

Report on Banks

March 2008



BANCO CENTRAL
DE LA REPÚBLICA ARGENTINA

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Note | this report contains information from March 2008 available on April 23, 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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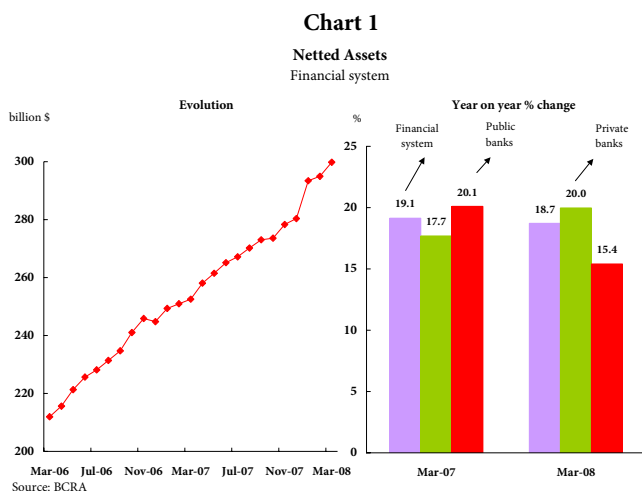
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Summary

- **In the period under analysis the financial system continued to expand in line with the trend seen in recent years: rising deposits of the private sector provided the main source of funding, while increased lending to the private sector was the most significant use of resources.** These developments took place simultaneously, within a framework of robust liquidity and solvency indicators.
- In the last 12 months, **the rise in total deposits (22% y.o.y.) has been driven by time deposits (26% y.o.y.) and, to a lesser extent, by sight deposits (19% y.o.y.).** In March deposits of the private sector were behind the increase in total bank deposits.
- **Bank liquidity increased during the month, reaching its highest level for the last two-and-a-half years.** During the month financial system liquid assets recorded an increase of \$1.1 billion, taking the liquidity indicator to 25.1% of total deposits, 0.3 p.p. above the February level and 3 p.p. higher than in the same period of 2007.
- **Lending to the private sector continued to expand, with a rate for year-on-year growth above 40%.** Lending to the private sector in particular went up 1.5% in the month (1.7% if balance sheet stocks are adjusted to reflect the issues of financial trusts). The most dynamic credit lines were personal loans (3.1%), credit cards (2.6%) and promissory notes (2.2%). Non-performance levels for the private sector financing were kept down at a low 3.3% in March, with a total drop of 0.8 p.p. in the last 12 months.
- **Financial system solvency indicators continued at a high level in March.** In a context of sustained growth in lending to the private sector, financial system capital compliance in terms of risk-weighted assets stood at 16.8% for the month, a similar level to that for the end of 2007 and that recorded 12 months earlier.
- Banking system net worth dropped \$50 million during the month. This drop was however explained by an adjustment performed by a public bank and the distribution of dividends drove by a private financial entity. **Excluding these extraordinary movements, financial system net worth went up almost \$350 million for the month (11.5% y.o.y.).** Increased net worth in 2008 was led by the profits obtained, and to a lesser extent, by capital contributions made by 5 financial entities of a relatively small size. Positive results were lower in March than in the previous month, because of lower gains on securities at a time of volatility in the domestic capital markets.

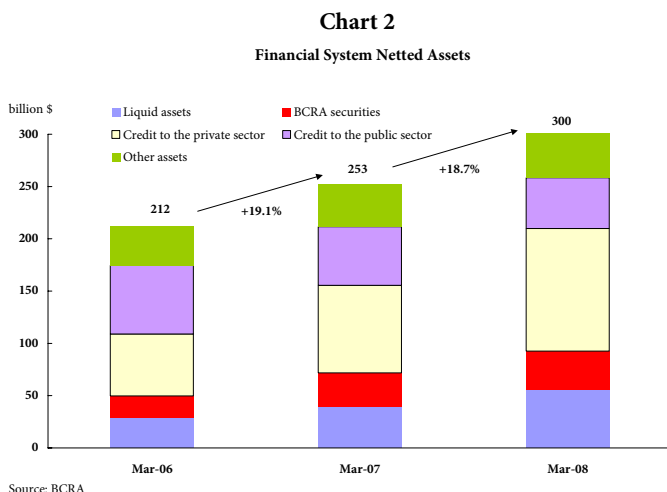
Activity

Lending to the private sector grows while liquidity remains at adequate levels



In March 2008 the financial system maintained the dynamic displayed in recent years: **growth in financial intermediation with the private sector, and balance sheet normalization**. Within a framework of limited credit risk, lending to the private sector continued to increase, funded mainly out of increased deposits of the private sector. **This expansion in credit to the private sector took place while preserving adequate liquidity levels.**

Financial system netted assets went up 1.6% in March, taking total year-on-year (y.o.y.) growth to 18.7%. This expansion was driven by private banks, which posted an increase of 1.9% in March (20% y.o.y.) and, to a lesser extent, by official financial entities, which recorded growth of 1% (15.4% y.o.y.) (see Chart 1). In terms of the composition of financial system netted assets, almost 40% was made up of lending to the private sector¹ (6 p.p. more than in March of the previous year) and liquid assets accounted for almost one-fifth of the total (see Chart 2). Lending to the public sector continues to lose ground in banks total portfolio (with a drop of 6 p.p. in the last 12 months), while the position in Central Bank securities have retained a relatively stable proportion of assets compared with the same period of the previous year.



On the matter of funds flows for financial entities as a whole, **increases in deposits of the private sector** (\$1.7 billion) and in those of the public sector (\$650 million) **constituted the most significant source of resources during the month**. On the other hand, **the most significant use of funds in March was the rise in lending to the private sector** (\$2.0 billion)², followed by larger position of Lebac and Nobac (\$1.25 billion).

Deposits of the private sector growth (\$1.45 billion) and increased lending to the private sector (\$1.75 billion) were the most significant sources and uses of funds for private banks in March. **The flow of funds for private banks in March differed in some respects from that of public banks**, the change in the position of Lebac and Nobac represented a use of funds for official entities, while this position remained relatively stable in the case of private banks. Another difference could be seen in the performance by public sector deposits, as they provided

¹ In terms of total bank assets, lending to the private sector stood at 36.4% and lending to the public sector reached 14.4% in March 2008.

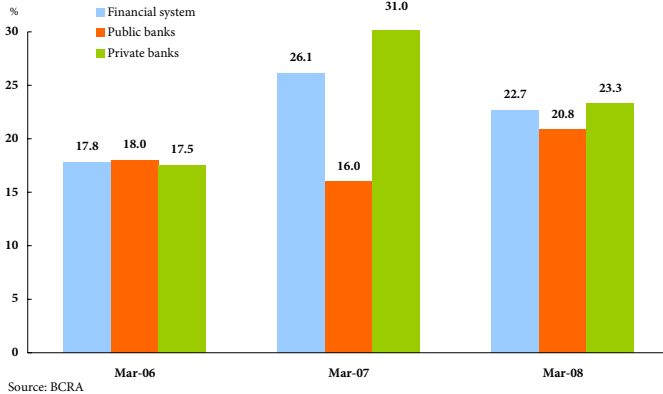
² Adjusted to the issuance of financial trusts during the month. Includes financing by means of leasing.

a source of funds for public banks and a use of resources in the case of private banks.

Deposits and liquidity

The increase in deposits of the private sector has been linked with greater banking sector liquidity

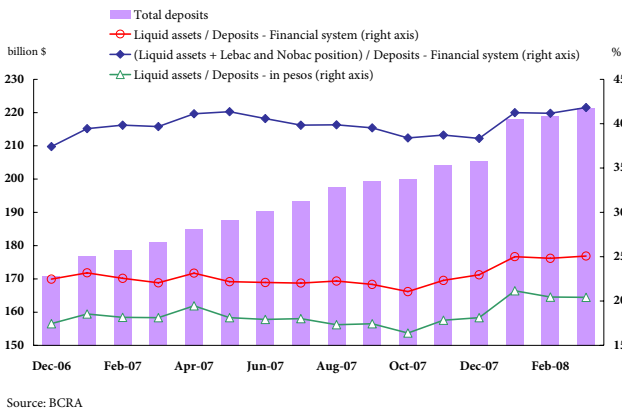
Chart 3
Deposits of the Private Sector
Year on year % change



In March, total deposits continued along the growth path seen in recent years. Total deposits increased by \$2.5 billion (1.1% or 22% y.o.y.) during the month. This increase was explained by both deposits of the private sector, which went up \$1.7 billion (1% or 23% y.o.y.) and, to a lesser extent, by those of the public sector, which rose \$650 million (1.1% or 21% y.o.y.). In the last 12 months, **growth in total deposits has been driven by time deposits³ (26% y.o.y.) and by sight deposits (19% y.o.y.).**

In the case of deposits of the private sector, during the month sight deposits went up 0.9%, while time deposits increased 0.4%, in a context of relatively stable interest rates. **Year-on-year growth in private sector deposits was largely accounted by private banks.** Nevertheless, public financial entities succeeded in increasing their year-on-year growth rate in this period (see Chart 3).

Chart 4
Deposits and Liquidity



In a context of volatile international financial markets, the local banking system continued to preserve its high liquidity levels. In March, bank liquid assets recorded a rise of \$1.1 billion. This change was a result of an increase in the current accounts held at the Central Bank and in bank cash holdings (\$1.4 billion). Repos with the Central Bank registered a drop (\$300 million).

The liquidity indicator stood at 25.1% of total deposits in March, 0.3 p.p. higher than in February (see Chart 4), having reached its highest level for the last two-and-a-half years. Increased Lebac and Nobac position (\$1.25 billion) led to a 0.7 p.p. growth in the liquidity indicator including such position in March, to 41.8% of total deposits.

The monthly increase in liquid assets took place in the private financial entity sector. Private banks improved their liquidity ratio by 0.7 p.p. in March, to 26.7% of their total deposits (see Chart 5), while the liquidity indicator for public banks dropped 0.3 p.p. in the month, to 22.9% of the segment's deposits. If the position in Lebac and Nobac is included, public banks

³ Time deposits include fixed term deposits and term investments.

Chart 5
Deposits and Liquidity by Group of Banks
Liquid assets / Total deposits - Financial system

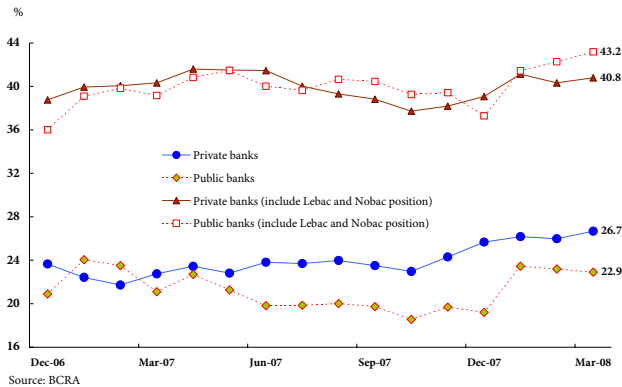


Chart 6

Call Market
1-day maturity operations in pesos

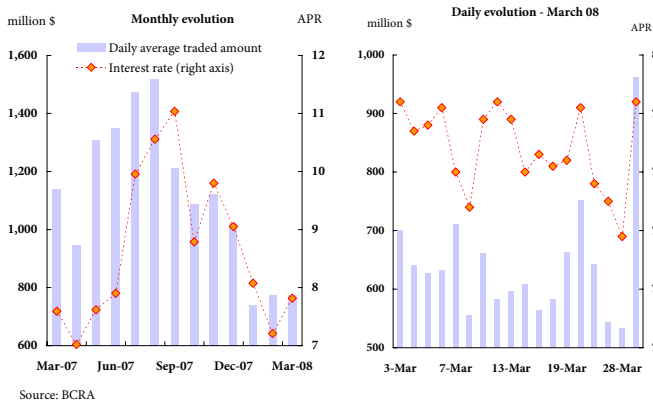
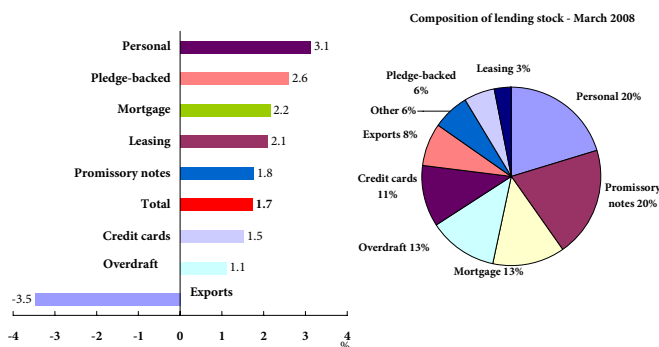


Chart 7

Credit to the Private Sector by Type of Line
Monthly % change - March 2008



Note: Stocks are adjusted by financial trusts monthly issues (\$316 million of personal loans)
Source: BCRA

recorded a higher liquidity ratio in March, following an increased rate of Central Bank security purchases in recent months.

The average one-day maturity operations of call money market interest rate registered a rise of 0.5 p.p., to a level of 7.8% in March (see Chart 6). There was a decline in trading volumes on this market: the daily average trading volume in March totaled \$640 million, 17% less than in the previous month.

Financing

Household consumer credit lines showed the most dynamism during the month

Lending to the private sector continued to expand in March, maintaining its year-on-year growth rate at over 40%. Loans to the private sector rose 1.5% in March (1.7% when balance sheet stocks are adjusted by the issuance of financial trusts during the month)⁴. The most dynamic lines in March were personal loans (3.1%)⁵, credit cards (2.6%) and promissory notes (2.2%) (see Chart 7).

The increase in private sector credit lines took place with lending interest rates that performed unevenly during the month. Whereas the interest rates for the most dynamic lines showed slight declines in March, the rest posted increases. In the first quarter of 2008 lending interest rates for all credit lines dropped (see Chart 8). In April, however, there were slight rises in lending interest rates compared with March.

Growth in lending to the private sector in March took place in the context of limited credit risk. This can be seen from the private sector portfolio non-performance ratio, which remained at a low level in historical terms: 3.3% in March, accumulating a year-on-year drop of 0.8 p.p.

In the last 12 months there was an increase of 30% in bank lending to the corporate sector. This increase in credit was widespread across all productive sectors. Commerce and construction were two of the sectors showing the most notable dynamism (up 53% y.o.y. and 32% y.o.y., respectively) (see Chart 9). As at March 2008 industry and primary production accounted for over 57% of all lending stock to companies.

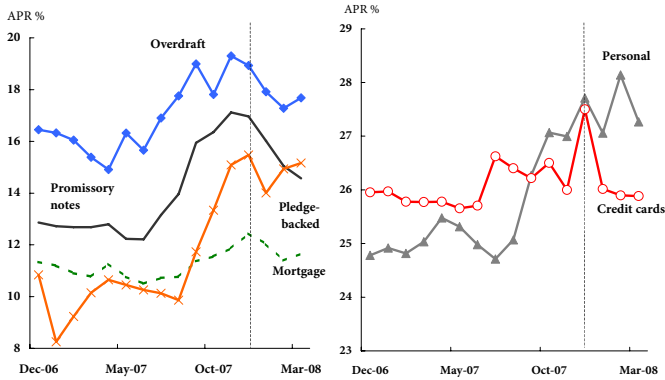
⁴ The total for financial trusts issued by financial entities during the month was \$300 million.

⁵ The 5 financial institutions issuing financial trusts in March employed personal loans as their underlying assets. Balance sheet totals went up 1.8% for the month.

Chart 8

Lending Interest Rates

Credit to the private sector - Financial system



Source: BCRA

In line with the financial system balance-sheet normalization, the increase in lending to the private sector in March took place together with a reduction in the level of exposure to the public sector. The share of lending accounted to the public sector amounted to 14.4% of bank assets, showing a drop of 0.3 p.p. for the month and 5.6 p.p. in the last 12 months (see Chart 10). The drop for the month was largely explained by private banks, which reduced their exposure to the public sector by 0.5 p.p. of assets, to 8.2%.

Household debt

Household consumer debt returns to pre-crisis levels

Over the last 4 years, household borrowing levels from financial entities regulated by the Central Bank⁶ have been growing at a faster rate than income for the sector, as has the debt servicing burden for households. Nevertheless, total family indebtedness levels are still below the values of the previous decade. **The main reason for the growth in borrowing has been the dynamism of consumer credit lines, the size of which is already similar to that seen prior to the crisis in terms of GDP** (see Chart 11).

Coinciding with the dynamism in consumer lending, there has been deterioration in the quality of such credit lines. In particular, the stock of non-performing consumer credit loans have doubled over the last 12 months (see Chart 12), reflected in an increase of 1 p.p. in their non-performing ratio to 4.1% in March. As a result of this increase, non-performing consumer segment loans accounted for 68% of total non-performing household loans (13 p.p. more than 12 months earlier).

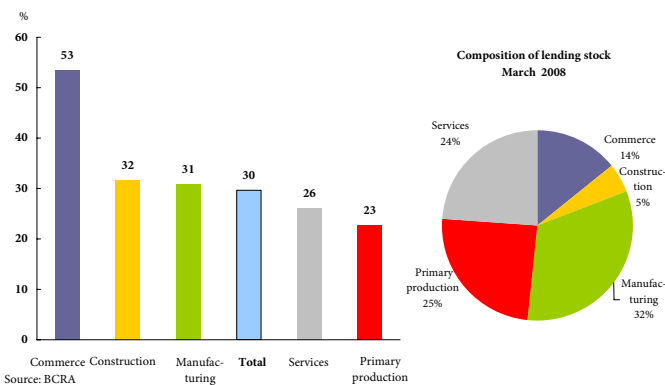
Those loan segments with relatively lower residual balance stocks recorded the highest non-performing ratio and the largest increase in that ratio. The larger the residual loan balance stock, the lower the non-performance ratio, and the lower the increase in delinquency in the last 12 months (see Chart 13). The segment with residual balances of under \$1,000 showed a non-performance ratio of 9%, 2.1 p.p. more than that recorded 12 months earlier.

Given this household indebtedness dynamic, and with the aim of promoting a framework of financial stability,

Chart 9

Lending to Companies by Economic Sector

Year on year % change - Financial system

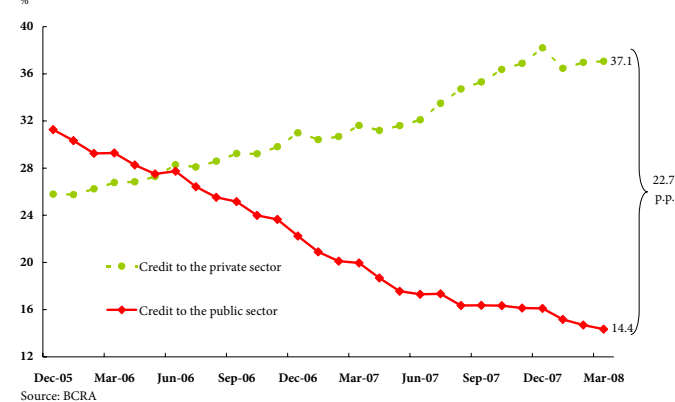


Source: BCRA

Chart 10

Public and Private Sector Exposure

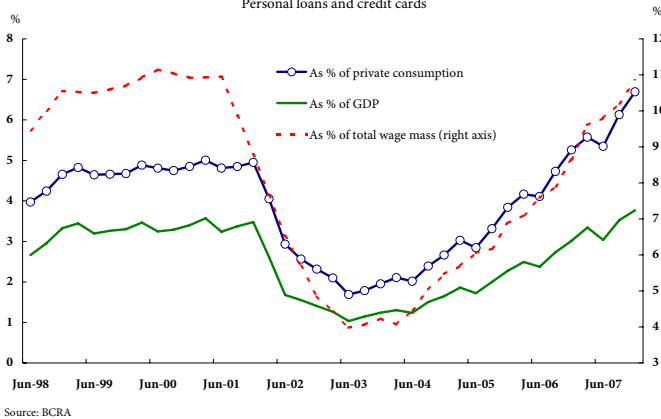
As % of total assets - Financial system



Source: BCRA

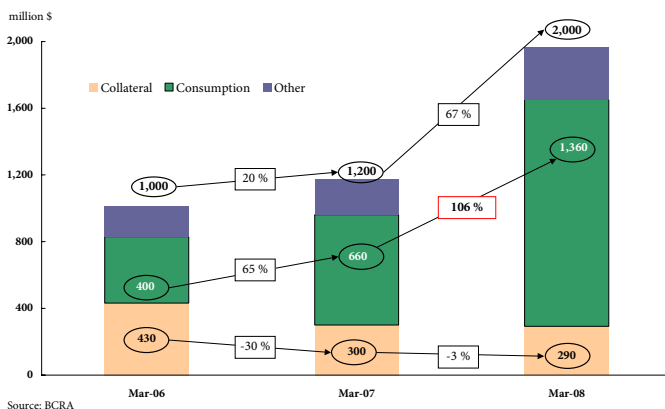
⁶ Household financing can be originated from financial entities regulated by the Central Bank, financial entities outside the scope of the BCRA, retail chains (particularly in the case of household appliance) and from informal sectors, particularly in the case of consumer credit. This section refers to financing obtained through financial entities that are regulated by the BCRA.

Chart 11
Household Consumption Indebtedness
Personal loans and credit cards



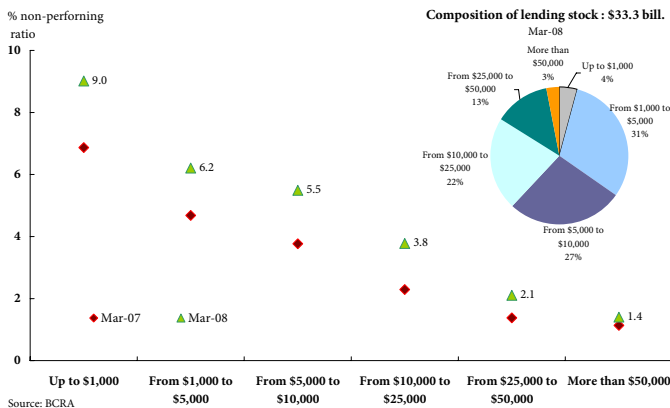
Source: BCRA

Chart 12
Non-Performing Household Credit Stock



Source: BCRA

Chart 13
Household Consumption Lending
Personal loans and credit cards



Source: BCRA

the BCRA will continue to monitor the performance of these credit lines.

Solvency

During 2008 capital contributions have been concentrated in small financial entities

In March there was a slight reduction in financial system net worth, mainly because of an adjustment made by a public bank, and dividend distributions by a private bank. Bank net worth dropped \$50 million (-0.1% or +10.5% y.o.y.) for the month. **Eliminating these extraordinary movements, system net worth rose by almost \$350 million in March** (an increase of 11.5% y.o.y.). Furthermore, after adjusting March book values, private sector banks net worth would have increased by \$260 million (1.1% or 12.6% y.o.y.) during the month, while that of public banks would have gone up \$40 million (0.4% or 8.8% y.o.y.)⁷ (see Chart 14). **As a result, banks have maintained their solvency in a context of steady growth in financial intermediation.**

The factors responsible for these changes for March were the profits obtained and, to a lesser extent, capital contributions. On the matter of this latter aspect, capitalization for the month totaled \$90 million, and involved a domestic private bank and two non-bank financial entities. In the last 12 months capitalization has totaled \$1.9 billion, mainly corresponding to foreign private banks, and to a lesser extent, domestic private banks. Since 2002 capital contributions have totaled \$17.0 billion (US\$5.75 billion) (see Chart 15).

In a context of steady growth in lending to the private sector, **capital compliance in terms of financial system risk-weighted assets stood at 16.8% for the month, a similar level to that at the end of 2007 and 12 months earlier.** Excess bank compliance reached 80% of the total requirement in March (77% and 85%, in private and public banks, respectively). As a result, the financial system continued to display adequate solvency levels during the month, exceeding both minimum levels required locally and internationally-recommended levels.

In March book profits reached \$340 million or 1.4% of assets (ROE of 11.9%a.) (see Chart 16). Both private and public banks recorded positive results in March, of 1.6%a. and 1%a. of assets, respectively. As a result, the financial system has ended the first quarter of the year

⁷ Private bank book net worth went up \$90 million in March (0.4% or 11.8% y.o.y.), whereas that of public banks dropped \$160 million (-1.3% or +7% y.o.y.) for the month.

Chart 14
Solvency
Financial system

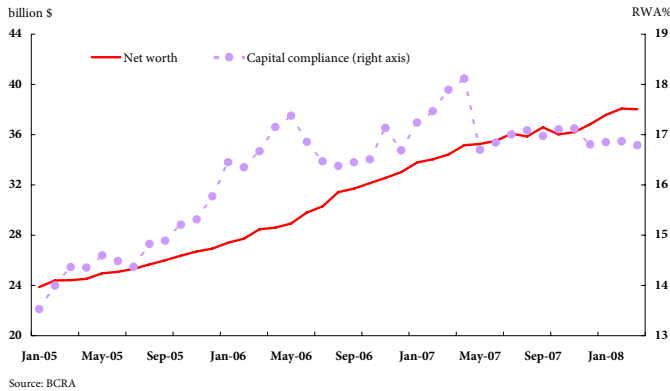


Chart 15
Capital Contributions
2002-2008

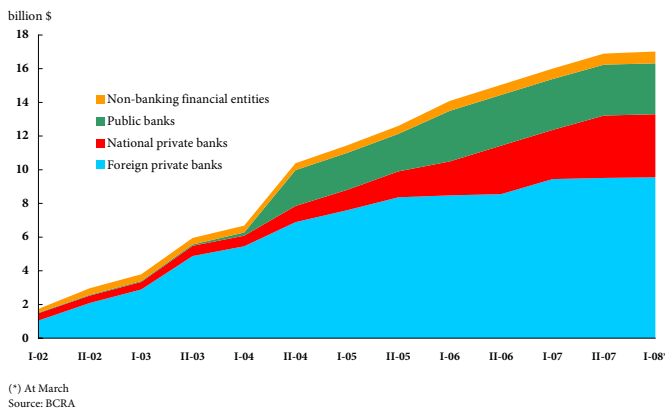
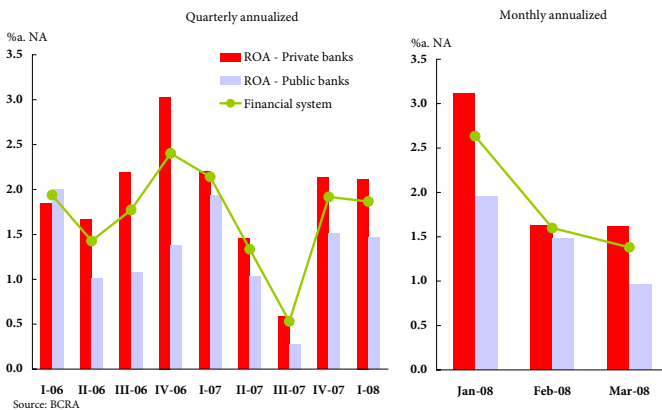


Chart 16
Financial System Profitability
As % of netted assets



with profitability in excess of \$1.35 billion or 1.9%a. of assets (ROE of 15.9%a.).

March profits were lower than those for the previous month, mainly because of lower gains on securities during a period of international financial market turbulence (see Chart 17). This income statement heading dropped 0.8 p.p., to a level of 1.2%a. of assets in the month, the third consecutive monthly decline. This movement, added to a reduction of 0.4 p.p. in CER-related adjustments (due to an extraordinary operation by an official bank) were the main determinants of a 1.1 p.p. drop in bank financial margin in March, to 5.6%a. of assets.

Despite this fall for the month, **banks ended the first quarter with a financial margin of 6.7%a. of assets, 0.4 p.p. higher than that recorded in the first three months of 2007, driven by net interest income** (see Chart 18). Net interest income stood at 2.8%a. of assets in the first quarter of 2008, 0.9 p.p. above the level in the same period of the previous year.

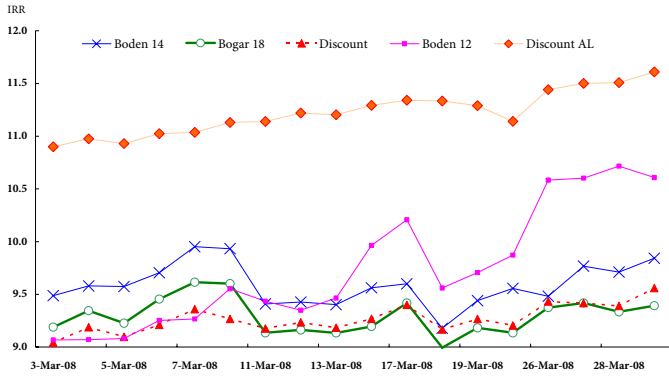
In March, **steady expansion in the level of financial intermediation with the private sector was responsible for the more stable sources of income remaining at a high level**. Net interest income reached 2.9%a. of assets in the month, while service income margin stood at 3.1%a. of assets.

In March loan loss provisions totaled 0.8%a. of assets (0.1 p.p. above the level in February), ending the first quarter of the year at a similar level. Year-on-year comparison shows an increase of 0.2 p.p. of assets in this accrued expenditure item, in part because of the increased weighting of private sector credit in financial system assets.

Operating costs went up by 0.2 p.p. of assets in March, to 5.8%a. As a result, operating costs totaled 5.7%a. of assets in the first quarter, a rise of 0.6 p.p. compared with the same period of the previous year, in line with the increase in employment and the recovery in wage levels that has taken place in the sector. The coverage ratio of operating costs by the more stable sources of income improved over the last year, in line with the increased dynamism of the latter (see Chart 19).

Headings connected with the recognition of the effects of the crisis (amortization of court-ordered releases and adjustments to the valuation of lending to the public sector) **fell overall by 0.4 p.p. of assets in March, to 0.7%a.** Lastly, the miscellaneous heading recorded a **positive result equivalent to 0.9%a. of assets, 0.3 p.p.**

Chart 17
Daily Evolution of Main Government Bonds

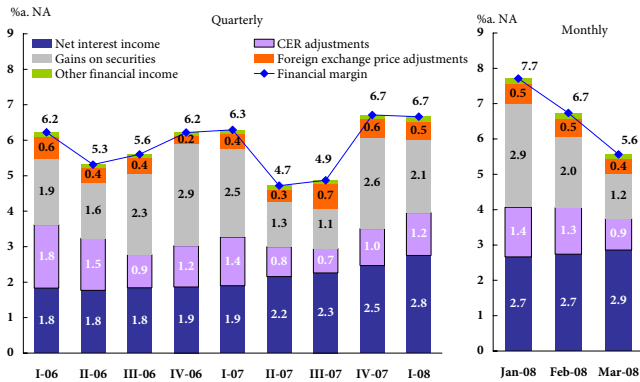


Source: BCRA and Reuters

more than in February, mainly as a result of profits posted by controlled firms.

On the basis of the information available at the date of publication of this Report, it is estimated that banks will have continued to improve their solvency levels in April, as a result of the posting of further positive results. In line with the growth in financial intermediation, it is expected that the more stable sources of income will continue at a high level. Nevertheless, in April the volatile situation of the domestic capital market, with a widespread drop in the prices of leading government securities, will once again have a negative impact on financial system income from gains on securities.

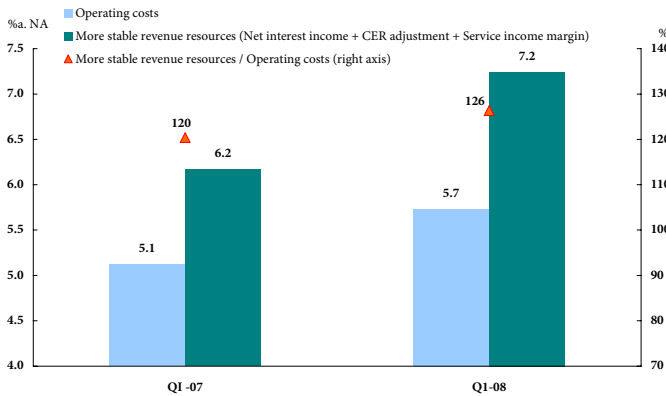
Chart 18
Financial Margin
Financial system



Source: BCRA

Chart 19

Operating Costs and Coverage with More Stable Revenue Sources
Financial system



Source: BCRA

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” 4782 – 03/03/08**

Minimum capital requirements for financial entities. Changes have been made to the requirements for financial entities liabilities that are contractually subordinated to the remaining liabilities for them to be able to be included in calculating adjusted stockholders’ equity, it no longer being necessary to obtain authorization for their public offering or for them to be qualified for listing on self regulated markets or exchanges in Argentina or abroad.

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.

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	Mar 2007	2007	Feb 2008	Mar 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	22.1	23.0	24.8	25.1
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	20.0	16.1	14.7	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	37.0	37.1
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	-3.3	-3.0	-2.8	-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	2.1	1.5	2.1	1.9
7.- ROE	4.1	6.3	3.9	1.7	0.0	-0.2	-59.2	-22.7	-4.2	7.0	14.3	15.8	9.0	17.9	15.9
8.- Efficiency	142	136	138	142	147	143	189	69	125	151	167	179	161	185	174
9.- Capital compliance	23.8	20.8	20.3	21.0	20.1	21.4	-	14.5	14.0	15.3	16.8	16.8	16.8	16.9	16.8
10.- Excess capital compliance	64	73	49	54	58	54	-	116	185	173	134	95	92	81	80

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	Mar 07	Dec 07	Feb 08	Mar 08	Change (%)			
												Last month	2008	Last 12 months	
Assets	163,550	123,743	187,532	186,873	212,562	221,962	258,384	270,450	297,963	318,624	322,578	1.2	8.3	19.3	
Liquid assets ¹	20,278	13,005	17,138	27,575	29,154	20,819	37,991	36,123	46,320	47,778	49,169	2.9	6.2	36.1	
Public bonds	10,474	3,694	31,418	45,062	55,382	66,733	64,592	71,660	62,678	71,690	72,192	0.7	15.2	0.7	
Lebac/Nobac	-	-	-	-	17,755	28,340	29,289	38,766	36,022	45,418	46,217	1.8	28.3	19.2	
Portfolio	-	-	-	-	11,803	21,067	25,725	31,869	31,598	35,788	37,073	3.6	17.3	16.3	
Repo	-	-	-	-	5,953	7,273	3,563	6,897	4,424	9,631	9,144	-5.1	106.7	32.6	
Private bonds	633	543	332	198	387	389	813	861	382	345	329	-4.6	-13.9	-61.8	
Loans	83,277	77,351	84,792	68,042	73,617	84,171	103,668	107,633	132,157	136,783	139,000	1.6	5.2	29.1	
Public sector	15,164	22,694	44,337	33,228	30,866	25,836	20,874	20,457	16,772	17,855	17,756	-0.6	5.9	-13.2	
Private sector	64,464	52,039	38,470	33,398	41,054	55,885	77,832	82,920	110,355	114,141	115,856	1.5	5.0	39.7	
Financial sector	3,649	2,617	1,985	1,417	1,697	2,450	4,962	4,256	5,030	4,788	5,388	12.5	7.1	26.6	
Provisions over loans	-6,907	-6,987	-11,952	-9,374	-7,500	-4,930	-3,728	-3,717	-4,089	-4,205	-4,243	0.9	3.8	14.1	
Other netted credits due to financial intermediation	42,361	21,485	39,089	27,030	32,554	26,721	26,039	28,540	29,712	36,046	35,670	-1.0	20.1	25.0	
Corporate bonds and subordinated debt	794	751	1,708	1,569	1,018	873	773	647	606	624	632	1.2	4.3	-2.3	
Unquoted trusts	2,053	2,065	6,698	4,133	3,145	3,883	4,881	4,820	5,023	5,246	5,327	1.5	6.1	10.5	
Compensation receivable	0	0	17,111	14,937	15,467	5,841	763	774	377	372	326	-12.5	-13.6	-57.9	
Other	39,514	18,669	13,572	6,392	12,924	16,124	19,622	22,299	23,706	29,803	29,385	-1.4	24.0	31.8	
Leasing	786	771	567	397	611	1,384	2,262	2,596	3,469	3,623	3,699	2.1	6.6	42.5	
Shares in other companies	2,645	2,688	4,653	4,591	3,871	4,532	6,392	6,679	6,430	6,630	6,769	2.1	5.3	1.3	
Fixed assets and miscellaneous	4,939	4,804	8,636	8,164	7,782	7,546	7,619	7,625	7,643	7,697	7,703	0.1	1.0	1.0	
Foreign branches	1,115	1,057	3,522	3,144	3,524	3,647	2,782	2,854	2,912	2,959	2,971	0.4	2.0	4.1	
Other assets	3,950	5,334	9,338	12,043	13,180	10,950	9,953	9,594	10,347	9,278	9,318	0.4	-9.9	-2.9	
Liabilities	146,267	107,261	161,446	164,923	188,683	195,044	225,369	236,033	261,143	280,549	284,554	1.4	9.0	20.6	
Deposits	86,506	66,458	75,001	94,635	116,655	136,492	170,898	180,939	205,550	218,876	221,326	1.1	7.7	22.3	
Public sector ²	7,204	950	8,381	16,040	31,649	34,019	45,410	45,525	48,340	54,602	55,216	1.1	14.2	21.3	
Private sector ²	78,397	43,270	59,698	74,951	83,000	100,809	123,431	132,903	155,048	161,841	163,513	1.0	5.5	23.0	
Current account	6,438	7,158	11,462	15,071	18,219	23,487	26,900	28,750	35,245	36,710	38,545	5.0	9.4	34.1	
Savings account	13,008	14,757	10,523	16,809	23,866	29,078	36,442	37,637	47,109	47,947	46,864	-2.3	-0.5	24.5	
Time deposit	53,915	18,012	19,080	33,285	34,944	42,822	54,338	60,644	65,952	69,969	70,021	0.1	6.2	15.5	
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	46,464	46,225	52,203	53,105	1.7	14.9	14.3	
Interbanking obligations	3,545	2,550	1,649	1,317	1,461	2,164	4,578	3,854	4,310	4,046	4,668	15.4	8.3	21.1	
BCRA lines	102	4,470	27,837	27,491	27,726	17,005	7,686	4,888	2,362	2,322	2,296	-1.1	-2.8	-53.0	
Outstanding bonds	4,954	3,777	9,096	6,675	7,922	6,548	6,603	6,631	6,938	6,919	6,688	-3.3	-3.6	0.9	
Foreign lines of credit	8,813	7,927	25,199	15,196	8,884	4,684	4,240	3,652	3,864	4,324	4,358	0.8	12.8	19.3	
Other	37,883	17,295	11,955	11,012	18,934	21,671	22,930	27,439	28,752	34,592	35,095	1.5	22.1	27.9	
Subordinated debts	2,255	2,260	3,712	2,028	1,415	1,381	1,642	1,676	1,672	1,637	1,648	0.7	-1.4	-1.7	
Other liabilities	2,210	2,524	6,997	6,569	5,685	5,099	6,792	6,954	7,695	7,833	8,475	8.2	10.1	21.9	
Net worth	17,283	16,483	26,086	21,950	23,879	26,918	33,014	34,417	36,819	38,075	38,024	-0.1	3.3	10.5	
Memo															
Netted assets	129,815	110,275	185,356	184,371	202,447	208,275	244,791	252,512	280,336	294,944	299,779	1.6	6.9	18.7	
Consolidated netted assets	125,093	106,576	181,253	181,077	198,462	203,286	235,845	243,970	271,652	286,389	290,497	1.4	6.9	19.1	

(1) Includes margin accounts with the BCRA. (2) 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 3 months		Monthly			Last 12
	2000	2001	2002 ¹	2003	2004	2005	2006	2007	2007	2008	Jan-08	Feb-08	Mar-08	months
Financial margin	7,291	6,943	13,991	1,965	6,075	9,475	13,262	15,346	3,948	4,872	1,864	1,636	1,372	16,270
Net interest income	5,106	4,625	-3,624	-943	1,753	3,069	4,150	5,744	1,192	2,013	643	665	705	6,565
CER and CVS adjustments	0	0	8,298	2,315	1,944	3,051	3,012	2,624	862	884	340	321	223	2,646
Foreign exchange price adjustments	185	268	5,977	-890	866	751	944	1,356	274	358	133	118	108	1,440
Gains on securities	1,481	1,490	3,639	1,962	1,887	2,371	4,923	5,356	1,552	1,508	708	492	308	5,312
Other financial income	519	559	-299	-480	-375	233	235	265	68	110	40	41	29	307
Service income margin	3,582	3,604	4,011	3,415	3,904	4,781	6,243	8,248	1,816	2,398	828	795	775	8,830
Loan loss provisions	-3,056	-3,096	-10,007	-2,089	-1,511	-1,173	-1,198	-1,904	-375	-556	-189	-173	-194	-2,086
Operating costs	-7,375	-7,362	-9,520	-7,760	-7,998	-9,437	-11,655	-14,634	-3,214	-4,190	-1,391	-1,372	-1,427	-15,609
Tax charges	-528	-571	-691	-473	-584	-737	-1,090	-1,537	-329	-468	-159	-159	-150	-1,676
Income tax	-446	-262	-509	-305	-275	-581	-595	-1,032	-379	-399	-176	-144	-79	-1,052
Adjustments to the valuation of government securities ²	0	0	0	-701	-320	-410	-752	-851	-17	-235	-2	-139	-94	-1,069
Amortization payments for court-ordered releases	0	0	0	-1,124	-1,686	-1,867	-2,573	-1,735	-467	-321	-113	-131	-78	-1,590
Other	535	702	-3,880	1,738	1,497	1,729	2,664	1,995	359	265	-24	73	216	1,901
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	3,896	1,343	1,365	636	388	341	3,918
Adjusted results ⁴	-	-	-	-3,440	1,337	4,057	7,631	6,482	1,827	1,922	752	657	512	6,577
<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	6.3	6.7	7.7	6.7	5.6	5.9
Net interest income	4.0	3.8	-1.7	-0.5	0.9	1.5	1.8	2.2	1.9	2.8	2.7	2.7	2.9	2.4
CER and CVS adjustments	0.0	0.0	3.9	1.3	1.0	1.5	1.3	1.0	1.4	1.2	1.4	1.3	0.9	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	0.5	0.5	0.4	0.5
Gains on securities	1.2	1.2	1.7	1.1	1.0	1.2	2.2	2.0	2.5	2.1	2.9	2.0	1.2	1.9
Other financial income	0.4	0.5	-0.1	-0.3	-0.2	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.1	0.1
Service income margin	2.8	3.0	1.9	1.9	2.0	2.3	3.1	2.9	3.3	3.4	3.3	3.1	3.1	3.2
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	-0.8	-0.8
Operating costs	-5.8	-6.1	-4.4	-4.2	-4.1	-4.6	-5.1	-5.6	-5.1	-5.7	-5.8	-5.6	-5.8	-5.7
Tax charges	-0.4	-0.5	-0.3	-0.3	-0.3	-0.4	-0.5	-0.6	-0.5	-0.6	-0.7	-0.7	-0.6	-0.6
Income tax	-0.3	-0.2	-0.2	-0.2	-0.1	-0.3	-0.3	-0.4	-0.6	-0.5	-0.7	-0.6	-0.3	-0.4
Adjustments 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	-0.3	0.0	-0.6	-0.4	-0.4
Amortization payments for court-ordered releases	0.0	0.0	0.0	-0.6	-0.9	-0.9	-1.1	-0.7	-0.7	-0.4	-0.5	-0.5	-0.3	-0.6
Other	0.4	0.6	-1.8	0.9	0.8	0.8	1.2	0.8	0.6	0.4	-0.1	0.3	0.9	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	2.1	1.9	2.6	1.6	1.4	1.4
ROA adjusted ⁴	0.0	0.0	-8.9	-1.9	0.7	2.0	3.4	2.5	2.9	2.6	3.1	2.7	2.1	2.4
ROE³	0.0	-0.2	-59.2	-22.7	-4.2	7.0	14.3	9.0	15.8	15.9	22.4	13.5	11.9	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	Mar 07	Dec 07	Feb 08	Mar 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
Commercial portfolio (*)	14.9	20.7	44.0	38.0	22.8	9.3	5.0	4.5	3.1	3.0	2.9
Consumption and housing portfolio	17.3	17.5	31.4	28.0	11.0	4.8	3.5	3.5	3.4	3.6	3.8
Provisions / Non-performing loans	61.1	66.4	73.8	79.2	102.9	125.1	130.3	132.3	130.0	127.3	124.6
(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	-0.7
(Total non-performing - Provisions) / Net worth	26.2	21.6	17.2	11.9	-1.0	-4.1	-3.3	-3.3	-3.0	-2.8	-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	Mar 2007	2007	Feb 2008	Mar 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	26.0	26.7
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	13.7	9.1	8.7	8.2
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	39.1	46.6	45.4	45.2
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	2.5	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	-3.2	-3.6	-3.3	-3.0
6.- ROA	0.6	0.7	0.5	0.3	0.1	0.2	-11.3	-2.5	-1.0	0.5	2.2	2.2	1.6	2.4	2.1
7.- ROE	4.1	6.3	4.3	2.3	0.8	1.4	-79.0	-19.1	-8.1	4.1	15.3	14.8	8.8	18.5	16.6
8.- Efficiency	144	135	139	146	152	151	168	93	115	136	158	169	152	178	170
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	18.9
10.- Excess capital compliance	33	47	27	60	49	43	-	88	157	155	116	96	87	80	77

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	Mar 07	Dec 07	Feb 08	Mar 08	Change (%)			
												Last month	2008	Last 12 months	
Assets	119,371	82,344	118,906	116,633	128,065	129,680	152,414	156,666	175,509	185,618	189,757	2.2	8.1	21.1	
Liquid assets ¹	13,920	10,576	11,044	14,500	15,893	14,074	22,226	22,375	29,418	28,862	28,369	-1.7	-3.6	26.8	
Public bonds	7,583	1,627	19,751	22,260	24,817	29,966	27,663	29,169	24,444	28,331	29,592	4.4	21.1	1.5	
Lebac/Nobac	0	0	-	-	8,359	15,227	15,952	19,475	17,684	21,502	22,958	6.8	29.8	17.9	
Portfolio	0	0	-	-	5,611	12,899	14,220	17,654	15,639	17,580	17,497	-0.5	11.9	-0.9	
Repo	0	0	-	-	2,749	2,328	1,732	1,821	2,045	3,922	5,461	39.2	167.1	199.9	
Private bonds	563	451	273	172	333	307	683	740	310	286	272	-5.2	-12.5	-63.3	
Loans	56,035	52,319	51,774	47,017	50,741	56,565	69,294	71,382	88,898	91,568	93,335	1.9	5.0	30.8	
Public sector	8,172	13,803	25,056	23,571	21,420	15,954	10,036	9,332	6,413	6,568	6,462	-1.6	0.8	-30.8	
Private sector	45,103	36,636	26,074	22,816	28,213	39,031	55,632	58,809	78,587	81,036	82,468	1.8	4.9	40.2	
Financial sector	2,760	1,880	644	630	1,107	1,580	3,626	3,241	3,898	3,963	4,405	11.1	13.0	35.9	
Provisions over loans	-3,248	-3,957	-7,463	-5,225	-3,717	-2,482	-2,227	-2,247	-2,365	-2,438	-2,455	0.7	3.8	9.2	
Other netted credits due to financial intermediation	36,600	13,037	27,212	22,148	25,753	16,873	18,387	18,225	17,084	21,201	22,484	6.0	31.6	23.4	
Corporate bonds and subordinated debt	724	665	1,514	1,394	829	675	618	492	430	452	456	0.9	6.0	-7.4	
Unquoted trusts	1,609	1,637	6,205	3,571	2,362	2,444	2,982	3,338	3,456	3,774	3,853	2.1	11.5	15.4	
Compensation receivable	0	0	15,971	13,812	14,657	5,575	760	774	377	372	326	-12.4	-13.5	-57.9	
Other	34,267	10,735	3,523	3,370	7,905	8,179	14,027	13,621	12,822	16,603	17,849	7.5	39.2	31.0	
Leasing	776	752	553	387	592	1,356	2,126	2,433	3,149	3,269	3,336	2.0	5.9	37.1	
Shares in other companies	1,651	1,703	3,123	2,791	1,892	2,416	4,042	4,312	3,762	3,935	3,986	1.3	5.9	-7.6	
Fixed assets and miscellaneous	3,225	3,150	5,198	4,902	4,678	4,575	4,677	4,703	4,685	4,735	4,748	0.3	1.3	1.0	
Foreign branches	75	112	-109	-136	-53	-148	-139	-143	-154	-156	-157	0.7	2.0	9.8	
Other assets	2,190	2,574	7,549	7,816	7,137	6,178	5,682	5,717	6,277	6,023	6,248	3.7	-0.5	9.3	
Liabilities	107,193	70,829	103,079	101,732	113,285	112,600	131,476	134,886	152,153	161,360	165,412	2.5	8.7	22.6	
Deposits	57,833	44,863	44,445	52,625	62,685	75,668	94,095	100,501	116,719	122,571	123,926	1.1	6.2	23.3	
Public sector ²	1,276	950	1,636	3,077	6,039	6,946	7,029	6,727	7,564	8,125	8,051	-0.9	6.4	19.7	
Private sector ²	55,917	43,270	38,289	47,097	55,384	67,859	85,714	92,449	107,671	112,866	114,317	1.3	6.2	23.7	
Current account	4,960	7,158	8,905	11,588	13,966	17,946	20,604	21,798	27,132	27,624	29,457	6.6	8.6	35.1	
Savings account	9,409	14,757	6,309	10,547	14,842	18,362	23,165	23,603	30,169	31,115	30,354	-2.4	0.6	28.6	
Time deposit	39,030	18,012	11,083	18,710	22,729	27,736	38,043	43,060	45,770	49,070	48,864	-0.4	6.8	13.5	
CEDRO	0	0	9,016	2,409	798	3	1	0	0	0	0	-	-	-	
Other netted liabilities due to financial intermediation	46,271	22,629	49,341	42,367	45,083	32,349	31,750	28,798	29,323	32,648	35,017	7.3	19.4	21.6	
Interbanking obligations	2,293	1,514	836	726	1,070	1,488	3,383	2,446	1,979	1,505	1,996	32.6	0.9	-18.4	
BCRA lines	83	1,758	16,624	17,030	17,768	10,088	3,689	1,034	675	689	693	0.6	2.7	-33.0	
Outstanding bonds	4,939	3,703	9,073	6,674	7,922	6,548	6,413	6,441	6,686	6,668	6,267	-3.0	-3.3	0.4	
Foreign lines of credit	5,491	4,644	15,434	9,998	5,444	2,696	2,249	1,652	1,833	2,277	2,286	0.4	24.7	38.4	
Other	33,466	11,010	7,374	7,939	12,878	11,530	16,015	17,225	18,150	21,508	23,575	9.6	29.9	36.9	
Subordinated debts	1,668	1,700	3,622	1,850	1,304	1,319	1,642	1,676	1,668	1,633	1,644	0.7	-1.4	-1.9	
Other liabilities	1,420	1,637	5,671	4,890	4,213	3,264	3,989	3,911	4,443	4,508	4,825	7.0	8.6	23.4	
Net worth	12,178	11,515	15,827	14,900	14,780	17,080	20,938	21,781	23,356	24,259	24,345	0.4	4.2	11.8	
Memo															
Netted assets	88,501	73,796	117,928	115,091	121,889	123,271	143,807	146,618	166,231	172,635	175,909	1.9	5.8	20.0	

(1) Includes margin accounts with the BCRA. (2) 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 3 months		Monthly			Last
	2000	2001	2002 ¹	2003	2004	2005	2006	2007	2007	2008	Jan-08	Feb-08	Mar-08	12 months
Financial margin	5,441	5,282	10,628	2,575	3,415	5,253	7,778	8,960	2,296	3,014	1,169	959	885	9,678
Net interest income	3,598	3,519	-304	107	1,214	2,069	2,826	4,191	786	1,603	511	519	573	5,008
CER and CVS adjustments	0	0	1,476	1,082	900	1,215	858	662	246	216	91	77	48	633
Foreign exchange price adjustments	160	256	6,189	-312	666	576	740	990	182	260	100	88	72	1,068
Gains on securities	1,232	962	3,464	1,892	959	1,259	3,154	2,888	1,021	841	433	240	169	2,708
Other financial income	450	546	-197	-195	-322	134	199	229	62	94	35	35	23	261
Service income margin	2,554	2,598	2,782	2,341	2,774	3,350	4,459	5,881	1,314	1,712	588	568	555	6,279
Loan loss provisions	-2,173	-2,464	-6,923	-1,461	-1,036	-714	-737	-1,174	-265	-392	-134	-123	-135	-1,301
Operating costs	-5,263	-5,224	-6,726	-5,310	-5,382	-6,303	-7,741	-9,735	-2,142	-2,787	-935	-910	-943	-10,381
Tax charges	-379	-418	-512	-366	-393	-509	-769	-1,105	-233	-342	-116	-116	-110	-1,214
Income tax	-393	-216	-337	-295	-202	-217	-365	-380	-104	-238	-119	-87	-32	-514
Adjustments to the valuation of government securities ²	0	0	0	-665	-51	-201	-170	-100	15	5	21	-12	-4	-110
Amortization payments for court-ordered releases	0	0	0	-791	-1,147	-1,168	-1,182	-1,466	-375	-240	-78	-81	-81	-1,331
Other	307	615	-4,164	1,178	846	1,156	1,641	1,576	296	172	42	32	98	1,453
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	801	905	440	231	234	2,560
Adjusted results⁴	-	-	-	-1,357	252	2,016	4,267	4,023	1,161	1,140	497	324	319	4,001
Annualized indicators - As % of netted assets														
Financial margin	6.2	6.4	7.6	2.3	2.9	4.3	5.9	5.8	6.3	7.1	8.3	6.8	6.1	6.1
Net interest income	4.1	4.3	-0.2	0.1	1.0	1.7	2.1	2.7	2.2	3.8	3.6	3.7	4.0	3.1
CER and CVS adjustments	0.0	0.0	1.1	0.9	0.8	1.0	0.6	0.4	0.7	0.5	0.6	0.5	0.3	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	0.7	0.6	0.5	0.7
Gains on securities	1.4	1.2	2.5	1.7	0.8	1.0	2.4	1.9	2.8	2.0	3.1	1.7	1.2	1.7
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	4.0	4.2	4.0	3.8	3.9
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	-5.9	-6.5	-6.6	-6.4	-6.5	-6.5
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	-0.8	-0.8
Income tax	-0.4	-0.3	-0.2	-0.3	-0.2	-0.2	-0.3	-0.2	-0.3	-0.6	-0.8	-0.6	-0.2	-0.3
Adjustments 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	0.0	0.1	-0.1	0.0	-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	-0.6	-0.6	-0.6	-0.6	-0.8
Other	0.4	0.7	-3.0	1.0	0.7	0.9	1.2	1.0	0.8	0.4	0.3	0.2	0.7	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	2.2	2.1	3.1	1.6	1.6	1.6
ROA adjusted⁴	0.1	0.2	-11.3	-1.2	0.2	1.6	3.2	2.6	3.2	2.7	3.5	2.3	2.2	2.5
ROE³	0.8	1.4	-79.0	-19.1	-8.1	4.1	15.3	8.8	14.8	16.6	24.4	12.7	12.8	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 8 | Portfolio Quality

As percentage	Dec 00	Dec 01	Dec 02	Dec 03	Dec 04	Dec 05	Dec 06	Mar 07	Dec 07	Feb 08	Mar 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	2.5	2.6
Commercial portfolio (*)	8.4	15.4	44.7	39.0	18.2	7.3	3.8	3.4	2.0	1.9	1.8
Consumption and housing portfolio	11.9	12.4	26.0	17.2	10.0	4.2	3.2	3.1	3.2	3.5	3.6
Provisions / Non-performing loans	67.7	75.7	73.4	79.0	95.7	114.6	129.6	134.0	141.6	137.3	132.7
(Total non-performing - Provisions) / Overall financing	2.7	2.4	5.3	3.3	0.4	-0.6	-0.9	-0.9	-0.9	-0.8	-0.7
(Total non-performing - Provisions) / Net worth	13.4	11.4	18.6	11.2	1.3	-2.2	-3.0	-3.2	-3.6	-3.3	-3.0

(*) 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.