Report on Banks

May 2008

BANCO CENTRAL
DE LA REPÚBLICA ARGENTINA

Report on Banks

May 2008

Year V, Number 9

BANCO CENTRAL
DE LA REPÚBLICA ARGENTINA

Contents

Note: Information for May 2008 available by June 24, 2008 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.

Published on July 16, 2008

For comments, inquiries or electric subscription: analisis.financiero@bcra.gov.ar

Monthly summary

- **During May the financial system was able to overcome the temporary fall of private sector deposits, maintaining robust liquidity levels.** Specifically, private sector deposits fell 3.4% in the month, mostly due to the performance of sight deposits and, to a lesser extent the time deposits. Facing this situation, although the liquidity indicator dropped 1.2 p.p. in the month to 23% of the deposits, it remained above its levels at the end of 2007 and in the same month last year. It is worth mentioning that during June private sector deposits resumed their upwards trend.

- **Finance for the private sector recorded a 1.6% expansion in May, maintaining a year-on-year (y.o.y.) growth rate of around 40%.** The most dynamic credits during the month were pledge and personal loans. In May credit to the private sector accounted for 41.2% of the net assets of the banking system (7.2 p.p. more than 12 months ago), fundamentally crowding in to the space that loans of the public sector had occupied.

- **During the past year a generalized expansion of financial services in all Argentine regions was seen, although jurisdictions are still very heterogeneous.** In the past 12 months credit for firms and families expanded in all provinces, exhibiting much momentum in 15 of them (41.5% of the population and 24.9% of credit) with growth rates higher than the national average (40% y.o.y.). Meanwhile, six provinces recorded rates of growth aligned with the national rate (48.6% of the population and 21.5% of total credit to the private sector), while three jurisdictions were below the average. In this line, **in recent years a persistent improvement of the bank services distribution network among the different provinces was seen, measured by automatic teller machines and branches per inhabitant.**

- **The increase of funds channeled to firms and families happened in the framework of a limited credit risk. As an example of this, the irregular portfolio of loans to the private sector remained at a 3.3% level, falling 0.7 p.p. y.o.y.. This trend is mainly explained by the corporate loans** (2.9% were irregular in April, almost 1.6 p.p. less than the same month last year), while the household loan portfolio arrears were 3.8%. Another sign of the sound position of the banks relative to private sector credit risk is that the degree of coverage of total irregular finance by provisions was 123% during the month.

- **Financial system net worth recorded a $320 million growth in May** (0.8% or 11.2%a. in 2008 to date); **mainly due to the book profits posted by both private sector and government owned banks.** The capitalization in cash received by a non-bank financial entities (NBFE) during the month ($30 million) also contributed to this change, so that the financial system has thus accumulated fresh injections of funds for approximately $200 million during 2008 (especially for the NBFE and foreign owned private sector banks).

- This monthly expansion of bank net worth occurred in a framework of increasing assets at risk due to the growth in the flow of funds for private sector financing, thus generating a slight drop in capital compliance to 16.8% of risk weighted assets. Therefore, **excess of capital compliance of the banking system was 81% of the total requirement for the month.**

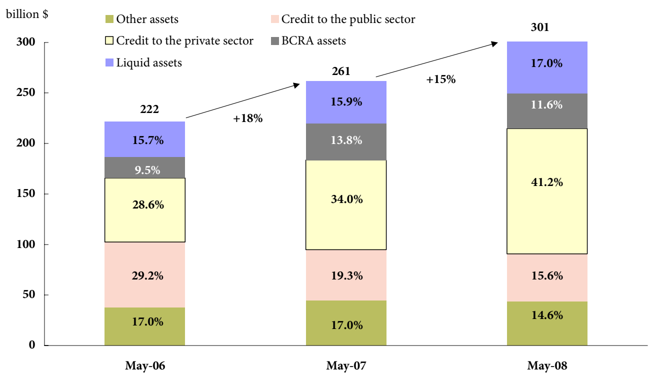
- **The financial system accrued book profits of approximately $390 million in May (ROA 1.6%a. and ROE 13.5%a.), surpassing the figures the month before ($260 million or 1%a. of assets) and accumulating profits of $2 billion (1.7%a. of assets) so far this year.** This monthly increase was mainly explained by the increase of the more stable revenue sources (net interest and service earnings) and by the recovery of gains on securities.

Activity

Bank credit for firms and households is deepening

Chart 1

Financial System Netted Assets

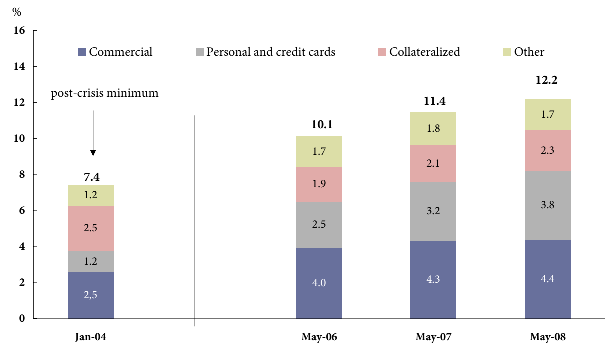


Source: BCRA

Chart 2

Credit to the Private Sector

As % of GDP - Seasonal adjusted series



Note: Commercial credit Lines include "Overdraft", "Promissory notes" and "Leasing". Collaterallized loans include "mortage" and "pledge-backed".

Source: BCRA

Despite the volatility observed on the financial markets, in May the financial system continued supplying the private sector demand for credit. Loans[1] to the private sector therefore expanded (1.6%) during the month, which enabled its year-on-year (y.o.y.) growth rate to remain at around 40%. This increase occurred in a framework of limited credit risk, while the banking system also remained at higher liquidity levels than seen 12 months ago.

Therefore, **in May credit for the private sector accounted for 41.2% of the financial system net assets (7.2 p.p. more than in the same month last year)** (see Chart 1), while their liquid assets[2] totaled 17% (with a 1.1 p.p. y.o.y. growth). On the other hand, credit for the public sector continued reducing its share of the banking portfolio (3.7 p.p. less than the same month in 2007), while the position in Central Bank securities reduced its weighting by 2.2 p.p. of net assets in the past 12 months (to 11.6%).

This gradual deepening of the funds for families and for firms enabled credit to the private sector to increase its share of the GDP. Specifically, financing of the private sector was equivalent to 12.2% of the GDP in May, 0.8 p.p. more than during the same month of 2007 (see Chart 2) and almost 5 p.p. above the minimum recorded following the 2001-2002 crisis. During the past year the credits that exhibited most momentum in GDP terms were personal loans and those granted with credit cards, which were 3.8% of the GDP during the month, 0.6 p.p. more than a year ago. It is also worth noting that personal loans have become the line with most weighting in finance for the private sector, surpassing the promissory notes.

As a result of the higher volatility of the financial markets during the second quarter of the year, **the net assets of the financial system dropped slightly during the month (0.9%), although a marked increase of 15% y.o.y. is still seen that reflects the significant growth of financial intermediation activity with the private sector.** This slight reduction was mostly explained by the

[1] Leasing contracts are included.

[2] Including minimum cash reserve compliance (cash, current accounts held at the Central Bank and special collateral accounts) and other cash holdings, including correspondent accounts, as well as the financial institution balance of repo in cash with the Central Bank.

Chart 3

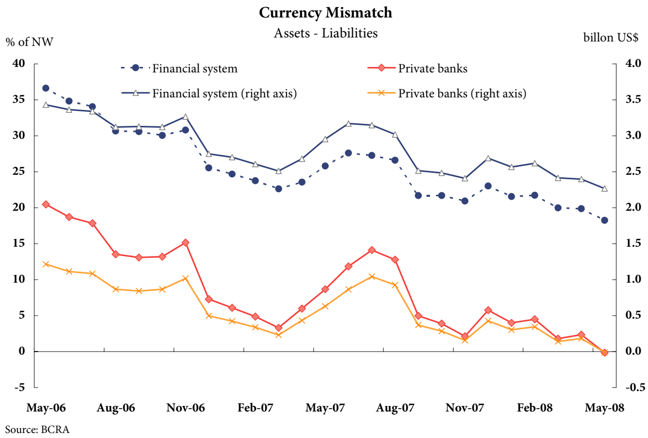
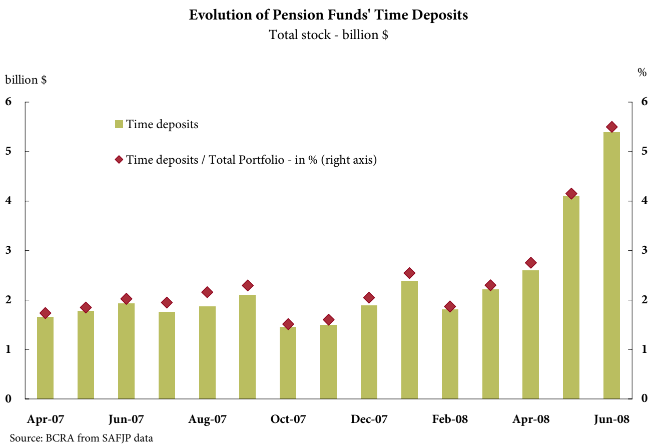


Chart 4



private sector banks (down 2.4% monthly, but growing 14.6% y.o.y.), because the public sector banks increased their net assets 1% during the month (13.9% y.o.y.).

As regards the estimated aggregate cash flows of financial institutions, **the fall of liquid assets (by $3.6 billion) and growth of public sector deposits ($2.5 million) became the main sources of funds during May.** On the other hand, the most important use of funds during the month was the decline of private sector deposits ($5.7 billion), a fall that can fundamentally be explained by two factors: funds used to pay Income Tax and the Personal Assets Tax and the behavior of small scale savers. The second fund usage by volume during May was to increase funding[3] of the private sector ($2.2 billion). Meanwhile, the drop in the Lebac and Nobac position became another source of funding for the financial system ($1.9 billion), a sign of the effective liquidity safeguard that these securities are in the framework of the measures that the Central Bank carries out.

Of the private sector bank cash flow, the fall of private sector deposits ($5.15 billion) and reducing liquid assets (by $2.9 billion) were the most noteworthy use and source of funding during May. Another significant use of funds by the private banks during the month was the increase in loans to firms and families ($1 billion). On the other hand, **the change in the Lebac and Nobac position was the largest difference between the cash flows at private and public sector banks** (while the latter used these funds, they were a resource for private sector banks).

During May the financial system mismatch of foreign currency items exhibited a US$130 million fall. Foreign currency liabilities grew more than assets, a change that was mainly driven by the increase of futures transactions denominated in this currency (net purchases). Therefore, **the foreign currency mismatch of the financial system in terms of its net worth fell 1.6 p.p. in May and 4.8 p.p. in 2008 to date to an 18.2% level** (see Chart 3). It is worth noting that the fall of the foreign currency mismatch was driven by the private sector banks, who, for the first time since the crisis are exhibiting a slightly borrowing position in foreign currency.

[3] Stocks are adjusted for the financial trust issues during the month

Deposits and liquidity

Although deposits fell during May, bank liquidity indicators remained high

During May total deposits in the financial system experienced a slight withdrawal, a change that was mainly explained by private sector deposits. In fact, during the month the private sector deposits fell $5.7 billion (down 3.4%; or up 17% y.o.y.) due to the $3.3 billion drop in sight deposits (down 3.8%; up 20% y.o.y.), and to a lesser extent by the $2.3 billion fall of time deposits[4] (down 3.1%; up 14% y.o.y.). The changes in private sector deposits during May occurred in a framework of **an increase in the deposit interest rates, mostly for those of relatively larger amounts.**

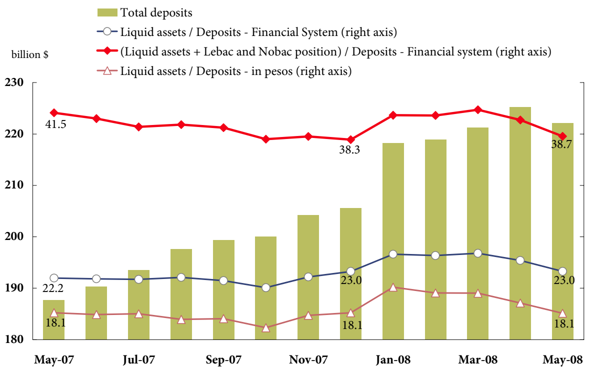
Part of the monthly fall of private sector deposits was explained by the funds deposited in official accounts during a month with major tax deadlines. Public sector deposits therefore grew $2.5 billion (4.6% and 24% y.o.y.) in May, due fundamentally to the increased revenues from the Income Tax and Personal Assets Tax deadlines.

Another factor explaining the fall of private sector deposits in May was the increased demand for foreign currency, an event that was neither in connection with the conditions of the financial system nor the fundamental economic variables. This behavior was mainly seen among the small scale investors, rather than the more sophisticated investors who have more information and capacity to analyze how solid the financial variables are. A noteworthy indicator of this is that the fall of private sector time deposits during the month was almost fully accounted for by the performance of deposits of less than $1 million, while those exceeding this amount grew, with most of the latter coming from institutional investors like the pension funds (AFJPs) (see Chart 4).

The temporary fall of private sector deposits was reversed in June[5], as a result of the measures that the Central Bank adopted. Certain monetary and financial policy instruments that were developed in recent years were targeted at offsetting expectations of a depreciation of the peso, so that the demand for money was stabilized, and then to provide liquidity. Specifically, the Central Bank generated different mechanisms to provide liquidity in both pesos and foreign currency[6].

Chart 5

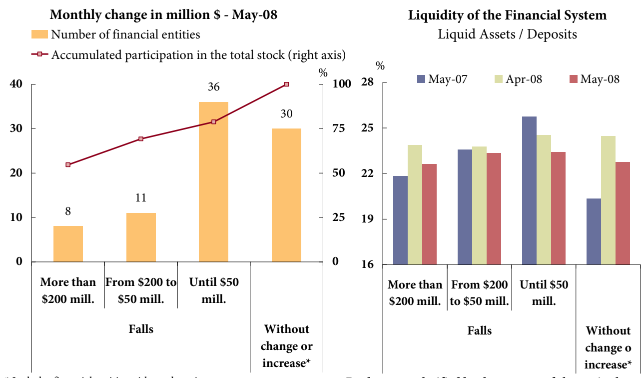
Deposits and Liquidity



Source: BCRA

Chart 6

Deposits of the Private Sector and Bank's Liquidity



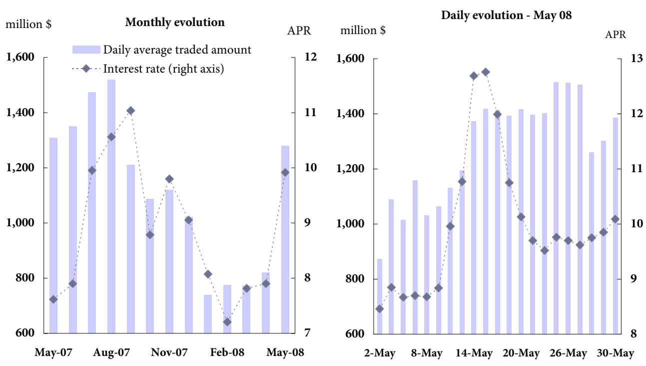
* Includes financial entities without deposits

Source: BCRA

Chart 7

Call Market

1-day maturity operations in pesos



Source: BCRA

---

[4] Including time deposits and term investments.

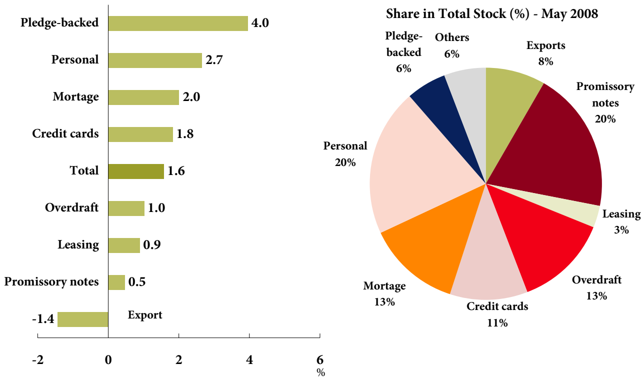
[5] According to provisional SISCEN data the private sector deposits experienced an increase of $2 billion (1.5%) in June.

[6] For further details see the Monetary Program Tracking report for the second quarter of 2008, available on www.bcra.gov.ar.

Chart 8

Credit to the Private Sector by Type of Line

Monthly change in %- May 2008

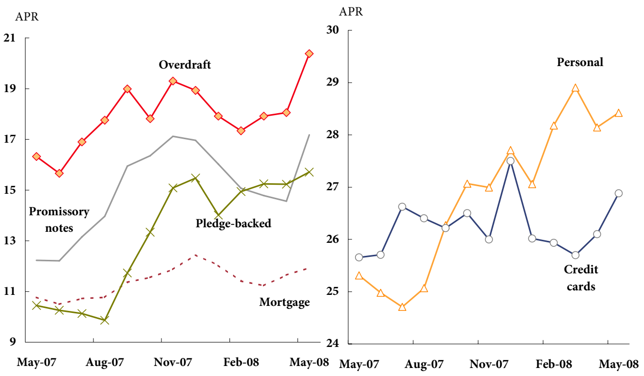


Source: BCRA

Chart 9

Lending Interest Rates

Loans to the private sector - Financial system

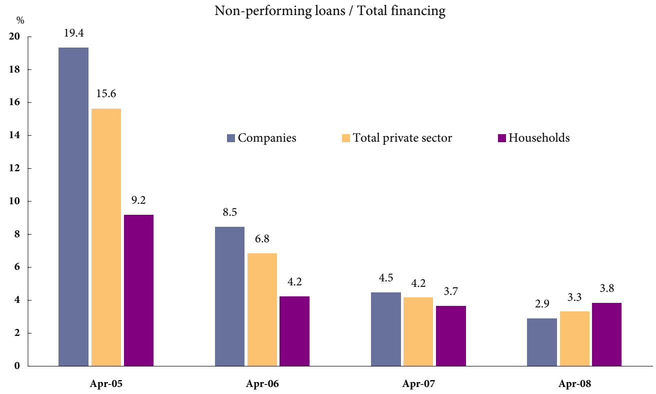


Source: BCRA

Chart 10

Non-Performing Credit to the Private Sector

Non-performing loans / Total financing



Source: BCRA

Facing this scenario, **the financial system maintained solid liquidity levels during the month.** In fact, although the liquidity indicator fell 1.2 p.p. in May it was **23% of the deposits, exceeding its level at the end of 2007** (see Chart 5). During May, particularly, the liquid assets of the banks were reduced $3.6 billion, mainly driven by the smaller minimum cash reserves ($2.2 billion) and the unwinding of cash repos with the Central Bank ($1.4 billion). Also, because the Lebac and Nobac position fell $1.9 billion in the month **the broad liquidity indicator** (that includes this position) **was 38.7% of the deposits** (1.9 p.p. less than during April) **surpassing the level recorded at the end of last year.** It is noteworthy that although the financial institutions groups which recorded the largest falls in their private sector deposits during the month reduced their liquid assets, they maintained liquidity levels similar to those observed 12 months ago (see Chart 6).

The interest rate on the overnight inter-bank call money market increased 2 p.p. in May, to a monthly average of 9.9% (see Chart 7). The daily volume traded on this market averaged $1.28 billion for the month, increasing 56% from April. Both the interest rate and the volume traded on this market started to fall in the second half of June.

Financing

Loans to the private sector continued growing in a limited credit risk scenario

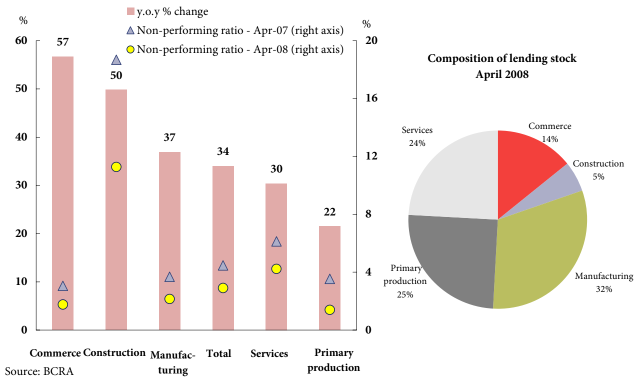
Credit to the private sector recorded a 1.6% increase in May (1.8% if the outstanding stock is adjusted for the financial trusts issues during the month[7]), **maintaining a growth rate of around 40% y.o.y., which was similar to recent months.** The most dynamic credits during the month were pledges and personal loans, with increases of 4% and 2.7%, respectively (see Chart 8). This monthly change in loans to the private sector happened **in a scenario of increases in the lending rates** (see Chart 9), fundamentally in the commercial lines and for credit cards.

The growth of lending to firms and families has been happening in a context of limited credit risk. Irregular loans, particularly, remained at historically low levels of 3.3% of private sector credit in May, recording a fall by 0.7 p.p. during the past 12 months. Considering data for April 2008 –the most recent information available at the time this Report was published allowing for a

[7] Financial trusts issued by the financial institutions totalled $260 million during May.

Chart 11

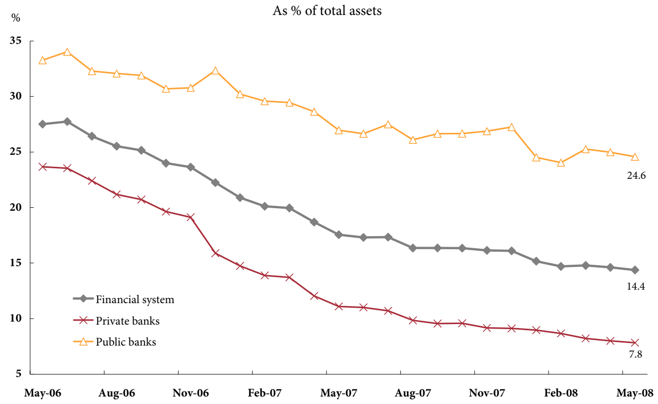
Lending to Companies by Economic Sector
Financial system



Source: BCRA

Chart 12

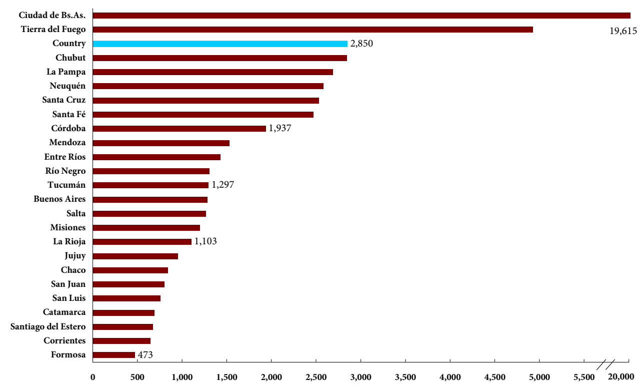
Public Sector Exposure
As % of total assets



Source: BCRA

Chart 13

Credit to the Private Sector by Inhabitant
In pesos - March 2008



Source: BCRA

breakdown of loans by economic sectors-, **the y.o.y. improvement in the quality of the loan portfolio was explained by loans to the corporate sector**[8] (see Chart 10) that attained 2.9% arrears, because irregular loans to families increased slightly from their levels a year ago (to 3.8%). Furthermore, **the coverage of irregular loans by provisions was at a 123% ratio**, which is another sign of the sound position the banks have to face credit risk from the private sector.

Bank lending to firms recorded a 34% growth in the past 12 months, which was generalized among all productive sectors. In particular, although commerce and construction are the sectors with the smallest share of the stock of loans, they exhibited the relatively largest momentum with increases of over 50% y.o.y.. **This annual increase occurs in a framework in which all segments of productive activity reduce their irregular performance** (see Chart 11). While loans for construction exhibited the most noteworthy decline in their arrears ratio, the best relative performances were recorded in the lines of loans granted to primary production and commerce, with irregular ratios of 1.4% and 1.8% of loans, respectively.

The persistent expansion of loans to the private sector has been happening as exposure to the public sector was reduced. Specifically, credit for the public sector was 14.4% of assets in May, which was 0.2 p.p. less than during April and 3.2 p.p. less than the same month last year (see Chart 12). This monthly contraction was led by the public sector banking system, because in May the amortization of principal of Guaranteed Loans (Bontes 05) was recorded.

Geographical scope

The expansion of the financial system geographical coverage persists

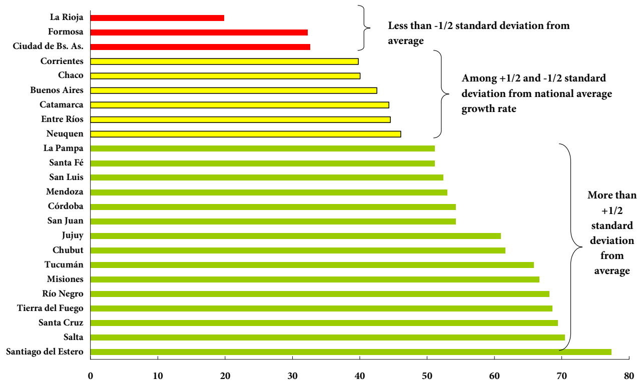
In regional terms Argentina exhibits a considerable disparity in the available bank credit funds[9] (see Chart 13). If one excludes the jurisdiction with most loans from the financial system, which is Buenos Aires Autonomous City with $19,600 per capita, a severe inequality is still noticeable. Tierra del Fuego, Chubut, La Pampa and Neuquén (the four provinces that follow in per capita loan terms) thus have five times the funds available for the four least favored provinces (Formosa,

[8] Corporate loans are considered to be those granted to legal persons and commercial credit to individuals, while remaining lending to individuals is regarded as part of household finance.
[9] Siscen data for March 2008.

Chart 14

Credit to the Private Sector Growth Rate

y.o.y.% change - March 2008

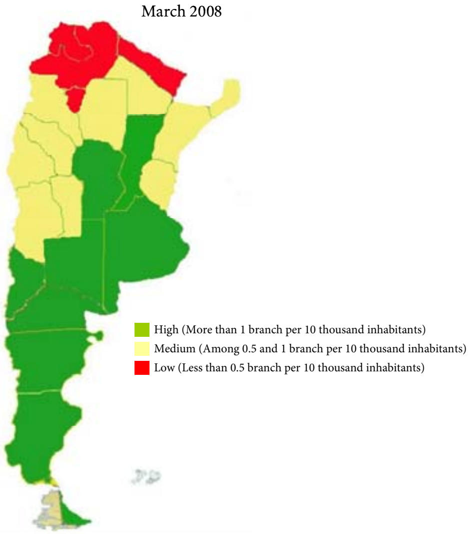


Source: BCRA

Chart 15

Banking Coverage

March 2008

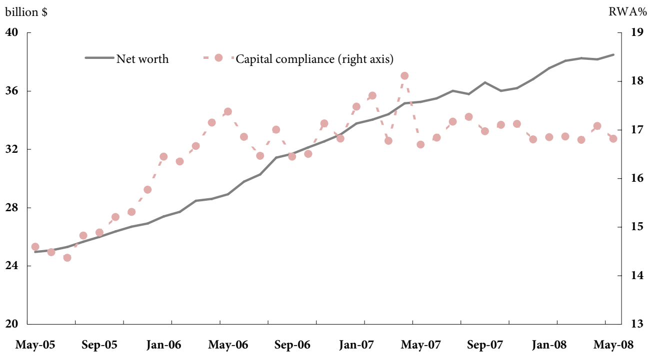


Source: BCRA

Chart 16

Solvency

Financial system



Source: BCRA

Corrientes, Santiago del Estero and Catamarca) on average. **Despite this situation, a generalized expansion of credit to the private sector in all provinces is seen.**

During the past year 15 provinces have exhibited y.o.y. growth rates that significantly exceed the national average (40%) (see Chart 14). **These jurisdictions exhibited a moderate weighting in the total credit for the private sector at the national level (24.9%)** and a large share of total population (41.5%), **with only three of them being highly developed economically while the rest are at medium and low levels.**

On the other hand **six provinces recorded growth rates in line with the national total during the same period** (48.6% of the population and 21.5% of credit for the private sector), **including Buenos Aires province and intermediate and less developed regions.** The three remaining jurisdictions with a slower growth are Buenos Aires Autonomous City (with 53% of total banking credit for the private sector, and two little developed provinces (Formosa and La Rioja). **If these trends are maintained in coming years less disparity in the bank funds availability of to the different Argentine regions might gradually be seen.**

In this framework, **during recent years a persistent improvement of the geographical coverage by the financial services distribution network among the different provinces was observed**, in line with the robust expansion of productive activity in all Argentine regions. **The number of inhabitants per automatic teller machine has seen a gradual relative progress in districts where financial services are least available** (mainly North East Argentina –NEA- and North West Argentina –NOA-) (see Box 3 in FSB I-08). In this context, the provinces of northern Argentina still exhibit the smallest reach by bank branches (10% of total population) (see Chart 15). However, it is noteworthy that **more than two thirds of Argentina's population exhibits a considerable relative density of bank branches**.

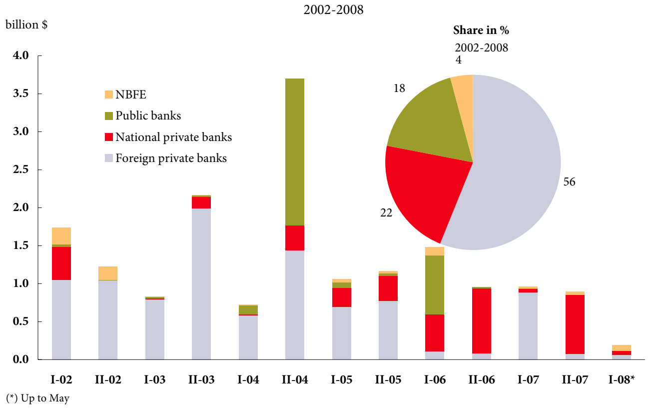
Solvency

Accounting profits boosted the solvency of the financial system during the month

The financial system continued strengthening its solvency levels during May, a trend that was driven by positive book profits, and to a lesser extent by the fresh capital contributions. Specifically, bank net worth grew $320 million (0.8%) in the month (see Chart 16), to

Chart 17

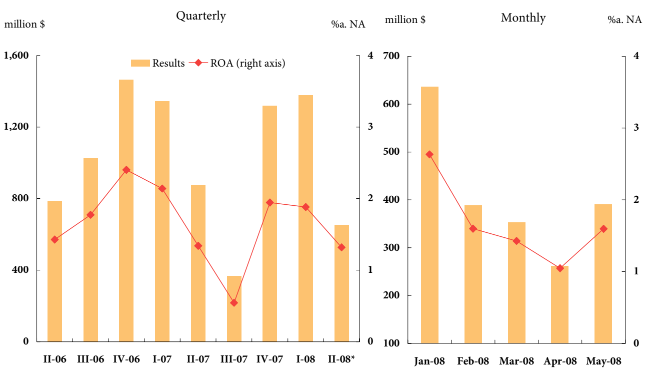
Financial Entities Capital Contribution
2002-2008



(*) Up to May
Source: BCRA

Chart 18

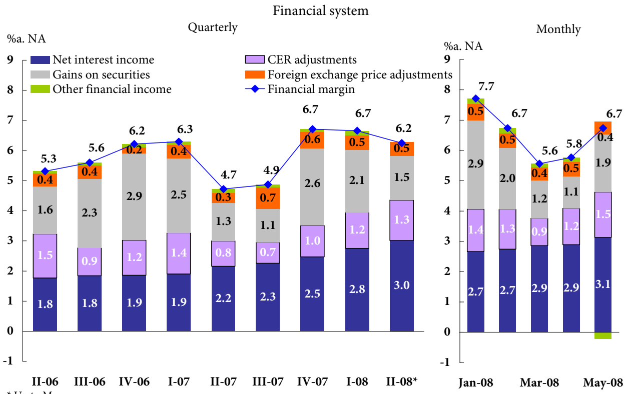
Profitability
Financial system



* Up to May
Source: BCRA

Chart 19

Financial Margin
Financial system



* Up to May
Source: BCRA

accumulate an increase of almost $1.7 billion during the first five months of the year (11.2%a.). The monthly net worth expansion was explained by both public sector and private sector banks' performance.

The fresh capital contributions totaled $30 million in the month to a non-bank financial entity (NBFE). Capitalizations so far this year have therefore totaled $200 million, mostly for NBFE and foreign owned private sector banks. Therefore, since 2002 capitalizations totaling over $17 billion (US$5.75 billion) have been carried out (see Chart 17), mostly received by the foreign owned private sector banks and to a lesser extent by the domestic capital private sector financial institutions.

The financial system continued exhibiting adequate levels of capital compliance, which exceeded the minimum levels required locally and also the international recommendations. The excess of capital compliance of the banking system was 81% of the total requirement in May. On the other hand, the capital compliance relative to the risk-weighted assets of the financial system was 16.8% in the month. This ratio implies a slight 0.3 p.p. fall of the assets at risk, because the latter increased in the framework of a sustained expansion of loans to the private sector. Despite this monthly change capital compliance remains at similar levels to those seen 12 months ago.

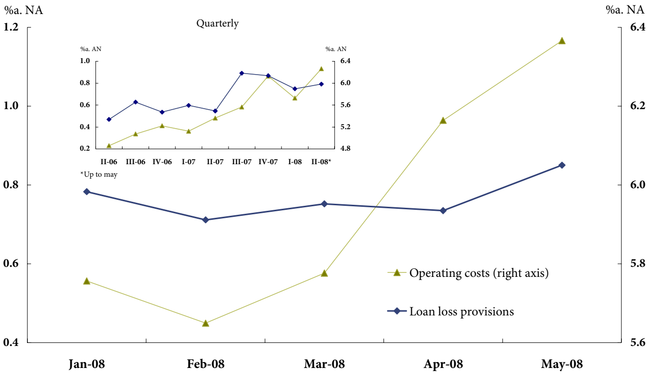
The banking system maintained its solvency levels during May, mainly due to profits of $390 million (1.6%a. of assets and 13.5%a. of equity) (see Chart 18). Earning accounting profits was generalized to 67 of the 85 financial institutions (which held 93% of total assets). **During the month profits increased by 0.6 p.p. of assets compared to April.** The more stable revenue sources (net interest and service earnings) and the recovery of the results from securities explained the monthly increase in profitability. Therefore**, so far this year the positive results are over $2 billion (1.7%a. on assets).**

The financial margin of the banking system grew by 0.9 p.p. of assets during the month to 6.7%a., fundamentally due to the increase in the results from securities (0.8 p.p. to 1.9%a. of assets). This performance was explained by the recovery of the prices of the main sovereign bonds that was observed, especially during the second half of May. The strong performance of the financial margin was also driven by **the net interest earnings, which reached their post-crisis maximum** (3.1%a. on assets, 0.2 p.p. higher than April) (see Chart 19). This behavior happened in a

Chart 20

Operating Costs and Loan Loss Provisions

As % of netted assets - Financial system



Source: BCRA

context of sustained growth of credit for the private sector.

Service results continued showing a remarkable momentum, at 3.6%a. of assets in May, or 0.1 p.p. higher than the month before. In perspective, net service income recorded an increase of 0.5 p.p. of assets compared to the same period last year to 3.4%a. during the first five months of the year, and were able to cover more than half the administrative outlays.

Partly due the growing share of credit for the private sector in the banking portfolio, **loan loss provisions exhibited a monthly rise** of 0.2 p.p. of assets to 0.9%a. in May, although from a historical perspective they are still at low levels. On the other hand, **operating costs keep growing** (see Chart 20) **due to the growth of employment and wages in the sector.** At a systemic level these outlays were 6.4%a. of assets, 0.2 p.p. more than in April, with changes mostly led by the private sector banks. Therefore, these outlays accumulated 5.9%a. of assets so far this year, 0.7 p.p. more than the same period last year.

Based on the information available when this Report was published, **during June the financial system is estimated to continue showing adequate solvency indicators, led especially by earning book profits.** Profitability will again be led by the more stable revenue sources, with a gradual increase in loans to the private sector and the recovery of private sector deposits. However, due to the fall of the price of the main securities held in portfolios, a smaller profit is expected from this item. Furthermore, in the framework of the end of the quarterly accounting period certain adjustments to the financial institution outlays are likely to be made, especially regarding loan loss provisions and operating costs. Finally, the results from exchange rate differences may be smaller at the financial institutions with a larger lending position in foreign currency, because the peso-U.S. dollar exchange rate fell since the beginning to the end of June.

Latest regulations

Summary of the main new rules during the month associated with financial intermediation. The reference considers the date when the rule becomes applicable.

- **Communication "A" 4798 – May 2, 2008**

Finance for the non-financial public sector. Entities controlled by the national government, provincial governments, municipal governments and Buenos Aires Autonomous City are regarded as part of the non-financial public sector. This also includes financial trusts and fiduciary funds whose beneficiary, as determined by the applicable contracts or regimes, belong to this sector. Requirements to consider requests for exemptions from the guidelines for granting financial assistance are modified, increasing the range of funds which can be offered as collateral, including up to a certain percentage of rights to collect invoices issued or to be issued to consumers of services by utility firms; securing time deposit certificates issued by the lending institution and collateralizing sovereign debt securities or Central Bank monetary regulation instruments.

- **Communication "A" 4807 – May 29, 2008**

Rules about "minimum cash reserves". A temporary rule is established so that in the June-July 2008 period the requirement and compliance reserves in pesos are recorded over a two-month period. However, for this two-month position surpluses that may occur in the June position cannot be calculated as if they were considered for each month.

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 institutions that have not provided data for the month reviewed, the most recent information available is repeated in the aggregate balance sheet. On the other hand, for profitability analysis only the banks providing data for that month are considered.

(b) Due to possible lack of data for some banks at the time this Report was drafted, and due to possible corrections to the data provided by financial institutions later, the data included is of a preliminary nature –particularly for the last month included-. Therefore, and due to the fact that the most recent data available always used, data in connection with earlier periods may not match what was mentioned in earlier issues of the Report. In such cases, the latter release should be regarded as being of better quality.

(c) Unless otherwise indicated, data about deposits and loans refer to balance sheet information, and do not necessarily agree with those compiled by the Centralized Information Requirement System (SISCEN). Reasons for discrepancies include the precise date considered in order to calculate monthly changes and the items included in the definition adopted in either case.

(d) Profit ratio calculations are based on monthly results estimated from changes in the aggregate result amounts during the current fiscal year. 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 institutions 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 institutions that specialize in a financial sector niche market –usually smaller institutions-. Finally, it is worth noting that the classifications defined above are solely for analytical purposes and does not mean it is the only methodology criteria by which to group them; while on the other hand, the listing of features for each financial institution group has been established in a general manner.

(f) Indicators exhibited in Tables 1 and 5 of Statistical Appendix: 1.- (Paid in liquidity at the Central Bank + Other cash holding + Holdings of Central Bank securities for repo transactions in cash) / Total deposits; 2.- (Position in government securities (not including Lebac nor Nobac) + Loans to the public sector + Compensations to be received) / Total assets; 3.- (Loans to the non-financial private sector + Leasing operations) / Total assets; 4.- Irregular portfolio with the non-financial private sector / Loans to the non-financial private sector; 5.- (Total irregular portfolio – Bad loan provisions) / Equity. The irregular portfolio includes loans classed in situations 3, 4, 5 and 6; 6.- Cumulative annual result / Average monthly net assets - % annualized; 8.- (Financial margin (Interest result + CER and CVS adjustments + Asset based results + Exchange rate differences + Other financial results) + Service results) / Cumulative annual management outlays; 9.- Paid in capital (Calculated Equity Requirement) / Risk weighted assets, according to the Central Bank rule on minimum capital; 10.- Total capital position (Paid in capital less requirement, including flexibilities) / 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 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´s 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	May 2007	2007	Apr 2008	May 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	22.2	23.0	24.2	23.0
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	17.6	16.1	14.6	14.4
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	31.6	38.2	38.0	38.8
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	4.0	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	-3.1	-3.0	-2.5	-2.3
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	1.7	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	13.7	9.0	14.2	14.1
8.- Eficiency	142	136	138	142	147	143	189	69	125	151	167	168	161	167	166
9.- Capital compliance	23.8	20.8	20.3	21.0	20.1	21.4	-	14.5	14.0	15.3	16.8	16.7	16.8	17.1	16.8
10.- Excess capital compliance	64	73	49	54	58	54	-	116	185	173	134	93	92	83	81

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	May 07	Dec 07	Apr 08	May 08	Change (%)		
												Last month	2008	Last 12 months
Assets	**163,550**	**123,743**	**187,532**	**186,873**	**212,562**	**221,962**	**258,384**	**286,706**	**297,963**	**327,581**	**325,743**	**-0.6**	**9.3**	**13.6**
Liquid assets[1]	20,278	13,005	17,138	27,575	29,154	20,819	37,991	35,248	46,320	49,366	47,199	-4.4	1.9	33.9
Public bonds	10,474	3,694	31,418	45,062	55,382	66,733	64,592	78,783	62,678	71,160	67,438	-5.2	7.6	-14.4
Lebac/Nobac	-	-	-	-	17,755	28,340	29,289	47,242	36,022	44,979	41,631	-7.4	15.6	-11.9
Portfolio	-	-	-	-	11,803	21,067	25,725	36,010	31,598	36,915	35,011	-5.2	10.8	-2.8
Repo[2]	-	-	-	-	5,953	7,273	3,563	11,232	4,424	8,063	6,620	-17.9	49.6	-41.1
Private bonds	633	543	332	198	387	389	813	830	382	313	563	79.9	47.2	-32.2
Loans	83,277	77,351	84,792	68,042	73,617	84,171	103,668	109,205	132,157	143,720	145,848	1.5	10.4	33.6
Public sector	15,164	22,694	44,337	33,228	30,866	25,836	20,874	16,733	16,772	17,731	17,242	-2.8	2.8	3.0
Private sector	64,464	52,039	38,470	33,398	41,054	55,885	77,832	87,768	110,355	120,556	122,523	1.6	11.0	39.6
Financial sector	3,649	2,617	1,985	1,417	1,697	2,450	4,962	4,704	5,030	5,432	6,083	12.0	20.9	29.3
Provisions over loans	-6,907	-6,987	-11,952	-9,374	-7,500	-4,930	-3,728	-3,744	-4,089	-4,331	-4,388	1.3	7.3	17.2
Other netted credits due to financial intermediation	42,361	21,485	39,089	27,030	32,554	26,721	26,039	37,015	29,712	36,728	38,344	4.4	29.1	3.6
Corporate bonds and subordinated debt	794	751	1,708	1,569	1,018	873	773	635	606	638	716	12.3	18.3	12.8
Unquoted trusts	2,053	2,065	6,698	4,133	3,145	3,883	4,881	4,851	5,023	5,292	5,554	5.0	10.6	14.5
Compensation receivable	0	0	17,111	14,937	15,467	5,841	763	364	377	326	320	-1.8	-15.1	-12.1
Other	39,514	18,669	13,572	6,392	12,924	16,124	19,622	31,165	23,706	30,472	31,753	4.2	33.9	1.9
Leasing	786	771	567	397	611	1,384	2,262	2,840	3,469	3,793	3,827	0.9	10.3	34.7
Shares in other companies	2,645	2,688	4,653	4,591	3,871	4,532	6,392	6,804	6,430	6,548	6,669	1.8	3.7	-2.0
Fixed assets and miscellaneous	4,939	4,804	8,636	8,164	7,782	7,546	7,619	7,623	7,643	7,711	7,740	0.4	1.3	1.5
Foreign branches	1,115	1,057	3,522	3,144	3,524	3,647	2,782	2,863	2,912	2,980	2,934	-1.5	0.7	2.5
Other assets	3,950	5,334	9,338	12,043	13,180	10,950	9,953	9,239	10,347	9,593	9,570	-0.2	-7.5	3.6
Liabilities	**146,267**	**107,261**	**161,446**	**164,923**	**188,683**	**195,044**	**225,369**	**251,442**	**261,143**	**289,414**	**287,255**	**-0.7**	**10.0**	**14.2**
Deposits	86,506	66,458	75,001	94,635	116,655	136,492	170,898	187,698	205,550	225,222	222,139	-1.4	8.1	18.3
Public sector[3]	7,204	950	8,381	16,040	31,649	34,019	45,410	47,112	48,340	55,803	58,348	4.6	20.7	23.8
Private sector[3]	78,397	43,270	59,698	74,951	83,000	100,809	123,431	138,078	155,048	167,027	161,350	-3.4	4.1	16.9
Current account	6,438	7,158	11,462	15,071	18,219	23,487	26,900	31,818	35,245	39,748	38,112	-4.1	8.1	19.8
Savings account	13,008	14,757	10,523	16,809	23,866	29,078	36,442	38,700	47,109	48,152	46,446	-3.5	-1.4	20.0
Time deposit	53,915	18,012	19,080	33,285	34,944	42,822	54,338	61,108	65,952	71,232	69,003	-3.1	4.6	12.9
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	55,492	46,225	54,055	55,500	2.7	20.1	0.0
Interbanking obligations	3,545	2,550	1,649	1,317	1,461	2,164	4,578	4,186	4,310	4,733	5,421	14.5	25.8	29.5
BCRA lines	102	4,470	27,837	27,491	27,726	17,005	7,686	4,460	2,362	2,273	2,252	-0.9	-4.7	-49.5
Outstanding bonds	4,954	3,777	9,096	6,675	7,922	6,548	6,603	7,032	6,938	6,620	6,601	-0.3	-4.8	-6.1
Foreign lines of credit	8,813	7,927	25,199	15,196	8,884	4,684	4,240	3,222	3,864	4,503	4,497	-0.1	16.4	39.6
Other	37,883	17,295	11,955	11,012	18,934	21,671	22,930	36,593	28,752	35,927	36,728	2.2	27.7	0.4
Subordinated debts	2,255	2,260	3,712	2,028	1,415	1,381	1,642	1,662	1,672	1,659	1,639	-1.2	-2.0	-1.4
Other liabilities	2,210	2,524	6,997	6,569	5,685	5,099	6,792	6,590	7,695	8,477	7,978	-5.9	3.7	21.1
Net worth	**17,283**	**16,483**	**26,086**	**21,950**	**23,879**	**26,918**	**33,014**	**35,264**	**36,819**	**38,168**	**38,489**	**0.8**	**4.5**	**9.1**
Memo														
Netted assets	129,815	110,275	185,356	184,371	202,447	208,275	244,791	261,472	280,336	303,618	300,738	-0.9	7.3	15.0
Consolidated netted assets	125,093	106,576	181,253	181,077	198,462	203,286	235,845	252,454	271,652	294,412	290,802	-1.2	7.0	15.2

(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 2000	2001	2002[1]	2003	2004	2005	2006	2007	First 5 months 2007	2008	Monthly Mar-08	Apr-08	May-08	Last 12 months
Financial margin	7,291	6,943	13,991	1,965	6,075	9,475	13,262	15,316	6,238	7,966	1,374	1,443	1,648	17,044
Net interest income	5,106	4,625	-3,624	-943	1,753	3,069	4,150	5,744	2,096	3,504	706	723	766	7,152
CER and CVS adjustments	0	0	8,298	2,315	1,944	3,051	3,012	2,625	1,252	1,551	223	299	368	2,923
Foreign exchange price adjustments	185	268	5,977	-890	866	751	944	1,356	396	583	108	120	105	1,543
Gains on securities	1,481	1,490	3,639	1,962	1,887	2,371	4,923	5,327	2,376	2,235	308	265	462	5,186
Other financial income	519	559	-299	-480	-375	233	235	264	118	93	29	36	-53	239
Service income margin	3,582	3,604	4,011	3,415	3,904	4,781	6,243	8,248	3,089	4,139	781	865	871	9,298
Loan loss provisions	-3,056	-3,096	-10,007	-2,089	-1,511	-1,173	-1,198	-1,922	-587	-940	-186	-184	-208	-2,275
Operating costs	-7,375	-7,362	-9,520	-7,760	-7,998	-9,437	-11,655	-14,634	-5,545	-7,290	-1,427	-1,542	-1,558	-16,379
Tax charges	-528	-571	-691	-473	-584	-737	-1,090	-1,537	-558	-805	-150	-170	-167	-1,784
Income tax	-446	-262	-509	-305	-275	-581	-595	-1,032	-494	-547	-78	-40	-109	-1,085
Adjust. to the valuation of government securities[2]	0	0	0	-701	-320	-410	-752	-1,024	-11	-617	-94	-165	-217	-1,630
Amortization payments for court-ordered releases	0	0	0	-1,124	-1,686	-1,867	-2,573	-1,672	-772	-476	-76	-75	-80	-1,376
Other	535	702	-3,880	1,738	1,497	1,729	2,664	2,163	606	598	209	129	211	2,155
Monetary results	0	0	-12,558	69	0	0	0	0	0	0	0	0	0	0
Total results[3]	**3**	**-42**	**-19,162**	**-5,265**	**-898**	**1,780**	**4,306**	**3,905**	**1,967**	**2,030**	**353**	**262**	**391**	**3,968**
Adjusted results[4]	-	-	-	-3,440	1,337	4,057	7,631	6,602	2,750	3,122	523	502	688	6,973
Annualized indicators - As % of netted assets														
Financial margin	5.7	5.7	6.5	1.1	3.1	4.6	5.8	5.8	5.9	6.5	5.6	5.8	6.7	6.1
Net interest income	4.0	3.8	-1.7	-0.5	0.9	1.5	1.8	2.2	2.0	2.9	2.9	2.9	3.1	2.6
CER and CVS adjustments	0.0	0.0	3.9	1.3	1.0	1.5	1.3	1.0	1.2	1.3	0.9	1.2	1.5	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	0.5	0.4	0.6
Gains on securities	1.2	1.2	1.7	1.1	1.0	1.2	2.2	2.0	2.2	1.8	1.2	1.1	1.9	1.9
Other financial income	0.4	0.5	-0.1	-0.3	-0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	-0.2	0.1
Service income margin	2.8	3.0	1.9	1.9	2.0	2.3	2.7	3.1	2.9	3.4	3.2	3.5	3.6	3.3
Loan loss provisions	-2.4	-2.6	-4.7	-1.1	-0.8	-0.6	-0.5	-0.7	-0.6	-0.8	-0.8	-0.7	-0.9	-0.8
Operating costs	-5.8	-6.1	-4.4	-4.2	-4.1	-4.6	-5.1	-5.6	-5.2	-5.9	-5.8	-6.2	-6.4	-5.8
Tax charges	-0.4	-0.5	-0.3	-0.3	-0.3	-0.4	-0.5	-0.6	-0.5	-0.7	-0.6	-0.7	-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	-0.3	-0.2	-0.4	-0.4
Adjust. to the valuation of government securities[2]	0.0	0.0	0.0	-0.4	-0.2	-0.2	-0.3	-0.4	0.0	-0.5	-0.4	-0.7	-0.9	-0.6
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	-0.3	-0.3	-0.3	-0.5
Other	0.4	0.6	-1.8	0.9	0.8	0.8	1.2	0.8	0.6	0.5	0.8	0.5	0.9	0.8
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
ROA[3]	**0.0**	**0.0**	**-8.9**	**-2.9**	**-0.5**	**0.9**	**1.9**	**1.5**	**1.9**	**1.7**	**1.4**	**1.0**	**1.6**	**1.4**
ROA adjusted[4]	0.0	0.0	-8.9	-1.9	0.7	2.0	3.4	2.5	2.6	2.5	2.1	2.0	2.8	2.5
ROE [3]	*0.0*	*-0.2*	*-59.2*	*-22.7*	*-4.2*	*7.0*	*14.3*	*9.0*	*13.7*	*14.1*	*12.2*	*9.0*	*13.5*	*9.1*

(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	May 07	Dec 07	Apr 08	May 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**	**4.0**	**3.2**	**3.3**	**3.3**
Provisions / Non-performing loans	61.1	66.4	73.8	79.2	102.9	124.5	129.9	129.9	129.6	122.9	122.3
(Total non-perfoming - Provisions) / Overall financing	5.0	4.4	4.7	3.7	-0.3	-1.3	-1.0	-1.0	-0.8	-0.6	-0.6
(Total non-perfoming - Provisions) / Net worth	26.2	21.6	17.2	11.9	-1.0	-4.1	-3.3	-3.1	-3.0	-2.5	-2.4

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

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	May 2007	2007	Apr 2008	May 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	22.8	25.7	25.9	24.4
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	11.1	9.1	8.0	7.8
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	39.8	46.6	46.5	47.4
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	3.2	2.5	2.5	2.6
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	-2.8
6.- ROA	0.6	0.7	0.5	0.3	0.1	0.2	-11.3	-2.5	-1.0	0.5	2.2	1.9	1.6	1.9	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	12.7	8.8	14.7	14.5
8.- Eficiency	144	135	139	146	152	151	168	93	115	136	158	163	152	164	163
9.- Capital compliance	15.9	15.4	14.6	18.9	18.0	17.6	-	14.0	15.1	17.8	18.6	20.1	19.2	19.2	18.6
10.- Excess capital compliance	33	47	27	60	49	43	-	88	157	155	116	95	87	80	75

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	May 07	Dec 07	Apr 08	May 08	Change (%)		
												Last month	2008	Last 12 months
Assets	**119,371**	**82,344**	**118,906**	**116,633**	**128,065**	**129,680**	**152,414**	**163,864**	**175,509**	**191,544**	**189,377**	**-1.1**	**7.9**	**15.6**
Liquid assets[1]	13,920	10,576	11,044	14,500	15,893	14,074	22,226	21,519	29,418	29,292	27,279	-6.9	-7.3	26.8
Public bonds	7,583	1,627	19,751	22,260	24,817	29,966	27,663	33,433	24,444	27,316	23,344	-14.5	-4.5	-30.2
Lebac/Nobac	0	0	-	-	8,359	15,227	15,952	23,455	17,684	20,547	17,280	-15.9	-2.3	-26.3
Portfolio	0	0	-	-	5,611	12,899	14,220	19,532	15,639	16,666	13,848	-16.9	-11.5	-29.1
Repo[2]	0	0	-	-	2,749	2,328	1,732	3,923	2,045	3,881	3,432	-11.6	67.8	-12.5
Private bonds	563	451	273	172	333	307	683	694	310	258	457	77.3	47.1	-34.2
Loans	56,035	52,319	51,774	47,017	50,741	56,565	69,294	72,562	88,898	96,360	97,359	1.0	9.5	34.2
Public sector	8,172	13,803	25,056	23,571	21,420	15,954	10,036	6,488	6,413	6,290	6,224	-1.1	-3.0	-4.1
Private sector	45,103	36,636	26,074	22,816	28,213	39,031	55,632	62,638	78,587	85,618	86,399	0.9	9.9	37.9
Financial sector	2,760	1,880	644	630	1,107	1,580	3,626	3,436	3,898	4,451	4,736	6.4	21.5	37.8
Provisions over loans	-3,248	-3,957	-7,463	-5,225	-3,717	-2,482	-2,227	-2,283	-2,365	-2,516	-2,563	1.8	8.4	12.3
Other netted credits due to financial intermediation	36,600	13,037	27,212	22,148	25,753	16,873	18,387	20,806	17,084	22,323	24,990	11.9	46.3	20.1
Corporate bonds and subordinated debt	724	665	1,514	1,394	829	675	618	493	430	455	528	16.0	22.9	7.2
Unquoted trusts	1,609	1,637	6,205	3,571	2,362	2,444	2,982	3,459	3,456	3,878	4,085	5.3	18.2	18.1
Compensation receivable	0	0	15,971	13,812	14,657	5,575	760	364	377	326	320	-1.8	-15.0	-12.1
Other	34,267	10,735	3,523	3,370	7,905	8,179	14,027	16,490	12,822	17,663	20,057	13.6	56.4	21.6
Leasing	776	752	553	387	592	1,356	2,126	2,650	3,149	3,410	3,427	0.5	8.8	29.3
Shares in other companies	1,651	1,703	3,123	2,791	1,892	2,416	4,042	4,409	3,762	3,965	4,091	3.2	8.7	-7.2
Fixed assets and miscellaneous	3,225	3,150	5,198	4,902	4,678	4,575	4,677	4,687	4,685	4,747	4,775	0.6	1.9	1.9
Foreign branches	75	112	-109	-136	-53	-148	-139	-144	-154	-157	-155	-1.6	0.8	7.8
Other assets	2,190	2,574	7,549	7,816	7,137	6,178	5,682	5,531	6,277	6,547	6,374	-2.6	1.5	15.2
Liabilities	**107,193**	**70,829**	**103,079**	**101,732**	**113,285**	**112,600**	**131,476**	**141,467**	**152,153**	**167,150**	**164,815**	**-1.4**	**8.3**	**16.5**
Deposits	57,833	44,863	44,445	52,625	62,685	75,668	94,095	104,552	116,719	125,911	121,662	-3.4	4.2	16.4
Public sector[3]	1,276	950	1,636	3,077	6,039	6,946	7,029	7,345	7,564	8,119	9,018	11.1	19.2	22.8
Private sector[3]	55,917	43,270	38,289	47,097	55,384	67,859	85,714	95,808	107,671	116,349	111,203	-4.4	3.3	16.1
Current account	4,960	7,158	8,905	11,588	13,966	17,946	20,604	23,957	27,132	30,307	29,087	-4.0	7.2	21.4
Savings account	9,409	14,757	6,309	10,547	14,842	18,362	23,165	24,555	30,169	31,486	29,065	-7.7	-3.7	18.4
Time deposit	39,030	18,012	11,083	18,710	22,729	27,736	38,043	43,083	45,770	49,139	47,659	-3.0	4.1	10.6
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	31,507	29,323	34,701	37,000	6.6	26.2	17.4
Interbanking obligations	2,293	1,514	836	726	1,070	1,488	3,383	2,506	1,979	1,956	2,366	20.9	19.6	-5.6
BCRA lines	83	1,758	16,624	17,030	17,768	10,088	3,689	735	675	700	705	0.8	4.5	-4.0
Outstanding bonds	4,939	3,703	9,073	6,674	7,922	6,548	6,413	6,842	6,686	6,399	6,295	-1.6	-5.9	-8.0
Foreign lines of credit	5,491	4,644	15,434	9,998	5,444	2,696	2,249	1,237	1,833	2,427	2,452	1.0	33.8	98.2
Other	33,466	11,010	7,374	7,939	12,878	11,530	16,015	20,187	18,150	23,220	25,182	8.4	38.7	24.7
Subordinated debts	1,668	1,700	3,622	1,850	1,304	1,319	1,642	1,658	1,668	1,655	1,635	-1.2	-2.0	-1.4
Other liabilities	1,420	1,637	5,671	4,890	4,213	3,264	3,989	3,751	4,443	4,882	4,518	-7.5	1.7	20.5
Net worth	**12,178**	**11,515**	**15,827**	**14,900**	**14,780**	**17,080**	**20,938**	**22,397**	**23,356**	**24,394**	**24,562**	**0.7**	**5.2**	**9.7**
Memo														
Netted assets	88,501	73,796	117,928	115,091	121,889	123,271	143,807	151,235	166,231	177,610	173,319	-2.4	4.3	14.6

(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

	Annual								First 5 months		Monthly			Last
Amount in million of pesos	**2000**	**2001**	**2002[1]**	**2003**	**2004**	**2005**	**2006**	**2007**	**2007**	**2008**	**Mar-08**	**Apr-08**	**May-08**	**12 months**
Financial margin	5,441	5,282	10,628	2,575	3,415	5,253	7,778	8,960	3,780	4,936	888	847	1,092	10,116
Net interest income	3,598	3,519	-304	107	1,214	2,069	2,826	4,191	1,411	2,843	574	596	648	5,623
CER and CVS adjustments	0	0	1,476	1,082	900	1,215	858	662	351	374	49	63	94	685
Foreign exchange price adjustments	160	256	6,189	-312	666	576	740	990	314	548	72	106	185	1,224
Gains on securities	1,232	962	3,464	1,892	959	1,259	3,154	2,888	1,596	1,096	169	47	211	2,387
Other financial income	450	546	-197	-195	-322	134	199	229	107	75	23	34	-46	197
Service income margin	2,554	2,598	2,782	2,341	2,774	3,350	4,459	5,881	2,235	2,937	560	617	613	6,583
Loan loss provisions	-2,173	-2,464	-6,923	-1,461	-1,036	-714	-737	-1,174	-419	-647	-126	-128	-138	-1,403
Operating costs	-5,263	-5,224	-6,726	-5,310	-5,382	-6,303	-7,741	-9,735	-3,695	-4,823	-943	-1,002	-1,053	-10,863
Tax charges	-379	-418	-512	-366	-393	-509	-769	-1,105	-398	-597	-110	-128	-128	-1,304
Income tax	-393	-216	-337	-295	-202	-217	-365	-380	-148	-362	-32	-28	-98	-594
Adjust. to the valuation of government securities[2]	0	0	0	-665	-51	-201	-170	-100	27	-77	-4	-22	-60	-204
Amortization payments for court-ordered releases	0	0	0	-791	-1,147	-1,168	-1,182	-1,466	-613	-319	-79	-41	-39	-1,171
Other	307	615	-4,164	1,178	846	1,156	1,641	1,576	395	277	91	39	73	1,459
Monetary results	0	0	-10,531	-20	0	0	0	0	0	0	0	0	0	0
Total results[3]	**93**	**174**	**-15,784**	**-2,813**	**-1,176**	**648**	**2,915**	**2,457**	**1,162**	**1,326**	**245**	**155**	**260**	**2,620**
Adjusted results[4]	-	-	-	-1,357	252	2,016	4,267	4,023	1,749	1,722	328	218	360	3,995
Annualized indicators - As % of netted assets														
Financial margin	6.2	6.4	7.6	2.3	2.9	4.3	5.9	5.8	6.1	6.9	6.1	5.8	7.7	6.2
Net interest income	4.1	4.3	-0.2	0.1	1.0	1.7	2.1	2.7	2.3	4.0	4.0	4.1	4.6	3.4
CER and CVS adjustments	0.0	0.0	1.1	0.9	0.8	1.0	0.6	0.4	0.6	0.5	0.3	0.4	0.7	0.4
Foreign exchange price adjustments	0.2	0.3	4.4	-0.3	0.6	0.5	0.6	0.6	0.5	0.8	0.5	0.7	1.3	0.7
Gains on securities	1.4	1.2	2.5	1.7	0.8	1.0	2.4	1.9	2.6	1.5	1.2	0.3	1.5	1.5
Other financial income	0.5	0.7	-0.1	-0.2	-0.3	0.1	0.2	0.1	0.2	0.1	0.2	0.2	-0.3	0.1
Service income margin	2.9	3.2	2.0	2.0	2.4	2.7	3.4	3.8	3.6	4.1	3.9	4.2	4.3	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	-1.0	-0.9
Operating costs	-6.0	-6.4	-4.8	-4.6	-4.6	-5.1	-5.9	-6.3	-6.0	-6.8	-6.5	-6.9	-7.4	-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	-0.9	-0.9	-0.8
Income tax	-0.4	-0.3	-0.2	-0.3	-0.2	-0.2	-0.3	-0.2	-0.2	-0.5	-0.2	-0.2	-0.7	-0.4
Adjust. to the valuation of government securities[2]	0.0	0.0	0.0	-0.6	0.0	-0.2	-0.1	-0.1	0.0	-0.1	0.0	-0.2	-0.4	-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	-0.4	-0.5	-0.3	-0.3	-0.7
Other	0.4	0.7	-3.0	1.0	0.7	0.9	1.2	1.0	0.6	0.4	0.6	0.3	0.5	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
ROA[3]	**0.1**	**0.2**	**-11.3**	**-2.5**	**-1.0**	**0.5**	**2.2**	**1.6**	**1.9**	**1.9**	**1.7**	**1.1**	**1.8**	**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	1.5	2.5	2.4
ROE[3]	*0.8*	*1.4*	*-79.0*	*-19.1*	*-8.1*	*4.1*	*15.3*	*8.8*	*12.7*	*14.5*	*13.3*	*8.4*	*14.1*	*9.4*

(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	May 07	Dec 07	Apr 08	May 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**	**3.2**	**2.5**	**2.5**	**2.6**
Provisions / Non-performing loans	67.7	75.7	73.4	79.0	97.0	114.3	129.3	131.5	141.3	131.1	130.5
(Total non-perfoming - 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-perfoming - 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