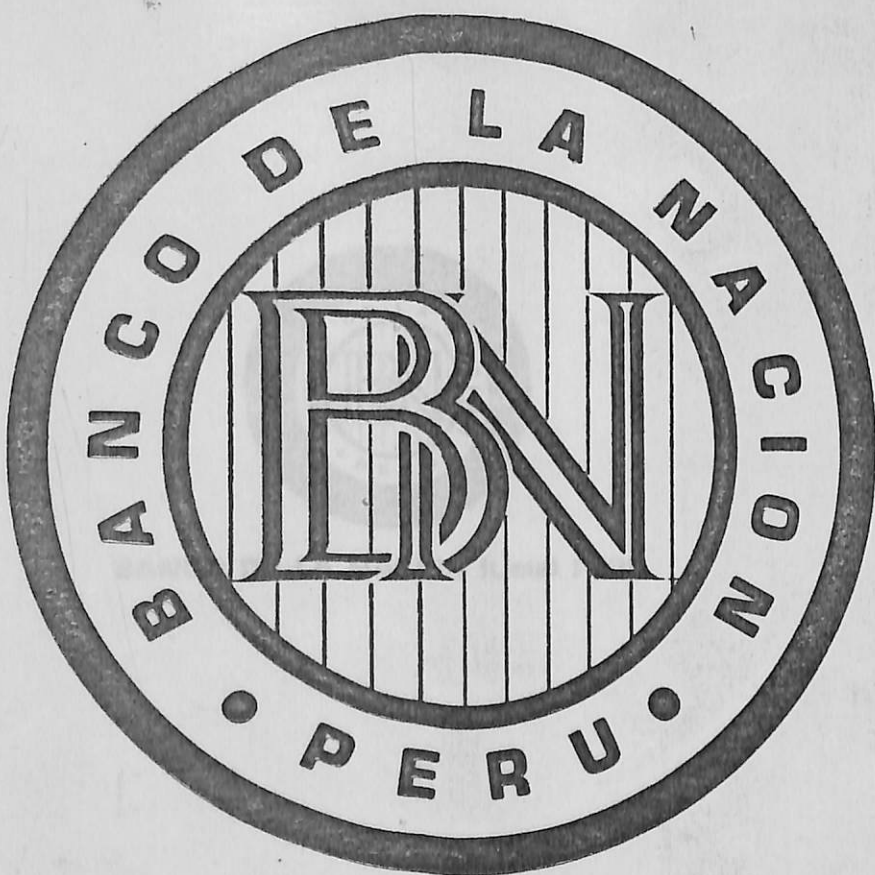


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1980 Annual Report
BANCO DE LA NACION (Lima) PERU

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BANCO DE LA NACION (Lima) PERU

1980 Annual Report

December, 31

Introduction	8
The Banco de la Nación and the National Banking System.....	10
The Banco de la Nación as a Financial Agent	12
The Banco de la Nación as Tax-collector.....	14
Balance Sheet and Financial Statements as at December 31, 1980.....	17
Shareholding Participation, Consolidated Balance Sheet and Financial Statements of Banco de la Nacion and its Subsidiaries and Affiliates.....	18
Index. Acknowledgements	34

**Board
of Directors.**

**BOARD OF DIRECTORS
(At July 31, 1980)**

**CHAIRMAN OF THE BOARD
AND CHIEF EXECUTIVE
OFFICER**

Alvaro Meneses Díaz

**VICE CHAIRMAN
Carlos Raffo Dasso**

DIRECTORS

**Jesús Arias Dávila
Guillermo Schwartzmann**

**Bauman de Metz
Manuel Moreyra Loredo**

**Dominga Sota Nadal
Luis Abad Araujo**

**GENERAL MANAGER
Jose F. Noriega Calmet**

**BOARD OF DIRECTORS
(At December 31, 1980)**

**CHAIRMAN OF THE BOARD
AND CHIEF EXECUTIVE
OFFICER**

Manuel Bustamante Olivares

VICE CHAIRMAN

Enrique Normand Sparks

DIRECTORS

**Carlos Basombrío Porras
Tulio de Andrea Marcazzolo**

José Noriega Calmet

Alonso Polar Campos

Jaime Rey de Castro

Richard Webb Duarte

GENERAL MANAGER

Luis Bordo García Rosell

On July 28, 1980, Peru saw the installation of a democratic government under a new Constitution, approved in 1979.

The peruvian Gross Domestic Product grew by 3.3 o/o in the year under review. This growth was sustained at the beginning of the year mainly by external demand, and later by growth in internal demand in the manufacturing, construction and commercial sectors. The mining sector suffered a decline through the fall in international metals prices and the livestock and fishing sector decreased in importance because of climatic factors.

(1)

Introduction.

The rise in the cost of living accelerated, principally because of the Government's new policy of eliminating subsidies, thereby allowing prices to reach their true levels, so that anti-inflationary measures might gradually be taken.

The government achieved a considerable saving on current account while total operations produced a heavy deficit as a result of an increase in capital expenditure on social infrastructure projects.

The Banco de la Nación in 1980 carried out its operations within the scope of the economic, financial and fiscal policy laid down by the government. In this context, the Bank gave, at a national level, financial support to the Central Government, decentralized public institutions and public companies.

The Bank was instrumental in the placing of Public Investment Bonds, and increased considerably the number of credits to the private sector.

This report highlights the most important aspects of the Bank's economic structure as well as its most important financial and administrative operations during 1980.

(2)
The Banco
de la Nación
and the
Peruvian
banking
system.

The Banco de la Nación, as the State's financial agent, tax collector and banking company, is Perú's most important financial institution. As such, the Bank responds to the requirements of the Government's economic, financial and fiscal policy through its different activities.

It is worth noting that the Banco de la Nación is the majority shareholder of the Banco Continental, Banco Popular and Banco Internacional, known as "Associated Banks".

The Bank has participations in the Banco Ambrosiano Andino, Ambrosiano Holding-Luxembourg, Arab Latinamerican Bank, Eurolatinamerican Bank, Banco Exterior de los Andes y España and the Latinamerican Export Bank-Panamá.

The following table shows the main indicators of the Bank within the Peruvian banking system:

	THOUSAND MILLIONS OF SOLES	o/o
LOANS		
Banking systems	1,137,820	100
Banco de la Nación	409,511	36
CURRENT LIABILITIES		
Banking system	719,799	100
Banco de la Nación	287,574	40
TERM LIABILITIES		
Banking system	586,290	100
Banco de la Nación	227,673	39
FOREIGN SECTOR (US\$)		
Foreign transactions (Import/ Export)	6,901	100
Banco de la Nación	1,469	21
NUMBER OF EMPLOYEES		
Banking system	38,635	100
Banco de la Nación	8,886	23

(1) PRELIMINARY FIGURES
SOURCE: Banco Central de Reserva.

The Peruvian
banking
system and
the Banco de
la Nación (1)
1980.

(3)
The Banco
de la Nación
as a financial
agent.

The Banco de la Nación, as a financial agent, operates on a large scale, given the size of internal and external resources which it can mobilize. Thus the Bank exercises a significant influence over the economy, mainly in the monetary, fiscal and foreign sectors.

The Bank finances a large part of the Central Government's operations, although the recent rearranging of these has reduced the Government's need for such support.

The entire foreign public debt servicing is made through the Bank, while the servicing of the internal debt is made through the placing and repurchase of principally Public Investment, and Treasury Bonds.

Public companies, as well as Central Government, have made use of a great part of the Bank's services as their financial and banking agent, at home and abroad. This includes amongst others the financing of working capital and the managing of their foreign transactions.

Finally, the Banco de la Nación in its role as State financial agent has not only carried out the acquisitions and placing of short-term funds, but has also assisted in arranging medium- and long-term operations abroad for the State.

TABLE No. I

	1979	1980
PUBLIC SECTOR		
CENTRAL GOVERNMENT	124,209	146,645
- Credits	202,502	230,619
- Liabilities	78,293	83,973
PUBLIC COMPANIES	47,312	70,308
- Credits	123,748	127,116
- Liabilities	76,436	56,808
REST OF PUBLIC SECTOR	(45,138)	(61,450)
- Credits	2,263	2,024
- Liabilities	47,401	63,474
INTERBANK TRANSACTIONS		
- Banco Central de Reserva	(83,424)	(87,350)
- Cash and Deposits	35,343	12,958
- Liabilities	128,767	100,308
COMERCIAL BANKS	3,756	22,576
- Credits and deposits	13,093	24,318
- Liabilities	9,337	1,742
DEVELOPMENT	7,867	3,885
- Credits	7,919	7,240
- Liabilities	252	3,335
PRIVATE SECTOR	(19,520)	3,052
- Private sector credits	10,322	55,959 (1)
- Private sector liabilities	29,842	52,907

1979 - US\$ S/. 230.
1980 - US\$ S/. 330.

Net position
of the Bank
by sectors.

(Millions of soles)

(1) Includes State companies operating as private entities.

(4)
The Banco
de la Nación
as collector and
administrator
of taxes

The Banco de la Nación acts in the important capacity of tax collector for the Central Government, decentralized public bodies and local governments. This activity is carried out through the Bank's offices in Perú as well as the commercial banks.

The bank may also authorize apportionments of the tax debt, as well as print, distribute and deal in stamp duties such as stamps on drinks, tobacco, legal paper, etc.

**TAX COLLECTIONS MADE BY
THE BANCO DE LA NACION**

Table 2 shows that total tax collections during 1980 increased by S/. 656,062 with respect to the year before, as result of more efficient collections of income taxes and taxes on production and consumption. In both, Central Government and other duties, the tax collection in 1980 represented an increase of over 100 o/o compared to the previous year.

TABLE No. 2

YEAR	CENTRAL GOVERNMENT*	OTHER DUTIES	TOTAL
1980	938,242	142,112	1,080,354
1979	369,502	54,790	424,292
Increase 1980 over 1979	568,740	87,322	656,062
Per cent	154 o/o	159 o/o	155 o/o

Taxes collected
during 1980
by the Banco
de la Nación.

(In Millions of soles)

*) Does not include Customs duties

**BALANCE
SHEET
AND FINANCIAL
STATEMENTS
AS AT DECEMBER
31, 1980.**

- 5.1 Balance Sheet
- 5.2 Statement of Profit and Loss
- 5.3 Notes to the Financial Statements

As at December 31, 1980

5.1 BALANCE SHEET AS AT

(In thousand)

ASSETS	1980	1979
CURRENT ASSETS		
Cash	6,131,094	3,511,093
Local currency deposits	148,097,024	157,035,248
Foreign currency deposits	80,252,322	96,764,986
Checks in circulation	1,673,475	1,088,006
Temporary securities	—	22,795
	<u>236,153,915</u>	<u>258,422,128</u>
LOANS		
Advances in current account (Local currency)	170,765,184	208,305,326
Advances in current account (Foreign currency)	110,990,902	46,358,545
Loans	112,029,813	39,910,094
Discounted notes	12,547,014	4,534,282
Various debtors	1,785,325	2,239,671
Other loans	2,592,966	1,315,985
	<u>410,711,204</u>	<u>302,664,903</u>
Less bad debt provision	5,692,701	9,248,782
	<u>405,018,503</u>	<u>293,416,121</u>
SECURITIES		
Bonds	21,937,157	21,012,687
Shares	24,379,007	10,318,124
	<u>46,316,164</u>	<u>31,330,811</u>
FIXED ASSETS		
Bank premises, furniture and equipment	4,870,307	2,248,192
Less: Accumulated depreciation	692,454	396,509
	<u>4,177,853</u>	<u>1,851,683</u>
OTHER ASSET		
Exchange contracts and operations	4,495,027	24,273,770
Pending and other accounts	46,912,211	24,117,195
Branches and agencies	31,211,985	19,814,312
	<u>82,619,223</u>	<u>68,205,277</u>
CONTINGENT ASSETS		
Debtors and acceptances for documentary credits	138,556,738	76,321,884
Debtors for guarantees and letters of credit in local currency	431,374	234,262
Debtors for guarantees and letters of credit in foreign currency	33,806,331	47,932,286
	<u>172,794,443</u>	<u>124,488,432</u>
TOTAL ASSETS AND DEBTOR BALANCES	<u>947,080,101</u>	<u>777,714,452</u>
CLEARING ACCOUNTS	<u>1,359,128,488</u>	<u>702,193,751</u>

MANUEL BUSTAMANTE OLIVARES
Chairman of the Board

CARLOS BASOMBRIO PORRAS
Director

DECEMBER 31, 1980 and 1979

(Sales)

LIABILITIES	1980	1979
CURRENT LIABILITIES		
Local currency current account deposits	85,857,698	114,628,612
Foreign currency current account deposits	13,119,767	6,237,799
Guarantee deposits	11,775,893	11,250,174
Various creditors	151,659,678	127,956,774
Checks, drafts and transfers on the Banco de la Nación	9,043,485	15,634,656
Other liabilities	16,117,923	4,521,620
	<u>287,574,444</u>	<u>280,229,635</u>
TERM LIABILITIES		
Local currency term accounts	43,731,527	40,195,750
Foreign currency term accounts	128,429,232	75,195,464
Legal and administrative deposits	6,278,937	5,299,162
Legal reserves at the Banco Central de Reserva	-	14,772,000
Certificates of Deposit	49,233,022	18,869,359
	<u>227,672,718</u>	<u>154,331,735</u>
	105,206	62,571
SAVINGS DEPOSITS		
DUE TO BANKS		
Foreign banks	61,815,196	29,837,022
Local banks	36,238,929	114,711,598
	<u>98,054,125</u>	<u>144,548,620</u>
OTHER LIABILITIES		
Exchange contracts and operations	13,585,202	28,569,568
Pending and other accounts and provisions	124,162,233	34,458,467
Branches and agencies	5,308	113,839
	137,752,743	63,141,874
Less: Indemnity advances	5,503	5,332
	<u>137,747,240</u>	<u>63,136,542</u>
CONTINGENT LIABILITIES		
Creditors and acceptances for documentary credits	138,556,738	76,321,884
Guarantees and letters of credit in local currency	431,374	234,262
Guarantees and letters of credit in foreign currency	33,806,331	47,932,286
	<u>172,794,443</u>	<u>124,488,432</u>
CAPITAL AND RESERVES		
Paid-up capital	8,175,956	1,575,667
Reserves	8,162,144	5,566,967
	<u>16,338,100</u>	<u>7,142,634</u>
PROFIT FOR PERIOD		
	<u>6,793,825</u>	<u>3,774,283</u>
TOTAL LIABILITIES AND CREDITOR BALANCES		
	<u>947,080,101</u>	<u>777,714,452</u>
CLEARING ACCOUNTS		
	<u>1,359,128,488</u>	<u>702,193,781</u>

LUIS BORDO GARCIA ROSELL
General Manager

OSCAR A. PAJUELO RAMIREZ
Central Manager and Chief Accountant

5.2 Statement of Profit and Loss for 1980 and 1979

(In thousands of soles)

INCOME	31.12.80	31.12.79	EXPENDITURE	31.12.80	31.12.79
Interest and commission on Credits	77,225,933	52,503,178	Interest and financial Expenses	51,588,141	39,335,252
Interest and commission on securities	5,158,890	4,436,559	Staff costs, services and contributions	13,933,155	7,960,911
Other income	<u>11,312,646</u>	<u>6,291,087</u>	Other expenditure	14,435,260	10,685,896
	<u>93,697,469</u>	<u>63,230,824</u>	Income tax	<u>6,947,088</u>	<u>1,474,482</u>
				86,903,644	59,456,541
			Net profit	<u>6,793,825</u>	<u>3,774,283</u>
				<u>93,697,469</u>	<u>63,230,824</u>

MANUEL BUSTAMANTE OLIVARES
Chairman of the Board

CARLOS BASOMBRIO PORRAS
Director

1. THE BANCO DE LA NACION

The Banco de la Nación is a public company attached to the Ministry of Economy and Finance, and is ruled by the Law creating it as well as by the Banking Law. Its capital is wholly owned by the Peruvian State.

In accordance with the law, the Bank may act in two capacities: as the State's financial agent and as an autonomous bank.

ACCOUNTING POLICIES

- a. The Bank's financial statements have been prepared in accordance with generally accepted accounting principles, incorporating peruvian banking practices within the rules laid down by the Banks and Insurance Superintendency.
- b. Provisions against loans are calculated on the basis of debtor accounts considered doubtful for collection; these provisions are charged to results for the year and recoveries are credited to Other Income.
- c. Interest and commissions on discounted letters and promissory notes, collected in advance, are deferred and are recognized as income when earned.

(5.3)

Notes to
the Financial
Statements as
at December
31, 1980.

- d. Interest on doubtful loans is shown in Liabilities under the heading Pending and other accounts and provisions, and is credited as income only when collected.
- e. Following banking practice, contingent assets, and liabilities, are included as assets or liabilities as appropriate.
- f. Securities are stated at cost of acquisition. Liberated shares received as a result of capitalizations are stated at nominal value.
- g. Foreign currency items are converted to their equivalent in peruvian soles at exchange rates fixed by the Banks and Insurance Superintendency. At December 31, 1979 the rate fixed for the American dollar was S/. 230, and at December 31, 1980, S/. 330.

3. CURRENT ASSETS

The balance shown as Cash, for S/. 6,131 million, includes foreign currency for an equivalent of US\$ 2,699,544. Checks in circulation, amounting to S/. 1,673 million, includes foreign currency for the equivalent of US\$ 1,313,259. Local Currency Deposits amounting to S/. 148,097 million includes S/. 130,261 million in a special frozen account at the Banco Central de Reserva, representing deposits by Central Government and public companies for the 1979-1980 Foreign Debt servicing according to Decree Law 22387, dated December 12, 1978.

4. LOANS

The item Loans for S/. 112,030 million includes foreign currency for the equivalent of US\$ 207, 924, 452. Discounted Notes for S/. 12,547 million includes foreign currency equivalent to US\$ 26,479,223.

Various Debtors for S/. 1,785 million represents transactions whose settlement is still in progress and includes foreign currency equivalent to US\$ 637,341.

Other Loans are made up of staff loans (S/. 1,620 million), notes for legal collections (S/. 967 million) and other items amounting to S/. 5 million.

(5.3)
Notes to
the Financial
Statements as
at December
31, 1980.

7. OTHER ASSETS

Pending and Other Accounts includes interest and commissions on deposits, loans and bonds, earned but not collected, totalling S/. 11,823 million.

8. CONTINGENT ASSETS AND LIABILITIES

Debtors and Acceptances for Documentary Credits represents open credits, and with negotiation pending as well as acceptances arising from documentary credits with deferred payment.

9. CLEARING ACCOUNT

These are control accounts, representing securities and notes in collection, on deposit, in custody, in guarantee, Central Government, Guarantees and Acceptances, stamp duties and other accounts.

10. CURRENT LIABILITIES

Guarantee deposits totalling S/. 11,775 million include foreign currency equivalent to US\$ 7,160,584.

Other Liabilities totalling S/. 16,118 million comprise amounts received by central government for Public Debt servicing payments (S/. 7,155 million), collection of taxes and social contributions made by the Bank on behalf of public sector companies (S/. 8,935 million) and other items amounting to S/. 28 million. Various Creditors for S/. 151,659 million includes S/. 130,261 million of local currency deposits made by Central Government and public companies under Decree Law 22387 for paying the 1979-1980 Foreign Debt.

11. TERM LIABILITIES

The heading Bank Certificates, amounting to S/. 49,233 million, represents bank certificates issued by the Bank for the equivalent of US\$ 149,191,000 in conformity with Decree Law 22038 dated December 13,1977.

(5.3)

Notes to
the Financial
Statements as
at December
31, 1980.

12. DUE TO BANKS

In accordance with the provisions of Law No. 23233 regarding the 1981 General Budget of the Republic of Perú, the Banco Central de Reserva with effect from December 31, 1980, paid off liabilities amounting to S/. 65,000 million contracted by the Banco de la Nación on behalf to the Public Treasury, and thus reduced the balance owed to local banks.

13. OTHER LIABILITIES

Pending and other Accounts and Provisions comprise the following:

- Pending Creditor Accounts totalling S/. 76,935 million, which transitorily include S/. 65,000 million as a result of the operations carried out by the Central Reserve Bank as explained in the preceding Note; the transaction will be settled during 1981 by a credit to the Public Treasury current account;
- Interest and Commissions in suspense, arising from the Bank's doubtful loans, and totalling S/. 2,631 million;
- Accrued Interest, Commissions and Taxes amounting to S/. 27,814 million.
These originate from loans pending until collection of the respective promissory notes;
- Interest and Commissions payable of S/. 12,899 million, which arise from liabilities contracted by the Bank in relation to term deposits and liabilities with financial institutions in Perú and/or abroad.
- Accumulated Provisions totalling S/. 3,742 million, set up to cover monetary fluctuations of S/. 200 million, fluctuations in the market value of securities (S/. 706 million), staff indemnities of S/. 2,264 million, and lesser provisions of S/. 572 million.

(5.3)

Notes to
the Financial
Statements as
at December
31, 1980.

(5.3)
Notes to
the Financial
Statements as
at December
31, 1980.

14. CAPITAL AND RESERVES

During 1980, the Bank's capital was increased by S/. 6,600 million, by capitalizing the retained profits of the year 1977, 1978 and 1979 in conformity with Supreme Decree No. 053-80-EF/dated March 20, 1980. As a result, the Banks paid-up capital at December 31, 1980 totalled S/. 8,175 million.

The increase in reserves is mainly due to the receipt of liberated shares totalling S/. 4,609 million, as a result of the capitalization of fixed asset revaluation surpluses, and of other reserves, made by those companies in which the Bank holds participations. The most important of these were the Compañía de Seguros Popular y Porvenir (S/. 2,799 million), Reaseguradora Peruana (S/. 182 million), Banco Continental (S/. 1,129 million) and Banco Popular (S/. 499 million).

15. STATEMENT OF PROFIT AND LOSS

Following the tax provisions laid down by Decree Law 21382, interest on loans earned during the year has been credited to income, except for interest on doubtful loans, which has been deferred and credited to the liability account Interest and Commissions in Suspense.

16. RESERVE REQUIREMENTS

The Banco de la Nación is subject to a reserve established by the Banco Central de Reserva, in accordance with its activities and the Government's monetary policy.

Banco de la Nación controls as shareholder the activities of important banking, insurance and real estate companies forming the most important financial Group in Perú with Shareholders' equity of US\$ 163.7 million and total assets of US\$ 4,921.6 million.

Our participation in the so-called "Associated Banks" is as follows:

Banco Continental (99.8 o/o); Banco Popular del Perú (99.9 o/o) and Banco Internacional del Perú (99.97 o/o) (INTERBANK).

On the other hand, each of the Associated Banks have their own network of subsidiaries, Financial and Regional Banks.

We should also mention our investments in the largest insurance company, Popular y Porvenir Compañía de Seguros (98.22 o/o) and in Reaseguradora Peruana S.A. (91.0 o/o), the only reinsurance company in Perú.

Banco de la Nación maintains participations in international banking institutions, facilitating the establishment of tight financial relations.

Amongst the most noteworthy investments are those in Banco Arabe Latinoamericano (ARLABANK) with 4.5 o/o; European Latin American Bank (EULABANK) with 4.22 o/o; Banco Exterior de los Andes y de España (EXTEBANDES) with 9.9 o/o; Banco Ambrosiano Holding (7.3 o/o); Banco Ambrosiano Andino (2.0 o/o) and Banco Latinoamericano de Exportaciones (BLADEX) with 1.6 o/o.

Table 3 shows our equity participations in other Institutions, both local and international.

**Participations,
Consolidated
Balance Sheet
and Profit +
Loss Statements
of Banco de la
Nación and its
Subsidiaries
and affiliates.**

TABLE No. 3

INSTITUTIONS	CAPITAL	SHARE PAR- TICIPATION % OF B.N.
- Bco Continental	9'880,	9'779, 99.8
- Bco Popular del Perú	12'576,	12'569, 99.9
- Bco. Internacional del Perú	9'091,	9'078, 99.9
Popular y Porvenir Cía. de Seguros	11'364,	11'162, 98.2
Reaseguradora Peruana	2'424,	2'206, 91.0
Coneminsa	6'378,	6'377, 99.9
Cía. de Recaudación	214,	107, 50.0
Euro Latinoamerican Bank	43'920,	1'830, 4.2
Banco Arabe Latinoamericano	100'000,	4'500, 4.5
Banco Ambrosiano Holding	161'874,	11'911, 7.3
Banco Ambrosiano Andino	50'000,	1'000, 2.0
Banco Latinoamericano Exp.	32'415,	509, 1.6
Extbandes	50'000,	4'975, 9.9

Investments
of Banco
de la Nación.
As of 31.12.80
(In thousand of U.S. Dollars)

Consolidated Balance Sheet de la Nación and

(In thousands)

	<u>Bco. Continental</u>	<u>Bco. Popular</u>	<u>Bco. Internac.</u>
<u>ASSETS</u>			
Liquid Assets	204,318	135,100	106,027
Loans	158,357	194,618	88,903
Investments and Securities	17,667	23,297	16,830
Other Assets	<u>283,982</u>	<u>396,527</u>	<u>212,709</u>
<u>TOTAL ASSETS</u>	<u><u>664,324</u></u>	<u><u>749,542</u></u>	<u><u>424,469</u></u>
<u>LIABILITIES</u>			
Demand Deposits	110,106	113,191	105,979
Term Deposits	173,164	103,145	45,645
Savings Accounts	37,897	51,379	32,224
Due to Banks	10,464	8,615	21,436
Retained Earnings	8,145	24,667	9,309
Other Liabilities	<u>301,900</u>	<u>428,366</u>	<u>194,297</u>
<u>TOTAL LIABILITIES</u>	<u><u>641,676</u></u>	<u><u>729,363</u></u>	<u><u>408,890</u></u>
<u>SHAREHOLDERS EQUITY</u>			
Capital and Reserves	22,648	20,179	15,579
Total Liabilities and Shareholders Equity	<u><u>664,324</u></u>	<u><u>749,542</u></u>	<u><u>424,469</u></u>
<u>o/o of Share Participation</u>	<u><u>99.8</u></u>	<u><u>99.9</u></u>	<u><u>99.9</u></u>

Rate of Exchange: 1 US\$: S/. 330.-

Balance Sheet of Banco

and its affiliates

Dollars (U. S.)

Banco de Nación	Pop. y Por. Cfa Seg.	Reaseg. Peruana	Cfa. Neg. Mob. Inm. S.A.	Cfa. de Re-Caudación S.A.	Total
715,618	13,817	3,449	4,379	342	1,183,050
227,330	29,923	20,455	502	116	1,720,204
153,012	15,433	5,621	3,305	194	235,359
773,979	36,318	79,504	2	4	1,783,025
<u>869,939</u>	<u>95,491</u>	<u>109,029</u>	<u>8,188</u>	<u>656</u>	<u>4,921,638</u>
871,436	62,699	96,972	23	144	1,380,550
589,918	--	--	33	--	1,011,905
318	--	--	--	--	121,818
297,133	--	--	--	--	337,848
6,861	964	74	1	217	50,238
<u>834,176</u>	<u>13,583</u>	<u>3,244</u>	<u>210</u>		<u>1,875,776</u>
<u>789,842</u>	<u>77,246</u>	<u>100,290</u>	<u>267</u>	<u>361</u>	<u>4,757,935</u>
70,097	18,245	8,739	7,921	295	163,703
<u>869,939</u>	<u>95,491</u>	<u>109,029</u>	<u>8,188</u>	<u>656</u>	<u>4,921,638</u>
	<u>98.2</u>	<u>91.0</u>	<u>99.9</u>	<u>50.0</u>	

CONSOLIDATED PROFIT

(Banco de la Nación

As of

(In thousands

	<u>Bco. Continental</u>	<u>Bco. Popular</u>	<u>Bco. Internac.</u>
INCOME	<u>62,488</u>	<u>64,856</u>	<u>36,842</u>
- Financial	44,576	62,504	30,386
- Other	17,912	2,352	6,456
- Premiums and Commissions	--	--	--
EXPENSES	<u>58,838</u>	<u>60,946</u>	<u>35,164</u>
- Financial	28,239	28,661	16,344
- Operative	25,952	31,820	17,219
- Other	4,647	465	1,601
- Premiums and Commissions	--	--	--
<u>NET INCOME</u>	<u>3,650</u>	<u>3,910</u>	<u>1,678</u>

Rate of Exchange: 1 US\$: S/. 330.-

LAND LOSS STATEMENT

(Subsidiaries and affiliates)

31.12.80.

(in millions of Dollars.)

<u>Bco. de La Nación</u>	<u>Pop. y Por. Cía Seg.</u>	<u>Reaseg. Peruana</u>	<u>Cía. Neg. Mob. Inm. S.A.</u>	<u>Cía. de Re- Caudación S.A.</u>	<u>Total</u>
283,932	92,844	206,280	1,089	667	748,998
249,651	2,769	3,812	752	103	394,553
34,281	3,737	410	337	564	66,049
--	86,338	202,058	--	--	288,398
263,345	89,835	202,569	321	650	711,868
156,328	13	90	12	--	229,887
42,222	4,238	1,233	14	647	123,345
64,795	5,268	2,194	295	3	79,268
--	80,316	199,052	--	--	279,368
<u>20,587</u>	<u>3,009</u>	<u>3,711</u>	<u>768</u>	<u>17</u>	<u>37,330</u>

The Bank would like to express its profound thanks to the authorities in the economic, financial and commercial sector for the cordiality and understanding they have shown during the year, and so engendering the most harmonious relationship.

The Bank equally records its grateful recognition of its branches in Perú and abroad, for the timely and efficient service and collaboration which they have given at every opportunity.

Finally, the Banco de la Nación would like to reaffirm its sincere gratitude to all its employees who, showing an invaluable understanding of their own and their country's problems, have not relaxed their efforts to provide their fullest and valuable cooperation.

Acknowledgments.

