

BANCO REGIONAL S.A.E.C.A.
BALANCE SHEET AS OF DECEMBER 31, 2015

 Presented for comparative purposes with the financial statements of prior year
 (Amounts expressed in Paraguayan guaraníes)

ASSETS	Note	DECEMBER 31, 2015	DECEMBER 31, 2014
CASH AND BANKS			
Cash		302.170.670.798	247.773.695.991
Central Bank of Paraguay	c.3	1.836.895.255.696	1.748.780.022.138
Other financial institutions		362.159.611.533	235.031.278.343
Checks and other documents to be offset		71.029.853.604	118.440.281.759
Accrued interests		869.153.340	825.474.163
Allowances	c.7	(2.750.353)	(2.223.073)
		2.573.121.794.618	2.350.848.529.321
GOVERNMENT AND PRIVATE SECURITIES			
	c.4	776.056.377.822	1.047.045.119.630
PERFORMING LOANS			
FINANCIAL SECTOR			
Other financial institutions		569.072.540.268	756.273.196.664
Transactions to be settled	c.18	-	87.459.878.258
Loans for overdrafts		-	4.251.611
Accrued interests		12.574.291.630	21.261.218.718
Allowances	c.7	(902.883.770)	(663.257.870)
	c.6.1	580.743.948.128	864.335.287.381
PERFORMING LOANS			
NONFINANCIAL SECTOR			
Loans to private sector		10.741.113.748.534	8.966.770.857.220
Receivables from deferred letters of credit		118.282.475.861	71.057.392.472
Transactions to be settled	c.18	52.072.144.854	75.089.889.573
Loans to government sector		10.127.381.717	6.499.011.725
Unrealized valuation earnings		(4.042.402.700)	(1.189.259.073)
Accrued interests		231.178.401.734	158.077.623.786
Allowances	c.7	(180.192.370.436)	(82.322.978.224)
	c.6.2	10.968.539.379.564	9.193.982.537.479
OTHER RECEIVABLES			
	c.6.4	68.314.737.164	56.415.672.975
NONPERFORMING LOANS			
Loans to nonfinancial sector		262.772.736.620	201.396.289.226
Loans to government sector		1.672.119.884	2.552.519.002
Unrealized valuation earnings		(6.322.268.830)	(1.075.890.197)
Accrued interests		13.210.407.955	9.606.545.640
Allowances	c.7	(158.612.502.451)	(130.582.961.979)
	c.6.3	112.720.493.178	81.896.501.692
INVESTMENTS			
Private securities	c.8	6.693.888.916	6.049.166.575
Assets acquired in credit recovery	c.8	149.480.777.719	36.228.811.836
Other investments		3.774.491	3.008.850
Income from investments in the private sector		1	-
Allowances	c.7	(8.769.240.392)	(10.127.753.563)
	c.8	147.409.200.735	32.153.233.698
PROPERTY, PLANT AND EQUIPMENT			
	c.9	70.888.661.398	73.585.082.622
DEFERRED CHARGES			
	c.10	8.763.048.641	11.742.102.557
TOTAL ASSETS		15.306.557.641.248	13.712.004.067.355

Attached notes from A to G, are part of the financial statements herein.

 Francisco Furman S.
General Accountant

 Roland Wolff
Syndic

 Eugenio Oze de Morvil
General Manager

 Raúl Vera Bogado
President

Signed for identification purposes with our report dated February 26, 2016

Deloitte & Touche - Paraguay

 Ana Lía Simancas
 Partner

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BANCO REGIONAL S.A.E.C.A.
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LIABILITIES	Note	DECEMBER 31, 2015	DECEMBER 31, 2014
FINANCIAL LIABILITIES			
FINANCIAL SECTOR			
Central Bank of Paraguay		12.367.153.185	11.440.533.475
Deposits from other banks	c.15.1	448.103.649.492	587.556.869.648
Correspondents - deferred letters of credit		117.167.200.727	70.450.292.410
Loans from financial institutions		1.523.465.457.095	1.257.078.113.626
Compensation ATM operations pending		20.113.694.988	8.039.608.417
Bonds issued abroad	c.11.b)	1.742.073.000.000	1.388.700.000.000
Transactions to be settled	c.18	5	86.973.115.207
Accrued interests		78.913.528.072	62.973.674.763
	c.14	3.942.203.683.564	3.473.212.207.546
NONFINANCIAL SECTOR			
Deposits - Private Sector	c.15.1	8.346.150.838.966	7.516.227.808.722
Deposits - Public Sector	c.15.1	1.417.465.420.401	1.235.309.087.437
Other obligations		57.258.095.720	70.349.188.754
Debentures and bonds issued in circulation	c.11.a)	71.486.067.980	94.156.162.000
Transactions to be settled	c.18	52.559.226.882	75.849.654.796
Accrued interests		91.091.891.005	81.404.670.340
	c.14	10.036.011.540.954	9.073.296.572.049
OTHER LIABILITIES			
	c.17	43.702.621.002	60.837.995.281
ACCRUALS			
		25.178.018.986	14.404.710.176
TOTAL LIABILITIES			
		14.047.095.864.506	12.621.751.485.052
EQUITY			
Capital	b.5	784.946.400.000	687.455.800.000
Shares of common stock		534.946.400.000	437.455.800.000
Shares of preferred stock	c.12 f	250.000.000.000	250.000.000.000
Non-Capitalized Contributions		17.339.360.000	53.365.960.000
Revaluation reserve		33.635.469.877	31.376.860.951
Legal reserve		212.086.410.559	183.398.002.207
Profit for the year		211.454.136.306	134.655.959.145
TOTAL EQUITY	D	1.259.461.776.742	1.090.252.582.303
TOTAL LIABILITIES AND EQUITY			
		15.306.557.641.248	13.712.004.067.355
CONTINGENCY AND MEMORANDUM ACCOUNTS			
TOTAL CONTINGENCIES ACCOUNTS	E	936.306.695.566	927.632.296.686
TOTAL MEMORANDUM ACCOUNTS	E	14.217.268.648.602	16.776.075.858.045

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Francisco Furman S.
General Accountant

Roland Wolff
Syndic

Eugenio Oze de Morvil
General Manager

Raúl Vera Bogado
President

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Deloitte & Touche - Paraguay

Ana Lía Simancas
 Partner

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BANCO REGIONAL S.A.E.C.A.
STATEMENT OF INCOME FOR THE YEAR ENDED DECEMBER 31, 2015
 Presented for comparative purposes with the financial statements of prior year
 (Amounts expressed in Paraguayan guaraníes)

	Note	DECEMBER 31, 2015	DECEMBER 31, 2014
FINANCIAL INCOME			
From performing loans - Financial sector		114.890.551.394	137.868.885.345
From performing loans - Nonfinancial sector		1.046.297.285.492	845.867.012.011
From nonperforming loans		19.459.584.644	15.134.270.415
From income and listed price differences of government securities		37.650.655.843	40.974.247.010
		1.218.298.077.373	1.039.844.414.781
FINANCIAL EXPENSES			
From financial liabilities - Financial sector		(91.024.585.096)	(74.751.818.831)
From financial liabilities - Nonfinancial sector		(476.059.814.232)	(478.559.990.736)
From valuation of financial assets and liabilities in foreign currency	f.2	(2.408.039.227)	(2.082.922.868)
		(569.492.438.555)	(555.394.732.435)
		648.805.638.818	484.449.682.346
ALLOWANCES			
Additions	c.7	(679.962.671.127)	(484.373.460.615)
Reversals	c.7	502.853.085.550	390.591.549.302
		(177.109.585.577)	(93.781.911.313)
		471.696.053.241	390.667.771.033
NET INCOME FROM SERVICES			
Income from services		136.896.629.074	118.114.812.777
Expenses from services		(28.572.262.064)	(16.431.762.509)
		108.324.367.010	101.683.050.268
		580.020.420.251	492.350.821.301
OTHER OPERATING INCOME			
Gain for exchange and arbitrage operation		35.975.637.895	25.844.130.462
Gain from other receivables		69.886	370.089.769
Income from operating leasing		-	52.380.952
Other income		1.927.621.175	1.700.847.035
		37.903.328.956	27.967.448.218
OTHER OPERATING EXPENSES			
Salaries and social securities		(185.492.069.890)	(178.885.613.130)
General expenses		(145.189.773.571)	(146.091.625.220)
Depreciation of property, plant and equipment	c.9	(13.870.672.641)	(13.119.470.810)
Amortization of deferred charges		(4.560.476.909)	(3.267.856.317)
Others		(25.366.786.489)	(27.024.483.819)
Valuation of other assets and liabilities in foreign currency - net	f.2	(14.433.328.664)	(1.599.279.739)
		(388.913.108.164)	(369.988.329.035)
		229.010.641.043	150.329.940.484
EXTRAORDINARY GAINS AND LOSSES			
Extraordinary gains		5.267.400.785	3.922.842.366
Extraordinary losses		(3.992.008.222)	(9.611.775.942)
		1.275.392.563	(5.688.933.576)
PRIOR YEAR ADJUSTMENTS			
Gains		394.638.738	695.202.436
Losses		(804.913.290)	(1.894.167.588)
	d.3	(410.274.552)	(1.198.965.152)
		229.875.759.054	143.442.041.756
PROFIT FOR THE YEAR BEFORE INCOME TAX			
Income Tax	f.4	(18.421.622.748)	(8.786.082.611)
		211.454.136.306	134.655.959.145

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Partner

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BANCO REGIONAL S.A.E.C.A.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2015

Presented for comparative purposes with the financial statements of prior year
 (Amounts expressed in Paraguayan guaraníes)

CONCEPT	Capital		Non-capitalized contributions	Revaluation reserve	Legal reserve	Retained earnings (accumulated losses)	Profit (Loss) for the year	Total
	Shares of common stock	Shares of preferred stock						
Balance as of December 31, 2013	347.587.100.000	250.000.000.000	0	28.465.474.948	151.729.072.467	0	150.678.821.453	928.460.468.868
plus (minus):								
Transfer of prior year results	-	-	-	-	-	150.678.821.453	(150.678.821.453)	-
Capitalization of earnings	70.198.300.000	-	-	-	-	(70.198.300.000)	-	-
Increase of capital	19.670.400.000	-	-	-	-	-	-	19.670.400.000
Issue premium	-	-	22.620.960.000	-	-	-	-	22.620.960.000
Irrevocable contributions for future integrations of share	-	-	14.300.000.000	-	-	-	-	14.300.000.000
Irrevocable contribution to share premium	-	-	16.445.000.000	-	-	-	-	16.445.000.000
Additions to legal reserve	-	-	-	-	31.668.929.740	(31.668.929.740)	-	-
Cash dividends - preferred shares	-	-	-	-	-	(45.000.000.000)	-	(45.000.000.000)
Cash dividends - common shares	-	-	-	-	-	(3.811.591.713)	-	(3.811.591.713)
Revaluation of property, plant and equipment	-	-	-	2.911.386.003	-	-	-	2.911.386.003
Profit for the year	-	-	-	-	-	-	134.655.959.145	134.655.959.145
Balance as of December 31, 2014	437.455.800.000	250.000.000.000	53.365.960.000	31.376.860.951	183.398.002.207	0	134.655.959.145	1.090.252.582.303
plus (minus):								
Transfer of prior year results	-	-	-	-	-	134.655.959.145	(134.655.959.145)	-
Capitalization of earnings	61.464.000.000	-	-	-	-	(61.464.000.000)	-	-
Capitalization of contributions	13.405.700.000	-	(13.405.700.000)	-	-	-	-	-
Capitalization of issue premium	22.620.900.000	-	(22.620.900.000)	-	-	-	-	-
Additions to legal reserve	-	-	-	-	28.688.408.352	(28.688.408.352)	-	-
Cash dividends - preferred shares	-	-	-	-	-	(40.000.000.000)	-	(40.000.000.000)
Cash dividends - common shares	-	-	-	-	-	(4.503.550.793)	-	(4.503.550.793)
Revaluation of property, plant and equipment	-	-	-	2.258.608.926	-	-	-	2.258.608.926
Profit for the year	-	-	-	-	-	-	211.454.136.306	211.454.136.306
Balance as of December 31, 2015	534.946.400.000	250.000.000.000	17.339.360.000	33.635.469.877	212.086.410.559	0	211.454.136.306	1.259.461.776.742

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CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2015
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	Note	DECEMBER 31, 2015	DECEMBER 31, 2014
CASH FLOWS FROM OPERATING ACTIVITIES			
PROFIT FOR THE YEAR		211.454.136.306	134.655.959.145
PLUS EXPENSES NOT INVOLVING USE OF CASH			
Depreciation of property, plant and equipment	c.9	13.870.672.641	13.119.470.810
Amortization of deferred charges		4.560.476.909	3.267.856.317
Increase in allowances	c.7	679.962.671.127	484.373.460.615
Accrual for income taxes	f.4	18.421.622.748	8.786.082.611
Accrued interests unpaid		170.005.419.077	144.378.345.103
Valuation of foreign currency accounts		16.841.367.891	3.682.202.606
Net value of disposal of property, plant and equipment	c.9	906.289.830	245.532.192
		904.568.520.223	657.852.950.254
LESS INCOME NOT INVOLVING CASH INFLOW			
Reversal of allowances	c.7	(502.853.085.550)	(390.591.549.302)
Accrued interests not collected		(299.169.385.807)	(228.094.513.956)
		(802.022.471.357)	(618.686.063.258)
Net decrease (increase) in loans		557.651.905.485	(1.489.100.389.902)
Net increase in other receivables		(9.525.553.750)	(16.552.146.100)
Net (decrease) increase in financial liabilities		(741.164.179.897)	19.038.803.678
Net (decrease) increase in other liabilities		(24.621.768.335)	4.768.838.845
Net decrease in accruals		(7.245.129.074)	(3.942.249.160)
Income tax paid		(8.786.082.612)	-
		(233.690.808.183)	(1.485.787.142.639)
Net cash flows generated by (used in) operating activities		80.309.376.989	(1.311.964.296.498)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net decrease (increase) in government securities		313.028.742.883	(15.130.587.281)
Net increase in investments		(115.157.948.468)	(11.020.578.329)
Acquisition of property, plant and equipment	c.9	(9.821.932.321)	(13.238.831.096)
Net increase of deferred charges		(1.581.422.993)	(4.034.271.645)
Cash generated by (used in) used in investing activities		186.467.439.101	(43.424.268.351)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of dividends		(44.503.550.793)	(48.811.591.713)
Additional paid-in capital		-	73.036.360.000
Cash from bonds issued abroad		-	1.388.700.000.000
Net cash flows (used in) generated by financing activities		(44.503.550.793)	1.412.924.768.287
NET INCREASE IN CASH		222.273.265.297	57.536.203.438
Cash and cash equivalents at beginning of year		2.350.848.529.321	2.293.312.325.883
Cash and cash equivalents at end of year		2.573.121.794.618	2.350.848.529.321

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