

STATEMENT OF INCOME

At December 31, 2017 and 2016

(In thousands of pesos)

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ITEMS	12.31.17	12.31.16
A. FINANCIAL INCOME	<u>37.893.268</u>	<u>31.151.015</u>
. Interest on Cash and Due from Banks	181	-
. Interest on Loans to the Financial Sector	28.798	-
. Interest on Overdrafts	536.028	527.290
. Interest on Notes	6.512.643	6.868.041
. Interest on Mortgage Loans	979.360	802.939
. Interest on Pledge Loans	397.657	126.702
. Interest on Credit Cards	1.650.562	1.286.523
. Interest on Other Loans	16.052.668	11.910.532
. Interest on Other Receivables from Financial Brokerage	108.610	77.637
. Net Income from Government and Corporate Securities	4.330.165	6.496.775
. Income from Secured Loans - Exec. Order 1387	138.422	272.669
. Adjustments from Application of the CER Index	2.734.223	2.005.548
. Gold and Foreign Currency Quotation Difference	963.164	403.281
. Interest on Financial Leases	3.672	7.456
. Other	3.457.115	365.622
B. FINANCIAL EXPENDITURE	<u>15.365.843</u>	<u>16.367.636</u>
. Interest on Savings Account Deposits	137.239	118.829
. Interest on Fixed-Term Deposits	13.322.602	14.976.441
. Interest on Other Liabilities from Financial Brokerage	337.372	43.080
. Other Interest	515.077	402.293
. Adjustments from Application of the CER Index	191.125	5.252
. Deposit Guarantee Fund Contribution	347.504	410.824
. Other	514.924	410.917
GROSS BROKERAGE MARGIN	<u>22.527.425</u>	<u>14.783.379</u>
C. PROVISION FOR LOAN LOSSES (Exhibit "J")	<u>2.120.241</u>	<u>1.320.158</u>
D. INCOME FROM SERVICES	<u>9.358.515</u>	<u>7.550.185</u>
. From Lending Transactions	576.050	551.854
. From Borrowing Transactions	1.023.544	754.380
. Other Commissions	172.246	136.735
. Other (Note 21.7)	7.586.675	6.107.216
E. EXPENDITURE FOR SERVICES	<u>5.346.971</u>	<u>2.014.451</u>
. Commissions	676.284	501.556
. Other (Note 21.8)	4.670.687	1.512.895

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<u>F. ADMINISTRATIVE EXPENSES</u>	<u>18.368.165</u>	<u>14.540.939</u>
. Personnel Expenses	14.310.646	11.823.997
. Directors' and Syndics' Fees	45.570	34.816
. Other Fees	381.597	195.143
. Advertising and Publicity	708.451	194.073
. Taxes	49.070	33.655
. Depreciation of Bank Premises and Equipment (Exhibit "F")	252.513	217.344
. Amortization of Organization and Development Expenses (Exhibit "G")	48.237	54.789
. Other Operating Expenses	1.816.604	1.510.010
. Other	755.477	477.112
 <u>NET INCOME FROM FINANCIAL BROKERAGE</u>	 <u>6.050.563</u>	 <u>4.458.016</u>
<u>G. MISCELLANEOUS INCOME</u>	<u>3.918.339</u>	<u>515.539</u>
. Net Income from Long-Term Investments	1.332.776	-
. Penalty Interest	60.080	52.593
. Receivables Recovered and Allowances Reversed	417.853	251.973
. Adjustments from Application of the CER Index	1.182	5
. Other (Note 21.9)	2.106.448	210.968
<u>H. MISCELLANEOUS LOSSES</u>	<u>3.007.028</u>	<u>1.803.030</u>
. Net Income from Long-Term Investments	-	83.273
. Penalty Interest and Charges in favour of the Argentine Central Bank	90	280
. Charges for Miscellaneous Receivables and Other Items Written Off (Annex "J")	424.299	286.622
. Amortization of Differences from Court Orders (Exhibit "G")	18.548	18.800
. Depreciation and Losses for Miscellaneous Assets (Exhibit "F")	848	1.002
. Other (Note 21.10)	2.563.243	1.413.053
 <u>NET INCOME FOR THE YEAR</u>	 <u>6.961.874</u>	 <u>3.170.525</u>
<p>NOTE: The Balance Sheet includes the transactions in local and foreign currency carried out by domestic and operating branches abroad.</p> <p>- The Statements, Exhibits and Notes are an integral part of this Balance Sheet</p>		