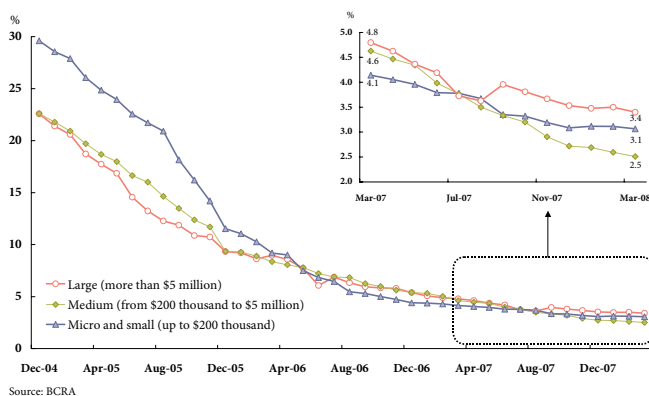
Portfolio quality

Improvement in the quality of corporate portfolio accounted for the drop in private sector delinquency

In a situation in which bank lending to households and companies has been growing steadily, the private sector continues to show limited levels of delinquency. Specifically in April, the non-performance ratio of the portfolio of lending to the private sector remained at 3.3% of financing, dropping 0.8 p.p. in the last 12 months.

Year-on-year improvement in the non-performance ratio took place mainly in public financial entities, and, to a lesser extent, in private banks, although the

Chart 13
Non-Performing Lending to Companies by Residual Stock Range
 Non-performing portfolio as % of total financing - Financial system

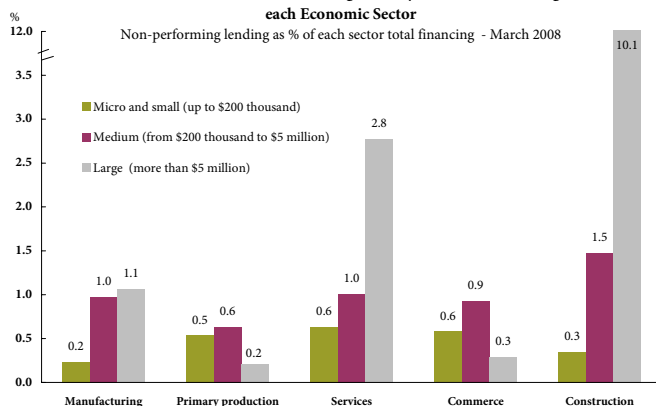


Source: BCRA

ratio for this latter group stands at a lower level (see Chart 12). In terms of the development of non-performing loans, contrary to the situation recorded one year earlier, in the last 12 months there has been a nominal increase of 12% that was widespread across all groups of financial entities, although total loans are growing at a year-on-year rate in the order of 40%.

The drop in delinquency levels in the last year was explained by financing to companies, as in the case of lines for households there was a slight deterioration. Non-performance credit to the corporate sector stood at 3% in March, 1.6 p.p. below the level of 12 months earlier. In this period, delinquency in credit granted to companies dropped in a similar manner across all residual stock ranges classified according to residual balance (see Chart 13). Credit in the micro and small residual balance segment make a reduced contribution to the non-performance ratio for each productive sector (see Chart 14), while medium and large residual stock ranges make a larger contribution, in line with their share of total financing to each economic sector.

Chart 14
Contribution to the Non-Performing Ratio by Residual Stock Range in each Economic Sector
 Non-performing lending as % of each sector total financing - March 2008



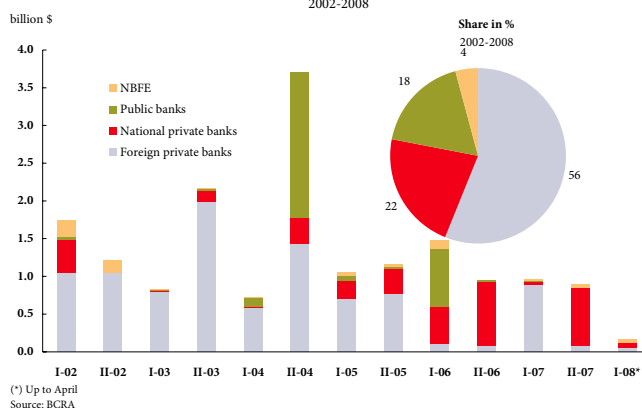
Source: BCRA

As a sign of the healthy position of financial entities in the face of private sector credit risk, in April banks reported a sound level of provision coverage, which reached 123% of non-performing financing. As a result, the ratio of non-performing loans not covered by provisions in terms of net worth continued to show negative values for the financial system (-2.5%), with both public and private banks recording similar levels.

Solvency

Profits for the month and further capital contributions partially offset the drop in net worth due to dividend distributions and valuation adjustments

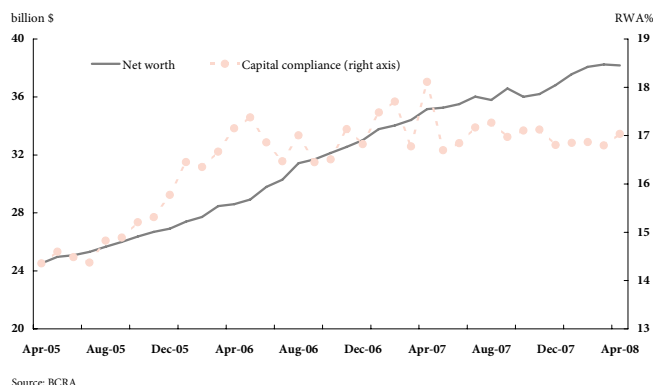
Chart 15
Financial Entities Capital Contribution
 2002-2008



(* Up to April
 Source: BCRA

In April, financial system net worth fell \$80 million (0.2%, taking the year-on-year increase to 8.6%). In a scenario in which banks have been posting profits and receiving new capital contributions, the drop for the month in aggregate financial system net worth is explained by dividend payments approved by the stockholders' meetings of two large private banks, and the adjustments to the value of securities available for sale, in the case of the latter as a result of price movements affecting the main securities classified in that category. This fall in net worth in April took place among private banks (\$170 million or 0.7%), while public sector financial entities recorded an increase (\$90 million or 0.7%).

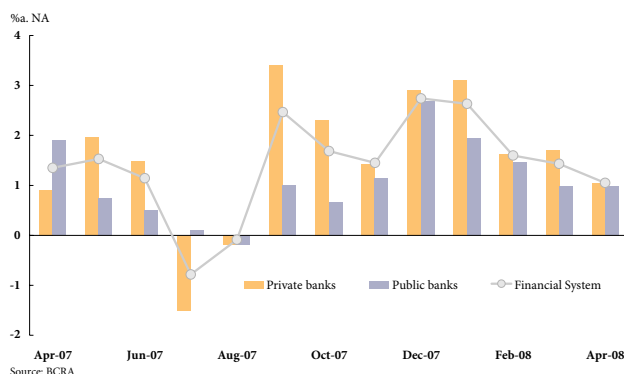
Chart 16
Solvency
Financial system



In April capital contributions totaled almost \$40 million, these capitalization were made by a private foreign bank and a local entity. As a result, in the last 12 months capitalization has totaled almost \$1.2 billion, having mainly taken place among private national banks. Since 2002 new capital inflows have amounted to \$17.0 billion (US\$5.75 billion) (see Chart 15).

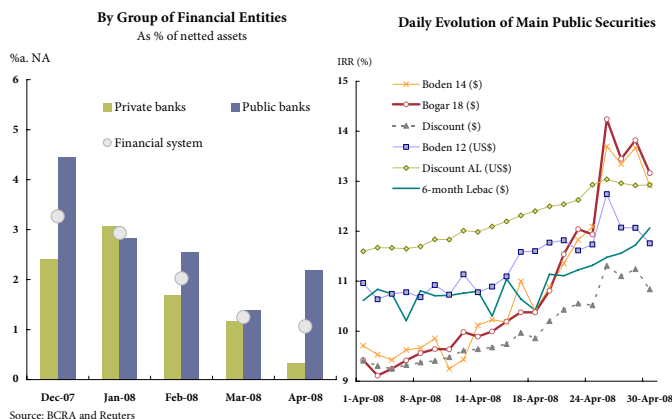
Financial system capital compliance continues to be in excess of local requirements and minimum levels recommended internationally. Capital compliance in terms of bank risk-weighted assets totaled 17% in April, increasing 0.2 p.p. for the month and continuing at levels similar to those recorded for the last 2 years (see Chart 16), within the framework of a steady increase in lending to the private sector. Excess capital compliance by the financial system totaled 83% of the total requirement in April (80% and 88% in the case of private and public banks, respectively).

Chart 17
Financial System Profitability
As % of netted assets



Following the completion of 12 consecutive quarters of positive results, the financial system continued to accrue profits during April. Book profits totaled \$260 million for the month, equivalent to 1.1%a. of assets and 9.1%a. of net worth. **Profitability for the month was down on March,** mainly because of the gradual increase in operating costs and falling gains on securities. Private and public banks posted similar profit levels for the month of 1.1%a. and 1%a. respectively (see Chart 17). Over 2008 to date profits have totaled \$1.65 billion (ROA of 1.7%a. and ROE of 14.2%a.), thus strengthening solvency levels in the sector.

Chart 18
Gains on Securities

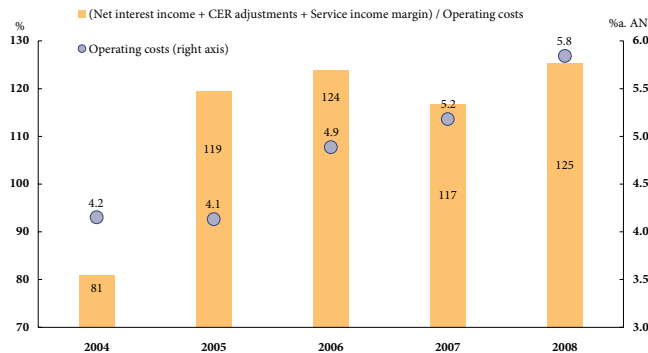


Bank financial margin recorded an increase of 0.2 p.p. of assets to 5.8%a. in April. Net interest income plus CER adjustments totaled 4.1%a. of assets for the month, 0.3 p.p. higher than in March, in line with the increase in financial intermediation for the period. So far during 2008 this revenue has seen an increase of 0.8 p.p. of assets to 4%a. Gains on securities dropped by 0.1 p.p. of assets to 1.1%a., in the context of financial market turbulence that impacted on the prices of the main types of security held by financial entities in their portfolios. By group of banks, this income statement heading has performed unevenly: in the case of private banks the drop was 0.9 p.p., to 0.3%a. of assets, while public banks saw a rise of 0.8 p.p. to 2.2%a. of assets (see Chart 18), following certain adjustments carried out by one financial entity.

Within the framework of growing levels of financial intermediation with the private sector, **service income margin has maintained its upward trend,** reaching 3.5%a. of assets in April, 0.3 p.p. more than in March. In

Chart 19

Operating Costs and Coverage with More Stable Revenue Resources
First 4-month annualized - Financial system



Source: BCRA

the first 4 months of the year these results have posted an improvement of 0.4 p.p. compared with the same period of 2007, to a level of 3.3%a. of assets.

Charges related to loan loss provisions remained steady at 0.7%a. of assets for the month. For the year as a whole this accrued expenditure stands at a level similar to that recorded in April, 0.1 p.p. higher than in the same period of 2007, in part because of the growing participation by private sector lending in bank assets. **Reflecting increased payroll and wage recovery that has taken place in the sector, operating costs rose by 0.4 p.p. in April to 6.2%a. of assets.** As a result, operating costs reached a level of 5.8%a. of assets in the first four months of 2008, 0.6 p.p. more than one year earlier. **As the growth rate of the more stable sources of income continues to be higher than the rate of increase in operating costs, the coverage ratio has improved (by 8 p.p. in the last year, to 125%)** (see Chart 19).

On the basis of the information available at the date of publication of this Report, **it is estimated that the financial system will continue to record healthy levels of solvency in May.** Although there were some signs of financial intermediation volatility during the month, it is expected that those more stable sources of revenue will not have differed significantly from the levels recorded recently. In addition, the turbulence on the local capital market, marked by lower government security prices, is expected to have an impact on security holding and trading results for the financial system, although this phenomenon could be lessened by the changes to regulations introduced by the BCRA in 2007. The drop in the peso-dollar exchange rate in May (more than Pesos 0.06) could mean slightly lower results from exchange rate differences. Lastly, it should be noted that banks held adequate levels of liquidity to allow them to confront the increased financial turbulence seen during May, and the system was reinforced by the measures implemented by the BCRA designed to consolidate systemic liquidity levels.

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” 4790 – 01/04/08**

Assessment of financial entities. Asset grading. Risk rating agency Fitch Argentina Calificadora de Riesgo S.A. has been registered with the BCRA in order to participate in the evaluation of assets foreseen by the rule on “Investment using pension fund resources.”

- **Communication “A” 4793 – 14/04/08**

Guidelines for the management of operational risk (OR) in financial entities. The regulation requires that OR management be considered as a particular discipline, separate from the management of other risks. OR is defined as the risk of loss from inadequate or failed internal processes, people and systems, or from external events. It includes: 1) legal risk, excluding strategic and reputational risk; OR management, its identification, evaluation, follow-up and control and mitigation; 3) the OR management system, set of policies, procedures and structures available to manage this risk, and lastly, the seven types of operational loss events, according to international criteria (internal fraud, external fraud, employment practices and workplace safety, damage to physical assets, etc.).

Methodology

- (a) Aggregate balance sheet information is taken from the Monthly Accounting Information System (non-consolidated balances). With a view to calculating data for the system aggregate, for entities not providing data for the month under review, the latest information available is repeated in the aggregate balance sheet. In turn, for the analysis of profitability, only taken into consideration are those entities providing data on the month in question.
- (b) Due to the possible lack of data for a number of banks at the time of drafting this Report, and given the possibility of subsequent corrections to the data provided by financial entities, the data included –particularly for the last month mentioned- is of a preliminary nature. Consequently, and given the fact that the latest available data are always used, data in connection with earlier periods may not match what was previously mentioned in prior issues of the Report. In such cases, the latter release should be considered the highest quality available one.
- (c) Unless provided to the contrary, data on deposits and loans relate to balance sheet information, and do not necessarily agree with those gathered via the Centralized System of Information Requirements (SISCEN). Reasons for discrepancies include: the exact date taken into account for the calculation of monthly variations and the items included in the definition adopted in each case.
- (d) Qualitative information on specific transactions involving specific banks has been taken from the notes to the banks financial statements, or obtained on the basis of inquiries made to the supervisors with the Superintendence of Financial and Exchange Entities.
- (e) Profitability indicators are calculated based on monthly results estimated on the grounds of the changes in the amount of aggregated results during the current fiscal year. Unless a provision is made to the contrary, profitability ratios are annualized.
- (f) Initially, the breakdown by group of banks was determined on the basis of majority involvement in decision taking –in terms of Shareholders meetings votes- differentiating between privately-owned entities from public banks. Also and with a view to deepening the scope of the analysis, private entities were identified according to geographic and business scope of their operations. Thus, wholesale banks were defined as those specializing in the large corporations and investors sector, which usually do not depend for their funding on deposits from the private sector. On the other hand, retail banks were divided into those carrying out business at the domestic level, located in certain geographic regions –municipalities, provinces, or regions- and entities specializing in a financial sector niche market –generally smaller entities. Lastly, it should be noted that the grouping herein has solely been carried out for analytical purposes and does not imply the only methodological grouping criterion; whereas, on the other hand, the listing of features pertaining to each set of entities has been established in a general manner.

Glossary

%a.: annualized percentage.

%i.a.: interannual percentage.

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

ASE: Adjusted stockholders' equity, for Responsabilidad Patrimonial Computable (RPC) in Spanish. The measure for compliance with bank capital regulations.

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

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

CEDRO: Certificado de Depósito Reprogramado. Rescheduled Stabilization Coefficient.

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

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

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

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

Liquid assets: Minimum cash compliance – cash, current account at BCRA and special accounts in guarantee – and other liquid items, including correspondent accounts plus repos in cash with the BCRA.

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

mill.: million.

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

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

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

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

ON: Corporate bonds (Obligaciones Negociables).

OS: Subordinated debt (Obligaciones Subordinadas).

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

PN: Net worth (Patrimonio Neto).

p.p.: percentage points.

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

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

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

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

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

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

SME: Small and Medium Enterprises.

US\$: United States dollars.

RWA: Risk weighted assets.

Statistics Annex | Financial System

Chart 1 | Financial Soundness Indicators (see Methodological note in next page)

As %	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	Apr 2007	2007	Mar 2008	Apr 2008
1.- Liquidity	22.3	26.1	23.1	25.0	23.4	19.6	22.8	29.1	29.6	20.1	22.5	23.1	23.0	25.1	24.2
2.- Credit to the public sector	16.9	16.2	16.2	18.0	17.3	23.0	48.5	46.5	40.6	31.3	22.3	18.7	16.1	14.8	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	31.2	38.2	37.0	38.0
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	4.1	3.2	3.3	3.3
5.- Net worth exposure to private sector	24.9	22.5	20.6	24.7	26.2	21.9	17.3	12.4	-1.0	-4.1	-3.3	-3.2	-3.0	-2.5	-2.5
6.- ROA	0.6	1.0	0.5	0.2	0.0	0.0	-8.9	-2.9	-0.5	0.9	1.9	1.9	1.5	1.9	1.7
7.- ROE	4.1	6.3	3.9	1.7	0.0	-0.2	-59.2	-22.7	-4.2	7.0	14.3	14.3	9.0	16.0	14.2
8.- Efficiency	142	136	138	142	147	143	189	69	125	151	167	172	161	174	167
9.- Capital compliance	23.8	20.8	20.3	21.0	20.1	21.4	-	14.5	14.0	15.3	16.8	18.1	16.8	16.8	17.0
10.- Excess capital compliance	64	73	49	54	58	54	-	116	185	173	134	110	92	80	83

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	Apr 07	Dec 07	Mar 08	Apr 08	Change (%)			
												Last month	2008	Last 12 months	
Assets	163,550	123,743	187,532	186,873	212,562	221,962	258,384	280,203	297,963	322,750	327,585	1.5	9.9	16.9	
Liquid assets ¹	20,278	13,005	17,138	27,575	29,154	20,819	37,991	34,810	46,320	49,168	49,366	0.4	6.6	41.8	
Public bonds	10,474	3,694	31,418	45,062	55,382	66,733	64,592	77,365	62,678	72,194	71,160	-1.4	13.5	-8.0	
Lebac/Nobac	-	-	-	-	17,755	28,340	29,289	44,504	36,022	46,218	44,979	-2.7	24.9	1.1	
Portfolio	-	-	-	-	11,803	21,067	25,725	33,282	31,598	37,060	36,915	-0.4	16.8	10.9	
Repo ²	-	-	-	-	5,953	7,273	3,563	11,222	4,424	9,158	8,063	-12.0	82.2	-28.1	
Private bonds	633	543	332	198	387	389	813	862	382	329	313	-4.9	-18.1	-63.7	
Loans	83,277	77,351	84,792	68,042	73,617	84,171	103,668	107,936	132,157	139,000	143,725	3.4	8.8	33.2	
Public sector	15,164	22,694	44,337	33,228	30,866	25,836	20,874	19,022	16,772	17,756	17,731	-0.1	5.7	-6.8	
Private sector	64,464	52,039	38,470	33,398	41,054	55,885	77,832	84,739	110,355	115,855	120,561	4.1	9.2	42.3	
Financial sector	3,649	2,617	1,985	1,417	1,697	2,450	4,962	4,176	5,030	5,388	5,432	0.8	8.0	30.1	
Provisions over loans	-6,907	-6,987	-11,952	-9,374	-7,500	-4,930	-3,728	-3,734	-4,089	-4,238	-4,332	2.2	6.0	16.0	
Other netted credits due to financial intermediation	42,361	21,485	39,089	27,030	32,554	26,721	26,039	33,402	29,712	35,671	36,728	3.0	23.6	10.0	
Corporate bonds and subordinated debt	794	751	1,708	1,569	1,018	873	773	648	606	632	638	1.0	5.3	-1.6	
Unquoted trusts	2,053	2,065	6,698	4,133	3,145	3,883	4,881	4,808	5,023	5,328	5,292	-0.7	5.3	10.1	
Compensation receivable	0	0	17,111	14,937	15,467	5,841	763	365	377	326	326	0.1	-13.5	-10.5	
Other	39,514	18,669	13,572	6,392	12,924	16,124	19,622	27,581	23,706	29,386	30,473	3.7	28.5	10.5	
Leasing	786	771	567	397	611	1,384	2,262	2,681	3,469	3,699	3,793	2.5	9.3	41.5	
Shares in other companies	2,645	2,688	4,653	4,591	3,871	4,532	6,392	6,790	6,430	6,769	6,548	-3.3	1.8	-3.6	
Fixed assets and miscellaneous	4,939	4,804	8,636	8,164	7,782	7,546	7,619	7,648	7,643	7,703	7,711	0.1	0.9	0.8	
Foreign branches	1,115	1,057	3,522	3,144	3,524	3,647	2,782	2,888	2,912	2,971	2,980	0.3	2.3	3.2	
Other assets	3,950	5,334	9,338	12,043	13,180	10,950	9,953	9,554	10,347	9,484	9,593	1.2	-7.3	0.4	
Liabilities	146,267	107,261	161,446	164,923	188,683	195,044	225,369	245,044	261,143	284,503	289,416	1.7	10.8	18.1	
Deposits	86,506	66,458	75,001	94,635	116,655	136,492	170,898	185,070	205,550	221,260	225,222	1.8	9.6	21.7	
Public sector ³	7,204	950	8,381	16,040	31,649	34,019	45,410	46,401	48,340	55,152	55,803	1.2	15.4	21.2	
Private sector ³	78,397	43,270	59,698	74,951	83,000	100,809	123,431	136,408	155,048	163,512	167,027	2.1	7.7	22.4	
Current account	6,438	7,158	11,462	15,071	18,219	23,487	26,900	31,015	35,245	38,545	39,748	3.1	12.8	28.2	
Savings account	13,008	14,757	10,523	16,809	23,866	29,078	36,442	38,496	47,109	46,864	48,152	2.7	2.2	25.1	
Time deposit	53,915	18,012	19,080	33,285	34,944	42,822	54,338	60,411	65,952	70,021	71,232	1.7	8.0	17.9	
CEDRO	0	0	12,328	3,217	1,046	17	13	13	0	0	0	-	-	-	
Other netted liabilities due to financial intermediation	55,297	36,019	75,737	61,690	64,928	52,072	46,037	50,909	46,225	53,118	54,058	1.8	16.9	6.2	
Interbanking obligations	3,545	2,550	1,649	1,317	1,461	2,164	4,578	3,695	4,310	4,678	4,733	1.2	9.8	28.1	
BCRA lines	102	4,470	27,837	27,491	27,726	17,005	7,686	4,506	2,362	2,296	2,273	-1.0	-3.8	-49.6	
Outstanding bonds	4,954	3,777	9,096	6,675	7,922	6,548	6,603	6,631	6,938	6,688	6,620	-1.0	-4.6	-0.2	
Foreign lines of credit	8,813	7,927	25,199	15,196	8,884	4,684	4,240	3,125	3,864	4,358	4,503	3.3	16.6	44.1	
Other	37,883	17,295	11,955	11,012	18,934	21,671	22,930	32,952	28,752	35,098	35,929	2.4	25.0	9.0	
Subordinated debts	2,255	2,260	3,712	2,028	1,415	1,381	1,642	1,654	1,672	1,648	1,659	0.7	-0.8	0.3	
Other liabilities	2,210	2,524	6,997	6,569	5,685	5,099	6,792	7,410	7,695	8,477	8,476	0.0	10.2	14.4	
Net worth	17,283	16,483	26,086	21,950	23,879	26,918	33,014	35,160	36,819	38,247	38,169	-0.2	3.7	8.6	
Memo															
Netted assets	129,815	110,275	185,356	184,371	202,447	208,275	244,791	258,073	280,336	299,950	303,622	1.2	8.3	17.6	
Consolidated netted assets	125,093	106,576	181,253	181,077	198,462	203,286	235,845	249,597	271,652	290,668	294,415	1.3	8.4	18.0	

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

Source: BCRA

Statistics Annex | Financial System (cont.)

Chart 3 | Profitability Structure

Amount in million of pesos	Annual								First 4 months		Monthly			Last
	2000	2001	2002 ¹	2003	2004	2005	2006	2007	2007	2008	Feb-08	Mar-08	Apr-08	12 months
Financial margin	7,291	6,943	13,991	1,965	6,075	9,475	13,262	15,346	5,098	6,317	1,636	1,373	1,444	16,565
Net interest income	5,106	4,625	-3,624	-943	1,753	3,069	4,150	5,744	1,645	2,738	665	706	723	6,837
CER and CVS adjustments	0	0	8,298	2,315	1,944	3,051	3,012	2,624	1,025	1,183	321	223	299	2,782
Foreign exchange price adjustments	185	268	5,977	-890	866	751	944	1,357	339	477	118	108	120	1,495
Gains on securities	1,481	1,490	3,639	1,962	1,887	2,371	4,923	5,357	2,000	1,773	492	307	266	5,130
Other financial income	519	559	-299	-480	-375	233	235	264	89	146	41	29	36	321
Service income margin	3,582	3,604	4,011	3,415	3,904	4,781	6,243	8,248	2,427	3,268	795	781	865	9,089
Loan loss provisions	-3,056	-3,096	-10,007	-2,089	-1,511	-1,173	-1,198	-1,896	-468	-730	-173	-185	-183	-2,159
Operating costs	-7,375	-7,362	-9,520	-7,760	-7,998	-9,437	-11,655	-14,634	-4,364	-5,732	-1,372	-1,427	-1,542	-16,001
Tax charges	-528	-571	-691	-473	-584	-737	-1,090	-1,537	-439	-638	-159	-150	-170	-1,736
Income tax	-446	-262	-509	-305	-275	-581	-595	-1,032	-443	-438	-144	-78	-40	-1,027
Adjust. to the valuation of government securities ²	0	0	0	-701	-320	-410	-752	-895	0	-400	-139	-94	-165	-1,295
Amortization payments for court-ordered releases	0	0	0	-1,124	-1,686	-1,867	-2,573	-1,669	-631	-395	-131	-76	-75	-1,434
Other	535	702	-3,880	1,738	1,497	1,729	2,664	1,975	454	387	73	210	128	1,909
Monetary results	0	0	-12,558	69	0	0	0	0	0	0	0	0	0	0
Total results³	3	-42	-19,162	-5,265	-898	1,780	4,306	3,905	1,634	1,641	388	353	263	3,912
Adjusted results ⁴	-	-	-	-3,440	1,337	4,057	7,631	6,470	2,265	2,436	657	523	503	6,641
<i>Annualized indicators - As % of netted assets</i>														
Financial margin	5.7	5.7	6.5	1.1	3.1	4.6	5.8	5.8	6.1	6.4	6.7	5.6	5.8	6.0
Net interest income	4.0	3.8	-1.7	-0.5	0.9	1.5	1.8	2.2	2.0	2.8	2.7	2.9	2.9	2.5
CER and CVS adjustments	0.0	0.0	3.9	1.3	1.0	1.5	1.3	1.0	1.2	1.2	1.3	0.9	1.2	1.0
Foreign exchange price adjustments	0.1	0.2	2.8	-0.5	0.4	0.4	0.4	0.5	0.4	0.5	0.4	0.4	0.5	0.5
Gains on securities	1.2	1.2	1.7	1.1	1.0	1.2	2.2	2.0	2.4	1.8	2.0	1.2	1.1	1.8
Other financial income	0.4	0.5	-0.1	-0.3	-0.2	0.1	0.1	0.1	0.1	0.1	0.2	0.1	0.1	0.1
Service income margin	2.8	3.0	1.9	1.9	2.0	2.3	2.7	3.1	2.9	3.3	3.3	3.2	3.5	3.3
Loan loss provisions	-2.4	-2.6	-4.7	-1.1	-0.8	-0.6	-0.5	-0.7	-0.6	-0.7	-0.7	-0.7	-0.7	-0.8
Operating costs	-5.8	-6.1	-4.4	-4.2	-4.1	-4.6	-5.1	-5.6	-5.2	-5.8	-5.6	-5.8	-6.2	-5.8
Tax charges	-0.4	-0.5	-0.3	-0.3	-0.3	-0.4	-0.5	-0.6	-0.5	-0.6	-0.7	-0.6	-0.7	-0.6
Income tax	-0.3	-0.2	-0.2	-0.2	-0.1	-0.3	-0.3	-0.4	-0.5	-0.4	-0.6	-0.3	-0.2	-0.4
Adjust. to the valuation of government securities ²	0.0	0.0	0.0	-0.4	-0.2	-0.2	-0.3	-0.3	0.0	-0.4	-0.6	-0.4	-0.7	-0.5
Amortization payments for court-ordered releases	0.0	0.0	0.0	-0.6	-0.9	-0.9	-1.1	-0.6	-0.7	-0.4	-0.5	-0.3	-0.3	-0.5
Other	0.4	0.6	-1.8	0.9	0.8	0.8	1.2	0.7	0.5	0.4	0.3	0.8	0.5	0.7
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
ROA³	0.0	0.0	-8.9	-2.9	-0.5	0.9	1.9	1.5	1.9	1.7	1.6	1.4	1.1	1.4
ROA adjusted ⁴	0.0	0.0	-8.9	-1.9	0.7	2.0	3.4	2.5	2.7	2.5	2.7	2.1	2.0	2.4
ROE³	0.0	-0.2	-59.2	-22.7	-4.2	7.0	14.3	9.0	14.3	14.2	13.5	12.2	9.1	9.0

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

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

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

Source: BCRA

Chart 4 | Portfolio Quality

As percentage	Dec 00	Dec 01	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Apr 07	Dec 07	Mar 08	Apr 08
Non-performing loans (overall)	12.9	13.1	18.1	17.7	10.7	5.2	3.4	3.2	2.7	2.8	2.8
Non-performing loans to the non-financial private sector	16.0	19.1	38.6	33.5	18.6	7.6	4.5	4.1	3.2	3.3	3.3
Provisions / Non-performing loans	61.1	66.4	73.8	79.2	102.9	124.5	129.9	130.7	129.6	123.6	123.1
(Total non-performing - Provisions) / Overall financing	5.0	4.4	4.7	3.7	-0.3	-1.3	-1.0	-1.0	-0.8	-0.7	-0.6
(Total non-performing - Provisions) / Net worth	26.2	21.6	17.2	11.9	-1.0	-4.1	-3.3	-3.2	-3.0	-2.5	-2.5

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

Source: BCRA

Methodological note (chart 1):

1.- (Cash compliance according to BCRA + Other cash holdings + BCRA repos) / Total deposits; 2.- (Public bonds position (without LEBAC and NOBAC) + Loans to the public sector + Compensation receivable) / Netted assets; 3.- Loans to the private sector / Netted assets; 4.- Non-performing loans to the non-financial private sector / Loans to the non-financial private sector; 5.- (Total non-performing loans - Provisions) / Net Worth. The non-performing loans includes loans classified in situation 3,4,5, and 6; 6.- Accumulated annual results / Average monthly netted assets - % Annualized; 7.- Accumulated annual results / Average monthly net worth - % Annualized; 8.- (Financial margin (Net interest income + Restatement by CER and CVS + Gain on securities + Foreign exchange price adjustments + Other financial income) + Service income margin) / Operating costs; 9.- Capital compliance (Responsabilidad Patrimonial Computable) / Risk - adjusted assets according to the norm of BCRA about Minimum Capital Compliance; 10.- (Capital Compliance minus requirements, included franchises) / Capital requirements.

Statistics Annex | Private Banks

Chart 5 | Financial Soundness Indicators (see Methodological note in next page)

As %	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	Apr 2007	2007	Mar 2008	Apr 2008
1.- Liquidity	23.6	26.9	22.8	24.3	24.1	23.6	24.8	27.6	29.2	21.5	23.7	23.4	25.7	26.7	25.9
2.- Credit to the public sector	13.5	13.7	13.6	16.1	14.7	20.8	49.4	47.1	41.2	28.0	15.9	12.1	9.1	8.2	8.0
3.- Credit to the private sector	51.0	46.7	47.6	44.6	38.4	45.4	22.4	19.9	22.5	31.1	37.9	38.8	46.6	45.2	46.5
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	3.3	2.5	2.6	2.5
5.- Net worth exposure to private sector	21.6	14.3	13.2	11.5	13.4	11.4	18.6	11.2	1.9	-2.2	-3.0	-3.0	-3.6	-2.9	-2.9
6.- ROA	0.6	0.7	0.5	0.3	0.1	0.2	-11.3	-2.5	-1.0	0.5	2.2	1.9	1.6	2.1	1.9
7.- ROE	4.1	6.3	4.3	2.3	0.8	1.4	-79.0	-19.1	-8.1	4.1	15.3	12.6	8.8	16.8	14.7
8.- Efficiency	144	135	139	146	152	151	168	93	115	136	158	164	152	170	164
9.- Capital compliance	15.9	15.4	14.6	18.9	18.0	17.6	-	14.0	15.1	17.8	18.6	20.3	19.2	18.9	19.2
10.- Excess capital compliance	33	47	27	60	49	43	-	88	157	155	116	98	87	77	80

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	Apr 07	Dec 07	Mar 08	Apr 08	Change (%)			
												Last month	2008	Last 12 months	
Assets	119,371	82,344	118,906	116,633	128,065	129,680	152,414	162,074	175,509	189,990	191,544	0.8	9.1	18.2	
Liquid assets ¹	13,920	10,576	11,044	14,500	15,893	14,074	22,226	21,921	29,418	28,368	29,292	3.3	-0.4	33.6	
Public bonds	7,583	1,627	19,751	22,260	24,817	29,966	27,663	32,776	24,444	29,592	27,316	-7.7	11.7	-16.7	
Lebac/Nobac	0	0	-	-	8,359	15,227	15,952	22,852	17,684	22,958	20,547	-10.5	16.2	-10.1	
Portfolio	0	0	-	-	5,611	12,899	14,220	18,773	15,639	17,485	16,666	-4.7	6.6	-11.2	
Repo ²	0	0	-	-	2,749	2,328	1,732	4,079	2,045	5,473	3,881	-29.1	89.8	-4.9	
Private bonds	563	451	273	172	333	307	683	732	310	272	258	-5.1	-17.0	-64.8	
Loans	56,035	52,319	51,774	47,017	50,741	56,565	69,294	71,628	88,898	93,340	96,360	3.2	8.4	34.5	
Public sector	8,172	13,803	25,056	23,571	21,420	15,954	10,036	8,016	6,413	6,462	6,290	-2.7	-1.9	-21.5	
Private sector	45,103	36,636	26,074	22,816	28,213	39,031	55,632	60,396	78,587	82,474	85,618	3.8	8.9	41.8	
Financial sector	2,760	1,880	644	630	1,107	1,580	3,626	3,216	3,898	4,405	4,451	1.1	14.2	38.4	
Provisions over loans	-3,248	-3,957	-7,463	-5,225	-3,717	-2,482	-2,227	-2,260	-2,365	-2,455	-2,517	2.5	6.4	11.3	
Other netted credits due to financial intermediation	36,600	13,037	27,212	22,148	25,753	16,873	18,387	20,227	17,084	22,484	22,323	-0.7	30.7	10.4	
Corporate bonds and subordinated debt	724	665	1,514	1,394	829	675	618	495	430	456	455	-0.1	5.9	-7.9	
Unquoted trusts	1,609	1,637	6,205	3,571	2,362	2,444	2,982	3,370	3,456	3,853	3,878	0.7	12.2	15.1	
Compensation receivable	0	0	15,971	13,812	14,657	5,575	760	364	377	326	326	0.1	-13.5	-10.5	
Other	34,267	10,735	3,523	3,370	7,905	8,179	14,027	15,998	12,822	17,850	17,663	-1.0	37.8	10.4	
Leasing	776	752	553	387	592	1,356	2,126	2,508	3,149	3,336	3,410	2.2	8.3	36.0	
Shares in other companies	1,651	1,703	3,123	2,791	1,892	2,416	4,042	4,396	3,762	3,986	3,965	-0.5	5.4	-9.8	
Fixed assets and miscellaneous	3,225	3,150	5,198	4,902	4,678	4,575	4,677	4,714	4,685	4,748	4,740	0.0	1.3	0.7	
Foreign branches	75	112	-109	-136	-53	-148	-139	-143	-154	-157	-157	0.4	2.4	9.9	
Other assets	2,190	2,574	7,549	7,816	7,137	6,178	5,682	5,577	6,277	6,477	6,547	1.1	4.3	17.4	
Liabilities	107,193	70,829	103,079	101,732	113,285	112,600	131,476	139,725	152,153	165,424	167,150	1.0	9.9	19.6	
Deposits	57,833	44,863	44,445	52,625	62,685	75,668	94,095	103,406	116,719	123,925	125,911	1.6	7.9	21.8	
Public sector ³	1,276	950	1,636	3,077	6,039	6,946	7,029	6,620	7,564	8,051	8,119	0.9	7.3	22.6	
Private sector ³	55,917	43,270	38,289	47,097	55,384	67,859	85,714	95,426	107,671	114,315	116,349	1.8	8.1	21.9	
Current account	4,960	7,158	8,905	11,588	13,966	17,946	20,604	23,748	27,132	29,457	30,307	2.9	11.7	27.6	
Savings account	9,409	14,757	6,309	10,547	14,842	18,362	23,165	24,779	30,169	30,354	31,486	3.7	4.4	27.1	
Time deposit	39,030	18,012	11,083	18,710	22,729	27,736	38,043	42,568	45,770	48,864	49,139	0.6	7.4	15.4	
CEDRO	0	0	9,016	2,409	798	3	1	1	0	0	0	-	-	-	
Other netted liabilities due to financial intermediation	46,271	22,629	49,341	42,367	45,083	32,349	31,750	30,386	29,323	35,029	34,701	-0.9	18.3	14.2	
Interbanking obligations	2,293	1,514	836	726	1,070	1,488	3,383	2,172	1,979	2,006	1,956	-2.5	-1.1	-9.9	
BCRA lines	83	1,758	16,624	17,030	17,768	10,088	3,689	721	675	693	700	1.0	3.7	-3.0	
Outstanding bonds	4,939	3,703	9,073	6,674	7,922	6,548	6,413	6,441	6,686	6,467	6,399	-1.1	-4.3	-0.7	
Foreign lines of credit	5,491	4,644	15,434	9,998	5,444	2,696	2,249	1,130	1,833	2,286	2,427	6.2	32.4	114.7	
Other	33,466	11,010	7,374	7,939	12,878	11,530	16,015	19,922	18,150	23,577	23,220	-1.5	27.9	16.6	
Subordinated debts	1,668	1,700	3,622	1,850	1,304	1,319	1,642	1,650	1,668	1,644	1,655	0.7	-0.8	0.3	
Other liabilities	1,420	1,637	5,671	4,890	4,213	3,264	3,989	4,282	4,443	4,826	4,882	1.2	9.9	14.0	
Net worth	12,178	11,515	15,827	14,900	14,780	17,080	20,938	22,349	23,356	24,567	24,394	-0.7	4.4	9.2	
Memo															
Netted assets	88,501	73,796	117,928	115,091	121,889	123,271	143,807	149,572	166,231	176,142	177,610	0.8	6.8	18.7	

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

Source: BCRA

Statistics Annex | Private Banks (cont.)

Chart 7 | Profitability Structure

Amount in million of pesos	Annual								First 4 months		Monthly			Last
	2000	2001	2002 ¹	2003	2004	2005	2006	2007	2007	2008	Feb-08	Mar-08	Apr-08	12 months
Financial margin	5,441	5,282	10,628	2,575	3,415	5,253	7,778	8,960	3,038	3,864	959	887	848	9,785
Net interest income	3,598	3,519	-304	107	1,214	2,069	2,826	4,191	1,092	2,200	519	574	596	5,299
CER and CVS adjustments	0	0	1,476	1,082	900	1,215	858	662	289	280	77	48	64	653
Foreign exchange price adjustments	160	256	6,189	-312	666	576	740	990	253	367	88	72	106	1,104
Gains on securities	1,232	962	3,464	1,892	959	1,259	3,154	2,888	1,323	889	240	168	48	2,453
Other financial income	450	546	-197	-195	-322	134	199	229	82	128	35	23	34	276
Service income margin	2,554	2,598	2,782	2,341	2,774	3,350	4,459	5,881	1,753	2,334	568	560	617	6,462
Loan loss provisions	-2,173	-2,464	-6,923	-1,461	-1,036	-714	-737	-1,174	-333	-511	-123	-125	-129	-1,353
Operating costs	-5,263	-5,224	-6,726	-5,310	-5,382	-6,303	-7,741	-9,735	-2,916	-3,789	-910	-943	-1,002	-10,608
Tax charges	-379	-418	-512	-366	-393	-509	-769	-1,105	-312	-470	-116	-110	-128	-1,264
Income tax	-393	-216	-337	-295	-202	-217	-365	-380	-127	-265	-87	-32	-28	-518
Adjust. to the valuation of government securities ²	0	0	0	-665	-51	-201	-170	-100	26	-17	-12	-4	-22	-143
Amortization payments for court-ordered releases	0	0	0	-791	-1,147	-1,168	-1,182	-1,466	-495	-279	-81	-79	-41	-1,250
Other	307	615	-4,164	1,178	846	1,156	1,641	1,576	281	204	32	91	38	1,499
Monetary results	0	0	-10,531	-20	0	0	0	0	0	0	0	0	0	0
Total results³	93	174	-15,784	-2,813	-1,176	648	2,915	2,457	916	1,070	231	245	154	2,611
Adjusted results ⁴	-	-	-	-1,357	252	2,016	4,267	4,023	1,385	1,367	324	328	217	4,005
Annualized indicators - As % of netted assets														
Financial margin	6.2	6.4	7.6	2.3	2.9	4.3	5.9	5.8	6.2	6.7	6.8	6.1	5.8	6.0
Net interest income	4.1	4.3	-0.2	0.1	1.0	1.7	2.1	2.7	2.2	3.8	3.7	4.0	4.1	3.3
CER and CVS adjustments	0.0	0.0	1.1	0.9	0.8	1.0	0.6	0.4	0.6	0.5	0.5	0.3	0.4	0.4
Foreign exchange price adjustments	0.2	0.3	4.4	-0.3	0.6	0.5	0.6	0.6	0.5	0.6	0.6	0.5	0.7	0.7
Gains on securities	1.4	1.2	2.5	1.7	0.8	1.0	2.4	1.9	2.7	1.5	1.7	1.2	0.3	1.5
Other financial income	0.5	0.7	-0.1	-0.2	-0.3	0.1	0.2	0.1	0.2	0.2	0.2	0.2	0.2	0.2
Service income margin	2.9	3.2	2.0	2.0	2.4	2.7	3.4	3.8	3.6	4.1	4.0	3.9	4.2	4.0
Loan loss provisions	-2.5	-3.0	-5.0	-1.3	-0.9	-0.6	-0.6	-0.8	-0.7	-0.9	-0.9	-0.9	-0.9	-0.8
Operating costs	-6.0	-6.4	-4.8	-4.6	-4.6	-5.1	-5.9	-6.3	-6.0	-6.6	-6.4	-6.5	-6.9	-6.6
Tax charges	-0.4	-0.5	-0.4	-0.3	-0.3	-0.4	-0.6	-0.7	-0.6	-0.8	-0.8	-0.8	-0.9	-0.8
Income tax	-0.4	-0.3	-0.2	-0.3	-0.2	-0.2	-0.3	-0.2	-0.3	-0.5	-0.6	-0.2	-0.2	-0.3
Adjust. to the valuation of government securities ²	0.0	0.0	0.0	-0.6	0.0	-0.2	-0.1	-0.1	0.1	0.0	-0.1	0.0	-0.2	-0.1
Amortization payments for court-ordered releases	0.0	0.0	0.0	-0.7	-1.0	-1.0	-0.9	-1.0	-1.0	-0.5	-0.6	-0.5	-0.3	-0.8
Other	0.4	0.7	-3.0	1.0	0.7	0.9	1.2	1.0	0.6	0.4	0.2	0.6	0.3	0.9
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
ROA³	0.1	0.2	-11.3	-2.5	-1.0	0.5	2.2	1.6	1.9	1.9	1.6	1.7	1.1	1.6
ROA adjusted ⁴	0.1	0.2	-11.3	-1.2	0.2	1.6	3.2	2.6	2.8	2.4	2.3	2.3	1.5	2.5
ROE³	0.8	1.4	-79.0	-19.1	-8.1	4.1	15.3	8.8	12.6	14.7	12.7	13.3	8.4	9.3

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

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

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

Source: BCRA

Chart 8 | Portfolio Quality

As percentage	Dec 00	Dec 01	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Apr 07	Dec 07	Mar 08	Apr 08
Non-performing loans (overall)	8.3	9.9	19.8	15.7	8.9	4.4	2.9	2.8	2.2	2.3	2.3
Non-performing loans to the non-financial private sector	9.8	14.0	37.4	30.4	15.3	6.3	3.6	3.3	2.5	2.6	2.5
Provisions / Non-performing loans	67.7	75.7	73.4	79.0	97.0	114.3	129.3	131.9	141.3	132.4	131.5
(Total non-performing - Provisions) / Overall financing	2.7	2.4	5.3	3.3	0.4	-0.6	-0.9	-0.9	-0.9	-0.7	-0.7
(Total non-performing - Provisions) / Net worth	13.4	11.4	18.6	11.2	1.3	-2.2	-3.0	-3.0	-3.6	-2.9	-2.9

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

Source: BCRA

Methodological note (chart 5):

1.-(Cash compliance according to BCRA + Other cash holdings + BCRA repos) / Total deposits; **2.-**(Public bonds position (without LEBAC and NOBAC) + Loans to the public sector + Compensation receivable) / Netted assets; **3.-**Loans to the private sector / Netted assets; **4.-**Non-performing loans to the non-financial private sector / Loans to the non-financial private sector; **5.-**(Total non-performing loans - Provisions) / Net Worth. The non-performing loans includes loans classified in situation 3,4,5, and 6; **6.-**Accumulated annual results / Average monthly netted assets - % Annualized; **7.-** Accumulated annual results / Average monthly net worth - % Annualized; **8.-**(Financial margin (Net interest income + Restatement by CER and CVS + Gain on securities + Foreign exchange price adjustments + Other financial income) + Service income margin) / Operating costs; **9.-**Capital compliance (Responsabilidad Patrimonial Computable) / Risk - adjusted assets according to the norm of BCRA about Minimum Capital Compliance; **10.-**(Capital Compliance minus requirements, included franchises) / Capital requirements.