Report on Banks

NOVEMBER 2007

Year V – No. 3

Contents

Note: This report contains information from November 2007 available on 26 December 2007. Description centers mainly on the behavior of the financial system (including breakdowns by uniform sub-groups). Figures provided (particularly in the case of profitability) are preliminary, and may be subject to change.

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Summary

- **The financial system is in the process of recording a further year of consolidation.** In 2007 there was a deepening of balance sheet normalization for both banking assets and liabilities. Lending to the private sector continued to increase within a context of limited credit risk, at the same time as banks recorded adequate liquidity levels and continued to lower their exposure to the public sector. Furthermore, deposits of the private sector have reinforced their position as the main source of financial system funding, and almost all the rediscounts granted by the BCRA during the last crisis have already been repaid. In a situation of increasing financial intermediation, bank solvency levels have benefited from positive results and new capital contributions.

- In November, **lending to the private sector rose 2.7%**. The most dynamic lines during the month were promissory notes, overdrafts and pledge-backed loans. **As a result, the trend towards increased private sector lending seen in the last 3 years has been reinforced, with an annual growth rate of close to 40%.** Private sector non-performing loan ratio remained steady at 3.4%, with a reduction of 1.1 p.p. in 2007 to date.

- Encouraged by BCRA regulations**, mortgage lending increased by 42.2% y.o.y. in November.** Initiatives such as the relaxation of capital requirements for mortgage lines, stimulus for the standardization and securitization of mortgages and the regulatory changes in relation to the lengthening of the maturity of liabilities are just some of the components of BCRA financial policy aimed at encouraging mortgage credit lines. Together with the growth in mortgage lending, there has been an increase in the average maturity of such transactions.

- Financial system lending to companies rose at a year-on-year rate of 30% in November. In addition, in the first 11 months of 2007 **corporate credit lines in pesos for relatively longer terms, closely linked with productive investment, recorded an increase compared with the same period of the previous year, accounting for a larger share of the traded amount of corporate credit.**

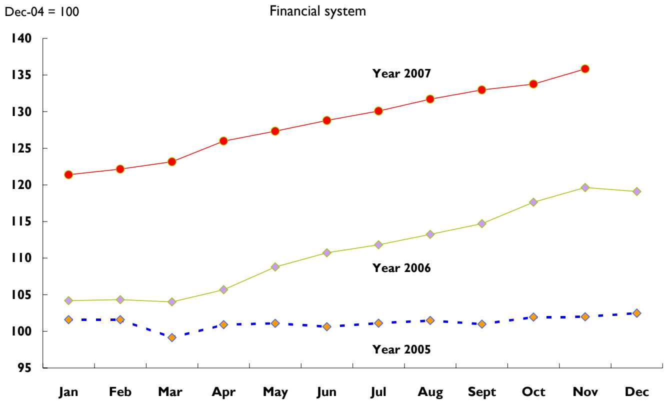
- **During the month the financial system improved its liquidity levels.** The increase in liquid assets ($3.45 billion) reflected greater compliance on reserve requirement by financial entities, with the aim of achieving the October-November liquidity position. As a result, the liquidity ratio rose 1.3 p.p. in the month to 22.3% of total deposits. Despite this additional demand for liquidity in November, **the interest rate for one-day call money ended the month at a similar level to the average for October.**

- In a further sign of balance sheet normalization, **the accumulated amortization of court-ordered releases reached 86% of the stock of court-ordered releases included in assets, remaining court-ordered releases around 0.5% of total assets.** During the month, the amortization of court-ordered releases totaled $700 million, driven by an official bank.

- In line with the improvement in banking liabilities, **total deposits rose again during the month (2.1%), mainly because of an increase in private sector time deposits.** As a result of the measures implemented by the BCRA in the face of external turbulence, **monthly growth in private sector time deposits (3.3%) more than doubled that of sight deposits (1.6%) in November**.

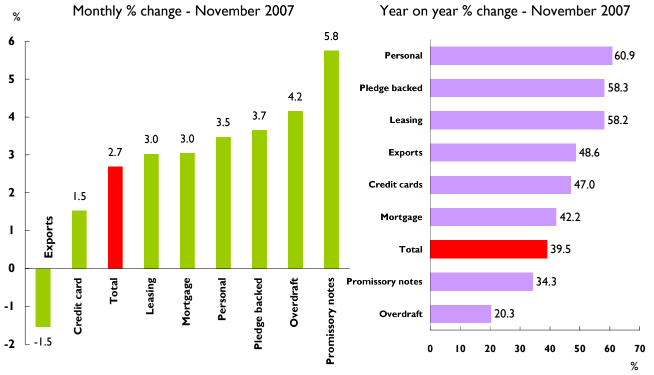
- **Financial system net worth went up $180 million or 0.5% in November, accumulating growth of 11.2% in the last 12 months**. Monthly profits (driven by the consolidation of more stable income sources) and a capital contribution ($20 million by a non-banking financial entity) were partly offset by valuation adjustments.

Chart 1
Consolidated Netted Assets
Financial system



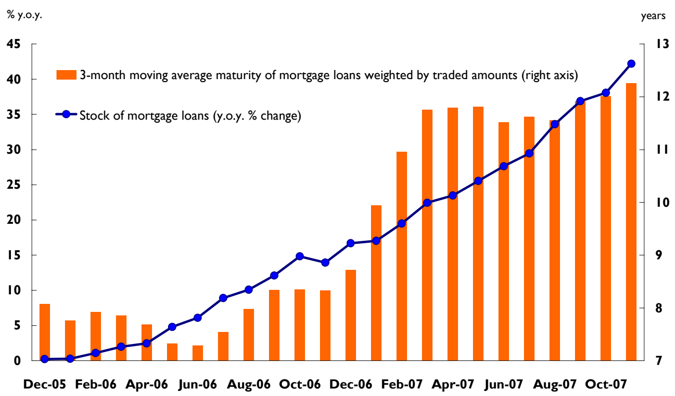
Source: BCRA

Chart 2
Credit to the Private Sector by Type of Line



Note: Stocks are not adjusted by financial trust montly issues
Source: BCRA

Chart 3
Mortgage Loans to the Private Sector



Source: BCRA

Activity:

Time deposit expansion drives private sector deposit growth

In November, the financial system continued to expand its financial intermediation activity. This favorable dynamic was driven by both the steady growth in lending to the private sector (in a context of limited credit risk) and by an increase in private sector deposits, while at the same time adequate liquidity levels were maintained. Within this framework, **netted assets rose 1.7% in November** (see Chart 1), **accumulating year-on-year (y.o.y.) growth of 13.2%.**

Private sector deposit expansion were the main source of bank funding in November. Driven mainly by time deposits, and to a lesser extent by sight deposits, private sector placements rose $3.4 billion during the month. Other significant sources of resources during the month included a drop in bank position of Lebac and Nobac ($1.2 billion) and an increase in public sector deposits ($700 million). Receipt of funds from the IDB's Global Fund Program for Lending to Micro, Small and Medium-size Enterprises[1] and a decline in lending to the public sector completed the sources of funds for the month. **In November the main use of banking resources was the increase of liquid assets** ($3.45 billion). Growth in lending to the private sector[2] ($2.95 billion) represented another significant use of funds by banks during the month.

The financial system continues to strengthen the growth trend in private sector financing. Lending to the private sector rose 2.7% in November. The most dynamic lines were promissory notes (5.8%), overdrafts (4.2%) and pledge-backed loans (3.7%). In November, for the second consecutive month, the rate of growth for current account overdrafts was in excess of the average for 2007 to date (2.2%), reversing the downward trend seen in earlier months as a result of international financial market turbulence. Lending to the private sector maintained its annual growth rate. In the last 12 months, private loans increased by 39.5% y.o.y., the most dynamic lines being personal loans (60.9% y.o.y.), pledge-backed loans (58.3% y.o.y.) and leasing (58.2% y.o.y.) (see Chart 2).

This private sector lending dynamic took place in the context of a low delinquency level, the non-performing ratio having remained constant during the month at 3.4%, accumulating a drop of 1.1 percentage points (p.p.) in 2007.

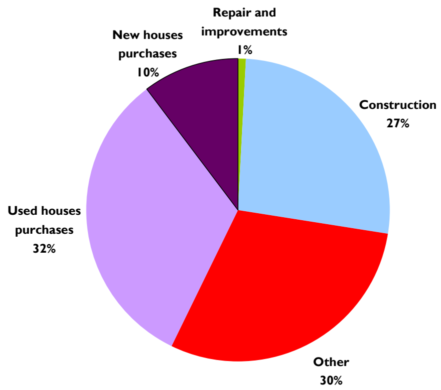
Encouraged by BCRA regulations, mortgage lending grew 42.2% y.o.y. in November. Initiatives such as the relaxation of capital requirements for mortgage lines, incentives for the standardization and securitization of mortgages and the regulatory changes in relation to the lengthening of the maturity of liabilities are just some of the components of BCRA financial policy aimed at encouraging mortgage credit lines. Together with the growth in mortgage lending, **there has been an increase in the average maturity of such transactions:**

[1] See Communication "A" 4620.
[2] Adjusted by financial trusts issues during the month. Includes financing by means of leasing.

Chart 4

Uses of Household Mortgage Loans

Granted amounts - October 2007

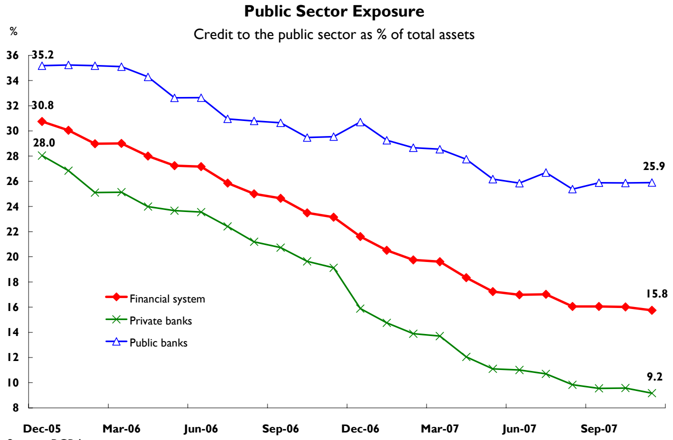


Source: BCRA

Chart 5

Public Sector Exposure

Credit to the public sector as % of total assets

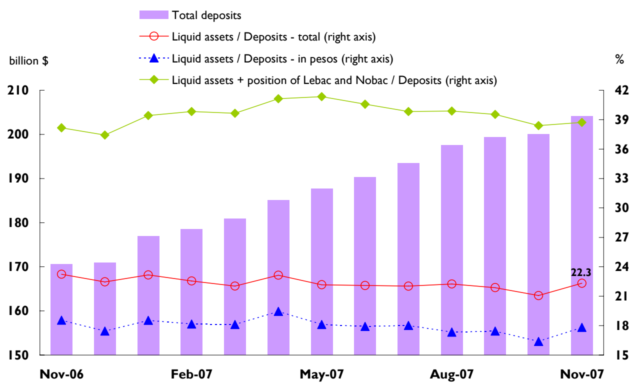


Source: BCRA

Chart 6

Deposits and Liquidity

Financial system



Source: BCRA

whereas at the end of 2006 it was 9.6 years, at November this year mortgages were being granted for average terms of over 12 years (reaching 14.2 years in the case of lending to households) (see Chart 3). This dynamism in mortgage lines took place in a context of stable interest rates and declining non-performance: the delinquency level of this type of lending stood at 3.5% in November, 2.7 p.p. lower than at the end of 2006. This improvement in mortgage portfolio quality was driven by both an increase in new loans and a decline in the number of delinquent loans.

Within the framework of the incipient development of the mortgage market, it is still possible to observe a certain degree of concentration in the offer of these credit lines. Specifically, the five most important banks in the mortgage credit market account for 70% of total supply. As at November 2007, somewhat more than two-thirds of the mortgage loan stock corresponds to households, the group that has accounted for 75% of the growth in these loans in the last 12 months. The main uses given by households to such loans were the purchase of used houses and the construction of property for dwelling purposes (see Chart 4).

Banks continue to strengthen their independence from public sector borrowing needs. In November, the reduction in public sector exposure was 0.3 p.p., to 15.8% of total assets (see Chart 5), accumulating a fall of 5.9 p.p. in 2007 to date. This movement was driven by private financial entities, which cut their public sector exposure by 0.4 p.p. in November, to 9.2%. of assets.

In November the financial system improved its liquidity level. The increase in liquid assets ($3.45 billion) reflected greater minimum cash requirement compliance by financial entities, with the aim of meeting the October-November two-month position. Bank current accounts at the BCRA and the cash reserves held by financial entities rose by $3.75 billion, while BCRA repos dropped by $300 million. **As a result, the liquidity ratio rose 1.3 p.p. in the month to 22.3% of total deposits, reaching its highest level for the second half of the year** (see Chart 6). The liquidity indicator that includes the positions in Lebac and Nobac grew at a lesser rate in November (0.3 p.p.), to 38.7% of total deposits, following the reduction in that position.

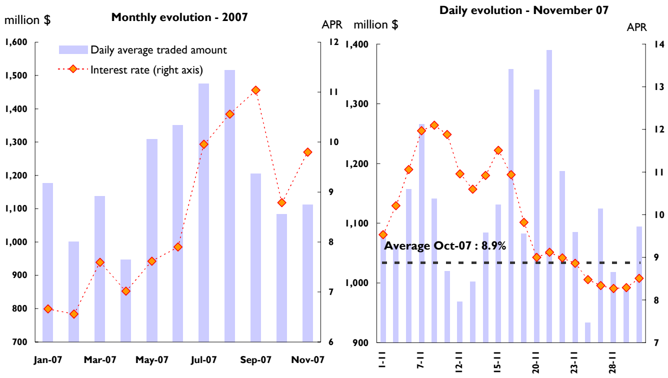
In a context in which volume traded on the call market remained stable over the course of the month, the interest rate for one-day maturity ended November at a level similar to the average for October. Although the interest rate for one-day maturity rose by an average of 1 p.p. during the month to 9.8%, this increase was centered on the first half of the month, and by the end of the November it stood at an annual 8.5% (see Chart 7).

In line with balance sheet normalization, deposits increased in November. Specifically, total deposits grew $4.1 billion in the month (2.1%), mainly driven by $3.4 billion (2.3%) in private sector placements, and to a lesser extent by the rise of $700 million (1.3%) in public sector deposits. As a sign of the effectiveness of the prudential measures implemented by the BCRA in the face of external turbulence, **growth for the month in private sector time deposits (3.3%) more than doubled that of sight deposits (1.6%) in November.** The increase in total deposits in the last 12 months

(19.7%) was led by time deposits (up 27.6% y.o.y.), while sight deposits grew at a slower rate (12.8% y.o.y.).

Banking currency mismatch fell in November. Financial system foreign currency assets expanded by US$160 million, mainly explained by the setting up of liquid assets by financial entities, and to a lesser extent, by an increase in the stock of government securities in that same currency. Dollar liabilities posted an increase of US$240 million, mainly from an expansion in private sector time deposits in dollars and foreign credit lines. In this context, **financial system currency mismatch in terms of net worth fell 0.8 p.p. in November** (see Chart 8) to a level of 20.9%, accumulating a reduction for 2007 of 4.6 p.p..

Chart 7
Call Market
1-day maturity operations in pesos



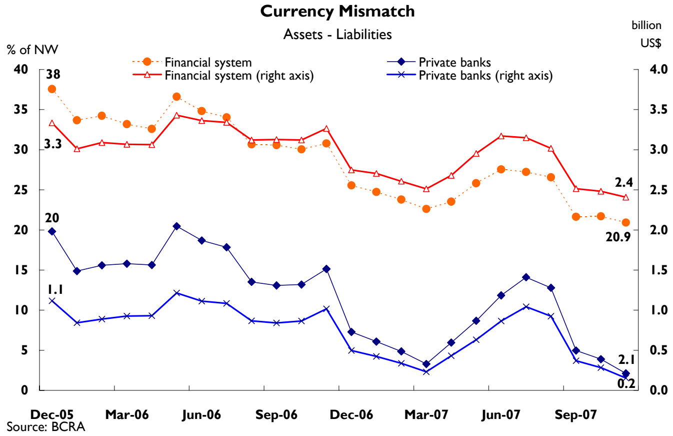
Source: BCRA

Investment financing:

Loans to companies in pesos dominate long-term lines

Medium and long-term bank lending to companies provides a fundamental stimulus for productive investment. Locally, although there is still a long way to go in terms of financial depth (lending to companies totals a little over 7% of GDP), **in line with the incentives established from the BCRA, some progress is being made.** Total bank lending to the corporate sector have been growing at a year-on-year rate of 30% in nominal terms.

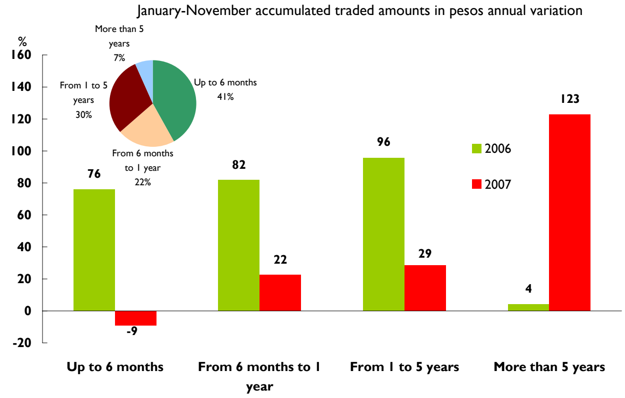
Chart 8
Currency Mismatch
Assets - Liabilities



Source: BCRA

This expansion in lending to companies was accompanied by an extension in the terms of loans granted in 2007[3], particularly in the case of loans granted in local currency. Loans to companies for over 5-year maturity in pesos rose by 123% in the first 11 months of 2007 compared with the same period of the previous year, while loans between 1 and 5-year maturity went up 29% during the period, exceeding the performance of the segments with a lower term to maturity (see Chart 9). Notwithstanding the foregoing, credit lines in pesos for one year or more still have a low share of the overall total loans granted in local currency (37% in the first 11 months of 2007).

Chart 9
Lending to Companies by Maturity
January-November accumulated traded amounts in pesos annual variation



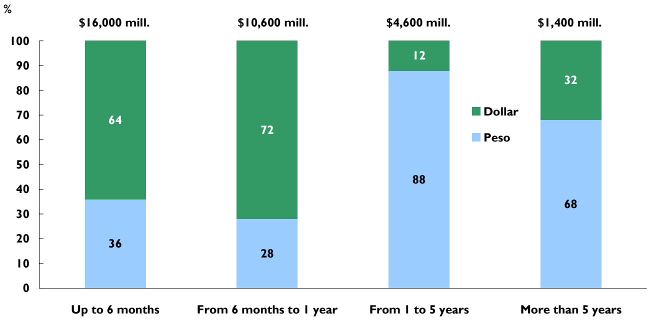
Note: Do not include overdrafts and credit cards
Source: BCRA

Given this dynamic, at present loans to companies in pesos have the greatest share in long-term lines. In the first 11 months of 2007 the traded amounts in corporate loans in pesos for over 5-year maturity accounted for 68% of the total granted in the over 5-year segment (see Chart 10), while the balance was agreed in dollars. An even stronger pattern can be observed in the segment granted between 1 and 5-year maturity loans.

Corporate lending in dollars was concentrated on relatively shorter-maturity loans, in line with the dynamic attributable to the exporting sector. In terms of total balance sheet, dollar loans to companies accounted for 31% of all loans to companies at November 2007, 2 p.p. above the level recorded at the end of 2006 (see Chart 11).

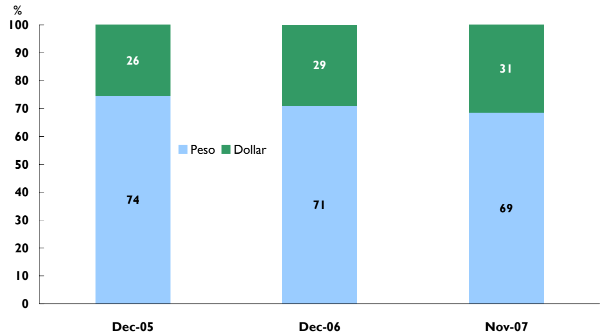
[3] Based on traded amounts taken from the Centralized Information Requirements System (SISCEN). The sample makes use of private sector legal persons, excluding financing by means of credit card or current account overdraft.

Chart 10
Lending to Companies by Maturity
% share of traded amount by currency - Accumulated January - November 2007



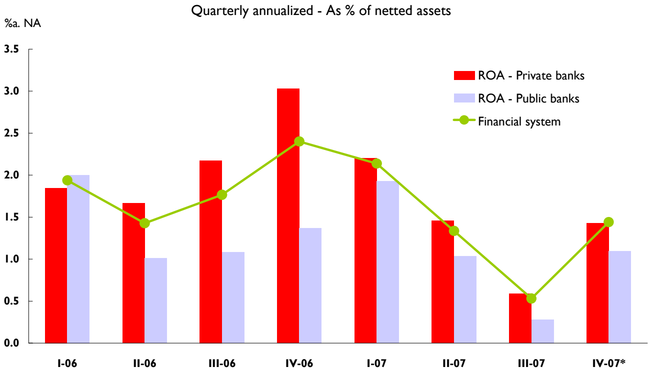
Note: Do not include overdrafts and credit cards
Source: BCRA

Chart 11
Lending to Companies by Currency
% share in balance sheet stocks



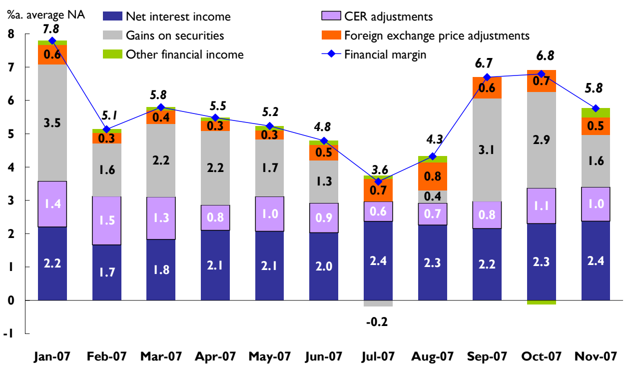
Source: BCRA

Chart 12
Financial System Profitability
Quarterly annualized - As % of netted assets



* Up to November - Annualized
Source: BCRA

Chart 13
Financial Margin
Financial system



Source: BCRA

Profitability:

Banks are concluding their third consecutive year of profits

Within the framework of increasing financial intermediation, banks have continued to report positive results and are preparing to close their third consecutive year of book profits. During the penultimate month of 2007, the financial system posted gains of $330 million or 1.4%a. of assets (see Chart 12). In total, 63 financial entities accrued positive results for the month (87% of total assets). November results were slightly lower than those for the previous month because of smaller gains on securities and miscellaneous reversals, movements partly offset by positive adjustments to the amortization of court-ordered releases made by a public bank. In the 11 months of 2007 to date, the financial system accumulated profits for $3.3 billion (ROA of 1.4%a. and ROE of 10.2%a.). **Both private and public banks obtained positive results during the month.** Private banks recorded a ROA of 1.4%a. in November (0.9 p.p. less than in October), a level similar to that seen in the first 11 months of 2007. Public banks recorded a ROA of 1.1%a. for the month, (0.4 p.p. more than in the previous month), totaling 1%a. in 2007 to date.

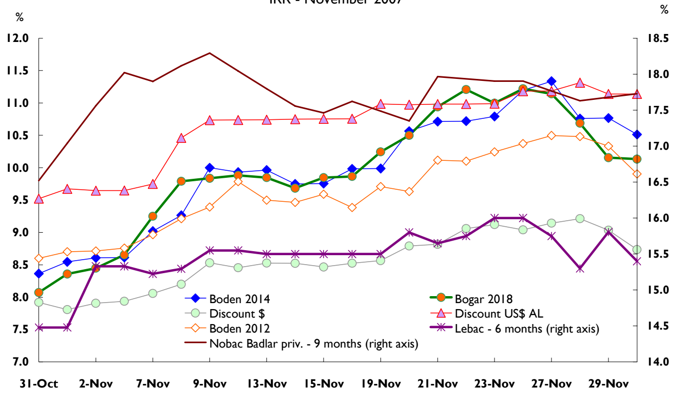
During the month, bank financial margin fell 1 p.p., to 5.8%a. of assets (see Chart 13). This drop for the month in financial margin was mainly explained by lower gains on securities, and to a lesser extent, by the reduction in exchange rate price adjustment. Results from the holding and trading of securities totaled 1.6%a. of assets in November, 1.3 p.p. less than in the previous month. **Although the drop for the month in gains on securities was widespread, affecting 51 financial entities, one public bank accounted for 60% of the reduction.** This decline for the month was a consequence of the turbulence on international financial markets, with a negative impact on the prices of leading local securities (see Chart 14).

Net interest income went up 0.1 p.p. in November, to 2.4%a. of assets. The growth in lending to the private sector resulted in loan interests earned growing at a faster rate than deposit interest paid for the month (see Chart 15). In the first 11 months of 2007, bank interest income totaled 2.1%a. of assets, 0.3 p.p. more than in the same period of the previous year. The increase in net interest income compared with the previous year was mainly accounted by private banks. In the context of a lower rise in the CER compared with 2006, the adjustments according to this coefficient reached 1%a. of assets in November, 0.1 p.p. less than in October. As a result, **net interest income plus CER remained steady at a high level in November, reaching 3.4%a. of assets.**

Foreign exchange price adjustments declined by 0.2 p.p. in November, to 0.5%a. of assets. This drop was a result of the reduction in balance sheet currency mismatch, mainly in private banks, and the slight appreciation of the peso against the dollar recorded during the month.

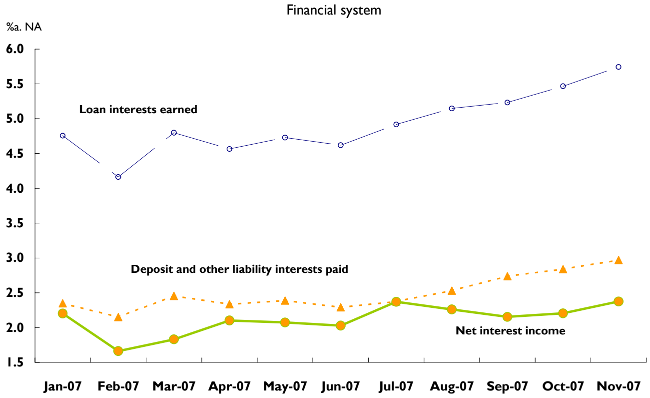
Service income margin continued to show considerable dynamism, becoming consolidated as a leading revenue source. In November,

Chart 14
Main Public Securities
IRR - November 2007



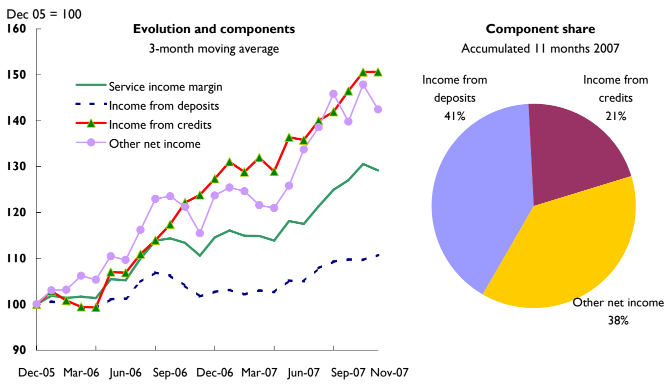
Source: Reuters

Chart 15
Main Components of Net Interest Income
Financial system



Source: BCRA

Chart 16
Service Income Margin
Financial system



Source: BCRA

service income margin totaled 3.2%a. of assets, 0.2 p.p. less than in the previous month. As a result, service income margin covered 54% of operating costs, a similar level to that seen in the rest of 2007. In the first 11 months of the year, service income margin reached 3.1%a. of assets, an improvement of 0.4 p.p. compared with the level of the same period of 2006. Although they account for only 20% of total service income margin in 2007 to date, income from credit has been recording a greater dynamism than that income from deposits (see Chart 16).

Loan loss provisions fell 0.2 p.p. during the month to 0.6% of assets, remaining at historically low levels. The drop for the month was mainly the result of an adjustment made by a public bank. Such accrued expense represented only 1.5%a. of private sector loans in November. In the first 11 months of 2007, these losses stood at 0.7%a. of assets, 0.2 p.p. more than in the same period of the previous year, in part because of the growing relative importance of lending to the private sector in assets (currently 36.9%, 5.9 p.p. more than at the end of 2006).

Operating costs stood at 6%a. of assets in November, 0.2 p.p. more than in the previous month. Given this increase, and the slight decline in financial margin and service income margin, the operating cost coverage ratio fell in November to 150%. **In line with the expansion in the financial sector structure and the increase in wages, in the first 11 months of 2007 operating costs amounted to 5.5%a. of assets, 0.5 p.p. higher than in the same period of 2006.**

During November, **a public bank made a positive adjustment to results from amortization of court-ordered releases,** taking this heading to 0.8%a. of assets at system level. In the first 11 months of 2007, banks accrued a loss of 0.7%a. of assets under this heading. **This line, which reflects progressive recognition of the effects of the 2001-2002 crisis, will soon disappear,** as the total amortization by the financial system has reached 86% of the stock of court-ordered releases in assets, so that remaining court-ordered releases totals just 0.5% of total assets (see Chart 17).

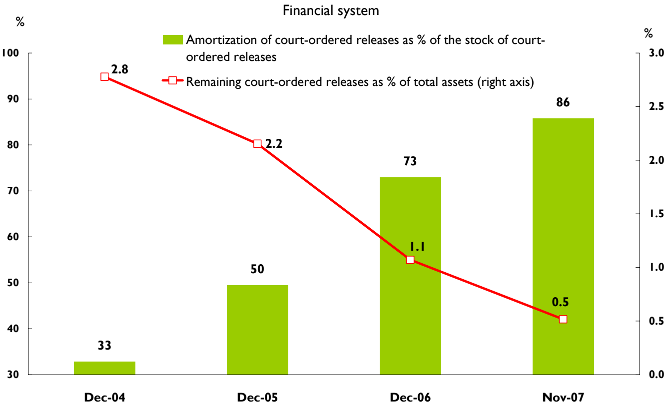
Adjustments to the valuation of loans to the public sector totaled 0.5%a. of assets in November, lower than those of the previous month, which recorded the effect of an extraordinary adjustment by a public bank in October. **Miscellaneous for November became negative,** showing a loss of 0.3%a. for the month, largely as a result of the adjustment made by one official entity. Lastly, **income tax accrual remained steady in November at 0.3%a. of assets.**

Outlook for December

In December, in the context of the end of the year, it is expected that the financial system will post positive results, based on growth in financial intermediation and an improvement in gains on securities. As a result, the banking system will have recorded profits for the third consecutive year.

It is expected that growth in interest earned will exceed interest paid, leading to an improved result from financial intermediation. This is because there was steady, widespread growth in lending to the

Chart 17



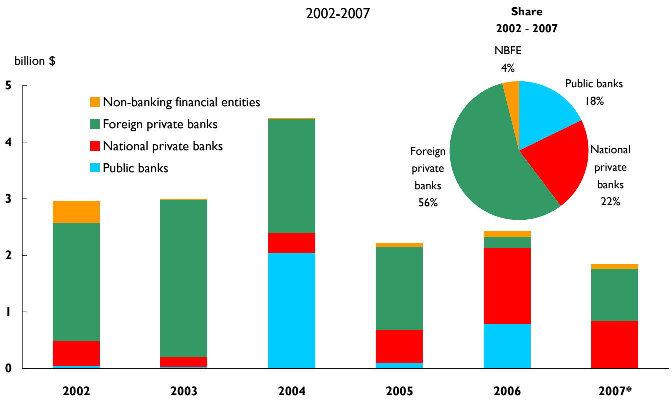
Source: BCRA

Table 1
Main Developments in December 2007

	Nov	Dec	Var. Nov	Var. Dec
Prices				
Exchange rate ($/US$)[1]	3.144	3.151	-0.1	0.2
CPI	200.6	202.5	0.9	0.9
CER[1]	2.03	2.05	0.7	0.8
	%	%	Var b.p.	Var b.p.
Securities - annual IRR[1]				
BOGAR $ 2018	9.9	9.2	197	-65
BODEN US$ 2012	9.4	9.4	85	2
Discount $	8.4	8.4	77	-4
Discount US$ NY	8.7	8.7	42	-1
Lebac in $ - 6 months to maturity	15.4	14.1	92	-130
Nobac in $ (BADLAR Private banks) - 9 months to maturity	17.7	16.8	121	-86
	%	%	Var b.p.	Var b.p.
Average percentage rates				
Lending [2]				
Overdraft	18.1	18.6	28	52
Promissory notes	17.1	17.1	58	-6
Mortgage	11.7	12.0	8	30
Pledge-backed	15.5	16.1	244	60
Personal	29.3	29.8	170	50
30 to 44 day time deposit	9.9	10.4	-13	54
BADLAR	13.7	13.5	116	-22
7 day BCRA repos	8.25	8.25	0	0
	Mill $	Mill $	Var %	Var %
Balance[2,3] - Financial system				
Peso private deposits	124,367	129,885	0.7	4.4
Peso loans - Private sector	86,199	88,883	3.7	3.1
Overdraft	13,741	14,243	4.8	3.7
Promissory notes	17,362	18,031	2.4	3.8
Mortgage	13,598	13,965	3.0	2.7
Pledge-backed	5,620	5,808	4.9	3.3
Personal	20,394	21,025	4.5	3.1
Credit cards	10,501	10,732	5.3	2.2

([1]) End of month figure. Secondary market
([2]) Estimation based on SISCEN data (provisional data subject to change)
([3]) Monthly average
Source: INDEC and BCRA

Chart 18



* Up to November
Source: BCRA

private sector (see Table 1) in the context of moderately higher lending interest rates. Furthermore, in December private sector time deposits rose at a slightly lower rate than sight deposits, in part due to the seasonal preference by families for liquid assets, linked to year-end spending needs and the vacation recess. **This increase in deposits and lending to the private sector will also have a positive impact on financial entities service income margin in December.**

Between ends, the peso-dollar exchange rate rose almost 1 cent in December, as a result of which **foreign exchange price adjustments will probably post an increase.** Within the framework of a recovery in the price of most domestic bonds, **an increase in gains on securities can be expected for December.** In view of the year-end closing, **in December there could be a slight rise in operating costs, as a result for example of the recording of extraordinary year-end payroll payments.**

Solvency:

Profits and new capital contributions continue to improve solvency

Financial system net worth went up $180 million or 0.5% in November, accumulating growth of 11.2% in the last 12 months. Profits for the month and a capital contribution ($20 million by one non-bank financial entity) were partly offset by an adjustment made by a public bank and other adjustments to the valuation of securities included in "Trading Accounts", as a result of falling prices for the public securities held in such accounts. The increase for the month in net worth took place mainly in private banks (0.5%) and to a lesser extent, in public banks (0.1%).

On the matter of capital contributions, **in the first 11 months of 2007 capitalization was carried out for $1.85 billion,** largely by national and foreign private banks (see Chart 18).

Capital compliance in terms of financial system risk-weighted assets remained at 17.1% in November. Financial entity excess capital compliance remained at around 100%. As a result, **banking capital compliance remains in excess of local requirements and minimum internationally-recommended levels.**

Latest regulations:

This section contains a summary of the main regulations related to the business of financial intermediation issued during the month (referenced by the date on which they came into force).

- **Communication "A" 4738 – 26/11/07**

Changes have been introduced to the rules on Debtor Classification in the case of the re-financing of consumer and housing loans. Guidelines have been established regarding the degree of compliance of such obligations, when resorting to new financing or re-financing for the purpose of settling previously-existing obligations, and on the possibility of setting up provisions in excess of minimum requirements. In addition, it has been established that it will not be possible to improve the classification of customers if they record arrears in excess of 31 days in the payment of the refinanced obligations. These regulations will come into effect no later than March 1, 2008, a transition mechanism having been established through to that date. In the case of Credit Management regulations, the specific requirements for customer credit files have been laid down for loans granted as from the date indicated.

- **Communication "A" 4741 – 30/11/07**

Changes were made to the ordered text of regulations on financial entity Minimum Capital. On the credit risk rating weighting factors table for government securities, BCRA monetary regulation instruments, including those posted under "Trading Accounts" and in "Investment Accounts", have been assigned a weighting of zero. Changes were also made to this text to take into account BCRA monetary regulation instruments in the calculation of minimum for interest rate and market risk capital requirements. In addition, regulations on "Guarantees" will include the BCRA monetary regulation instruments contained on the volatility listing monthly published by this Institution.

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.
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.a.: annualized 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 and compensation receivable from the Federal Government.
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)
SMEs: 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	Nov 2006	2006	Oct 2007	Nov 2007
1.- Liquidity	22.3	26.1	23.1	25.0	23.4	19.6	22.8	29.1	29.6	20.1	23.2	22.5	21.2	22.3
2.- Lending to the public sector	16.9	16.2	16.2	18.0	17.3	23.0	48.5	46.5	39.6	30.8	23.1	21.6	16.0	15.8
3.- Lending to the private sector	50.8	47.7	48.4	44.9	39.9	42.7	20.8	18.1	19.6	25.8	29.8	31.0	36.3	36.9
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	4.7	4.5	3.4	3.4
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	-4.0	-3.3	-3.5	-2.8
6.- ROA	0.6	1.0	0.5	0.2	0.0	0.0	-8.9	-2.9	-0.5	0.9	1.8	1.9	1.4	1.4
7.- ROE	4.1	6.3	3.9	1.7	0.0	-0.2	-59.2	-22.7	-4.2	7.0	13.7	14.3	10.1	10.2
8.- Efficiency	142	136	138	142	147	143	189	69	125	151	167	167	159	159
9.- Capital compliance	23.8	20.8	20.3	21.0	20.1	21.4	-	14.5	14.0	15.3	17.1	16.8	17.1	17.1
10.- Excess capital compliance	64	73	49	54	58	54	-	116	185	173	138	134	99	100

Source: BCRA

Chart 2: Balance Sheet

In million of current pesos	Dec 00	Dec 01	Dec 02	Dec 03	Dec 04	Dec 05	Nov 06	Dec 06	Oct 07	Nov 07	Change (%)		
											Last month	Accum. 2007	Last 12 months
Assets	**163,550**	**123,743**	**187,532**	**186,873**	**212,562**	**221,962**	**264,823**	**258,384**	**293,742**	**297,323**	**1.2**	**15.1**	**12.3**
Liquid assets[1]	20,278	13,005	17,138	27,575	29,154	20,819	36,230	37,991	39,214	42,977	9.6	13.1	18.6
Public bonds	10,474	3,694	31,418	45,062	55,382	66,733	66,115	64,592	69,611	67,518	-3.0	4.5	2.1
Lebac/Nobac	-	-	-	-	17,755	28,340	31,215	29,289	42,060	40,039	-4.8	36.7	28.3
Portfolio	-	-	-	-	11,803	21,067	25,459	25,767	34,672	33,468	-3.5	29.9	31.5
Repo	-	-	-	-	5,953	7,273	5,756	3,521	7,388	6,571	-11.1	86.6	14.2
Private bonds	633	543	332	198	387	389	572	813	406	394	-3.0	-51.6	-31.2
Loans	83,277	77,351	84,792	68,042	73,617	84,171	104,061	103,668	125,221	128,423	2.6	23.9	23.4
Public sector	15,164	22,694	44,337	33,228	30,866	25,836	22,561	20,874	16,712	16,885	1.0	-19.1	-25.2
Private sector	64,464	52,039	38,470	33,398	41,054	55,885	76,778	77,832	103,499	106,274	2.7	36.5	38.4
Financial sector	3,649	2,617	1,985	1,417	1,697	2,450	4,722	4,962	5,009	5,263	5.1	6.1	11.5
Provisions over loans	-6,907	-6,987	-11,952	-9,374	-7,500	-4,930	-4,283	-3,728	-4,197	-3,968	-5.4	6.5	-7.3
Other netted credits due to financial intermediat.	42,361	21,485	39,089	27,030	32,554	26,721	32,990	26,039	32,610	31,509	-3.4	21.0	-4.5
Corporate bonds and subordinated debt	794	751	1,708	1,569	1,018	873	780	773	675	667	-1.2	-13.7	-14.5
Unquoted trusts	2,053	2,065	6,698	4,133	3,145	3,883	5,049	4,881	5,340	5,196	-2.7	6.5	2.9
Compensation receivable	0	0	17,111	14,937	15,467	5,841	4,778	763	375	376	0.1	-50.8	-92.1
Other	39,514	18,669	13,572	6,392	12,924	16,124	22,383	19,622	26,219	25,270	-3.6	28.8	12.9
Leasing	786	771	567	397	611	1,384	2,169	2,262	3,330	3,430	3.0	51.7	58.2
Shares in other companies	2,645	2,688	4,653	4,591	3,871	4,532	6,059	6,392	6,138	6,211	1.2	-2.8	2.5
Fixed assets and miscellaneous	4,939	4,804	8,636	8,164	7,782	7,546	7,537	7,619	7,595	7,599	0.0	-0.3	0.8
Foreign branches	1,115	1,057	3,522	3,144	3,524	3,647	3,234	2,782	2,904	2,898	-0.2	4.2	-10.4
Other assets	3,950	5,334	9,338	12,043	13,180	10,950	10,138	9,953	10,909	10,333	-5.3	3.8	1.9
Liabilities	**146,267**	**107,261**	**161,446**	**164,923**	**188,683**	**195,044**	**232,271**	**225,369**	**257,727**	**261,123**	**1.3**	**15.9**	**12.4**
Deposits	86,506	66,458	75,001	94,635	116,655	136,492	170,568	170,898	200,039	204,174	2.1	19.5	19.7
Public sector[2]	7,204	950	8,381	16,040	31,649	34,019	46,937	45,410	51,005	51,682	1.3	13.8	10.1
Private sector[2]	78,397	43,270	59,698	74,951	83,000	100,809	121,324	123,431	146,636	150,029	2.3	21.5	23.7
Current account	6,438	7,158	11,462	15,071	18,219	23,487	26,420	26,900	34,153	34,609	1.3	28.7	31.0
Savings account	13,008	14,757	10,523	16,809	23,866	29,078	34,207	36,442	43,277	44,083	1.9	21.0	28.9
Time deposit	53,915	18,012	19,080	33,285	34,944	42,822	54,682	54,338	62,072	64,143	3.3	18.0	17.3
CEDRO	0	0	12,328	3,217	1,046	17	14	13	5	0	-	-	-
Other netted liabilities due to financial intermediat.	55,297	36,019	75,737	61,690	64,928	52,072	54,527	46,037	48,651	47,910	-1.5	4.1	-12.1
Interbanking obligations	3,545	2,550	1,649	1,317	1,461	2,164	4,364	4,578	4,379	4,601	5.1	0.5	5.4
BCRA lines	102	4,470	27,837	27,491	27,726	17,005	10,874	7,686	2,422	2,399	-1.0	-68.8	-77.9
Outstanding bonds	4,954	3,777	9,096	6,675	7,922	6,548	6,491	6,603	7,067	7,046	-0.3	6.7	8.5
Foreign lines of credit	8,813	7,927	25,199	15,196	8,884	4,684	4,228	4,240	3,827	3,983	4.1	-6.0	-5.8
Other	37,883	17,295	11,955	11,012	18,934	21,671	28,570	22,930	30,956	29,881	-3.5	30.3	4.6
Subordinated debts	2,255	2,260	3,712	2,028	1,415	1,381	1,186	1,642	1,655	1,664	0.6	1.4	40.4
Other liabilities	2,210	2,524	6,997	6,569	5,685	5,099	5,991	6,792	7,382	7,375	-0.1	8.6	23.1
Net worth	**17,283**	**16,483**	**26,086**	**21,950**	**23,879**	**26,918**	**32,552**	**33,014**	**36,014**	**36,199**	**0.5**	**9.6**	**11.2**
Memo													
Netted assets	129,815	110,275	185,356	184,371	202,447	208,275	245,883	244,791	273,624	278,248	1.7	13.7	13.2
Consolidated netted assets	125,093	106,576	181,253	181,077	198,462	203,286	237,309	235,845	265,067	269,447	1.7	14.2	13.5

(1) Includes margin accounts with the BCRA. (2) Does not include accrual on interest or CER.

Source: BCRA

Statistics Annex: Financial System

Chart 3: Profitability Structure

Amounts in million of pesos	Annual							First 11 months		Monthly			Last
	2000	2001	2002[1]	2003	2004	2005	2006	2006	2007	Sep-07	Oct-07	Nov-07	12 months
Financial margin	7,291	6,943	13,991	1,965	6,075	9,475	13,262	11,812	13,466	1,524	1,549	1,330	14,916
Net interest income	5,106	4,625	-3,624	-943	1,753	3,069	4,150	3,771	5,144	490	525	548	5,523
CER and CVS adjustments	0	0	8,298	2,315	1,944	3,051	3,012	2,760	2,399	188	244	236	2,651
Foreign exchange price adjustments	185	268	5,977	-890	866	751	944	894	1,253	147	150	120	1,302
Gains on securities	1,481	1,490	3,639	1,962	1,887	2,371	4,923	4,175	4,430	700	659	363	5,177
Other financial income	519	559	-299	-480	-375	233	235	212	240	-1	-28	63	263
Service income margin	3,582	3,604	4,011	3,415	3,904	4,781	6,243	5,619	7,425	718	774	740	8,048
Loan loss provisions	-3,056	-3,096	-10,007	-2,089	-1,511	-1,173	-1,198	-1,122	-1,628	-193	-179	-135	-1,705
Operating costs	-7,375	-7,362	-9,520	-7,760	-7,998	-9,437	-11,655	-10,434	-13,179	-1,265	-1,323	-1,376	-14,400
Tax charges	-528	-571	-691	-473	-584	-737	-1,090	-968	-1,374	-134	-156	-133	-1,496
Income tax	-446	-262	-509	-305	-275	-581	-595	-795	-984	-158	-76	-76	-783
Adjustments to the valuation of government securities[2]	0	0	0	-701	-320	-410	-752	-642	-714	14	-270	-121	-824
Amortization payments for court-ordered releases	0	0	0	-1,124	-1,686	-1,867	-2,573	-1,570	-1,735	-202	-179	179	-2,738
Other	535	702	-3,880	1,738	1,497	1,729	2,664	1,868	2,018	258	245	-74	2,814
Monetary results	0	0	-12,558	69	0	0	0	0	0	0	0	0	0
Total results	**3**	**-42**	**-19,162**	**-5,265**	**-898**	**1,780**	**4,306**	**3,767**	**3,294**	**562**	**385**	**333**	**3,833**
Adjusted results[3]	-	-	-	-3,440	1,337	4,057	7,631	5,980	5,742	750	834	275	7,394
Annualized indicators - As % of netted assets													
Financial margin	5.7	5.7	6.5	1.1	3.1	4.6	5.8	5.7	5.6	6.7	6.8	5.8	5.7
Net interest income	4.0	3.8	-1.7	-0.5	0.9	1.5	1.8	1.8	2.1	2.2	2.3	2.4	2.1
CER and CVS adjustments	0.0	0.0	3.9	1.3	1.0	1.5	1.3	1.3	1.0	0.8	1.1	1.0	1.0
Foreign exchange price adjustments	0.1	0.2	2.8	-0.5	0.4	0.4	0.4	0.4	0.5	0.6	0.7	0.5	0.5
Gains on securities	1.2	1.2	1.7	1.1	1.0	1.2	2.2	2.0	1.8	3.1	2.9	1.6	2.0
Other financial income	0.4	0.5	-0.1	-0.3	-0.2	0.1	0.1	0.1	0.1	0.0	-0.1	0.3	0.1
Service income margin	2.8	3.0	1.9	1.9	2.0	2.3	2.7	2.7	3.1	3.2	3.4	3.2	3.1
Loan loss provisions	-2.4	-2.6	-4.7	-1.1	-0.8	-0.6	-0.5	-0.5	-0.7	-0.8	-0.8	-0.6	-0.7
Operating costs	-5.8	-6.1	-4.4	-4.2	-4.1	-4.6	-5.1	-5.0	-5.5	-5.6	-5.8	-6.0	-5.5
Tax charges	-0.4	-0.5	-0.3	-0.3	-0.3	-0.4	-0.5	-0.5	-0.6	-0.6	-0.7	-0.6	-0.6
Income tax	-0.3	-0.2	-0.2	-0.2	-0.1	-0.3	-0.3	-0.4	-0.4	-0.7	-0.3	-0.3	-0.3
Adjustments to the valuation of government securities[2]	0.0	0.0	0.0	-0.4	-0.2	-0.2	-0.3	-0.3	-0.3	0.1	-1.2	-0.5	-0.3
Amortization payments for court-ordered releases	0.0	0.0	0.0	-0.6	-0.9	-0.9	-1.1	-0.8	-0.7	-0.9	-0.8	0.8	-1.0
Other	0.4	0.6	-1.8	0.9	0.8	0.8	1.2	0.9	0.8	1.1	1.1	-0.3	1.1
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
ROA	**0.0**	**0.0**	**-8.9**	**-2.9**	**-0.5**	**0.9**	**1.9**	**1.8**	**1.4**	**2.5**	**1.7**	**1.4**	**1.5**
ROA adjusted[3]	0.0	0.0	-8.9	-1.9	0.7	2.0	3.4	2.9	2.4	3.3	3.7	1.2	2.8
ROE	*0.0*	*-0.2*	*-59.2*	*-22.7*	*-4.2*	*7.0*	*14.3*	*13.7*	*10.2*	*18.4*	*12.8*	*11.1*	*10.9*

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

Chart 4: Portfolio Quality

As percentages	Dec 00	Dec 01	Dec 02	Dec 03	Dec 04	Dec 05	Nov 06	Dec 06	Sep 07	Oct 07	Nov 07
Non-performing loans (overall)	12.9	13.1	18.1	17.7	10.7	5.2	3.5	3.4	2.9	2.9	2.8
Non-performing loans to the non-financial private sector	**16.0**	**19.1**	**38.6**	**33.5**	**18.6**	**7.6**	**4.7**	**4.5**	**3.5**	**3.4**	**3.4**
Commercial portfolio (*)	14.9	20.7	44.0	38.0	22.8	9.3	5.3	5.0	3.5	3.4	3.2
Consumption and housing portfolio	17.3	17.5	31.4	28.0	11.0	4.8	3.6	3.5	3.5	3.5	3.5
Provisions / Total non-performing loans	61.1	66.4	73.8	79.2	102.9	125.1	134.4	130.3	132.2	133.8	127.1
(Total non-performing - Provisions) / Overall financing	5.0	4.4	4.7	3.7	-0.3	-1.3	-1.2	-1.0	-0.9	-1.0	-0.8
(Total non-performing - Provisions) / Net worth	26.2	21.6	17.2	11.9	-1.0	-4.1	-4.0	-3.3	-3.2	-3.5	-2.8

(*) 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	Nov 2006	2006	Oct 2007	Nov 2007
1.- Liquidity	23.6	26.9	22.8	24.3	24.1	23.6	24.8	27.6	29.2	21.5	23.0	23.7	23.0	24.3
2.- Lending to the public sector	13.5	13.7	13.6	16.1	14.7	20.8	49.4	47.1	41.2	28.0	19.1	15.9	9.6	9.2
3.- Lending to the private sector	51.0	46.7	47.6	44.6	38.4	45.4	22.4	19.9	22.5	31.1	36.9	37.9	45.2	45.9
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	3.7	3.6	2.7	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	-3.1	-3.0	-3.4	-3.5
6.- ROA	0.6	0.7	0.5	0.3	0.1	0.2	-11.3	-2.5	-1.0	0.5	2.1	2.2	1.5	1.5
7.- ROE	4.1	6.3	4.3	2.3	0.8	1.4	-79.0	-19.1	-8.1	4.1	14.7	15.3	10.1	10.1
8.- Efficiency	144	135	139	146	152	151	168	93	115	136	160	158	152	152
9.- Capital compliance	15.9	15.4	14.6	18.9	18.0	17.6	-	14.0	15.1	17.8	18.5	18.6	20.1	20.0
10.- Excess capital compliance	33	47	27	60	49	43	-	88	157	155	117	116	102	101

Source: BCRA

Chart 6: Balance Sheet

In current pesos (millions)	Dec 00	Dec 01	Dec 02	Dec 03	Dec 04	Dec 05	Nov 06	Dec 06	Oct 07	Nov 07	Change (%)		
											Last month	Accum. 2007	Last 12 months
Assets	**119,371**	**82,344**	**118,906**	**116,633**	**128,065**	**129,680**	**154,552**	**152,414**	**170,439**	**172,916**	**1.5**	**13.5**	**11.9**
Liquid assets[1]	13,920	10,576	11,044	14,500	15,893	14,074	20,691	22,226	24,236	26,870	10.9	20.9	29.9
Public bonds	7,583	1,627	19,751	22,260	24,817	29,966	26,942	27,663	27,639	26,152	-5.4	-5.5	-2.9
Lebac/Nobac	0	0	-	-	8,359	15,227	15,463	15,952	19,875	18,603	-6.4	16.6	20.3
Portfolio	0	0	-	-	5,611	12,899	13,963	14,220	16,396	15,854	-3.3	11.5	13.5
Repo	0	0	-	-	2,749	2,328	1,500	1,732	3,479	2,749	-21.0	58.8	83.3
Private bonds	563	451	273	172	333	307	467	683	354	336	-5.0	-50.8	-28.1
Loans	56,035	52,319	51,774	47,017	50,741	56,565	70,088	69,294	84,188	86,657	2.9	25.1	23.6
Public sector	8,172	13,803	25,056	23,571	21,420	15,954	11,726	10,036	6,427	6,429	0.0	-35.9	-45.2
Private sector	45,103	36,636	26,074	22,816	28,213	39,031	55,049	55,632	73,953	76,159	3.0	36.9	38.3
Financial sector	2,760	1,880	644	630	1,107	1,580	3,313	3,626	3,808	4,069	6.8	12.2	22.8
Provisions over loans	-3,248	-3,957	-7,463	-5,225	-3,717	-2,482	-2,275	-2,227	-2,303	-2,326	1.0	4.4	2.2
Other netted credits due to financial intermediat.	36,600	13,037	27,212	22,148	25,753	16,873	22,691	18,387	18,799	17,699	-5.9	-3.7	-22.0
Corporate bonds and subordinated debt	724	665	1,514	1,394	829	675	583	618	496	488	-1.7	-21.1	-16.3
Unquoted trusts	1,609	1,637	6,205	3,571	2,362	2,444	3,186	2,982	3,828	3,706	-3.2	24.3	16.3
Compensation receivable	0	0	15,971	13,812	14,657	5,575	4,774	760	375	375	0.1	-50.6	-92.1
Other	34,267	10,735	3,523	3,370	7,905	8,179	14,149	14,027	14,100	13,129	-6.9	-6.4	-7.2
Leasing	776	752	553	387	592	1,356	2,045	2,126	3,048	3,127	2.6	47.1	53.0
Shares in other companies	1,651	1,703	3,123	2,791	1,892	2,416	3,848	4,042	3,662	3,702	1.1	-8.4	-3.8
Fixed assets and miscellaneous	3,225	3,150	5,198	4,902	4,678	4,575	4,606	4,677	4,617	4,641	0.5	-0.8	0.8
Foreign branches	75	112	-109	-136	-53	-148	-138	-139	-152	-152	0.5	9.8	10.5
Other assets	2,190	2,574	7,549	7,816	7,137	6,178	5,586	5,682	6,351	6,211	-2.2	9.3	11.2
Liabilities	**107,193**	**70,829**	**103,079**	**101,732**	**113,285**	**112,600**	**133,922**	**131,476**	**147,623**	**149,985**	**1.6**	**14.1**	**12.0**
Deposits	57,833	44,863	44,445	52,625	62,685	75,668	92,135	94,095	111,082	114,162	2.8	21.3	23.9
Public sector[2]	1,276	950	1,636	3,077	6,039	6,946	7,691	7,029	8,099	8,133	0.4	15.7	5.7
Private sector[2]	55,917	43,270	38,289	47,097	55,384	67,859	83,172	85,714	101,556	104,588	3.0	22.0	25.7
Current account	4,960	7,158	8,905	11,588	13,966	17,946	19,874	20,604	25,864	26,383	2.0	28.1	32.8
Savings account	9,409	14,757	6,309	10,547	14,842	18,362	21,491	23,165	27,666	28,240	2.1	21.9	31.4
Time deposit	39,030	18,012	11,083	18,710	22,729	27,736	37,766	38,043	43,398	45,358	4.5	19.2	20.1
CEDRO	0	0	9,016	2,409	798	3	2	1	1	0	-	-	-
Other netted liabilities due to financial intermediat.	46,271	22,629	49,341	42,367	45,083	32,349	36,843	31,750	30,675	29,835	-2.7	-6.0	-19.0
Interbanking obligations	2,293	1,514	836	726	1,070	1,488	3,016	3,383	2,206	2,238	1.5	-33.9	-25.8
BCRA lines	83	1,758	16,624	17,030	17,768	10,088	6,829	3,689	665	670	0.8	-81.8	-90.2
Outstanding bonds	4,939	3,703	9,073	6,674	7,922	6,548	6,451	6,413	6,915	6,894	-0.3	7.5	6.9
Foreign lines of credit	5,491	4,644	15,434	9,998	5,444	2,696	2,212	2,249	1,804	1,955	8.4	-13.1	-11.6
Other	33,466	11,010	7,374	7,939	12,878	11,530	18,336	16,015	19,085	18,078	-5.3	12.9	-1.4
Subordinated debts	1,668	1,700	3,622	1,850	1,304	1,319	1,186	1,642	1,651	1,660	0.6	1.1	40.0
Other liabilities	1,420	1,637	5,671	4,890	4,213	3,264	3,759	3,989	4,216	4,328	2.7	8.5	15.1
Net worth	**12,178**	**11,515**	**15,827**	**14,900**	**14,780**	**17,080**	**20,630**	**20,938**	**22,816**	**22,931**	**0.5**	**9.5**	**11.2**
Memo													
Netted assets	88,501	73,796	117,928	115,091	121,889	123,271	143,159	143,807	160,080	163,360	2.0	13.6	14.1

(1) Includes margin accounts with the BCRA. (2) Does not include accrual on interest or CER.

Source: BCRA

Statistics Annex: Private Banks

Chart 7: Profitability Structure

Amounts in million of pesos	Annual							First 11 months		Monthly			Last
	2000	2001	2002[1]	2003	2004	2005	2006	2006	2007	Sep-07	Oct-07	Nov-07	12 months
Financial margin	5,441	5,282	10,628	2,575	3,415	5,253	7,778	7,028	8,041	1,023	913	891	8,792
Net interest income	3,598	3,519	-304	107	1,214	2,069	2,826	2,568	3,725	387	413	442	3,983
CER and CVS adjustments	0	0	1,476	1,082	900	1,215	858	767	611	37	63	54	703
Foreign exchange price adjustments	160	256	6,189	-312	666	576	740	704	914	124	126	88	950
Gains on securities	1,232	962	3,464	1,892	959	1,259	3,154	2,811	2,581	480	342	248	2,925
Other financial income	450	546	-197	-195	-322	134	199	178	210	-5	-31	59	230
Service income margin	2,554	2,598	2,782	2,341	2,774	3,350	4,459	4,030	5,299	506	550	518	5,728
Loan loss provisions	-2,173	-2,464	-6,923	-1,461	-1,036	-714	-737	-688	-1,019	-100	-98	-104	-1,069
Operating costs	-5,263	-5,224	-6,726	-5,310	-5,382	-6,303	-7,741	-6,931	-8,765	-834	-881	-924	-9,575
Tax charges	-379	-418	-512	-366	-393	-509	-769	-681	-987	-95	-118	-94	-1,074
Income tax	-393	-216	-337	-295	-202	-217	-365	-299	-329	-54	-50	-39	-396
Adjustments to the valuation of government securities[2]	0	0	0	-665	-51	-201	-170	-163	-74	-22	-23	-20	-82
Amortization payments for court-ordered releases	0	0	0	-791	-1,147	-1,168	-1,182	-1,074	-1,355	-121	-108	-107	-1,464
Other	307	615	-4,164	1,178	846	1,156	1,641	1,307	1,276	152	123	74	1,611
Monetary results	0	0	-10,531	-20	0	0	0	0	0	0	0	0	0
Total results	**93**	**174**	**-15,784**	**-2,813**	**-1,176**	**648**	**2,915**	**2,531**	**2,087**	**454**	**307**	**195**	**2,471**
Adjusted results[3]	-	-	-	-1,357	252	2,016	4,267	3,767	3,517	597	439	322	4,017
Annualized indicators - As % of netted assets													
Financial margin	6.2	6.4	7.6	2.3	2.9	4.3	5.9	5.9	5.7	7.7	6.8	6.5	5.8
Net interest income	4.1	4.3	-0.2	0.1	1.0	1.7	2.1	2.1	2.6	2.9	3.1	3.2	2.6
CER and CVS adjustments	0.0	0.0	1.1	0.9	0.8	1.0	0.6	0.6	0.4	0.3	0.5	0.4	0.5
Foreign exchange price adjustments	0.2	0.3	4.4	-0.3	0.6	0.5	0.6	0.6	0.6	0.9	0.9	0.6	0.6
Gains on securities	1.4	1.2	2.5	1.7	0.8	1.0	2.4	2.3	1.8	3.6	2.6	1.8	1.9
Other financial income	0.5	0.7	-0.1	-0.2	-0.3	0.1	0.2	0.1	0.1	0.0	-0.2	0.4	0.2
Service income margin	2.9	3.2	2.0	2.0	2.4	2.7	3.4	3.4	3.8	3.8	4.1	3.8	3.7
Loan loss provisions	-2.5	-3.0	-5.0	-1.3	-0.9	-0.6	-0.6	-0.6	-0.7	-0.7	-0.7	-0.8	-0.7
Operating costs	-6.0	-6.4	-4.8	-4.6	-4.6	-5.1	-5.9	-5.8	-6.2	-6.3	-6.6	-6.8	-6.3
Tax charges	-0.4	-0.5	-0.4	-0.3	-0.3	-0.4	-0.6	-0.6	-0.7	-0.7	-0.9	-0.7	-0.7
Income tax	-0.4	-0.3	-0.2	-0.3	-0.2	-0.2	-0.3	-0.2	-0.2	-0.4	-0.4	-0.3	-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	-0.1	-0.2	-0.2	-0.1	-0.1
Amortization payments for court-ordered releases	0.0	0.0	0.0	-0.7	-1.0	-1.0	-0.9	-0.9	-1.0	-0.9	-0.8	-0.8	-1.0
Other	0.4	0.7	-3.0	1.0	0.7	0.9	1.2	1.1	0.9	1.1	0.9	0.5	1.1
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
ROA	**0.1**	**0.2**	**-11.3**	**-2.5**	**-1.0**	**0.5**	**2.2**	**2.1**	**1.5**	**3.4**	**2.3**	**1.4**	**1.6**
ROA adjusted[3]	0.1	0.2	-11.3	-1.2	0.2	1.6	3.2	3.1	2.5	4.5	3.3	2.4	2.6
ROE	*0.8*	*1.4*	*-79.0*	*-19.1*	*-8.1*	*4.1*	*15.3*	*14.7*	*10.1*	*23.3*	*16.2*	*10.2*	*11.1*

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

Chart 8: Portfolio Quality

As percentages	Dec 00	Dec 01	Dec 02	Dec 03	Dec 04	Dec 05	Nov 06	Dec 06	Sep 07	Oct 07	Nov 07
Non-performing loans (overall)	8.3	9.9	19.8	15.7	8.9	4.4	2.9	2.9	2.4	2.4	2.3
Non-performing loans to the non-financial private se	**9.8**	**14.0**	**37.4**	**30.4**	**15.3**	**6.3**	**3.7**	**3.6**	**2.8**	**2.7**	**2.6**
Commercial portfolio (*)	8.4	15.4	44.7	39.0	18.2	7.3	3.9	3.8	2.4	2.3	2.1
Consumption and housing portfolio	11.9	12.4	26.0	17.2	10.0	4.2	3.3	3.2	3.3	3.3	3.3
Provisions / Total non-performing loans	67.7	75.7	73.4	79.0	95.7	114.6	129.7	129.6	134.6	136.7	138.5
(Total non-performing - Provisions) / Overall financing	2.7	2.4	5.3	3.3	0.4	-0.6	-0.9	-0.9	-0.8	-0.9	-0.9
(Total non-performing - Provisions) / Net worth	13.4	11.4	18.6	11.2	1.3	-2.2	-3.1	-3.0	-3.1	-3.4	-3.5

(*) 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.