

AT DECEMBER 31, 2014 AND COMPARATIVE PERIODS

(In thousands of Pesos)

Note 1 - Basis for Presentation of the Consolidated Financial Statements

These Consolidated Financial Statements are provided as supplementary information and have been prepared in accordance with the provisions of Technical Resolution, issued by the Argentine Federation of Professional Councils in Economic Sciences (*Federación Argentina de Consejos Profesionales de Ciencias Económicas* - FACPCE) and the standards laid down by the Argentine Central Bank (BCRA).

Banco de la Provincia de Buenos Aires (the Bank) has consolidated on a line-by-line basis its Balance Sheet, the Statements of Income and the Statements of Cash Flows at December 31, 2014 and 2013 with the Financial Statements of those companies in which it has, whether directly or indirectly, the necessary voting power to control corporate decisions.

On July 17, 2007, the Bank replied to Memorandum No. 17 of the BCRA dated June 25, 2007, and decided to change the consolidation criteria since September 30, 2009. Therefore, the Financial Statements of the Bank were consolidated with those of Grupo Banco Provincia S.A. at the same date, in order to regularize the situation mentioned by the BCRA.

There follows a detail of the companies directly consolidated at the end of the period:

Issuing Company	Issuing Company Grupo Banco Provincia Provincia Microempres S.A. S.A.		•	BA Desar	rollo S.A.			
Principal Line of Business	Financial and Investment Transactions		Service-related Transactions		Service-related Transactions		Financial an Assistance	
Period / Comparative Period	12/31/14	12/31/13	12/31/14 12/31/13		12/31/14	12/31/13		
Number of Shares:	379,875	379,875	10,071,777	10,071,777	10,000	10,000		
Equity Interests and Votes (%):	99.967	99.967	95.00	95.00	50.00	50.00		
Book Value Net of Allowances:	854,861	568,144	26,746	7,734	5,572	5,765		

There follows a summary of the balance sheet and statements of income of the above-mentioned Companies at December 31, 2014 and comparative period:

Issuing Company	Grupo Banc S.		Provincia Mic S.A	•	BA Desai	Desarrollo S.A.	
Period / Comparative Period	12/31/14	12/31/13	12/31/14	12/31/13	12/31/14	12/31/13	
ASSETS	9,004,183	6,369,825	35,763	12,940	19,283	14,170	
LIABILITIES	8,209,410	5,849,128	8,099	4,798	8,139	2,651	
STOCKHOLDERS' EQUITY	794,773	520,697	27,664	8,142	11,144	11,519	
Period / Comparative Period	12/31/14	12/31/13	12/31/14	12/31/13	12/31/14	12/31/13	
INCOME/(LOSS)	274,077	(80,353)	19,522	(19,360)	(375)	(4,409)	

The procedure to include the accounts of controlled Companies has been as follows:

- a) The Consolidated Financial Statements of the Companies were adjusted to the Accounting Disclosure Standards required by the BCRA, which were applied by Banco de la Provincia de Buenos Aires to prepare its own Financial Statements.
- b) Financial Statements at December 31, 2014 of Grupo Banco Provincia S.A., Provincia Microempresas S.A. and BA Desarrollo S.A. were used for consolidation purposes.

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Except as stated in Notes 2 and 3 below, the Financial Statements of these Companies were prepared under similar criteria to those used by the Bank for the appraisal of assets and liabilities, measurement of profits and losses, and restatement procedures, according to the rules of the BCRA and the current Professional Accounting Standards. The Financial Statements for the periods from January 1 to December 31, 2014 were used in the case of Provincia Leasing S.A., Bapro Mandatos y Negocios S.A., Provincia Bursátil S.A. and Bapro Medios de Pago S.A. The Financial Statements for the periods beginning July 1, 2014 were used for the remaining Companies.

Likewise, with respect to Provincia Seguros S.A., Provincia Seguros de Vida S.A. and Provincia ART S.A., their Statements of Income and Statement of Cash Flows include the transactions recorded from January 1 to December 31 of each year.

Information at December 31, 2013 derives from the Financial Statements at that date, issued on February 20, 2014.

- c) Items arising from inter-company transactions not involving third parties were removed from the Balance Sheet, the Statement of Income and the Statement of Cash Flows.
- d) The portion of the Stockholders' Equity of the controlled company owned by third parties is disclosed in the Balance Sheet under the "Minority Interest" caption.
- e) The net income/(loss) of the minority interest is disclosed in the Statement of Income under the "Minority Interest" caption.

The Consolidated Financial Statements of Grupo Banco Provincia S.A. include the items of its Balance Sheet, Statement of Income and Statement of Cash Flows consolidated on a line-by-line basis with the Financial Statements of those Companies in which it has, whether directly or indirectly, the necessary voting power to control corporate decisions. They are described below:

	Equity Interest and Votes (%)						
Issuing Company	Dire	ect	Indirect				
	12/31/14	12/31/13	12/31/14	12/31/13			
Bapro Mandatos y Negocios S.A.	97.000	97.000	2.850	2.850			
Bapro Medios de Pago S.A.	97.000	97.000	2.996	2.996			
Provincia Aseguradora de Riesgos del Trabajo S.A.	98.630	98.630	0.822	0.822			
Provincia Bursátil S.A.	95.000	95.000	-	-			
Provincia Leasing S.A.	97.000	97.000	2.981	2.981			
Provincia Seguros de Vida S.A.	45.000	45.000	9.000	9.000			
Provincia Seguros S.A.	60.000	60.000	-	-			

Indirect interests derive mainly from shareholdings owned by Grupo Banco Provincia S.A.'s subsidiaries, as follows:

Issuing Company	Equity Interest and Votes (%)			
locality Company	12/31/14	12/31/13		

Provincia Seguros S.A. has equity interests in:

- Provincia Aseguradora de Riesgos del Trabajo S.A.

1.370

1.370

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Issuing Company	Equity Interest	and Votes (%)
	12/31/14	12/31/13
- Provincia Seguros de Vida S.A.	15.000	15.000
Provincia Bursátil S.A. has equity interests in (*):		
- Bapro Mandatos y Negocios S.A.	3.000	3.000
- Provincia Leasing S.A.	0.294	0.294
Bapro Mandatos y Negocios S.A. has equity interests in:		
- Bapro Medios de Pago S.A.	3.000	3.000
- Provincia Leasing S.A.	2.706	2.706

- (*) They include balances consolidated with the Financial Statements of Provinfondos S.A., a mutual fund managing company, because it has a controlling interest in this Company (4,000,000 shares) which represents 90% of the stockholders' equity and votes.
- f) Under the provisions of Technical Resolution No. 21 of the Argentine Federation of Professional Councils in Economic Sciences, Mercado Regional de Capitales S.A. and Provincia Servicios de Salud S.A. were excluded from consolidation in the Financial Statements at December 31, 2014 and 2013 since, as stated in Note 18.i.1, such equity holdings of Grupo Banco Provincia S.A. are valued at zero and the Company will no longer finance their activities.
- g) By Resolutions No. 102/13 (January 30, 2013), No. 199/13 (February 28, 2013), No. 343/13 (March 21, 2013), No. 619/13 (April 25, 2013), No. 840/13 (May 30, 2013), No. 971/13 (June 27, 2013), No. 1150/13 (July 27, 2013), No. 1333/13 (August 29, 2013), No. 1517/13 (September 26, 2013) and No. 2026/13 (December 19, 2013), the Board of Directors of Banco de la Provincia de Buenos Aires approved irrevocable contributions of \$4,200, \$3,250, \$1,550, \$2,400, \$2,600, \$3,900, \$4,000, \$1,800, \$700 and \$1,500, respectively, to Provincia Microempresas S.A. in order to absorb accumulated losses. These contributions were totally paid in at the date of these Financial Statements.
- On May 10, 2013, the Special Meeting of Shareholders of Provincia Microempresas S.A. decided to reduce its Capital Stock by \$63,698 due to the accumulated losses, which absorbed more than 50% of its capital stock, according to the provisions of section 206 of the Argentine Companies' Law. In order to maintain the same percentages such reduction was made in proportion to their pertinent equity holdings. As a result, its capital stock amounted to \$10,602. On December 18, 2013, such reduction was filed with the Supervisory Board of Companies (*Inspección General de Justicia IGJ*).

On October 22, 2013, the Regular Meeting of Shareholders decided to absorb accumulated losses for the year 2013 with irrevocable contributions made by shareholders for an amount of \$14,700.

On April 21, 2014, the Regular Meeting of Shareholders resolved to absorb accumulated losses with irrevocable contributions for \$2,200.

h) The Bank and controlled companies have a significant exposure to the Argentine public sector through government securities, loans and other assets identified in the Financial Statements and annexes for about \$29,017,277 and \$25,571,108 at December 31, 2014 and 2013, respectively. Such exposure mainly resulted from debt restructurings by the Argentine government, the offset of effects derived from devaluation and asymmetric conversion into pesos, and the financial assistance to the government of the Province of Buenos Aires in line with the provisions of Articles 9 and 11 of the Bank's Charter and other financial assistance. At December 31, 2014, the Bank's investments in securities issued by the BCRA amounted to \$8,567,046.

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Note 2 - Accounting Policies

The Financial Statements of Provincia Microempresas S.A., BA Desarrollo S.A., Grupo Banco Provincia S.A. and related and controlled companies have been prepared on the basis of valuation criteria consistent with those used by Banco de la Provincia de Buenos Aires to prepare its Financial Statements.

Note 3 below describes the main differences between the current Professional Accounting Standards and the accounting standards of the BCRA, and the rules issued by the regulatory authorities of related and controlled companies (National Insurance Superintendency (Superintendencia de Seguros de la Nación – SSN)).

The principal valuation and disclosure criteria followed by Banco de la Provincia de Buenos Aires are described in Note 2 to its Financial Statements, of which this supplementary information forms part.

The main accounting policies used by controlled companies and not mentioned in that Note are described below, according to the Financial Statements of consolidated subsidiaries.

2.a. <u>Valuation of Government and Corporate Securities</u>

In addition to the information provided in Note 3.3 to the Bank's Financial Statements, and as shown in Note 5 to the consolidated financial statements, they include:

2.a.1. Government Securities for Trading and Investments in Listed Corporate Securities

Investments in Fixed-Income Government Securities and National Government Bonds; Provincia Seguros de Vida S.A. measured at their technical value the government securities held in its portfolio until maturity.

Mutual Funds were valued at their quota share price prevailing at the end of the fiscal year.

2.b. <u>Interests in Other Companies</u>

As stated in Note 7, the valuation of this caption for each non-consolidated company is as follows:

Name	Valuation Method
	In non-controlled companies – Unlisted

Grupo Banco Provincia S.A. in:

- Internacional Compañía de Seguros de Vida S.A.

Valued at their proportional equity value according to unaudited balances of financial statements.

Provincia Seguros S.A. in:

- FOGABA S.A
- Internacional Compañía de Seguros de Vida S.A.

Valued at their proportional equity value.

Provincia Bursátil S.A. in:

- Mercado de Valores de Buenos Aires S.A.
- Mercado a Término Buenos Aires S.A.

Valued at their acquisition cost, as restated for inflation, without exceeding their proportional equity value.

2.c. Receivables from Financial Leases

In Provincia Leasing S.A.: As stated in Note 8, these are receivables from financial leases.

They are valued at the discounted value of payments required to be made by the lessee under the leasing transaction, excluding additional services and taxes, and the payment required from the lessee to exercise the option to purchase.

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The value of these assets, taken as a whole, does not exceed their recoverable value.

2.d. <u>Investment Properties</u>

Provincia Leasing S.A. and Provincia Seguros S.A. include investments in real property for rent, which have been valued at acquisition cost, as restated for inflation at the end of the fiscal period, net of accumulated depreciation.

Depreciation is calculated by the straight-line method on the basis of the estimated useful life of the assets. The value of these assets, taken as a whole, does not exceed their recoverable value.

2.e. Intangible Assets

In addition to Note 3.11 to the Bank's Financial Statements at December 31, 2014 and 2013, they include software licenses, improvements to third-party real estate, launching expenses, organization and development expenses incurred in the pre-operating stage of business for the amount of \$19,590 and \$11,834, respectively, valued at acquisition cost as restated in constant currency at February 28, 2003, net of accumulated depreciation.

Depreciation has been calculated by the straight-line method on the basis of the estimated useful life according to the term of the pertinent agreement.

The value of these assets, taken as a whole, does not exceed their recoverable value.

2.f. Allowances and Provisions

In addition to the information provided in Note 3.15 to the Bank's Financial Statements at December, 31, 2014 and 2013, this caption includes the allowances and provisions of the Companies directly or indirectly controlled by the Bank, as detailed below:

2.f.1 - ALLOWANCES	12/31/14	12/31/13
Investments – For Loss of Value This allowance is set up by Provincia Bursátil S.A. to reflect the loss of value of shares of Mercado de Valores de Buenos Aires S.A. calculated at the proportional Equity Value. It includes allowances for loss of value in investment of Provincia Seguros de Vida S.A.	3,431	1,825
Receivables from Financial Lease – For Uncollectibility Risk This allowance includes the amount by which the residual value and the charges to be collected on receivables from financial lease of Provincia Leasing S.A. has to be adjusted, considering the loss risk assessed on the degree of compliance by lessees, their financial and economic position and the assets recoverable value.	9,536	13,193
<u>Interests in Other Companies – For Loss of Value</u> It is set up on the basis of the recoverable value of the investment of Grupo Banco Provincia S.A.	5,556	6,344
<u>Miscellaneous Receivables – For Uncollectibility Risk</u> This allowance is set up on the basis of the analysis of possible loan losses, according to the assessments and procedures established by each subsidiary.	159,072	76,962
Miscellaneous Assets – For Depreciation of Assets	187	187

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This allowance is set up by Provincia Leasing S.A. taking into account any possible depreciation of assets.

2.e.2 - PROVISIONS	12/31/14	12/31/13
This caption mainly includes provisions set up by insurance companies. In the case of Provincia ART S.A., it includes provisions for administrative summary proceedings and claims not accepted. Provincia Seguros de Vida S.A. set up provisions for legal proceedings and mediations against the Company claiming the fulfillment of obligations in the original currency of the pertinent contracts that were converted into pesos. At December 31 2014, this caption includes provisions of Grupo Banco Provincia S.A. for \$22,015 set up on the basis of estimates by the Board of Directors and previous experience in similar circumstances.	68,284	59,475

2.g. <u>Miscellaneous Liabilities</u>

Provincia Seguros S.A.

- Provision for pending claims

Debts with insureds on account of pending claims under lawsuits and mediations have been determined on the basis of the following criteria, except for the automobile sector:

- a) In cases where a judgment has been entered, whether by a trial or appellate court, or where there has been a settlement prior to trial, the assessment was made on the basis of the amounts mentioned in the relevant instrument, plus litigation costs.
- b) With respect to lawsuits or mediations where claimed amounts are partially or totally undetermined, the assessment derives from the average of liabilities consisting of the remaining lawsuits and mediations of each line of insurance (individually), without any reinsurance deduction.
- c) Lawsuits where no judgment has been rendered corresponding to other lines of insurance have been assessed at those dates on the basis of 60% of the amounts claimed, and updated following the procedures then in force or in accordance with the Company's liability, whichever is lower, except for Civil Liability policies, which are valued according to Resolution No. 34144.

At December 31, 2014 and 2013, the Company's liabilities included losses incurred but not reported (IBNR) in relation to these policies according to the guidelines established by Resolutions Nos. 37130 and 32201 issued by the SSN, amounting to \$186,074 and \$149,282, respectively.

Automobile pending claims in administrative proceedings are valued pursuant to loss claims with possible responsibility of the insured persons, according to the average cost paid, determined by each situation and the respective policy, considering the claims effectively paid against those reported, until the pertinent technical report including the final valuation is obtained. With regard to third-party administrative claims, their assessment takes into account the amount claimed and the pertinent technical reports.

The Company has calculated provisions for automobile pending claims under lawsuits and mediations in accordance with Resolution No. 31144 issued by the SSN.

At December 31, 2014 and 2013, the Company's liabilities included IBNR in relation to the automobile policies according to the guidelines established by Resolutions Nos. 37130 and 32201 issued by the SSN, amounting to \$363,223 and \$249,213, respectively.

An independent actuary certified the IBNR provision.

In all cases, provisions were set up netting, if applicable, the reinsurers' share.

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Reserves for settled losses to be paid, losses in liquidation process, losses incurred but not reported (IBNR) and losses incurred but not enough reported (IBNER), set up according to Resolution No. 29972 issued by the SSN, as amended by Resolutions Nos. 30733, 34642 and 35652, are included.

The Company has decided to differ, in 12 quarters and since March 31, 2013 (inclusive), the charge against income for the increase in the balance of provisions for losses in liquidation process related to cases A and B (severe disability) arising from the application of the criteria stipulated by Law No. 26773. At December 31, 2014 and 2013, the balance of provisions amounted to \$28,121 and \$10,874, respectively.

Claims under litigation and mediation are also included. Progress in mediations is assessed according to the Company's experience in terms of their development, progress percentage and average cost per percentage point. Lawsuits are assessed according to the information provided by legal counsel and the guidelines of Resolution No. 30733 issued by the SSN.

Reserves for temporary labor disability and benefits in kind payable are included, determined in accordance with Resolutions Nos. 31731 and 35652 of the SSN. The Company has adopted the general criterion defined therein to establish the provisions for benefits in kind.

This caption also includes an additional reserve in case of disaster.

Provincia Seguros de Vida S.A.

Pending claims at year end are included. They are valued in terms of the capital sum assured plus yield, deductions and reimbursements, if any, according to paragraph No. 39.6 of the General Rules for Insurance Activity.

Likewise, claims under litigation and mediation are considered. They are assessed according to the information given by legal counsel and the guidelines stated in the above mentioned paragraph.

This caption also includes surrenders payable, the amounts of which have been settled but not yet paid at the closing date of the period.

Commitments for policies under plans envisaging settlement at the expiration of the contract are included, provided the insured is alive at such date. They are valued according to the capital sum assured in the case of survivorship plus yield.

2.h. Other Liabilities

This caption includes technical commitments by Insurance Companies, as stated in Note 12, valued according to the following detail:

Provincia Seguros S.A.:

Mathematical Reserve:

It is calculated according to the technical rules approved by the SSN under the regulations of Law No. 20091.

<u>Unearned Premium Reserve and Technical Reserve for Premiums Shortage:</u>

It is computed according to the guidelines of Resolutions Nos. 29053 and 34717 of the SSN, respectively.

Provincia Aseguradora de Riesgos del Trabajo S.A.:

Reserve for Contingencies and Loss Ratio Variances:

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This provision is set up according to Resolution No. 29972 issued by the SSN, as amended by Resolution No. 31731.

Reserve for losses:

This provision is set up according to Resolution No. 29972 issued by the SSN, as amended by Resolution No. 31731.

Provincia Seguros de Vida S.A.:

Mathematical Reserves:

It is calculated according to the regulations of Law No. 20091 of the SSN.

Policies originally taken out in US dollars effective at December 31, 2014 and 2013 are affected by provisions of Executive Order No. 214/02. Consequently, the Fund for the Valuation of Reserves-Executive Order No. 214/02 was created, the amount of which consists of the end-of-period/fiscal year (as appropriate) valuation of the US dollar amounts of such policies at the exchange rate informed by Banco de la Nación Argentina.

2.i. Statement of Cash Flows

The criterion for the preparation of this Statement identifies as cash and its equivalents the "Cash and Due from Banks" caption.

Note 3 – Differences between the current Professional Accounting Standards and the Accounting Standards of the BCRA and Rules issued by the Regulatory Authorities of Related and Controlled Companies (SSN)

The accounting practices established by the SSN are aimed at strengthening the capacity of insurance companies to meet their commitments and obligations to the insured. These practices differ in certain aspects from the Professional Accounting Standards and the accounting standards of the BCRA. The outstanding features are described below:

3.1. <u>Valuation of Secured Loans and Promissory Notes of the Argentine Republic in Pesos (2014 and 2015)</u>

Secured Loans received in exchange for public debt securities according to National Executive Order No. 1387/01 have been valued at the lower of the notional value (nominal value plus interest accrued at the end of the financial statements, converted at the rate of exchange determined by National Executive Order No. 471/02, net of the contra-asset accounts) and the present value fixed in accordance with Resolution No. 29248 of the SSN. If the technical value exceeds the present value, a provision called "Unearned profits for purchase of Secured Loans" is set up for the difference. Secured Loans acquired after the mentioned exchange are valued in line with the provisions of Resolution No. 29248, section 7, of the SSN.

At December 31, 2014, Promissory Notes 2019 received in exchange for Secured Loans and Promissory Notes according to Joint Resolution of the Treasury Secretariat (35/13) and Finance Secretariat (11/13), have been valued at their nominal value plus accrued and non-collected interest at the end of year, net of the balance of the contra-asset account called "Valuation Difference of Government Securities to be Settled" set up for the difference between the face value of the promissory note received and the book value of Secured Loans and Promissory Notes 2014 and 2015 delivered, and accruable on a straight-line basis over the life of the promissory note, according to the provisions set forth in Communication No. 3517 of the SSN.

According to the Professional Accounting Standards Secured Loans and Promissory Notes are valued at the value of the initial appraisal, plus accrued portion of the internal rate of return, as determined at initial appraisal, net of any collections.

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At December 31, 2014, the difference was quantified as follows:

- In Provincia ART S.A., \$14,456
- In Provincia Seguros S.A., \$29,220
- In Provincia Seguros de Vida S.A., it does not differ significantly from the value recorded by such company.

3.2. <u>Valuation difference of delinquent loans to be recovered:</u>

The Professional Accounting Standards require the analysis of delinquent loans to be recovered, based on the assessment of the pertinent cash flow. If this criterion had been applied, the credit balance with the Government of the Province of Buenos Aires, at December 31, 2014, would have been lower as follows:

- In Provincia A.R.T. S.A., \$46,993
- In Provincia Seguros S.A., \$29,220

3.3. <u>Disclosure Rules</u>

Disclosure rules established by the SSN do not require the distinction between current and non-current assets and liabilities. Pursuant to the Professional Accounting Standards, they should be classified as current and non current on the basis of a one-year term computed since the closing date of the fiscal year referred to in the Financial Statements.

3.4. Provisioning Criteria

Reserves for uncollectibility of premiums are calculated mathematically by insurance companies, notwithstanding the actual probabilities of collecting on the accounts.

3.5. Reversal of Reserves for Contingencies

In the case of Provincia ART S.A., the reversal of the Reserve for Contingencies and Loss Ratio Variances should have been recorded, according to the Professional Accounting Standards, under the "Technical Commitments" caption.

3.6. Valuation of Loans and Debts

The SSN does not allow the use of discounted values to compute Loans and Debts, as stipulated by the Professional Accounting Standards.

3.7. Reserve for Uncollectibility Risk Related to State-owned Companies and National, Provincial and Mixed Entities.

According to the General Rules for Insurance Activity Rules issued by the SSN, premiums receivable corresponding to state-owned companies and national, provincial and mixed entities shall not be computed for calculating the Uncollectibility Risk allowance whenever such amounts have not been rejected. At December 31, 2014 and 2013, a portion of premiums receivable by Provincia ART S.A. from the public sector may be uncollectible and the setting up of allowance is applicable under the terms of the Professional Accounting Standards.

3.8. Holdings of Government Securities until Maturity

As stated in Resolution No. 33769 of the SSN, in case of differences between the book value and the market quotation of government securities to be held until maturity, decreases in capital stock, cash distributions of profits and repayment of contributions are not allowed up to the amount resulting from such difference.

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3.9. Registration as an Asset and Amortization of Secured Loans and Promissory Notes.

Provincia Seguros S.A. registered as an asset and amortized the positive financial effect of the application of the accrual tax method on Secured Loans and Promissory Notes.

Note 4 – Minority Interest

The breakdown of the supplementary interests included in the "Minority Interest" caption is the following:

Company	Minority Interest - %
Bapro Mandatos y Negocios S.A.	0.150
Bapro Medios de Pago S.A.	0.004
Grupo Banco Provincia S.A.	0.033
Provincia Aseguradora de Riesgos del Trabajo S.A.	0.548
Provincia Bursátil S.A. Sociedad de Bolsa	1.000
Provincia Leasing S.A.	0.019
Provincia Servicios de Salud S.A. (In Liquidation) (*)	-
Provincia Seguros de Vida S.A.	46.000
Provincia Seguros S.A.	40.000

^(*) See Note 18.h.1 to these Financial Statements.

Note 5 - Government and Corporate Securities

At December 31, 2014 and 2013, the breakdown of this caption, classified according to the line of business of the consolidated companies, is the following:

Line of	Description		Book \	/alue	Net Realizable Value	
Business	Description	Description		12/31/13	12/31/14	12/31/13
Insurance						
	- Holdings booked at market value		582,435	459,570	582,435	459,570
	- Holdings booked at cost plus yield		334,364	58,528	334,364	58,528
	- Securities issued by the BCRA		6,211	-	6,211	-
	- Investments in listed corporate securities		2,009,994	946,044	2,009,994	946,044
	- Allowances		(1,606)	-	(1,606)	-
		Subtotal	2,931,398	1,464,142	2,931,398	1,464,142
Banking a	nd Other Financial Services					
	- Holdings booked at market value		1,626,710	2,087,849	1,626,710	2,087,849
	- Holdings booked at cost plus yield		8,722,140	9,562,610	7,761,382	7,697,588
	- Securities issued by the BCRA		8,567,046	-	8,567,046	-
	- Investments in listed corporate securities		230,573	220,585	230,573	220,585
	- Allowances		(176)	(150)	(176)	(150)
		Subtotal	19,146,293	11,870,894	18,185,535	10,005,872

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Line of	Description		Book \	/alue	Net Realiza	ble Value
Business	Description		12/31/14	12/31/13	12/31/14	12/31/13
Brokerage	•					
	- Holdings booked at market value		-	5,693	-	5,693
	- Holdings booked at cost plus yield		3,802	6,061	3,802	6,061
	- Investments in listed corporate securities		16,957	19,746	16,957	19,746
	- Allowances		(1,825)	(1,825)	(1,825)	(1,825)
		Subtotal	18,934	29,675	18,934	29,675
Services						
	- Investments in listed corporate securities		14,324	4,889	14,324	4,889
		Subtotal	14,324	4,889	14,324	4,889
	TOTAL	-	22,110,949	13,369,600	21,151,797	11,504,578
Total	- Holdings booked at market value		2,209,145	2,553,112	2,209,145	2,553,112
	- Holdings booked at cost plus yield		9,060,306	9,627,199	8,099,548	7,762,177
	- Securities issued by the BCRA		8,573,257	-	8,573,257	-
	- Investments in listed corporate securities		2,271,848	1,191,264	2,271,848	1,191,264
	- Allowances	_	(3,607)	(1,975)	(3,607)	(1,975)
	TOTAL	_	22,110,949	13,369,600	21,150,191	11,504,578

Note 6 - Other Receivables from Financial Brokerage

At December 31, 2014 and 2013, the breakdown of this caption, classified according to the line of business of the consolidated companies, is the following:

Line of	Description	Amounts					
Business	Description	12/31/14		12/31/13			
Insurance	Other received les pet included in the Debters'						
	 Other receivables not included in the Debtors' Classification Rules 	1 167 221		007 440			
		1,167,321		887,442			
	 Accrued interest and adjustments receivable not included in the Debtors' Classification Rules 	45 140	1 010 460	20.570	016 01		
		45,142	1,212,463	28,570	916,012		
	Subtotal		1,212,463		916,012		
Banking and	d other Financial Services						
J	- Argentine Central Bank	1,242,433		1,088,809			
	- Amounts receivable for spot and forward sales						
	to be settled	3,438,927		11,340			
	- Securities receivable under spot and forward						
	purchases to be settled	64,397		489,063			
		202,870		286,056			
				See our report date	ed		
				February 19, 201			
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Line of	Description		Amounts	5	
Business	•	12/31/ ²	14	12/31/1	13
	- Other receivables not included in the Debtors' Classification Rules				
	- Unlisted negotiable bonds	86,013		74,175	
	-Balances pending settlement of forward transactions without delivery of the underlying asset	122		581	
	- Other receivables included in the Debtors' Classification Rules	3,969,560		4,071,194	
	- Accrued interest and adjustments receivable included in the Debtors' Classification Rules	331		238	
	- Accrued interest and adjustments receivable not included in the Debtors' Classification Rules		9,004,653	19_	6,021,475
Duelserene	- (Allowances) Subtotal	_	(11,773) 8,992,880	_	(9,946) 6,011,529
Brokerage	- Other receivables not included in the Debtors' Classification Rules Subtotal	2,427	2,427 2,427	2,214	2,214 2,214
Services	- Other receivables not included in the Debtors' Classification Rules Subtotal	3,474_	3,474 3,474	307_	307 307
	TOTAL		10,211,244	,	6,930,062

Note 7 - Interests in Other Companies

At December 31, 2014 and 2013, the breakdown of this caption for each non-consolidated company is the following:

Issuing Company	Number	of Shares	1	terest and es (%)		lue Net of ances
	2014	2013	2014	2013	2014	2013

IN OTHER NON-CONTROLLED COMPANIES

- Argentina						
Banco de la Provincia de Buenos Aires in:					7,824	7,389
Provincanje S.A.	600,000	600,000	8.33	8.33	600	165
Visa Argentina S.A.	1,364,994	1,364,994	9.93	9.93	3,409	3,409
Mercado Abierto Electrónico S.A.	1	1	0.45	0.45	4	4
ACH S.A.	188,500	188,500	29.00	29.00	-	-
CADIPSA S.A.	9,176	9,176	1.72	1.72	-	-
Argencontrol S.A.	70,000	70,000	10.00	10.00	70	70
Red Link S.A.	956,250	956,250	12.75	12.75	2,123	2,123
Massuh S.A.	163,791	163,791	0.16	0.16	138	138
Garbin S.A.	1,441,605	1,441,605	4.31	4.31	1,442	1,442
Emde S.A.	7.140	7.140	0.92	0.92	· <u>-</u>	_

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(In thousands of Pesos)

Issuing Company	Number	of Shares	Equity Inte		Book Valu Allowa	
	2014	2013	2014	2013	2014	2013
In public utility companies (Cooperatives)		-	-	-	38	38
Grupo Banco Provincia S.A. in:				_	44,770	40,603
Internacional Compañía de Seguros de Vida S.A.	21,709,977	21,709,977	37.77	37.77	44,770	40,603
Provincia Bursátil Sociedad de Bolsa S.A. in:	:				3,439	3,439
Mercado de Valores de Buenos Aires S.A.	2	2	-	-	3,414	3,414
Mercado a Término de Buenos Aires S.A.	1	1	-	-	25	25
Provincia Seguros S.A. in:					4,985	3,955
Fogaba S.A. Internacional Compañía de Seguros de Vida	10,000	10,000	0.24	0.24	1,150	1,045
S.A.	1,730,335	1,730,335	3.01	3.01	3,835	2,910
TOTAL IN ARGENTINA				- -	61,018	55,386
- Abroad						
Banco de la Provincia de Buenos Aires in:				_	68,810	52,457
Bladex S.A.	884,461	884,461	2.43	2.43	68,681	52,346
Swift S.A.	8	8	0.01	0.01	10	9
Bolsa Electrónica de Val. del Uruguay S.A.	1	1	3.84	3.84	94	81
Telebrás	217,928	217,928	0.01	0.01	25	21
TOTAL ABROAD				=	68,810	52,457
TOTAL				=	129,828	108,312

Note 8 – Loans under Financial Leases

At December 31, 2014 and 2013, the breakdown of this caption according to the line of business of the consolidated companies is the following:

Line of	Description	Amo	unts
Business	Description	12/31/14	12/31/13
Banking a	nd other Financial Services		
	- Machinery and equipment under financial lease	458,566	352,664
	- Matured charges receivable	18,815	19,073
	- Premises under financial lease	1,568	1,648
	- Machinery and equipment to be recovered	1,503	1,425
	- Other	95,608	113,030
	- Accrued interest and adjustments receivable	13,049	10,390
	- (Allowances)	(12,273)	(15,208)
	TOTAL	576,836	483,022

Note 9 - Miscellaneous Receivables

At December 31, 2014 and 2013, the breakdown of this caption according to the line of business of the consolidated companies is the following:

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(In thousands of Pesos)

Line of				Amounts	 S	
Business	Description		12/31/14		12/31/	13
Insurance						
	 Notional minimum income tax Premiums receivable Expense advances Deferred tax Other (Allowances) 	Subtotal	25,255 1,327,737 328 - 1,493,670	2,846,990 (140,384) 2,706,606	7,935 1,057,836 224 376 1,339,274 _	2,405,645 (65,349) 2,340,296
Banking an	d other Financial Services					
Danking air.	 Debtors for sale of assets Notional minimum income tax Debtors for services Deferred tax Other accrued interest receivable Other (Allowances) 	Subtotal	58 5,209 53,534 2,694 9,660 3,718,450	3,789,605 (135,555) 3,654,050	70 4,106 60,082 1,373 10,810 2,327,410	2,403,851 (125,090) 2,278,761
Brokerage						
	 Notional minimum income tax Expense advances Debtors for brokerage transaction Other (Allowances) 	s Subtotal	3,005 2,862 9,302	15,169 (28) 15,141	3,443 13 7,756 45,749 _ -	56,961 - 56,961
Services						
	Notional minimum income taxDeferred taxOther	Subtotal	3,547 10,912 4,005	18,464 18,464	2,066 10,268 915 _	13,249 13,249
	TOTAL		_	6,394,261		4,689,267
Total						
	 Debtors for sale of assets Notional minimum income tax Other Expense advances Deferred tax Debtors for services Debtors for brokerage transacti Premiums receivable Other 		328 13,606 53,534 2,862 1,327,737 5,225,427	58 37,016 6,623,494	224 12,030 60,082 7,756 1,057,836 3,713,348	70 17,550 4,851,276
	- Other accrued interest receivable	Subtotal		9,660 6,670,228		10,810 4,879,706
	- (Allowances)	Juniolai		(275,967)		(190,439)
	TOTAL			6,394,261		4,689,267

Note 10 - Miscellaneous Liabilities

At December 31, 2014 and 2013, the breakdown of this caption according to the line of business of the consolidated companies is the following:

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Line of	Description		Amou	unts
Business	Description		12/31/14	12/31/13
I				
Insurance	- Dividends payable		2,041	
	- Dividends payable - Fees		2,041 1,551	2,656
			5,640,970	,
	 Debts with the insured, reinsurers and co-insurers Debts with brokers 			3,688,863
	- Debts with brokers - Other		147,744	104,840
	- Other	Subtotal	485,245	414,538
		Subtotai	6,277,551	4,210,897
Banking and	other Financial Services			
	- Fees		16,236	8,915
	- Suppliers		77,164	54,903
	- Advances from customers		25,264	27,670
	- Other		622,903	447,417
		Subtotal	741,567	538,905
Brokerage				
	- Fees		4,729	3,314
	- Suppliers		784	706
	- Other		4,633	4,202
		Subtotal	10,146	8,222
Services				
	- Fees		377	375
	- Suppliers		304	897
	- Other		20,242	10,193
		Subtotal	20,923	11,465
	TOTAL	_	7,050,187	4,769,489

Note 11 - Provisions

At December 31, 2014 and 2013, the breakdown of this caption according to the line of business of the consolidated companies is the following:

Line of	Description		Amour	nts
Business	Description		12/31/14	12/31/13
Insurance	- For other contingencies		42,720	27,285
		Subtotal	42,720	27,285
_	other Financial Services - For contingent liabilities - For other contingencies		1,963 943,982	1,963 1,429,855
		Subtotal	945,945	1,431,818
Services	- For other contingencies		22,015	28,664
		Subtotal	22,015	28,664
	TOTAL		1,010,680	1,487,767

Note 12 - Other Liabilities

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(In thousands of Pesos)

At December 31, 2014 and 2013, the breakdown of this caption according to the line of business of the consolidated companies is the following:

Line of	Description	Amo	unts
Business	Description	12/31/14	12/31/13
nsurance			
	- Contingencies and loss ratio variance	152,374	134,735
	- Mathematical reserves	-	1,932
	- Mathematical reserves for individual lifetime annuities	189,394	134,126
	- Current risk and unearned premiums and charges	277,290	236,804
	- Other	14,197	11,633
	Subto	633,255	519,230
Banking and	d Other Financial Services		
	- Other	484,490	(20,938)
	Subto	tal 484,490	(20,938)
	TOTAL	1,117,745	498,292

Note 13 - Income from Services and Expenditure for Services - Other

At December 31, 2014 and 2013, the breakdown of these captions according to the line of business of the consolidated companies is the following:

Line of	Description		Amoun	its
Business	Description		12/31/14	12/31/13
Insurance	•			
	- Premiums and surcharges for insurance Policies		8,290,853	5,103,492
	- Income from technical structure		41,064	35,253
		Subtotal	8,331,917	5,138,745
Banking a	and other Financial Services			
	- Income from services		3,896,445	2,962,772
	- Trust administration		29,353	22,359
		Subtotal	3,925,798	2,985,131
Brokerage	9			
	- Income from services		14,483	6,982
	- Income from brokerage transactions		11,404	6,897
		Subtotal	25,887	13,879
	TOTAL		12,283,602	8,137,755

Expenditure for Services - Other

Line of	Description	Amour	nts
Business	Description	12/31/14	12/31/13

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(In thousands of Pesos)

300,242 6,416,737 1,467,504 1,467,504	4,250,649 1,047,542 1,047,542
6,416,737	4,250,649
	-
300,242	255,095
000 040	255,093
4,044	3,177
6,112,451	3,992,379

Note 14 – Administrative Expenses

At December 31, 2014 and 2013, the breakdown of this caption according to the line of business of the consolidated companies is the following:

Line of	Description		Amounts		
Business	Description		12/31/14	12/31/13	
Insurance					
	- Personnel expenses		498,905	347,508	
	- Directors' and syndics' fees		5,697	6,899	
	- Other fees		88,643	56,745	
	- Advertising and publicity		188,630	82,174	
	- Taxes		282,914	158,160	
	- Depreciation of bank premises and equipment		4,728	3,897	
	- Amortization of organization and development expenses		9,499	34,539	
	- Other operating expenses		636,698	343,935	
	- Other		483	306	
	Si	ubtotal	1,716,197	1,034,163	
Banking and	l other Financial Services				
	- Personnel expenses		6,468,560	4,677,840	
	- Directors' and syndics' fees		37,864	25,067	
	- Other fees		113,536	81,193	
	- Advertising and publicity		174,934	113,459	
	- Taxes		37,049	29,086	
	- Depreciation of bank premises and equipment		166,885	128,261	
	- Amortization of organization and development expenses		56,216	37,990	
	- Other operating expenses		806,043	571,907	
	- Other		165,889	109,858	
	Si	ubtotal	8,026,976	5,774,661	
Brokerage					
	- Personnel expenses		16,190	10,652	
	- Directors' and syndics' fees		4,728	3,316	
	- Other fees		1,736	1,148	
	- Advertising and publicity		26	4,001	
	- Taxes		2,006	50	

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Line of	Description		Amounts		
Business	Description		12/31/14	12/31/13	
	- Depreciation of bank premises and equipment		140	86	
	- Amortization of organization and development expenses		188	153	
	- Other operating expenses		5,426	733	
	- Other		445	209	
		Subtotal	30,885	20,348	
Services					
	- Personnel expenses		145,094	115,270	
	- Directors' and syndics' fees		12,255	9,230	
	- Other fees		7,312	6,212	
	- Advertising and publicity		3,240	2,520	
	- Taxes		13,901	10,901	
	- Depreciation of bank premises and equipment		447	517	
	- Amortization of organization and development expenses		105	113	
	- Other operating expenses		11,503	13,971	
	- Other		19,292	12,285	
		Subtotal	213,149	171,019	
	TOTAL		9,987,207	7,000,191	

Note 15 - Miscellaneous Income

At December 31, 2014 and 2013, the breakdown of this caption according to the line of business of the consolidated companies is the following:

Line of Busine	Description		Amounts		
Line of Busines	SS Description		12/31/14	12/31/13	
Insurance					
	- Net income on long-term investments		2,350	1,599	
	- Other		91,161	65,120	
		Subtotal	93,511	66,719	
Banking and o	ther Financial Services				
	 Net income on long-term investments 		44,250	36,079	
	- Penalty interest		18,254	26,549	
	 Adjustment from application of the CER index 		8	6	
	 Receivables recovered and provisions reversed 		745,336	229,491	
	- Other		139,780	110,586	
		Subtotal	947,628	402,711	
Brokerage	- Net income on long-term investments		348	196	
	- Other		1,752	1,067	
		Subtotal	2,100	1,263	
Services	- Net income on long-term investments		25,596	7,433	
JC1 410G3	- Other		25,590	7,433 523	
		Subtotal	25,631	7,956	
	TOTAL		,	- ,- • •	
			1,068,870	478,649	

Note 16 - Miscellaneous Losses

At December 31, 2014 and 2013, the breakdown of this caption according to the line of business of the

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consolidated companies is the following:

Line of	Description		Amounts		
Business			12/31/14	12/31/13	
Insurance					
IIISUI AIICE	- Charges for miscellaneous receivables and other items written	n-off	78,875	3,277	
	- Other		189,363	127,571	
	S	ubtotal	268,238	130,848	
Ranking a	nd other Financial Services				
Danning a	- Charges for miscellaneous receivables and other items written	n-off	190,500	920,159	
	- Amortization of differences from court orders		18,107	21,400	
	- Penalty interest and charges in favor of the BCRA		15	40	
	- Depreciation and losses of miscellaneous assets		1,635	1,702	
	- Other		1,108,393	87,630	
	S	ubtotal	1,318,650	1,030,931	
Brokerage	9				
	- Other		354	_	
	S	ubtotal	354	-	
Services	Others			_	
	- Other		-	5 	
	TOTAL	ubtotal	-	5	
		-	1,587,242	1,161,784	

Note 17 - Restricted Assets

In addition to the contents of Note 6 to the Bank's Financial Statements, the Consolidated Balance Sheet includes the following restricted assets:

Company	12/31/14	12/31/13
Provincia Bursátil S.A.		
Shares of Mercado de Valores de Buenos Aires S.A. delivered to such company as collateral, in line with the provisions applicable in general to stockbrokers and brokerage houses.	3,414	3,414
Fixed term deposit to guarantee the amounts owed to Banco de la Provincia de Buenos Aires.	26	24
At December 31, 2014, \$219 was registered under the "Cash and due from Banks" caption. the "Investment" caption included: a) \$6,658 accounting for quota shares of the "1822 Raíces Pesos Fondo Común de Dinero" mutual fund, and b) \$1,500,000 representing the share of Mercado de Valores de Buenos Aires in compliance with General Resolution No. 622 issued by the CNV.	219	-

Provincia Leasing SA

Contracts pledged as collateral of the obligations assumed with Banco de Inversión y Comercio Exterior (BICE) S.A.

9,196 22,888

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(In thousands of Pesos)

Company	12/31/14	12/31/13
Grupo Banco Provincia S.A. Fixed term deposits to guarantee the payment of amounts owed to Banco de la Provincia de Buenos Aires and the opening of import letters of credit and amortization loans granted to Provincia Leasing S.A. to be applied to new transactions.	211	169
Provincia Seguros S.A. At December 31, 2014 and 2013, court deposits levied under legal proceedings, included in the Provision for Pending Claims or claims not related to insurance activities	26,589	21,637
At December 31, 2014 and 2013. 100,000 quota shares of Firma Ahorro Plus Clase C mutual fund; and 61,992 and 4,514 quota shares of Firma Ahorro Plus mutual fund, levied for the same reason.	902	686
Fixed term deposits in Banco de la Provincia de Buenos Aires to guarantee the payment of the amounts owed to the Bank.	989	465
Bogar 2018 government securities levied under legal proceedings at December, 31.	-	402
Bapro Mandatos y Negocios S.A.		
Fixed term deposit to guarantee the amounts owed to Banco de la Provincia de Buenos Aires.	93	70
Fixed term deposit in compliance with the requirement of General Resolution No. 622 issued by the CNV.	3,233	1,545
Bapro Medios de Pago S.A.		
Fixed term deposit to guarantee the payment of amounts owed under the agreement with the former Standard Bank Argentina S.A. (ICBC Argentina S.A.) and Bapro Medios de Pago S.A. dated December 18, 2008.	-	519
Fixed term deposit to guarantee the amounts owed to Banco de la Provincia de Buenos Aires.	895	850

Note 18 – Significant Developments regarding Subsidiaries and Other Non-Controlled Companies

Significant developments in relation to subsidiaries and other non-controlled companies, including events subsequent to the Financial Statements of Grupo Banco Provincia S.A. at December 31.2013, which were used for the consolidation of these Consolidated Financial Statements, are detailed below:

a. Provincia ART S.A.

a.1. Fund for Specific Purposes - Executive Order No. 590/97

With respect to the claim filed by Provincia ART S.A. against the National Government regarding the need to set up the Fund for Specific Purposes established by Executive Order No. 590/97, corresponding to the participation agreement between the Company and the Province of Buenos Aires, on June 30, 2009, the Government of the Province of Buenos Aires notified its legal and affirmative defenses: a) lack of court jurisdiction, since as the Province is a party to the process, the original jurisdiction lies in the Argentine Supreme Court, and b) no grounds for a case, by virtue of the inclusion in the pertinent file of an opinion issued by the SSN's Legal and Control Departments ratifying the decision of the Company not to record the contribution to be made by the provincial government as a liability since the latter had expressly waived all rights arising from such contribution. On August 4, 2009, the Company answered the defenses filed by the Government of the Province of Buenos Aires, acknowledging the allegation of lack of jurisdiction. On

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September 15, 2009, such defense was sustained and the proceedings were referred to the Argentine Supreme Court.

On May 22, 2008, through joint Resolution No. 33034, the SSN and the Workers' Compensation Insurance Superintendence (*Superintendencia de Riesgos del Trabajo* - SRT) authorized the Government of the Province of Buenos Aires to carry its own workers' compensation insurance coverage and provided its registration in the registry of self-insured employers.

Pursuant to the terms of the agreement between both parties, contracts executed between January 1, 1998 and December 31, 2006 were subject to financial analysis. Such analysis has produced a \$28,424 balance in favor of the Government of the Province of Buenos Aires at December 31, 2006, which mainly accounted for the difference between the premiums charged by Provincia ART S.A. and the claims settled in such period, as well as taxes, commissions and related operating expenses. At the termination date of the agreement, the fund balance amounted to \$21,585 approximately.

Since January 1, 2007, the above balance in favor of the Government of the Province of Buenos Aires was allocated to the payment of these claims. Once such balance was exhausted, the obligations were cancelled through a fund specifically created for such purposes according to the terms of section 59 of the Accounting Law of the Province of Buenos Aires. The responsibility of Provincia ART S.A. is to calculate, settle and pay, in due time, such obligations. At December 31, 2014 and 2013, \$899,495 and \$828,539 were recorded by the Company under the "Other Receivables" caption.

At December 31, 2014 and 2013, the amounts to be received by the Company on account of self-insurance management were \$35,949 and 66,435, respectively.

At December 31, 2014 and 2013, the balance not yet due and payable to be collected by the Company on account of advances in checking accounts for claim payments (\$2,258 and \$24,702, respectively) and fees for self-insurance management totaled \$5,869 and \$11,710, respectively, under the "Other Receivables" caption of the Consolidated Financial Statements of Grupo Banco Provincia S.A.

Under the terms of Supplementary Minutes No. 2 dated March 27, 2012, on April 26, 2012, Provincia ART S.A. received bonds from the Government of the Province of Buenos Aires for a residual nominal value of \$116,435 equivalent to a technical value of \$116,916 at April 11, 2012, date on which the agreement providing for the regularization of non-financial obligations and subscription of provincial securities was signed. Such bonds were delivered to settle the debt arising from advances made from October 2010 to June 2011, balances for the October 2010 to March 2011 period on account of shortfalls in advances to cover expenses incurred by Provincia ART S.A. on behalf of the Government of the Province of Buenos Aires, and management charges for the quarterly periods from April 1, 2010 to March 31, 2011. The Company is duly collecting income and amortization amounts under the pertinent securities.

By Executive Order No.1296, dated December 30, 2013, the Government of the Province of Buenos Aires provided for the issuance of "Bonds for the settlement of provincial debts", with maturity date on December 27, 2017, to partially settle the amount owed the Company. The main features of such instruments are: a) 24-month grace period for the payment of principal, b) amortization in 24 equal and consecutive installments as from January 27, 2016; c) Private Banks BADLAR rate for fixed-term deposits over \$1,000 at 35-day term, as informed by BCRA, and d) grace period for the payment of interest from the issuance date up to December 27, 2015, when accrued interest will be capitalized. At the date of the Financial Statements of Provincia ART S.A., the Company has not received these bonds.

On January 9 and 14, 2015, the Government of the Province of Buenos Aires made partial payments for \$ 80,239,825 and \$ 198,365,376 on account of reimbursement of services provided by the Company and partial settlement of debt, respectively.

a.2. Trust Fund for Occupational Diseases

Resolution No. 29323 of June 27, 2003 from the SSN set out the rules for the accounting of income, expenditure and investments of the Trust Fund for Occupational Diseases, created by Executive Order No.

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1278/00. At the closing date of the Financial Statements, Provincia ART S.A. recorded the balance corresponding to this fund in compliance with the provisions of the above mentioned resolution. Likewise, the investment portfolio complies with such provisions.

At December 31, 2014 and 2013, the Company deducted expenditures under the Fund for an amount computed according to section 19, subsections a) and b) of the above resolution. At such dates, the Company had used all funds under section 19, subsection a).

The remaining amount of the trust fund is under trust administration of Provincia ART S.A. Funds held in trust and the pertinent income and expenditure are subject to a specific accounting record, separate from the other transactions. At September 30, 2014 and 2013, cash and due from banks and investments of such fund amounted to \$ 139,127 and \$104,805, respectively.

- a.3. Amendments to the Workers' Compensation Insurance System
 - Declaration of unconstitutionality of certain sections of Law No. 24557

On rendering judgment in the case entitled "Castillo Ángel Santos v/ Cerámica Alberdi S.A.", on September 7, 2004, the Argentine Supreme Court of Justice declared Section 46, subsection 1, of labor risk Law No. 24557 to be unconstitutional. As a consequence, workers affected by occupational accidents will be able to express their disagreement with the enforcement of the above law before the labor courts in each province. Prior to this ruling, the procedure only consisted of examinations by medical commissions, the decisions of which could only be appealed to the federal courts.

Furthermore, on September 21, 2004, the Supreme Court rendered judgment in the case entitled "Aquino Isacio v/Cargos Servicios Industriales S.A." confirming the judgment entered by the National Court of Appeals in Labor Matters, Division VI, that had ruled on the unconstitutionality of Section 39, subsection 1 of Law No. 24557, which exempted employers from civil liability to injured employees, except in cases of willful misconduct.

On October, 26, 2004, the Argentine Supreme Court of Justice declared the unconstitutionality of Section 14, subsection 2 b) of the labor risk law, which provided for the compensation of partial permanent disabilities in monthly payments, and compensation must now be paid in a lump-sum amount (known as the "Milone Case").

Finally, on September 12, 2007, the above court ruled in the case entitled "Llosco v/Irmi" revoking the judgment of the Superior Court of the Province of Jujuy that had dismissed the right of an injured worker to claim damages in civil proceedings because he had already received compensation under Law No. 24557.

Although the above-mentioned rulings apply to the cases specifically heard by court, they had a significant impact on the workers' compensation insurance system. The Company prepared a statement of reserves, technical commitments, cash and due from banks and investments at September 7, 2004 and submitted this information to the SSN.

- Issuance of National Executive Order No. 1694

On November 6, 2009, the Executive Branch issued Order No. 1694 introducing modifications to Law No. 24557, as amended, applicable to contingencies in which the first manifestation of disability occurs from such date. These modifications include:

- Increase of the additional lump-sum monetary compensation for partial permanent disability declared to be definite of more than 50%. The additional lump-sum compensation to be paid in case of total permanent disability declared to be definite and the worker's death was also increased.
- Elimination of the maximum cap on the monetary compensation for permanent disability.

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- Determination of a minimum amount applicable to the monetary compensation for permanent disability. Such amount shall be equivalent to that resulting from multiplying 180,000 by the pertinent percentage of disability.
- Determination of the monetary compensation for provisional or permanent labor disability declared to be temporary according to the provisions of Law No. 20744, section 208.
- Creation of a registry of medical services providers.
- Increase in the monthly amount to be paid in case of great disability.
 - Enactment of Law No. 26773

On October 26, 2012, the Official Gazette published Law No. 26773 (rules on injuries derived from accidents at work and occupational diseases), which introduced significant modifications to labor risk regulations in order to reduce the litigation rate in the labor risk system. The most important changes are:

- Introduction of an "exclusive option" under which an injured employee will have to choose between receiving the statutory compensation amount or filing an action before the civil courts claiming for compensation.
- Establishment of a lump-sum payment as compensation to be paid within 15 days after notice of the worker's death, or the approval or determination of the percentage of disability.
- If the injury occurs at the workplace or during working hours, the injured employee shall receive an additional single compensation equal to 20% of the compensation amounts offered under the system. A minimum compensation amount is also established in the case of death or total disability.
- If compensation is determined by reference to other liability systems (judgment, pretrial conference or settlement), the insurer must deposit the amount that would have been payable according to law plus interest and legal fees. This amount shall be deducted from the amount determined by court or settled. If the amount of the judicial decision is less than the amount deposited, the difference shall be deposited in a guarantee fund.
- Compensation amounts will be updated semiannually in accordance with the worker's average taxable remuneration index (RIPTE).
- The SSN and the SRT shall decide the indicators to be used by insurers to state their rates systems. They shall include risk level and expected and actual loss experience.
- Insurers shall limit their administrative expenditure and other non-benefit expenses budget to the percentage to be established by the SSN and the SRT, which shall not exceed 20% of income. Out of the resulting amount, 5% may be allocated to marketing or intermediation expenses. Additionally, caps are set as regards legal fees, eliminating the possibility of cuota litis agreements. On January 8, 2013, the SSN issued Communication No.3439 establishing that insurers shall maintain the fees percentages stipulated in contracts in force at the effective date of Law No.26773 until termination thereof, without exceeding 1 year from the pertinent execution date.

Issuance of National Executive Order No. 472

On April 1, 2014, the National Executive Branch issued Order No.472, which regulated Law No.26773, authorizing the SSN to lay down supplementary rules, if necessary. The regulatory decree includes provisions to:

- Regulate the extension of the temporary labor disability period.
- Determine the calculation basis for the determination of certain compensation amounts.

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- Establish operative criteria related to the obligation and terms of payment related to monetary compensations.
- Authorize competent agencies to set technical parameters for adjusting the amounts included in the compensation scheme.
- Confirm that the marketing or intermediation expenses of any nature whatsoever shall not exceed 5% of the participation fee. This percentage does not include the value added tax. Moreover, it should be noted that prevention costs are considered benefit expenses, so they are not included in administrative expenditures and other non-benefit expenses.

The senior management of Provincia ART S.A. is analyzing the potential effect that these regulatory changes may have on its loss ratio, as well as on its economic and financial situation and operations, and no conclusions may yet be drawn from such analysis.

a.4. Workers compensation insurance of the Government of the Province of Mendoza

On December 18 and 26, 2007, Provincia ART S.A. initiated a executory process before the Court in Civil, Commercial and Mining Matters No. 12 of the City of Mendoza to collect principal and interest owed on account of the workers' compensation insurance contracts unfulfilled by the Government of the Province of Mendoza and considered terminated as of August 31, 2005. As of 2008, the Company decided to no longer set up provisions for the amounts owed by the Government of Mendoza according to Note 3.6 and to the authorization granted by the SSN.

On April 28, 2009, the pertinent lower court ordered to enforce the executory process until payment by the defendant of the total amount of \$24,583 plus legal interest calculated from November 26, 2007 to the effective payment date. Such decision was appealed by the Province of Mendoza on May 12, 2009.

In February 2010, the Court of Appeals in Civil Matters No. 4 rendered judgment admitting the appeal submitted by the defendant and rejecting the claim in full. Provincia ART S.A. filed an extraordinary appeal before Room I of the Provincial Supreme Court, which was admitted on April 7, 2010. Later, the Criminal House rejected the extraordinary appeal filed by the Company, which on March 15, 2011 submitted a federal extraordinary appeal to resort to the Argentine Supreme Court. This appeal was dismissed by the Mendoza Court of Justice. Therefore, the Company filed an appeal before the Argentine Supreme Court of Justice, which was dismissed on October 23, 2012. Due to the uncollectible nature of the demanded premiums receivable amount (\$15,440), the Company charged such amount against income/ (loss).

In relation to the case entitled "Provincia Aseguradora de Riesgos del Trabajo S.A. contra c/Poder Judicial de la Provincia de Mendoza s/ejecución cambiaria", on November 26, 2010, the Court in Civil Matters No. 1 of the Province of Mendoza rendered a lower court decision, partially approving the payment exception and therefore ordering to enforce the executory process for an amount of \$51 plus interest accrued from November 26, 2007 and rejecting the claim for \$576. Both parties have appealed this ruling.

a.5. Claim against the National Government

On November 21, 2000, the Argentine Supreme Court of Justice acknowledged the extraordinary appeal filed by Provincia A.R.T. S.A., thus confirming the judgment rendered by the Court of Appeals which ruled on the unconstitutionality of Executive Order No. 863/98 in the case entitled "Provincia A.R.T. S.A. c/ Estado Nacional – Decreto Nº 863/98 s/Amparo – Incidente de ejecución de sentencia".

In this case, the Company claimed \$1,289 on account of recovery of fees withheld for the workers' compensation insurers collection service by application of the above mentioned executive order. It also claimed the refund of \$1,062 corresponding to fees for the period preceding such executive order.

On March 19, 2009, the Federal Court rendered a favorable judgment for the Company and ordered the refund of the amounts illegitimately withheld. The appeal submitted by the National Government regarding such ruling was dismissed by the Court of Appeals on August 27, 2009, thus confirming the judgment. The

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case was remanded to the lower court, which approved the payment of \$1,787. Later, the Argentine Internal Revenue Service (*Administración Federal de Ingresos Públicos – AFIP*) challenged the judgment amount. On March 22, 2011, the Court served notice upon each of the attorneys involved in the case. On August 30, 2011, the Court of Appeals rejected the excuse dated July 5, 2011 requested by the Judge and decided to transfer the case to the Clerk's Office No. 2 of Court No. 1. Once the case was remanded and notice to the Parties was duly served upon, it was sent to the above mentioned Clerk's Office, which decided to reject the challenge requested by the AFIP on March 8, 2012. The fiscal authority filed a claim against such resolution, which was answered on June 26, 2012. As instructed, the case was sent to the Court of Appeals on December 13, 2012. As of the date of the Financial Statements of Provincia A.R.T. S.A., the parties were duly notified and all claims were answered.

At December 31, 2014 and 2013, the Company recorded under the "Other Receivables" caption an amount of \$1,946 for the balance amount pending collection, and it expects to recover such remaining amounts upon enforcement of the judgment rendered by the Argentine Supreme Court.

a.6. Minimum capital and meeting of liabilities with insureds

At December 31, 2014 and 2013, Provincia A.R.T. S.A. recorded \$ 1,548,275 and \$1.368.298 deficit in minimum capital requirements, respectively, and \$807.317 y \$955.503 deficit in the calculation of coverage of debts to insureds, respectively.

On December 4, 2013, the SSN, by virtue of the assessment of the Company's technical ratios as of September 30, 2013, required such Company to submit a regularization and reorganization plan related to coverage and minimum capital requirements. The plan had to include, without limitation, administrative, economic, financial and commercial, and other measures for the regularization of deficits, a capitalization program stating dates and amounts of the contributions to be made, and future actions aimed at securing surplus in both technical ratios. Likewise, the Company was required to comply with the prevailing regulations on coverage and minimum capital requirements, disregarding the Company's alternative criteria adopted until September 30, 2013. On December 19, 2013, upon the approval of capital increase, as detailed in Note 18.a.7, the Company submitted the required information to the pertinent control authority.

On April 22, 2014, the Company submitted to the SSN a regularization and reorganization plan related to the deficit in minimum capital requirements and coverage. It includes economic and financial projections derived from a set of operative, administrative and financial measures and shall be implemented before December 31, 2015 to solve this situation.

On May 22, 2014, the SSN approved the mentioned plan and further requested the Company to: a) comply with the gradual reduction of the deficit in minimum capital requirements, b) reduce, semi-annually, the deficit in coverage according to section 35 in the same proportion as the Company projects to reduce the deficit in minimum capital requirements, and c) make capital contributions, should technical ratio deficits higher that those disclosed in the regularization and reorganization plan be recorded at the closing of any period or fiscal year in relation to coverage and minimum capital requirements.

This plan envisages the partial collection in kind of the amounts owed to the Company as a result of self-insurance transactions with the Government of the Province of Buenos Aires through the delivery of debt settlement bonds. At the date hereof, the provincial government has not yet issued such bonds since the National Ministry of Economy's approval is still pending. The Company is evaluating the impact that this situation may have on the deficit reduction scheme originally submitted to the SSN and the course of action to be taken.

a.7. Distribution of Profits

The Regular Meeting of Shareholders of Provincia A.R.T. S.A. held on September 27, 2013, that analyzed the Financial Statements as of June 30, 2013, decided to allocate results in the following manner: a) Legal Reserve \$1,978 and b) Optional Reserve \$37,574.

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On December 19, 2013, the Special Meeting of Shareholders of Provincia ART S.A. approved a capital increase for \$95.000 to cover the Company's deficit in minimum capital requirements as of September 30, 2013, as detailed in Note 18.a.6 to these Financial Statements in order to comply with the SSN's regulations in force. Such increase will be paid in the period stipulated in the Companies' Law. At September 30, 2014 and December 31, 2013, Grupo Banco Provincia S.A. recorded a liability for \$95,000 on account of the contribution to be paid-in.

On January 10, 2014, Provincia Seguros S.A. notified that it shall not exercise the preemptive right regarding the increase in the above capital stock. Grupo Banco Provincia S.A.'s and Provincia Seguros S.A.'s equity interest in such Company amounted to 98.63% and 1.37%, respectively.

The Regular Meeting of Shareholders of Provincia A.R.T. S.A. held on September 23, 2014, that analyzed the Financial Statements as of June 30, 2014, decided to allocate results in the following manner: a) Legal Reserve \$1,407 and b) Optional Reserve \$26,735.

b. <u>Provincia Leasing S.A.</u>

On March 7, 2013, the Regular Meeting of Shareholders of Provincia Leasing S.A., decided to allocate 10% of the profits for the 2012 fiscal year that amounted to \$5,466 as follows: \$547 to the Legal Reserve account and \$4,919 to the Optional Reserve account in order to be used by the Company for working capital.

On March 31, 2014, the Regular Meeting of Shareholders of Provincia Leasing S.A., resolved to allocate 10% of the profits for the 2013 fiscal year that amounted to \$2,398 as follows: \$240 to the Legal Reserve account and \$2,158 to the Optional Reserve account in order to be used by the Company for working capital. On December, 2, 2014, the Special Meeting of Shareholders approved an increase of \$15,000 in capital stock to be applied to the ordinary course of business and optimize the company's financing structure. On December, 5 and 23, 2014, Grupo Banco Provincia S.A., Provincia Bursátil S.A. and Bapro Mandatos y Negocios S.A. paid \$14,550, \$43 and \$407, respectively, totaling their capital contribution according to their equity holdings. At the date of issuance of the Financial Statements of Provincia Leasing S.A., such increase is under registration process in the Supervisory Board of Companies.

b.1. Agreement between Banco de la Provincia de Buenos Aires and Provincia Leasing S.A.

On July 23, 2008, the Board of Directors of Provincia Leasing S.A. approved the Loan Origination and Assignment Framework Agreement between Banco de la Provincia de Buenos Aires and Provincia Leasing S.A. Under such agreement, the Company will transfer credits without recourse to the Bank and will act as custodian, collection and administration agent.

At December 31, 2014 and 2013, contracts managed by the Company amounted to \$86,958 and \$108,443 respectively.

b.2 Legal actions against the Company

Provincia Leasing S.A. was sued by Caffarini Carlos Alberto and The Standard Saving Corp. S.A. for differences in the conversion into pesos of dollar denominated negotiable obligations included under the Public Tender Offer regulations.

With relation to the action brought by Mr. Caffarini, on May 15, 2005, the Company was notified of the lower court judgment instructing payment of the owed amounts at a rate of \$1/US\$1 plus the CER index. Such judgment was appealed before the National Court of Appeals in Commercial Matters, Room E. On November 21, 2006, the Court of Appeals reversed the decision and exempted Provincia Leasing S.A. and Grupo Bapro Provincia S.A. (co-defendant) from liability. An appeal was then filed by plaintiff with the National Supreme Court. At present, such case is still pending decision of the Court.

With regard to the suit filed by The Standard Saving Corp. S.A., on April 22, 2008, the judge rendered judgment sustaining the plaintiff's claim and the Company was held liable to pay up to \$312 plus interest and legal costs in accordance with the debt equitable readjustment criterion. Both parties resorted to the National Court of Appeals in Commercial Matters, Room B, which ratified the first instance resolution and served pertinent notice on August 10, 2009. Within the stipulated period, Provincia Leasing S.A. filed an

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extraordinary appeal against the appellate court decision. On March 9, 2011, the Supreme Court ruled inadmissible the remedy filed by Provincia Leasing S.A. and confirmed the judgment rendered by the lower court. Consequently, the payment will be made upon confirming the settlement amount required by plaintiff.

c. Provincia Seguros de Vida S.A.

c.1 Mechanism to be applied to the policies taken in dollars before January 6, 2002

On December 10, 2002, Provincia Seguros de Vida S.A. submitted to the SSN the different alternatives offered from such date to policies taken in US dollars by insureds before January 6, 2002 in relation to the payment of surrenders, claims or expiration of contracts.

According to the provisions included in Executive Orders Nos. 214/02 and 905/02 and in Resolution No. 28905 of the SSN and in order to honor the Boden 2012 final amortization occurred in August 2012, the Company pays in Argentine Pesos valued at the exchange rate informed by Banco de la Nación Argentina the residual amounts denominated in US Dollars.

c.2 Distribution of Profits

The Regular Meeting of Shareholders of Provincia Seguros de Vida S.A. held on August 22, 2013 considered and approved profits for the period ended June 30, 2013 for \$13,807. Such meeting resolved to allocate the profits as follows: a) 5% to increase the Legal Reserve account for \$691; b) to distribute cash dividends for \$6,558 payable to shareholders according to their equity holdings: \$2,951 to Grupo Banco Provincia S.A., \$2,623 to CNP Assurances Brasil Holding Ltda. and \$984 to Provincia Seguros S.A.; c) to allocate the accumulated remaining amount for \$6,558 to increase the "Reserve for Expected Increase in Production and Claim Contingencies". On August 29, 2013, Grupo Banco Provincia S.A. collected in full the amount corresponding to such distribution of dividends.

The Regular Meeting of Shareholders of Provincia Seguros de Vida S.A. held on September 11, 2014 considered and approved profits for the period ended June 30, 2014 for \$19,892. Such meeting resolved to allocate the profits as follows: a) 5% to increase the Legal Reserve account for \$995; b) to distribute cash dividends for \$5,669 payable to shareholders according to their equity holdings: \$2,551 to Grupo Banco Provincia S.A., \$2,268 to CNP Assurances Brasil Holding Ltda., and \$850 to Provincia Seguros S.A.; c) to allocate the remaining amount for \$13,228 to increase the "Reserve for Expected Increase in Production and Claim Contingencies". On September 23, 2014, Grupo Banco Provincia S.A. collected in full the amount corresponding to such distribution of dividends.

d. Bapro Mandatos y Negocios S.A.

d.1 Distribution of Profits

On April 4, 2013, the Regular Meeting of Shareholders of Bapro Mandatos y Negocios S.A. resolved to allocate the profits for the year 2012 as follows: (i) \$65 to the Legal Reserve account, (ii) \$1,000 to the Optional Reserve account and (iii) \$244 to the distribution of cash dividends in proportion to its pertinent equity holding. Accordingly, Grupo Banco Provincia S.A.'s share amounted to \$236. On June 24, July 18, August 20, September 20, October 17 and November 20, 2013, Grupo Banco Provincia S.A. received \$39 and \$39, respectively, on such account.

On April 24, 2014, the Regular Meeting of Shareholders resolved to allocate the profits for the year 2013 as follows: (i) 5% to set up a Legal Reserve for \$10 and (ii) the remaining 95% to set up an Optional Reserve for \$186 to be applied to the development of business.

On December 23, 2014, the Special Meeting of Shareholders approved an increase of \$5,670 in capital stock, through the issuance of 5,670 non endorsable registered common shares of nominal value one Peso, entitled to cast one vote each. Such increase is aimed at partially financing the purchase of Unit No. 10 (Floor 8) of the corporate building of Grupo Banco Provincia S.A. Consequently, at December 31, 2014, Grupo Banco Provincia S.A. recorded a liability for \$5,500 on account of the contribution to be paid in.

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On December, 6 and January, 14, 2015, Grupo Banco Provincia S.A. and Provincia Bursátil S.A. paid \$5,500,000 and \$170,104, respectively, totaling its capital contribution according to its equity holdings.

d.2 Judicial orders related to the Company

In its capacity as trustee of the Solidaridad Trust, Bapro Mandatos y Negocios S.A. received judicial orders which have been duly fulfilled by submitting original documents and/or copies of the trust operations.

With respect to this trust, on November 25, 2009, the Court No. 11, Clerk's Office No. 21 declared the opening of the reorganization proceedings of the Social Welfare Entity for Bank Employees (*Obra Social Bancaria Argentina -OSBA*) recorded in the National Registry of Social Welfare Entities on January 8, 1997 under No. 1-2630-4, the bylaws of which are registered in Volume I, Folio 77 of the Bylaws Book of the National Registry of Social Welfare Entities. OSBA is the trustor of the Solidaridad Trust. In this regard, through injunction issued on November 25, 2009 on the Solidaridad Trust by the Judge hearing the case, in charge of the National Court of First Instance in Commercial Matters No. 11, it was ordered to suspend the payment of loans mentioned in the irrevocable payment orders (OPIG), issued by the insolvent party on account of obligations prior to the date of petition for reorganization (September 9, 2009), until creditors have their claims proved. Therefore, the Company received, by means of registered letters, claims made by OPIG holders issued according to the terms of such trust agreement prior to the date of petition for OSBA reorganization.

On April 8, 2010, in its capacity as trustee of the Solidaridad Trust, Bapro Mandatos y Negocios S.A., in charge of the trust property, was served notice of the legal action brought against it by OSBA in the case entitled "Obra Social Bancaria Argentina s/Concurso Preventivo" before the National Court of First Instance in Commercial Matters No.11, Clerk's Office No. 21, requesting the annulment of the Solidaridad Trust agreement entered into on August 13, 2008, as amended, on the grounds stated in the complaint. On April 30, 2010, the Company answered the complaint within the legal time limits. On December 15, 2011, the Court decided to sustain the injunction filed by the plaintiff, thus ordering the suspension of the Trust until judgment has been pronounced. Such decision was appealed by Bapro Mandatos y Negocios S.A., but such appeal was dismissed by the Court hearing the case on July 30, 2012. Therefore, the injunction is still in force.

The Company duly brought an action for refunding those cash flows corresponding to contributions collected by the Argentine Internal Revenue Service (Administración Federal de Ingresos Públicos – AFIP) and the National Social Security Administration (Administración Nacional de Seguridad Social - ANSES). On February 22, 2011, the First Instance Judge decided to accept the request. The measure was appealed by OSBA by means of a motion for revocation of judgment with supplementary appeal. The revocation was rejected and the appeal was sent to the National Court of Appeals in Commercial Matters, Room D, on October 13, 2011 in order to obtain a new first instance resolution which considers the effects of termination of the Solidaridad Trust agreement by OSBA Temporary Trustee.

After the case was remanded to the lower court, the Company submitted again the reimbursement request on November 9, 2011. However, the injunction approved by the First Instance Judge on December 15, 2011 related to the above mentioned case has become inappropriate. On September 15, 2011, OSBA notified the Company (by registered letter) its decision to unilaterally terminate the Solidaridad Trust agreement, making reservation of rights related to the annulment request, ratified by Registered Letter dated October 19, 2011, which quotes the Resolution No. 615 of the Health Services Superintendence of July 5, 2011. The Company answered the first Registered Letter on September 28, 2011, requiring the application of Article 9, paragraph 9.01 of the Trust agreement, which provides for the early termination by decision of any of the parties, and stating that it has acted in good faith and in a diligent way during the life of such trust, thus avoiding any type of responsibility derived from eventual illegal acts directly or indirectly related to the trust, making the express reservation to demand OSBA for damages. By Registered Letter of November 11, 2011, the Company ratified before the Trustor the application of said clause to terminate the Trust agreement.

With regard to the case entitled "Obra Social Bancaria s/Incidente de Apelación por Art. 250 CPCCC", on October 28, 2010, the National Court of Appeals in Commercial Matters of the City of Buenos Aires, Room D, declared invalid all payments made after November 9, 2009 by Bapro Mandatos y Negocios with relation to the OPIGs (guaranteed irrevocable payment orders) issued under obligations prior to that date. The

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Company filed an appeal in the above case which has been dismissed by the Court. Bapro Mandatos y Negocios S.A. was then instructed to pay the ensuing costs in its capacity as losing appellant. Such dismissal is not likely to result in a liability enforceable against the Company's shareholders' equity since it involved an act derived from its compliance with the terms of the Solidaridad Trust Agreement. Therefore, such costs shall be borne with funds from the Fiduciary Account since they are deductible charges.

Upon filing an answer to the case regarding Art. 280 brought by the Receiver, the Social Welfare Entity for Bank Employees requested that, as a consequence of the invalid payments declared, the Company be compelled to reimburse the amounts paid under penalty of law after November 9, 2009. The Company resorted to the Court of Appeals, which on March 6, 2012 resolved to dismiss the appeal without costs. The Court of Appeals answered that "the order which includes a warning subject to penalty (in this case, a general penalty of law) does not imply any damage under the terms of Art 242 of the Code of Procedure (CPR 242), since it requires that the compliance of the order be subject to specific penalty and the effective enforcement of such penalty". Therefore, it was considered that "....up to date there is no irreparable damage supporting the appeal...."

After the case was remanded to the lower court, the Social Welfare Entity for Bank Employees claimed the payment of \$3,027 to Bapro Mandatos y Negocios S.A. and the OPIG holders who have collected claims after the date of petition for reorganization. On October 23, 2012, the lower court ordered to serve notice of the proceedings filed by the insolvent entity upon the interested parties and the auditing receiver. Bapro Mandatos y Negocios S.A. was notified on November 13, 2012 and it duly answered the service of process. The mentioned proceedings were also notified to the Receiver on March 8, 2013 who postponed his opinion until all defendants have been notified of the reimbursement request made by the insolvent party.

The Court ordered to serve notice upon the insolvent party on the defense based on "lack of standing to sue" filed by Bapro Mandatos y Negocios S.A. due to the fact that the ruling on invalid payments has no consequence for the Trustee Bapro Mandatos y Negocios S.A. since it acted as Trustee and not as Creditor of the Solidaridad Trust and that it did not collect any payment on account of previous claims.

According to the legal opinions of Murray/Anguillesi/Guyot/Rossi & Sirito de Zavalia Abogados law firm, acting on behalf of the Company in all cases related to the Solidaridad Trust, and of Balzan/Cambre & Orts Abogados law firm, the detailed actions shall not result in any liability to Bapro Mandatos y Negocios S.A. enforceable against its shareholders' equity, and at the date of issuance of the financial statements of Bapro Mandatos y Negocios S.A. do not require the setting up of any provision whatsoever.

On August 23, 2013, the Company was notified of a complaint for dismissal filed by the former Administration Manager. The amount claimed under Section 245 of the labor Contract Law on account of severance pay plus incidental costs totals \$1,291 plus interest. The legal action has been filed with the National Court of First Instance in Labor Matters No. 79. On September 6, the Company answered the complaint.

Finally, on September 16, 2014, the Company was notified of a complaint for dismissal filed by the former Commercial Manager, Rafael Torres Vidal, for the amount of \$1,198 plus interest on account of differences in the severance pay already paid. The legal action has been filed with the National Court of First Instance in Labor Matters No. 4. On September 30, 2014, the Company answered the complaint. Mention should be made that the Company is co-defendant with Provincia Leasing S.A., since the plaintiff was the Commercial Manager of such company for 30 months and of Bapro Mandatos y Negocios S.A. for 7 months.

With regard to the Sucre Trust, on November 21, 2012, Bapro Mandatos was served notice of an action brought against it by one of the former beneficiaries of the Trust in the case entitled "Biercampo Martin Todolfo c/Bapro Mandatos y Negocios S.A. y otros s/Cumplimiento de contrato" pending before the National Court in Civil and Commercial Matters No. 8, San Isidro Legal Department seeking to obtain the deed for the dwelling unit purchased under the trust, the sales contract of which had been terminated due to the nonfulfillment of the pertinent payment obligations. Should the plaintiff failed to obtain the sought deed, he will claim for damages derived from breach of contract. The Company answered the complaint on December 6, 2012.

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On February 18, 2013, Bapro Mandatos y Negocios S.A. was notified of a similar complaint brought against it by a former beneficiary of the Sucre Trust whose sales contract was also terminated on account of fulfillment of payment obligations. The case entitled "Eumann, Guillermo José C/ Bapro Mandatos y Negocios S.A. y otros s/ daños y perjuicios" is pending before the National Court of First Instance in Civil and Commercial Matters No. 5, San Isidro Legal Department. Moreover, on June 14, 2013, the Company was served a notice of a third complaint against it entitled "Gabella Guillermo Enrique y otros c/ Bapro Mandatos y Negocios S.A. y otros s/ daños y perjuicios" pending before the Court of First Instance in Civil and Commercial Matters No. 5, San Isidro Legal Department. In the last two proceedings, plaintiffs filed several claims applying for an injunction against the trust, which was issued by the first instance court and appealed by the Company. At the date of the Financial Statements of Bapro Mandatos y Negocios S.A., the pertinent courts of appeal have not entered judgments. Should the injunction prove to be successful, it will affect the execution of the pertinent title deeds. However, there is no need to set up a provision at the current stage of the proceedings.

In the three cases mentioned above, complaints have also been filed against the developer *Desarrollo San Isidro*. With regard to "Samaagro" Administration and Guarantee Trust, in September 2014 the Company was served notice of an action brought against it before the Buenos Aires Stock Exchange Arbitration Tribunal in the case entitled "Reich, Rolando Martín c/Bapro Mandatos y Negocios s/daños y perjuicios" requesting the reimbursement of the invested amount (US\$30,000) plus other items for undetermined amounts. The Company answered the complaint, alleging that, according to the agreement terms, the investment was risky due to the ups and downs of the agricultural market and that Mr. Reich did not consider the campaign losses, neither the operator's responsibility, against whom the Trustee had **filed a claim** and a criminal complaint as well as actions aimed at improving the equity held in trust. The issues of the arbitration award have been recently defined.

On January 26, 2015, the Company was notified of two new complaints related to the mentioned Trust, in the case entitled "Noceti, Hector Antonio C/Bapro Mandatos y Negocios S.A. S/ daños y perjuicios"; and "Romero, Emilio y otros c/ Bapro Mandatos y Negocios s/ daños y perjuicios"; filed before the Buenos Aires Stock Exchange Arbitration Tribunal, which will be answered in the near future in similar terms to those of the Reich case, within the procedural terms.

e. Bapro Medios de Pago S.A.

e.1. Penalty imposed by AFIP

Bapro Medios de Pago S.A. filed a claim on the penalty of \$1,336 imposed by the Internal Revenue Agency (*Administración Federal de Ingresos Públicos – AFIP*) for interruption of services during an employees' meeting held in October, 2009. On August 31, 2010, the Company requested the AFIP to review the measure on the grounds of the legal rights of the Company. On February 24, 2011, Resolution No. 53/11 rejected the claim filed by the Company. On April 4, 2011, Bapro Medios de Pago S.A. filed a claim before the National Ministry of Economy. On October 18, 2012, a resolution was adopted and notice was duly served on the AFIP. On August 28, 2013, Bapro Medios de Pagos S.A. was notified of the dismissal of such claim and the confirmation of the resolution issued by the AFIP. Consequently, the Company has fully set up the provisions for the amount so claimed.

e.2. Increase in Capital Stock

Due to the losses accumulated at September 30, 2012, Bapro Medios de Pagos S.A. was included in the provisions of section 206 of the Companies' Law No. 19550 which provides for a reduction in capital stock.

Therefore, the Special Meeting of Shareholders of Bapro Medios de Pago S.A. held on November 23, 2012 approved a \$20,000 capital contribution to be paid by Grupo Banco Provincia S.A. (\$19,400) and Bapro Mandatos y Negocios S.A. (\$600) in proportion to their equity interests in the Company. On December 28, 2012, Grupo Banco Provincia S.A. and Bapro Mandatos y Negocios S.A. paid \$5,000 and \$150 respectively.

On January 28 and February 25 and 26, 2013, Grupo Banco Provincia S.A. paid in cash \$10,000, \$120 and \$4,280, respectively, thus paying in full the amounts owed. On February 7 and 21, 2013, Bapro Mandatos y

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Negocios S.A. made a contribution in cash for \$300 and \$150, respectively, also canceling the total amounts due.

On November 28, 2013, such capital stock increase was registered with the Superintendency of Corporations.

On April, 9, 2014, the Regular Meeting of Shareholders of Bapro Mandatos y Negocios S.A. resolved to allocate 50% of the profits for the 2013 fiscal year that amounted to \$16,830 as follows: \$842 to the Legal Reserve account and \$15,988 to the Optional Reserve account in order to be used by the Company for the implementation of the development and investment plan.

e.3. Agreement with the Provincial Institute of Lotteries and Casinos

Bapro Medios de Pago S.A. entered into a cooperation agreement with the Provincial Institute of Lotteries and Casinos (IPLyC) providing for the rendering of integration management, administration and operational services in support of a transactional system for online, real-time data capture available either through fixed and/or mobile computer terminals. Such system allows the processing and administration of betting information and the management of networks involving gaming activities under control of the IPLyC and/or carried out in other jurisdictions approved by such provincial institute. The provision of such service started on November 30, 2012. The agreement will be in force for 10 years and is renewable for an additional 2-year period.

Such agreement also states that the IPLyC shall pay to Bapro Medios de Pago S.A. a total amount of \$51,000 as follows: a first installment of \$11,000 and four equal installments of \$10,000 during the first five months that this agreement is effective as partial payment of the price, to be reimbursed in 5 annual installments of 0.15% of the annual total sale of gaming activities captured through this system, as from the sixth year of the agreement. Upon payment of the last installment, Bapro Medios de Pago S.A. shall cancel the aggregate amount paid by IPLyC. If total installments paid exceed the amount given by IPLyC., the remaining balance will be for such entity.

On February 14 and May 3, 2013, the IPLyC paid in cash \$11,000 and \$10,000, respectively corresponding to the first and second installments pursuant to the above mentioned agreement. However, upon the IPLyC's failure to pay the remaining installments, the Company's Board of Directors decided to renegotiate with the Institute Clause 19, subparagraph c) of the agreement and the method to reimburse the amounts already received.

According to the provisions mentioned in the first paragraph, the Company arranged with the current providers (BoldtGaming S.A. and *Servicio para el Transporte de Información S.A.*) the terms applicable during the transition period. To such effect, on November 29, 2012, the Company:

- 1- signed an agreement with Servicio para el Transporte de Información S.A. whereby this company shall provide a data transmission service through a communication network with resources exclusively allocated to the capture of betting information in real time through the different computer terminals of the agents approved by the IPLyC. The company shall also be in charge of providing maintenance services to those bet capture terminals. The contract will be in force for 18 months and is renewable for additional periods of one year.
- 2- signed a transition agreement with BoldtGaming S.A. whereby the parties agreed to take all necessary steps to ensure training and gradual transfer of all know-how in favor of Bapro Medios de Pago S.A. so as to allow the Company, upon conclusion of the current contract and any possible renewal, to manage, integrate and operate on a stand-alone basis the data capture system whether online and in real-time or offline, and either through fixed or mobile computer terminals. This will permit the processing and administration of betting information regarding all gaming activities under provincial control and/or carried out in other jurisdictions approved by the IPLyC through its network of authorized lottery agents. Its was also agreed that Boldt Gaming S.A. will provide and/or operate the service of bet capture and processing through computer terminals on line and in real time or off-line in favor of Bapro Medios de Pago S.A. according to the terms set forth in the mentioned contract. In September 2013, 10 months after the execution of the agreement, the

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Company decided to extend the agreement for three additional years pursuant to the guidelines therein detailed.

f. Provincia Bursátil S.A.

f.1. Distribution of Profits

On April 5, 2013, the Regular Meeting of Shareholders of Provincia Bursátil S.A. resolved to allocate the profits for the year ended December 31, 2012 as follows: a. \$124 to the Legal Reserve account; \$1,181 to the Optional Reserve account and the remaining \$1,181 to distribute cash dividends among shareholders in proportion to their pertinent equity holding. Accordingly, the shares of Grupo Banco Provincia S.A., Banco de la Provincia de Buenos Aires and Caja de Jubilaciones, Subsidios y Pensiones del Personal del Banco de la Provincia de Buenos Aires amounted to \$1,122, \$47 and \$12, respectively. On June 17 and 19, 2013, Grupo Banco Provincia S.A. and Banco de la Provincia de Buenos Aires collected on such account \$1,122 and \$47, respectively.

The Regular Meeting of Shareholders held on May, 8, 2014 resolved to allocate the profits for the year ended December 31, 2013 as follows: \$116 to the Legal Reserve account and \$2,211 to the Optional Reserve account.

f.2. Capital Markets Law

The Company has three book-entry shares in Mercado de Valores de Buenos Aires S.A. Considering the current operative underuse of the quota associated with those shares in terms of the Company's turnover, the Board of Directors, by Resolution No. 499 dated August 26, 2011, decided to classify one of those shares as a financial investment, thus changing its pertinent valuation criteria.

The Capital Markets Law No. 26831, enacted on December 27, 2012, provides for an integral reform of the public offering regime implemented through Law No. 17811.

Such Law governs certain issues which are related to the Company's activity: a) more regulatory powers on public offering were granted to the National Government through the *Comisión Nacional de Valores* – CNV (securities commission) which was entrusted with authorization, supervision and control powers as well as with regulatory and disciplinary authority over all capital market players and b) the mandatory prerequisite applicable to brokers of being shareholders to operate in the market was eliminated, thus allowing the incorporation of other participants and conferring on the CNV the power to authorize, register and regulate the different categories of brokers.

Executive Order No. 1023/13 partially regulating the Capital Markets Law and CNV General Resolution No. 622 approving the pertinent regulation were published in the Official Gazette on August 1, 2013 and September 9, 2013, respectively.

Such set of rules creates a registry of agents participating in the capital markets, thus enabling them to register as clearing and settlement agents or as trading agents. At the same time, the following requirements shall be met: maintain a minimum net worth (at least 50% shall be invested in certain available assets therein detailed); mention in their corporate purpose their capacity to act as settlement and clearing agent or trading agent; include in the CNV's Qualified Agents Record those employees performing tasks connected with advice or sale, among others. On October 21, 2013, the Board of Directors filed a registration request to act as Settlement and Clearing Agent and Integral Trading Agent, which was approved by the Argentine Securities Commission on September 19, 2014.

By such rules, the powers conferred on settlement, clearing and integral trading agents to carry out transactions involving the free availability and use of their principals' balances were restricted. They are banned from using said funds or negotiable securities without the prior authorization of their clients. Any liquid balances available at the end of the day shall only be invested in assets as instructed by clients, with income always accruing in their favor.

Therefore, at December 31, 2014, the custody of third-party funds was booked in memorandum accounts.

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On December 13, 2013, the Board of Directors of Provincia Bursátil S.A., through Special Shareholders' Meeting, approved the amendment to the by-laws, adjusting it to the provisions of Law No. 26831, Executive Order No. 1023/13 and the new consolidated text of the National Securities Commission.

On December 22, 2014, the CNV issued Interpretative Criterion No. 60 providing that entities duly authorized by the CNV that were in operation prior to the issuance of said rules shall, before March 31, 2015, conclude all internal proceedings necessary to comply, as from April 1, 2015, with the provisions stated in Executive Order No. 1023/13, section 47, paragraphs 1 and 2.

The Managers of the Company are analyzing and monitoring the potential effects of the rule stated above in order to assess the potential impact, if any, on the activities of the Company and the accounting valuation of its assets and liabilities.

g. Provincia Seguros S.A.

g.1. Distribution of Profits

On September 27, 2013, the Regular Meeting of Shareholders of Provincia Seguros S.A. discussed and approved the Financial Statements for the period ended June 30, 2013, which had yielded a \$17,554 loss.

On September 9, 2014, the Regular Meeting of Shareholders of Provincia Seguros S.A. discussed the Financial Statements at June 30, 2014 and decided to set up a Legal Reserve for \$133,387.

According to section 70 of the Companies' Law, 5% of the net profits for the period ended June 30, 2014 would have been allocated to the Legal Reserve account, up to 20% of its pertinent capital stock. Consequently, retained earnings would have been restricted to \$2,266. This omission will be settled by Provincia Seguros S.A. in the next Meeting of Shareholders.

g.2 Minimum Capital Requirements

On July 19, 2013, the Company requested the National Insurance Superintendency to approve a special treatment aimed at covering its deficit in minimum capital requirements. The request was intended to defer the impact of claim costs derived from the extraordinary floods that affected the cities of La Plata and Buenos Aires on April 2 and 3, 2013. On August 14, 2013, and in view of SSN Resolution No. 118,090, the Company disclosed in its Financial Statements the approval received from the SSN to compute the claim cost resulting from such floods when calculating the minimum capital requirement, up to an amount of \$60,000, according to the following schedule:

- I) At June 30, 2013, the Company computed \$60,000;
- II) At September 30, 2013, the Company computed \$45,000;
- III) At December 31, 2013, the Company computed \$30,000;
- IV) At March 31, 2014, the Company computed \$15,000;
- V) At June 30, 2014, the Company may compute \$0.

Therefore, at December 31, 2013 and as the result of the deferral of claim costs for \$30,000, Provincia Seguros S.A. yielded a \$1,379 surplus while, at December 31, 2014, the Company's surplus amounted to \$28,424.

At December 31, 2014, the Company had a \$28,423,666 surplus.

For the purposes of calculating the assessable capital stock, the Company included the difference between the booked IBNR reserve and the amount resulting after applying an average rate between the borrowing rate of BCRA's Communication No. 14290 and the lending rate, in order to segregate the financial components implied in the matrix of paid claims, as required by paragraph 30.6 of the General Rules for Insurance Activity. The 15% limit on the minimum capital must be considered. There follows the difference between both calculation methods, as applied to the calculation of the assessable capital stock:

Assessable IBNR \$538,438

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IBNR (paragraph 30.6, General Rules for Insurance Activity) Difference

\$444,604 \$ 93,834

At December 31, 2014, and in order to comply with minimum capital requirements, the Company computed \$70,211 according to the above mentioned calculation methods. It also includes interest accrued on Bonds for the settlement of provincial debts as mentioned in Note 18.g.3 below.

g.3. Deficit in claims coverage

At December 31, 2014 and 2013, the Company had deficits in the coverage of debts to insureds that amounted to \$301,050 and \$235,743, respectively, calculated according to the SSN rules. Therefore, the Company is in compliance with the provisions stipulated in paragraph 35.12.1 of the Rules for Insurance Activity of the SSN.

On September 5, 2013, the Company submitted a report to the control authority stating the reasons for such deficits at June 30, 2013, which was mainly grounded on the adverse effects of the floods mentioned in Note 18.g.1) above. The Company, in its capacity as sole insurer of the properties owned by the Province of Buenos Aires, accepted the rescheduling of past-due debts. Their settlement is expected to be made during the current fiscal year.

At December 31, 2014 and 2013 the Company recorded credits for premiums owed by the Government of the Province of Buenos Aires for \$507,381,193 and \$333,645,792, respectively. During 2013, the loss ratio of the above mentioned insured increased as a consequence of the weather event specified in Note 18.g.1) to these Financial Statements. The Company, in its capacity as sole insurer of the properties owned by the Province of Buenos Aires, accepted the rescheduling of past-due claims.

By Executive Order No. 1296, dated December 30, 2013, the Government of the Province of Buenos Aires approved the issuance of "Bonds for the settlement of provincial debts", with maturity date on December 27, 2017 to partially settle the amount owed to the Company. The main features of these instruments are: a) 24-month grace period on principal payment; b) amortization in 24 equal and consecutive installments, with the first one maturing on January 27, 2016; c) Private Banks' BADLAR rate for fixed-term deposits over \$1,000 at a 35-day term, as informed by BCRA; and d) grace period on interest payment, from the issuance date until December 27, 2015, when accrued interest will be capitalized. At the date of issuance of the Financial Statements of Provincia Seguros S.A., the Company has not received such bonds. Some of them will be allocated to the partial settlement of the above mentioned claims. At the date of the Financial Statements of Provincia Seguros S.A., the Government of the Province of Buenos Aires has not issued such bonds since the National Economy Ministry's approval is still pending.

The Company has booked the accrual of positive interest on such assets for an amount of \$37,717 at December 31, 2014.

On February 6, 2015, Buenos Aires Governor's Office partially settled the above mentioned debt through a transfer of \$106,000; out of which the Company received \$81,574 and the remaining amount was allocated to tax withholdings.

At the date hereof, the management of the Company is considering different actions to reverse the deficit and will submit a regularization plan to the SSN authorities for approval.

h. Grupo Banco Provincia S.A.

h.1. Companies under liquidation proceedings

At December 31, 2014 and 2013, the Financial Statements of Mercado Regional de Capitales S.A. (in liquidation) show zero balance.

Provincia Servicios de Salud S.A. (in liquidation), controlled by Grupo Banco Provincia S.A., has losses that exceed the book value of Grupo Banco Provincia S.A.'s investment. It has zero value because the controlling

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Company will no longer finance its activities and is not bound to provide such financing. The net and accumulated losses of Provincia Servicios de Salud S.A. (in liquidation) in proportion to Grupo Banco Provincia S.A.'s equity holding, and not recognized by the Company at December 31, 2014 and 2013, amount to \$1,616 and \$1,566, respectively.

The values so obtained, net of related provisions, do not exceed their pertinent recoverable values estimated at the end of the year.

h.2. Distribution of cash dividends by Grupo Banco Provincia S.A.

The Regular Meeting of Shareholders held on April 26, 2012 resolved to allocate the profits for the year ended December 31, 2011 amounting to \$59,240 as follows: \$2,962 to the Legal Reserve account and \$56,278 to distribute cash dividends. On June 1, 2012 and December 18, 2012, Grupo Banco Provincia S.A. transferred \$4,255 and \$651 to Banco de la Provincia de Buenos Aires corresponding to Negotiable Obligations and certificates of participation in the General Pueyrredón Financial Trust, respectively. On December 28, 2012, Banco de la Provincia de Buenos Aires received \$36,555. Likewise, on June 1 and December 28, 2012, Grupo Banco Provincia S.A. transferred \$1 and \$16, respectively, to Fundación del Banco de la Provincia de Buenos Aires, thus paying in full the dividends owed to the minority shareholder. Consequently, at December 31, 2012, the obligation with Banco de la Provincia de Buenos Aires on such account amounted to \$15,000. Finally, on May 8, 2013, the total amount due was fully settled.

The Regular Meeting of Shareholders held on April 12, 2013 resolved to allocate the profits for the year ended December 31, 2012 as follows: to distribute 50% of profits and allocate the remaining 50% to the Optional Reserve account to finance the Company's investment activities, after deducting the Legal Reserve.

On December 13, 2013, the Special Meeting of Shareholders decided to waive its right to collect the above mentioned dividends and earmark such amount to set up the Optional Reserve, which was specifically allocated to comply with the required capital integration in Provincia A.R.T. S.A., due to the deficit recorded by that Company at September 30, 2013, as detailed in Note 18.a.6 above.

In view of the \$48,071 loss recorded during the year ended December 31, 2013, the Regular Meeting of Shareholders held on May 9, 2014 resolved to make an adjustment to the Company's Stockholders Equity accordingly.

h.3. Legal Contingencies of Grupo Banco Provincia S.A.

Grupo Banco Provincia S.A. set up provisions for any contingencies that may arise from disputes and claims under the ordinary course of business as well as for any eventual liabilities and contingencies that its subsidiary, Mercado Regional de Capitales S.A. (in liquidation), may have to face in its liquidation process, which were assumed by Grupo Banco Provincia S.A. pursuant to a Board of Directors' Resolution dated February 14, 2003.

The Board of Directors of Grupo Banco Provincia S.A. has knowledge of legal and other actions taken against the Company and its subsidiary, Provincia Servicios de Salud S.A. (in liquidation), regarding controversies over the rendering of health services duly transferred to CEFRAN. On February 8, 2012, the Board of Directors of the Company consented to subrogation proceedings with respect to all claims involving Provincia Servicios de Salud S.A. (in liquidation), entrusting the Legal Affairs Management with the completion of all necessary formalities to such effect. At the date of these Financial Statements, all documents supporting the subrogation request have been duly filed.

The Board of Directors understands that the resolution of these contingencies will not significantly affect the Company's operations or financial condition.

h.4. Release of Reserves from the Subsidiaries' Liabilities

At December 31, 2014 and 2013, the "Other Reserves" caption disclosed under the Stockholders' Equity heading in the Financial Statements of Grupo Banco Provincia S.A. amounted to \$2,629 and accounted for

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the proportional amount of Grupo Banco Provincia S.A. in the reserves for contingencies and loss ratio variances released by Provincia A.R.T. S.A. from its Stockholders' Equity.

The amounts released by Provincia A.R.T. S.A. were credited to the Reserved Profits – Other Reserves account, according to Section 3 of Resolution No. 26793 issued by the SSN.

i. Other Subsidiaries

i.1. Internacional Compañía de Seguros de Vida S.A.

On September 9, 2013, and subject to approval by the National Insurance Superintendency, the Regular Meeting of Shareholders of Internacional Compañía Seguros de Vida S.A. resolved to allocate profits for \$37,817 corresponding to the period ended June 30, 2013 as follows: a) \$27,500 to distribute cash dividends and b) \$10,317 to increase the Legal Reserve account. On September 10, 2013, Provincia Seguros S.A. and Grupo Banco Provincia S.A. received \$828 and \$10,387 on such account, respectively.

On September 22, 2014, the Regular Meeting of Shareholders of Internacional Compañía Seguros de Vida S.A. resolved to distribute cash dividends for \$53,669 on total profits recorded in the period ended June 30, 2014, plus \$1,331 corresponding to the Optional Reserve balance. On September 25, 2014, Provincia Seguros S.A. and Grupo Banco Provincia S.A. received \$1,656 and \$20,773 on such account, respectively.

i.2. Exchange of National Public Debt - Subsidiaries

There follows a breakdown of the holding of Secured Loans acquired under Executive Order No. 1387/01 and thereafter and of the Promissory Notes of the Argentine Republic, maturing in 2019, received in exchange for defaulted debt in compliance with a Joint Resolution of the Treasury Secretariat and Finance Secretariat:

	12/31/14					
	Se	cured Loans	Promissory Note of the Argentine Republic 2019			
Subsidiary	Proportional share according to Grupo \$ Banco Provincia S.A.'s interest in the Company		\$	Proportional share according to Grupo Banco Provincia S.A.'s interest in the Company		
Provincia Seguros S.A.	126,506	75,903	204,732	122,839		
Provincia ART. S.A.	105,079	104,503	107,203	106,616		
Provincia Seguros de Vida S.A.	-	-	5,006	2,703		
Internacional Cía. Seguros de Vida S.A. (*)	n/a	n/a	n/a	n/a		
Total	222,782	173,579	316,577	231,928		

^(*) At the date of these Financial Statements, the appropriate information is not available.

Note 19 - Supplementary Information on the Various Activities Carried out by the Controlled Companies

The table below shows an activity-based classification of the consolidated income/ (loss) of Banco de la Provincia de Buenos Aires and its subsidiaries:

Activity		Companies		
- Insurance		Provincia Seguros S.A.		

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Activity	Companies
	Provincia Seguros de Vida S.A.
	Provincia ART S.A.
	Banco de la Provincia de Buenos Aires
	Provincia Leasing S.A.
Panking and other Financial Services	Bapro Medios de Pago S.A.
	Bapro Mandatos y Negocios S.A.
	BA Desarrollo S.A.
rokerage	Provincia Bursátil S.A.
	Grupo Banco Provincia S.A.
Services	Provincia Microempresas S.A.
	Provincia Servicios de Salud S.A. (x)

^(*) See Note 18.h.1 to these Financial Statements.

А	ctivity-	based c	lassifi	cation	of inco	me/(los	s)
Headings	Insurance	Banking and other Financial Services	Services	Brokerage	Subtotal	Eliminations	Consolidated
 Finance 	cial Income						
	1,044,591	17,433,628	11,340	7,591	18,497,150	(98,748)	18,398,402
• Financ	ial Expenditu		,	,	-, - ,	(==, =,	
	-	(8,805,330)	-	-	(8,805,330)	96,379	(8,708,951)
 Charge 	e on Bad Loar				, , , ,	,	
	-	(677,798)	-	-	(677,798)	-	(677,798)
■ Incom	e from Service				, , ,		
	8,368,539	5,142,130	219,808	28,224	13,758,701	(502,309)	13,256,392
 Expen 	diture for Serv	vices .					
	(7,063,471)	(1,892,240)	-	(128	(8,955,839)	362,162	(8,593,677)
 Admin 	istrative Expe	nses					
	(1,814,603)	(8,128,340)	(215,276)	(33,192)	(10,191,411)	204,204	(9,987,207)
Minori	ty Interest						
	-	-	-	(390)	(390)	(32,973)	(33,363)
Miscel	llaneous Incor	ne					
	96,683	1,260,216	279,510	2,075	1,638,484	(569,614)	1,068,870
Miscel	laneous Loss	es					
	(264,944)	(1,275,290)	-	(354)	(1,540,588)	(46,654)	(1,587,242)
Incom	e Tax						
	(80,772)	(11,232)	645	(2,142)	(93,501)	-	(93,501)
Net Income/ (Loss)	286,023	3,045,744	296,027	1,684	3,629,478	(587,553)	3,041,925

Note 20 - Income Tax and Notional Minimum Income Tax

As mentioned in Note 3.16 to the Bank's Financial Statements, the Bank, its assets, acts and doings, agreements, contracts and transactions, as well as any rights arising therefrom in its favor, are exempt from all liens, taxes, charges or contributions of any nature whatsoever, and no provision is required to be made for income tax on the businesses transacted by the Bank's Home Office or its domestic branches.

As of December 31, 2014 and 2013, no taxes are due by Grupo Banco Provincia S.A. under the applicable law.

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(Partner)



AT DECEMBER 31, 2014 AND COMPARATIVE PERIODS

(In thousands of Pesos)

The minimum notional income tax, created by Law No. 25063, is levied at a 1% rate on the potential income from certain profitable assets. This tax is supplementary to the Income tax, so that the tax liability will coincide with the higher of the two taxes. However, if in a given year, the minimum notional income tax exceeds the income tax; such excess may be computed as prepayment of the income tax that may be generated in the next ten years.

At December 31, 204 and 2013, the "Miscellaneous Receivables" caption included \$31,586 and \$14,720, respectively, which stand for the payments made on account of the minimum notional income tax due for such years.

Note 21 - Restrictions on the Distribution of Profits

According to the Companies' Law of Argentina (Law No. 19550), each of the Bank's subsidiaries shall allocate at least 5% of each fiscal year profits, up to 20 % of the share capital, to the setting up of a Legal Reserve Fund.

Note 22 - Trust Agreements

At December 31, 2014, Bapro Mandatos y Negocios S.A. entered into the following Trust Agreements:

<u>Guarantee Trusts</u>: Trust agreements whereby the assets held in trust guarantee beneficiaries a credit transaction or the fulfillment of an obligation and/or agreement with. At December 31, 2014, Bapro Mandatos y Negocios S.A. acted as Trustee for 45 Guarantee Trusts.

<u>Management Trust</u>: Trust agreements whereby trustees manage assets held in trust in favor of beneficiaries. At December 31, 2014, Bapro Mandatos y Negocios S.A. acted as Trustee for 26 Management Trusts; total equity held in trust amounted to \$3,663,578.

<u>Financial Trust</u>. Trust agreements whereby the trustee is entrusted with the administration of the trust property for the benefit of holders of participation certificates in the assets transferred or holders of debt certificates. At December 31, 2014, Bapro Mandatos y Negocios S.A. acted as Trustee for 5 Financial Trusts; total asset held in trust amounted to \$51,409.

<u>Financial Trusts publicly offered</u>: Trust agreements whereby the trustee is entrusted with the administration of the trust property for the benefit of holders of participation certificates in the assets transferred or holders of debt certificates publicly offered, the beneficiaries of which are the holders of Debt Instruments and/or Participation Certificates. At December 31, 2014, Bapro Mandatos y Negocios S.A. acted as Trustee for 13 Financial Trusts; total asset held in trust amounted to \$702,841.

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