

CONSOLIDATED STATEMENT OF INCOME

(Law No. 19550 - Section 33)

At December 31, 2016 and 2015

(In thousands of pesos)

ITEMS	12.31.16	12.31.15
A. <u>FINANCIAL INCOME</u>	<u>34,828,249</u>	<u>22,953,647</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	598,690	413,388
. Net Income from Government and Corporate Securities	9,223,725	4,593,738
. Income from Secured Loans - Exec. Order 1387/01	284,812	200,411
. Adjustments from Application of the CER Index	2,053,567	1,119,123
. Gold and Foreign Currency Quotation Difference	405,004	-
. Interest on Financial Leases	225,487	189,140
. Other	514,937	265,461
B. <u>FINANCIAL EXPENDITURE</u>	<u>16,253,610</u>	<u>12,194,946</u>
. Interest on Savings Account Deposits	118,829	80,211
. Interest on Fixed-Term Deposits	14,811,647	10,365,803
. Interest on Financing from Financial Institutions	50,768	24,464
. 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	-	500,803
. Other	410,917	311,539
<u>GROSS BROKERAGE MARGIN</u>	<u>18,574,639</u>	<u>10,758,701</u>
C. <u>PROVISION FOR LOAN LOSSES</u>	<u>1,320,158</u>	<u>711,683</u>
D. <u>INCOME FROM SERVICES</u>	<u>25,983,814</u>	<u>19,472,922</u>
. From Lending Transactions	551,854	488,231
. From Borrowing Transactions	754,380	678,077
. Other Commissions	136,735	82,692
. Other (Note 13)	24,540,845	18,223,922
E. <u>EXPENDITURE FOR SERVICES</u>	<u>19,910,377</u>	<u>13,383,990</u>
. Commissions	1,435,067	984,580
. Other (Note 13)	18,475,310	12,399,410

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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Folder No. 40.051/3
Tax Payer Registration Code
20 - 13565011 – 1

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At December 31, 2016 and 2015
(In thousands of pesos)

ITEMS	12.31.16	12.31.15
F. ADMINISTRATIVE EXPENSES (Note 14) . Personnel Expenses . Directors’ and Syndics’ Fees . Other Fees . Advertising and Publicity . Taxes . Depreciation of Bank Premises and Equipment . Amortization of Organization and Development Expenses . Other Operating Expenses . Other	18,389,998 13,303,658 110,116 253,130 342,746 724,301 257,791 81,515 2,747,291 569,450	14,397,200 9,955,080 96,649 305,205 541,813 578,983 250,105 75,601 2,212,049 381,715
NET INCOME FROM FINANCIAL BROKERAGE	4,937,920	1,738,750
G. MINORITY INTEREST	47,502	(111,640)
H. MISCELLANEOUS INCOME (Note 15) . Net Income from Long-Term Investments . Penalty Interest . Receivables Recovered and Allowances Reversed . Adjustment from Application of the CER Index . Other	806,639 64,717 52,593 251,973 5 437,351	1,463,816 51,181 48,104 897,164 8 467,359
I. MISCELLANEOUS LOSSES (Note 16) . Penalty Interest and Charges in favour of the Argentine Central Bank . Charges for Miscellaneous Receivables and Other Items Written Off . Amortization of Differences from Court Orders . Depreciation and Losses for Miscellaneous Assets . Other	2,474,922 280 319,980 18,800 1,002 2,134,860	1,862,092 21 1,288,064 18,159 1,755 554,093
NET INCOME BEFORE INCOME TAX	3,317,139	1,228,834
INCOME TAX	146,614	-
NET INCOME FOR THE YEAR	3,170,525	1,228,834

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