

BANCO REGIONAL S.A.E.C.A.
BALANCE SHEET AS OF MARCH 31, 2016

Presented for comparative purposes with the financial statements at December 31, 2015
 (Amounts expressed in Paraguayan guaraníes)

ASSETS	Note	MARCH 31, 2016	DECEMBER 31, 2015
CASH AND BANKS			
Cash		258.796.554.737	302.170.670.798
Central Bank of Paraguay	c.3	2.113.155.564.367	1.836.895.255.696
Other financial institutions		880.238.692.907	362.159.611.533
Checks and other documents to be offset		145.516.799.048	71.029.853.604
Accrued interests		1.020.912.420	869.153.340
Allowances	c.7	(16.021.682)	(2.750.353)
		3.398.712.501.797	2.573.121.794.618
GOVERNMENT AND PRIVATE SECURITIES			
	c.4	716.911.524.464	776.056.377.822
PERFORMING LOANS			
FINANCIAL SECTOR			
Other financial institutions		557.223.057.447	569.072.540.268
Transactions to be settled	c.18	50.054.422.482	-
Loans for overdrafts		28.378.114	-
Accrued interests		12.287.459.590	12.574.291.630
Allowances	c.7	(887.409.190)	(902.883.770)
	c.6.1	618.705.908.443	580.743.948.128
PERFORMING LOANS			
NONFINANCIAL SECTOR			
Loans to private sector		10.242.973.732.413	10.741.113.748.534
Receivables from deferred letters of credit		133.386.351.430	118.282.475.861
Transactions to be settled	c.18	40.089.500.000	52.072.144.854
Loans to government sector		7.535.575.092	10.127.381.717
Unrealized valuation earnings		(911.088.365)	(4.042.402.700)
Accrued interests		253.862.691.043	231.178.401.734
Allowances	c.7	(178.895.554.416)	(180.192.370.436)
	c.6.2	10.498.041.207.197	10.968.539.379.564
OTHER RECEIVABLES			
	c.6.4	70.871.249.607	68.314.737.164
NONPERFORMING LOANS			
Loans to nonfinancial sector		268.104.936.759	262.772.736.620
Loans to government sector		1.620.806.576	1.672.119.884
Unrealized valuation earnings		(3.861.071.461)	(6.322.268.830)
Accrued interests		12.368.978.388	13.210.407.955
Allowances	c.7	(132.451.147.733)	(158.612.502.451)
	c.6.3	145.782.502.529	112.720.493.178
INVESTMENTS			
Private securities	c.8	6.693.888.720	6.693.888.916
Assets acquired in credit recovery	c.8	168.930.498.223	149.480.777.719
Other investments		3.658.662	3.774.491
Allowances	c.7	(9.680.922.117)	(8.769.240.392)
	c.8	165.947.123.488	147.409.200.735
PROPERTY, PLANT AND EQUIPMENT			
	c.9	70.134.602.233	70.888.661.398
DEFERRED CHARGES			
	c.10	8.153.975.925	8.763.048.641
TOTAL ASSETS		15.693.260.595.683	15.306.557.641.248

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 May 30, 2016
Deloitte & Touche - Paraguay

Ana Lía Simancas
 Partner

FREE TRANSLATION FROM THE ORIGINAL ISSUED IN SPANISH

BANCO REGIONAL S.A.E.C.A.
BALANCE SHEET AS OF MARCH 31, 2016

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LIABILITIES	Note	MARCH 31, 2016	DECEMBER 31, 2015
FINANCIAL LIABILITIES			
FINANCIAL SECTOR			
Central Bank of Paraguay		12.174.207.037	12.367.153.185
Deposits from other banks	c.15.1	709.520.575.559	448.103.649.492
Correspondents - deferred letters of credit		128.021.595.845	117.167.200.727
Loans from financial institutions		1.375.926.609.658	1.523.465.457.095
Compensation ATM operations pending		28.339.523.621	20.113.694.988
Bonds issued abroad	c.11.b)	1.688.613.000.000	1.742.073.000.000
Transactions to be settled	c.18	50.054.422.482	5
Accrued interests		50.121.548.408	78.913.528.072
	c.14	4.042.771.482.610	3.942.203.683.564
FINANCIAL LIABILITIES			
NONFINANCIAL SECTOR			
Deposits - Private Sector	c.15.1	8.342.339.727.781	8.346.150.838.966
Deposits - Public Sector	c.15.1	1.475.909.689.102	1.417.465.420.401
Other obligations		199.452.851.442	57.258.095.720
Debentures and bonds issued in circulation	c.11.a)	71.133.588.380	71.486.067.980
Transactions to be settled	c.18	40.318.135.481	52.559.226.882
Accrued interests		83.363.613.127	91.091.891.005
	c.14	10.212.517.605.313	10.036.011.540.954
OTHER LIABILITIES			
	c.17	87.748.461.032	43.702.621.002
ACCRUALS			
		32.177.769.141	25.178.018.986
TOTAL LIABILITIES			
		14.375.215.318.096	14.047.095.864.506
EQUITY			
Capital	b.5	784.946.400.000	784.946.400.000
Shares of common stock		534.946.400.000	534.946.400.000
Shares of preferred stock	c.12 f)	250.000.000.000	250.000.000.000
Non-Capitalized Contributions		17.339.360.000	17.339.360.000
Revaluation reserve		35.712.126.935	33.635.469.877
Legal reserve		212.086.410.559	212.086.410.559
Accumulated results		211.454.136.306	
Profit for the year		56.506.843.787	211.454.136.306
TOTAL EQUITY	D	1.318.045.277.587	1.259.461.776.742
TOTAL LIABILITIES AND EQUITY			
		15.693.260.595.683	15.306.557.641.248
CONTINGENCY AND MEMORANDUM ACCOUNTS			
TOTAL CONTINGENCIES ACCOUNTS	E	809.565.427.734	936.306.695.566
TOTAL MEMORANDUM ACCOUNTS	E	13.673.391.735.929	14.217.268.648.602

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BANCO REGIONAL S.A.E.C.A.
STATEMENT OF INCOME FOR THE PERIOD FOR THREE MONS ENDED MARCH 31, 2016
Presented for comparative purposes with the financial statements of prior period
(Amounts expressed in Paraguayan guaraníes)

	Note	MARCH 31, 2016	MARCH 31, 2015
FINANCIAL INCOME			
From performing loans - Financial sector		23.063.870.528	33.271.525.743
From performing loans - Nonfinancial sector		289.415.945.459	237.534.851.530
From nonperforming loans		5.188.812.321	2.682.982.530
From income and listed price differences of government securities		7.356.559.319	8.937.191.123
From valuation of financial assets and liabilities in foreign currency	f.2	1.993.062.863	4.329.903.286
		327.018.250.490	286.756.454.212
FINANCIAL EXPENSES			
From financial liabilities - Financial sector		(25.003.230.909)	(21.185.780.979)
From financial liabilities - Nonfinancial sector		(123.691.878.391)	(115.973.029.686)
		(148.695.109.300)	(137.158.810.665)
FINANCIAL INCOME BEFORE ALLOWANCES		178.323.141.190	149.597.643.547
ALLOWANCES			
Additions	c.7	(207.317.165.520)	(116.645.540.876)
Reversals	c.7	136.476.055.138	86.529.181.383
		(70.841.110.382)	(30.116.359.493)
FINANCIAL PROFIT AFTER ALLOWANCES		107.482.030.808	119.481.284.054
NET INCOME FROM SERVICES			
Income from services		33.145.235.922	28.117.008.112
Expenses from services		(5.742.488.118)	(4.267.589.793)
		27.402.747.804	23.849.418.319
GROSS PROFIT		134.884.778.612	143.330.702.373
OTHER OPERATING INCOME			
Gain for exchange and arbitrage operation		10.016.260.124	8.542.974.724
Gain from other receivables		-	32.442
Income from operating leasing		407.093.057	426.270.906
Other income		2.495.754.442	-
		12.919.107.623	8.969.278.072
OTHER OPERATING EXPENSES			
Salaries and social securities		(46.867.991.082)	(43.859.090.105)
General expenses		(33.853.523.692)	(36.161.884.263)
Depreciation of property, plant and equipment	c.9	(3.339.245.195)	(3.623.980.010)
Amortization of deferred charges		(769.483.190)	(816.268.281)
Others		(6.804.500.305)	(5.269.105.079)
Valuation of other assets and liabilities in foreign currency - net	f.2	-	(6.384.335.966)
		(91.634.743.464)	(96.114.663.704)
NET OPERATING PROFIT		56.169.142.771	56.185.316.741
EXTRAORDINARY GAINS AND LOSSES			
Extraordinary gains		5.041.988.696	933.724.784
Extraordinary losses		(189.459.817)	(190.858.642)
		4.852.528.879	742.866.142
PRIOR YEAR ADJUSTMENTS			
Gains		828.921.928	127.006.424
Losses		(362.931.213)	(136.404.242)
	d.3	465.990.715	(9.397.818)
PROFIT FOR THE YEAR BEFORE INCOME TAX		61.487.662.365	56.918.785.065
Income Tax	f.4	(4.980.818.578)	(2.845.486.013)
NET PROFIT FOR THE YEAR		56.506.843.787	54.073.299.052

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

STATEMENT OF INCOME FOR THE PERIOD FOR THREE MONS ENDED MARCH 31, 2016

Presented for comparative purposes with the financial statements of prior period
 (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, 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)	-
Revaluation of property, plant and equipment	-	-	-	762.678.849	-	-	-	762.678.849
Profit for the year	-	-	-	-	-	-	54.073.299.052	54.073.299.052
Balance as of March 31, 2015	437.455.800.000	250.000.000.000	53.365.960.000	32.139.539.800	183.398.002.207	134.655.959.145	54.073.299.052	1.145.088.560.204
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
plus (minus):								
Transfer of prior year results	-	-	-	-	-	211.454.136.306	(211.454.136.306)	-
Revaluation of property, plant and equipment	-	-	-	2.076.657.058	-	-	-	2.076.657.058
Profit for the year	-	-	-	-	-	-	56.506.843.787	56.506.843.787
Balance as of March 31, 2016	534.946.400.000	250.000.000.000	17.339.360.000	35.712.126.935	212.086.410.559	211.454.136.306	56.506.843.787	1.318.045.277.587

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BANCO REGIONAL S.A.E.C.A.
CASH FLOWS FOR THE PERIOD FOR THREE MONS ENDED MARCH 31, 2016
Presented for comparative purposes with the financial statements of prior period
(Amounts expressed in Paraguayan guaraníes)

	Note	MARCH 31, 2016	MARCH 31, 2015
CASH FLOWS FROM OPERATING ACTIVITIES			
PROFIT FOR THE YEAR		56.506.843.787	54.073.299.052
PLUS EXPENSES NOT INVOLVING USE OF CASH			
Depreciation of property, plant and equipment	c.9	3.339.245.195	3.623.980.010
Amortization of deferred charges		769.483.190	816.268.281
Increase in allowances	c.7	207.317.165.520	116.645.540.876
Accrual for income taxes	f.4	4.980.818.578	2.845.486.013
Accrued interests unpaid		133.485.161.535	126.048.768.499
Net value of disposal of property, plant and equipment	c.9	49.230.890	-
		349.941.104.908	249.980.043.679
LESS INCOME NOT INVOLVING CASH INFLOW			
Valuation of foreign currency accounts		(63.513.340.956)	2.054.432.680
Reversal of allowances	c.7	(136.476.055.138)	(86.529.181.383)
Accrued interests not collected		(319.465.895.397)	(266.428.347.540)
		(519.455.291.491)	(350.903.096.243)
Net decrease (increase) in loans		395.073.501.741	(551.338.566.274)
Net increase in other receivables		(1.276.940.732)	(12.099.013.849)
Net increase in financial liabilities		398.146.969.204	686.442.366.879
Net increase in other liabilities		45.526.214.578	20.010.170.553
Net decrease in accruals		3.285.517.230	898.023.861
		840.755.262.021	143.912.981.170
Net cash flows generated by (used in) operating activities		727.747.919.225	97.063.227.658
CASH FLOWS FROM INVESTING ACTIVITIES			
Net decrease (increase) in government securities		98.560.958.290	177.883.138.578
Net increase in investments		-	5.429.969.852
Acquisition of property, plant and equipment	c.9	(557.759.862)	(1.092.792.096)
Net increase of deferred charges		(160.410.474)	169.487.820
Cash generated by (used in) used in investing activities		97.842.787.954	182.389.804.154
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash from bonds issued abroad		-	51.000.000.000
Net cash flows (used in) generated by financing activities		-	51.000.000.000
NET INCREASE IN CASH		825.590.707.179	330.453.031.812
Cash and cash equivalents at beginning of year		2.573.121.794.618	2.350.848.529.321
Cash and cash equivalents at end of year		3.398.712.501.797	2.681.301.561.133

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