

BANCO REGIONAL S.A.E.C.A.
BALANCE SHEET AS OF SEPTEMBER 30, 2015

Presented for comparative purposes with the financial statements at December 31, 2014
(Amounts expressed in Paraguayan guaraníes)

ASSETS	Note	SEPTEMBER 30, 2015	DECEMBER 31, 2014
CASH AND DUE FROM BANKS			
Cash		216.646.960.035	247.773.695.991
Central Bank of Paraguay	c.3	1.885.197.764.035	1.748.780.022.138
Other financial institutions		362.831.360.174	235.031.278.343
Checks and other documents to be offset		181.070.785.464	118.440.281.759
Accrued interests		715.145.150	825.474.163
Allowances	c.7	(13.908.661)	(2.223.073)
		2.646.448.106.197	2.350.848.529.321
GOVERNMENT AND PRIVATE SECURITIES			
	c.4	1.275.998.530.459	1.047.045.119.630
PERFORMING LOANS			
FINANCIAL SECTOR			
Other financial institutions		639.419.658.555	756.273.196.664
Transactions to be settled	c.18	257.069.759.146	87.459.878.258
Loans for overdrafts		766.714.117	4.251.611
Accrued interests		14.568.814.235	21.261.218.718
Allowances	c.7	(1.046.862.424)	(663.257.870)
	c.6.1	910.778.083.629	864.335.287.381
PERFORMING LOANS			
NONFINANCIAL SECTOR			
Loans to private sector		10.467.199.466.117	8.966.770.857.220
Receivables from deferred letters of credit		119.921.126.873	71.057.392.472
Transactions to be settled	c.18	62.128.363.948	75.089.889.573
Loans to government sector		7.116.734.830	6.499.011.725
Unrealized valuation earnings		(5.835.331.780)	(1.189.259.073)
Accrued interests		233.151.083.275	158.077.623.786
Allowances	c.7	(155.182.457.035)	(82.322.978.224)
	c.6.2	10.728.498.986.228	9.193.982.537.479
OTHER RECEIVABLES			
	c.6.4	90.352.095.208	56.415.672.975
NONPERFORMING LOANS			
Loans to nonfinancial sector		257.234.520.923	201.396.289.226
Loans to government sector		2.861.664.901	2.552.519.002
Unrealized valuation earnings		(6.580.559.107)	(1.075.890.197)
Accrued interests		12.265.748.589	9.606.545.640
Allowances	c.7	(137.892.413.917)	(130.582.961.979)
	c.6.3	127.888.961.389	81.896.501.692
INVESTMENTS			
Private securities	c.8	6.693.888.728	6.049.166.575
Foreclosed assets	c.8	20.044.255.547	36.228.811.836
Other investments		3.663.459	3.008.850
Income from investments in the private sector		1	-
Allowances	c.7	(6.771.767.526)	(10.127.753.563)
	c.8	19.970.040.209	32.153.233.698
PROPERTY, PLANT AND EQUIPMENT			
	c.9	68.444.786.057	73.585.082.622
DEFERRED CHARGES			
	c.10	9.618.979.019	11.742.102.557
TOTAL ASSETS		15.877.998.568.395	13.712.004.067.355

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

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BALANCE SHEET AS OF SEPTEMBER 30, 2015

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(Amounts expressed in Paraguayan guaraníes)

LIABILITIES	Note	SEPTEMBER 30, 2015	DECEMBER 31, 2014
FINANCIAL LIABILITIES			
FINANCIAL SECTOR			
Central Bank of Paraguay		12.569.594.671	11.440.533.475
Deposits from other banks	c.15.1	612.022.718.092	587.556.869.648
Correspondents - deferred letters of credit		117.623.205.733	70.450.292.410
Loans from financial institutions		1.505.482.253.238	1.257.078.113.626
Compensation ATM operations pending		21.708.103.023	8.039.608.417
Bonds issued abroad	c.11.b	1.690.827.000.000	1.388.700.000.000
Transactions to be settled	c.18	265.449.200.882	86.973.115.207
Accrued interests		54.260.705.590	62.973.674.763
	c.14	4.279.942.781.229	3.473.212.207.546
FINANCIAL LIABILITIES			
NONFINANCIAL SECTOR			
Deposits - Private Sector	c.15.1	8.320.343.144.088	7.516.227.808.722
Deposits - Public Sector	c.15.1	1.502.007.137.066	1.235.309.087.437
Other obligations		236.209.808.641	70.349.188.754
Debentures and bonds issued in circulation	c.11	96.148.186.020	94.156.162.000
Transactions to be settled	c.18	63.569.100.721	75.849.654.796
Accrued interests		92.405.256.869	81.404.670.340
	c.14	10.310.682.633.405	9.073.296.572.049
OTHER LIABILITIES			
	c.17	62.595.345.974	60.837.995.281
ACCRUALS			
		20.143.816.843	14.404.710.176
TOTAL LIABILITIES			
		14.673.364.577.451	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		32.866.793.398	31.376.860.951
Legal reserve		212.086.410.559	183.398.002.207
Profit for the year		157.395.026.987	134.655.959.145
TOTAL EQUITY	D	1.204.633.990.944	1.090.252.582.303
TOTAL LIABILITIES AND EQUITY			
		15.877.998.568.395	13.712.004.067.355
CONTINGENCY AND MEMORANDUM ACCOUNTS			
TOTAL CONTINGENCIES ACCOUNTS	E	933.427.149.066	927.632.296.686
TOTAL MEMORANDUM ACCOUNTS	E	14.141.940.829.094	16.776.075.858.045

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

BANCO REGIONAL S.A.E.C.A.
STATEMENT OF INCOME FOR THE PERIOD FOR NINE MONS ENDED SEPTEMBER 30, 2015
Presented for comparative purposes with the financial statements of prior period
(Amounts expressed in Paraguayan guaraníes)

	Note	SEPTEMBER 30, 2015	SEPTEMBER 30, 2014
FINANCIAL INCOME			
From performing loans - Financial sector		91.875.215.970	106.371.897.280
From performing loans - Nonfinancial sector		757.902.369.026	613.412.653.128
From nonperforming loans		14.555.149.043	11.659.218.487
From income and listed price differences of government securities		29.448.767.118	27.985.449.405
		<u>893.781.501.157</u>	<u>759.429.218.300</u>
FINANCIAL EXPENSES			
From financial liabilities - Financial sector		(67.017.736.701)	(56.032.629.358)
From financial liabilities - Nonfinancial sector		(351.178.358.452)	(362.073.093.350)
From valuation of financial assets and liabilities in foreign currency	f.2	(4.874.009.335)	(4.129.536.915)
		<u>(423.070.104.488)</u>	<u>(422.235.259.623)</u>
		470.711.396.669	337.193.958.677
ALLOWANCES			
Additions	c.7	(454.530.461.721)	(338.903.965.835)
Reversals	c.7	329.274.503.334	281.553.248.676
		<u>(125.255.958.387)</u>	<u>(57.350.717.159)</u>
		345.455.438.282	279.843.241.518
NET INCOME FROM SERVICES			
Income from services		100.417.731.644	86.361.567.485
Expenses from services		(16.868.792.153)	(11.751.696.963)
		<u>83.548.939.491</u>	<u>74.609.870.522</u>
		429.004.377.773	354.453.112.040
OTHER OPERATING INCOME			
Gain for exchange and arbitrage operation		26.734.199.755	18.583.878.482
Gain from other receivables		67.098	370.017.672
Income from operating leasing		-	52.380.952
Other income		1.440.984.181	1.260.976.701
From valuation of financial assets and liabilities in foreign currency	f.2	-	845.342.133
		<u>28.175.251.034</u>	<u>21.112.595.940</u>
OTHER OPERATING EXPENSES			
Salaries and social securities		(136.731.978.024)	(128.136.031.877)
General expenses		(109.738.785.787)	(103.553.762.995)
Depreciation of property, plant and equipment	c.9	(10.766.413.646)	(9.660.863.665)
Amortization of deferred charges		(3.120.076.239)	(2.446.924.714)
Others		(19.751.844.668)	(19.027.678.766)
Valuation of other assets and liabilities in foreign currency - net	f.2	(8.057.504.019)	-
		<u>(288.166.602.383)</u>	<u>(262.825.262.017)</u>
		169.013.026.424	112.740.445.963
EXTRAORDINARY GAINS AND LOSSES			
Extraordinary gains		4.746.121.348	4.488.892.240
Extraordinary losses		(1.947.451.656)	(1.524.610.848)
		<u>2.798.669.692</u>	<u>2.964.281.392</u>
PRIOR YEAR ADJUSTMENTS			
Gains		127.057.624	662.661.999
Losses		(801.712.815)	(1.773.392.964)
	d.3	<u>(674.655.191)</u>	<u>(1.110.730.965)</u>
		171.137.040.925	114.593.996.390
PROFIT FOR THE YEAR BEFORE INCOME TAX			
Income Tax	f.4	(13.742.013.938)	(5.698.325.373)
		<u>157.395.026.987</u>	<u>108.895.671.017</u>

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


BANCO REGIONAL S.A.E.C.A.
STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FOR SIX MONS ENDED SEPTEMBER 30, 2015

Presented for comparative purposes whit the financial statements of prior period

(Amounts expressed in Paraguayan guaraníes)

Concepto	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	-	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)	-	-
Irrevocable contributions for future integrations of share	-	-	6.374.510.000	-	-	-	-	6.374.510.000
Irrevocable contribution to share premium	-	-	6.462.525.700	-	-	-	-	6.462.525.700
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	-	-	-	1.623.528.294	-	-	-	1.623.528.294
Profit for the period	-	-	-	-	-	-	108.895.671.017	108.895.671.017
Balance as of September 30, 2014	417.785.400.000	250.000.000.000	12.837.035.700	30.089.003.242	183.398.002.207	-	108.895.671.017	1.003.005.112.166
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	-	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 share 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	-	-	-	1.489.932.447	-	-	-	1.489.932.447
Profit for the year	-	-	-	-	-	-	157.395.026.987	157.395.026.987
Balance as of September 30, 2015	534.946.400.000	250.000.000.000	17.339.360.000	32.866.793.398	212.086.410.559	0	157.395.026.987	1.204.633.990.944

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BANCO REGIONAL S.A.E.C.A.
CASH FLOWS FOR THE PERIOD FOR NINE MONS ENDED SEPTEMBER 30, 2015

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

	<u>Note</u>	<u>SEPTEMBER 30, 2015</u>	<u>SEPTEMBER 30, 2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
PROFIT FOR THE YEAR		<u>157.395.026.987</u>	<u>108.895.671.017</u>
PLUS EXPENSES NOT INVOLVING USE OF CASH			
Depreciation of property, plant and equipment		10.766.413.646	9.660.863.665
Amortization of deferred charges		3.120.076.239	2.446.924.714
Increase in allowances	c.7	454.530.461.721	338.903.965.835
Accrual for income taxes	f.4	13.742.013.938	5.698.325.373
Accrued interests unpaid		146.665.962.459	119.613.396.570
Valuation of foreign currency accounts		12.931.513.354	3.284.194.782
Residual value of assets written off		678.072.338	116.235.532
		<u>642.434.513.695</u>	<u>479.723.906.471</u>
LESS INCOME NOT INVOLVING CASH INFLOW			
Reversal of allowances	c.6	(329.274.503.334)	(281.553.248.676)
Accrued interests not collected		(301.052.549.848)	(216.543.180.567)
		<u>(630.327.053.182)</u>	<u>(498.096.429.243)</u>
Increase (Decrease) in loans		234.781.881.601	(868.013.400.954)
Net increase in other receivables		(18.225.019.274)	(6.399.080.063)
Increase (Decrease) in liabilities from financial intermediation		175.664.003.271	(50.449.963.488)
(Decrease) increase in sundry obligations		(24.978.935.510)	5.373.852.456
Net Decrease in provisions		(6.351.586.883)	(6.298.502.722)
Income tax paid		(6.579.109.629)	(5.749.370.433)
		<u>354.311.233.576</u>	<u>(931.536.465.204)</u>
Net cash flows (used in) generated by operating activities		<u>523.813.721.076</u>	<u>(841.013.316.959)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Net increase in government securities		(190.735.045.769)	7.197.659.219
Net increase in investments		12.281.100.838	(34.893.066.173)
Acquisition of property, plant and equipment		(4.814.256.972)	(8.651.425.884)
Net increase of deferred charges		(442.391.504)	(3.465.160.290)
Cash used in investing activities		<u>(183.710.593.407)</u>	<u>(39.811.993.128)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of dividends		(44.503.550.793)	(48.811.591.713)
Additional paid-in capital		-	38.628.220.700
Cash from issuance of bonds		-	1.347.600.000.000
Net cash flows generated by (used in) financing activities		<u>(44.503.550.793)</u>	<u>1.337.416.628.987</u>
NET INCREASE IN CASH		295.599.576.876	456.591.318.900
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		<u>2.646.448.106.197</u>	<u>2.749.903.644.783</u>

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