

STATEMENT OF INCOME

At December 31, 2016 and 2015

(In thousands of pesos)

Page 1 of 2

| ITEMS | 12.31.16 | 12.31.15 |
|--|--------------------------|--------------------------|
| A. <u>FINANCIAL INCOME</u> | <u>31,151,015</u> | <u>20,966,407</u> |
| . Interest on Overdrafts | 527,290 | 253,055 |
| . Interest on Notes | 6,868,041 | 5,295,198 |
| . Interest on Mortgage Loans | 802,939 | 738,361 |
| . Interest on Pledge Loans | 126,702 | 522 |
| . Interest on Credit Cards | 1,286,523 | 813,457 |
| . Interest on Other Loans | 11,910,532 | 9,071,793 |
| . Interest on Other Receivables from Financial Brokerage | 77,637 | 83,321 |
| . Net Income from Government and Corporate Securities | 6,496,775 | 3,208,455 |
| . Income from Secured Loans - Exec. Order 1387/01 | 272,669 | 184,774 |
| . Adjustments from Application of the CER Index | 2,005,548 | 1,099,584 |
| . Gold and Foreign Currency Quotation Difference | 403,281 | - |
| . Interest on Financial Leases | 7,456 | 13,671 |
| . Other | 365,622 | 204,216 |
| B. <u>FINANCIAL EXPENDITURE</u> | <u>16,367,636</u> | <u>12,403,733</u> |
| . Interest on Savings Account Deposits | 118,829 | 80,211 |
| . Interest on Fixed-Term Deposits | 14,976,441 | 10,505,431 |
| . Interest on Other Liabilities from Financial Brokerage | 43,080 | 26,546 |
| . Other Interest | 402,293 | 185,436 |
| . Adjustments from Application of the CER Index | 5,252 | 6,783 |
| . Deposit Guarantee Fund Contribution | 410,824 | 693,361 |
| . Gold and Foreign Currency Quotation Difference | - | 594,525 |
| . Other | 410,917 | 311,440 |
| GROSS BROKERAGE MARGIN | <u>14,783,379</u> | <u>8,562,674</u> |
| C. <u>PROVISION FOR LOAN LOSSES</u> | <u>1,320,158</u> | <u>711,683</u> |
| D. <u>INCOME FROM SERVICES</u> | <u>7,550,185</u> | <u>5,885,033</u> |
| . From Lending Transactions | 551,854 | 488,231 |
| . From Borrowing Transactions | 754,380 | 678,077 |
| . Other Commissions | 136,735 | 82,692 |
| . Other (Note 21.6) | 6,107,216 | 4,636,033 |
| E. <u>EXPENDITURE FOR SERVICES</u> | <u>2,014,451</u> | <u>1,659,957</u> |
| . Commissions | 501,556 | 356,145 |
| . Other (Note 21.7) | 1,512,895 | 1,303,812 |

See our report dated
February 16, 2017
PRICE WATERHOUSE & CO. S.R.L.

Dr. Fernando L. Arriola
General Accountant

Dr. Daniel H. Alonso
General Manager

Dr. Juan E. Curutchet
President

(Partner)

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Dr. Alejandro P. Frechou
Public Accountant (U.B.A.)
C.P.C.E.B.A. Volume 154 – Folio 165
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Tax Payer Registration Code
20 - 13565011 – 1

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At December 31, 2016 and 2015

(In thousands of pesos)

Page 2 of 2

| ITEMS | 12.31.16 | 12.31.15 |
|--|--------------------------|--------------------------|
| <u>F. ADMINISTRATIVE EXPENSES</u> | <u>14,540,939</u> | <u>10,843,646</u> |
| . Personnel Expenses | 11,823,997 | 8,861,962 |
| . Directors' and Syndics' Fees | 34,816 | 24,874 |
| . Other Fees | 195,143 | 166,183 |
| . Advertising and Publicity | 194,073 | 196,650 |
| . Taxes | 33,655 | 66,892 |
| . Depreciation of Bank Premises and Equipment (Exhibit "F") | 217,344 | 213,492 |
| . Amortization of Organization Expenses | 54,789 | 50,925 |
| . Other Operating Expenses | 1,510,010 | 978,142 |
| . Other | 477,112 | 284,526 |
| <u>NET INCOME FROM FINANCIAL BROKERAGE</u> | <u>4,458,016</u> | <u>1,232,421</u> |
| <u>G. MISCELLANEOUS INCOME</u> | <u>515,539</u> | <u>1,090,904</u> |
| . Penalty Interest | 52,593 | 48,104 |
| . Receivables Recovered and Allowances Reversed | 251,973 | 897,164 |
| . Adjustments from Application of the CER Index | 5 | 8 |
| . Other (Note 21.8) | 210,968 | 145,628 |
| <u>H. MISCELLANEOUS LOSSES</u> | <u>1,803,030</u> | <u>1,094,491</u> |
| . Net Income from Long-Term Investments | 83,273 | 490,713 |
| . Penalty Interest and Charges in favour of the Argentine Central Bank | 280 | 21 |
| . Charges for Miscellaneous Receivables and Other Items Written Off | 286,622 | 344,263 |
| . Amortization of Differences from Court Orders | 18,800 | 18,159 |
| . Depreciation and Losses for Miscellaneous Assets | 1,002 | 1,755 |
| . Other (Note 21.9) | 1,413,053 | 239,580 |
| <u>NET INCOME FOR THE YEAR</u> | <u>3,170,525</u> | <u>1,228,834</u> |

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