



BANCO REGIONAL S.A.E.C.A.
BALANCE SHEET AS OF JUNE 30, 2016

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

ASSETS	Note	JUNE 30, 2016	DECEMBER 31, 2015
CASH AND BANKS			
Cash		221.532.866.951	302.170.670.798
Central Bank of Paraguay	c.3	2.191.066.702.584	1.836.895.255.696
Other financial institutions		872.520.496.112	362.159.611.533
Checks and other documents to be offset		204.032.443.899	71.029.853.604
Accrued interests		1.148.848.642	869.153.340
Allowances	c.7	(19.893.151)	(2.750.353)
		3.490.281.465.037	2.573.121.794.618
GOVERNMENT AND PRIVATE SECURITIES			
	c.4	883.557.034.605	776.056.377.822
PERFORMING LOANS			
FINANCIAL SECTOR			
Other financial institutions		473.660.396.489	569.072.540.268
Transactions to be settled	c.18	15.855.305.213	-
Loans for overdrafts		19.834.926	-
Accrued interests		9.077.626.931	12.574.291.630
Allowances	c.7	(910.234.190)	(902.883.770)
	c.6.1	497.702.929.369	580.743.948.128
PERFORMING LOANS			
NONFINANCIAL SECTOR			
Loans to private sector		9.975.630.327.948	10.741.113.748.534
Receivables from deferred letters of credit		134.517.243.644	118.282.475.861
Transactions to be settled	c.18	13.070.600.000	52.072.144.854
Loans to government sector		7.435.575.092	10.127.381.717
Unrealized valuation earnings		(1.733.896.617)	(4.042.402.700)
Accrued interests		188.977.413.930	231.178.401.734
Allowances	c.7	(182.071.705.198)	(180.192.370.436)
	c.6.2	10.135.825.558.799	10.968.539.379.564
OTHER RECEIVABLES			
	c.6.4	69.303.892.807	68.314.737.164
NONPERFORMING LOANS			
Loans to nonfinancial sector		257.010.201.063	262.772.736.620
Loans to government sector		1.609.360.426	1.672.119.884
Unrealized valuation earnings		(3.131.383.381)	(6.322.268.830)
Accrued interests		13.268.822.661	13.210.407.955
Allowances	c.7	(118.676.496.495)	(158.612.502.451)
	c.6.3	150.080.504.274	112.720.493.178
INVESTMENTS			
Private securities	c.8	8.913.888.676	6.693.888.916
Assets acquired in credit recovery	c.8	157.084.513.851	149.480.777.719
Other investments		3.632.824	3.774.491
Allowances	c.7	(13.463.446.306)	(8.769.240.392)
	c.8	152.538.589.045	147.409.200.735
PROPERTY, PLANT AND EQUIPMENT			
	c.9	71.400.065.901	70.888.661.398
DEFERRED CHARGES			
	c.10	7.333.661.788	8.763.048.641
TOTAL ASSETS		15.458.023.701.625	15.306.557.641.248

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

Draft - Before the opinion of external auditors



BANCO REGIONAL S.A.E.C.A.
BALANCE SHEET AS OF JUNE 30, 2016

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

LIABILITIES	Note	JUNE 30, 2016	DECEMBER 31, 2015
FINANCIAL LIABILITIES			
FINANCIAL SECTOR			
Central Bank of Paraguay		12.522.917.915	12.367.153.185
Deposits from other banks	c.15.1	665.873.807.042	448.103.649.492
Correspondents - deferred letters of credit		133.643.137.118	117.167.200.727
Loans from financial institutions		1.293.523.228.352	1.523.465.457.095
Compensation ATM operations pending		27.866.719.787	20.113.694.988
Bonds issued abroad	c.11.b)	1.676.688.000.000	1.742.073.000.000
Transactions to be settled	c.18	18.172.035.652	5
Accrued interests		79.064.573.483	78.913.528.072
	c.14	3.907.354.419.349	3.942.203.683.564
FINANCIAL LIABILITIES			
NONFINANCIAL SECTOR			
Deposits - Private Sector	c.15.1	8.235.986.652.040	8.346.150.838.966
Deposits - Public Sector	c.15.1	1.477.959.428.887	1.417.465.420.401
Other obligations		175.837.758.299	57.258.095.720
Debentures and bonds issued in circulation	c.11.a)	155.177.287.680	71.486.067.980
Transactions to be settled	c.18	13.059.426.019	52.559.226.882
Accrued interests		75.972.634.838	91.091.891.005
	c.14	10.133.993.187.763	10.036.011.540.954
OTHER LIABILITIES			
	c.17	67.345.562.139	43.702.621.002
ACCRUALS			
		19.248.790.374	25.178.018.986
TOTAL LIABILITIES			
		14.127.941.959.625	14.047.095.864.506
EQUITY			
Capital	b.5	908.028.700.000	784.946.400.000
Shares of common stock		658.028.700.000	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		35.489.543.937	33.635.469.877
Legal reserve		258.061.562.370	212.086.410.559
Accumulated results		-	-
Profit for the year		111.162.575.693	211.454.136.306
TOTAL EQUITY	D	1.330.081.742.000	1.259.461.776.742
TOTAL LIABILITIES AND EQUITY			
		15.458.023.701.625	15.306.557.641.248
CONTINGENCY AND MEMORANDUM ACCOUNTS			
TOTAL CONTINGENCIES ACCOUNTS	E	875.335.801.453	936.306.695.566
TOTAL MEMORANDUM ACCOUNTS	E	13.366.856.652.513	14.217.268.648.602

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

Draft - Before the opinion of external auditors



BANCO REGIONAL S.A.E.C.A.
STATEMENT OF INCOME FOR THE PERIOD FOR SIX MONS ENDED JUNE 30, 2016
Presented for comparative purposes with the financial statements of prior period
(Amounts expressed in Paraguayan guaraníes)

	Note	JUNE 30, 2016	JUNE 30, 2015
FINANCIAL INCOME			
From performing loans - Financial sector		49.365.535.798	64.239.443.598
From performing loans - Nonfinancial sector		575.085.988.222	488.540.593.559
From nonperforming loans		15.354.622.310	7.096.841.853
From income and listed price differences of government securities		16.660.733.971	20.612.103.902
From valuation of financial assets and liabilities in foreign currency	f.2	-	718.126.202
		656.466.880.301	581.207.109.114
FINANCIAL EXPENSES			
From financial liabilities - Financial sector		(50.023.590.790)	(42.534.253.369)
From financial liabilities - Nonfinancial sector		(246.451.797.747)	(233.075.600.194)
From valuation of financial assets and liabilities in foreign currency	f.2	(323.156.218)	-
		(296.798.544.755)	(275.609.853.563)
FINANCIAL INCOME BEFORE ALLOWANCES		359.668.335.546	305.597.255.551
ALLOWANCES			
Additions	c.7	(493.955.950.837)	(286.601.528.980)
Reversals	c.7	354.321.212.536	205.822.546.068
		(139.634.738.301)	(80.778.982.912)
FINANCIAL PROFIT AFTER ALLOWANCES		220.033.597.245	233.441.320.086
NET INCOME FROM SERVICES			
Income from services		73.529.705.481	62.273.486.259
Expenses from services		(14.431.870.640)	(10.180.117.913)
		59.097.834.841	52.093.368.346
GROSS PROFIT		279.131.432.086	285.534.688.432
OTHER OPERATING INCOME			
Gain for exchange and arbitrage operation		19.889.146.834	18.276.984.484
Gain from other receivables		-	54.413
Income from operating leasing		-	-
Other income		858.274.482	945.985.855
		3.859.452.074	-
		24.606.873.390	19.223.024.752
OTHER OPERATING EXPENSES			
Salaries and social securities			
General expenses		(93.708.440.444)	(88.173.466.198)
Depreciation of property, plant and equipment	c.9	(70.480.253.124)	(73.920.582.677)
Amortization of deferred charges		(6.652.757.686)	(7.286.354.738)
Others		(1.495.798.647)	(1.741.737.288)
Valuation of other assets and liabilities in foreign currency - net	f.2	(11.878.886.645)	(13.070.024.808)
		-	(4.965.210.338)
		(184.216.136.546)	(197.780.423.494)
NET OPERATING PROFIT		119.522.168.930	106.977.289.690
EXTRAORDINARY GAINS AND LOSSES			
Extraordinary gains		7.220.650.093	3.836.932.400
Extraordinary losses		(6.634.032.986)	(1.410.739.780)
		586.617.107	2.426.192.620
PRIOR YEAR ADJUSTMENTS			
Gains		2.922.493.364	127.006.424
Losses		(1.292.294.989)	(140.872.379)
	d.3	1.630.198.375	(13.865.955)
PROFIT FOR THE YEAR BEFORE INCOME TAX		121.738.984.412	109.389.616.355
Income Tax	f.4	(10.576.408.719)	(8.738.412.896)
NET PROFIT FOR THE YEAR		111.162.575.693	100.651.203.459

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Draft - Before the opinion of external auditors



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

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FOR SIX MONS ENDED JUNE 30, 2016

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, 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)	-	-
Irrevocable contribution to 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	-	-	-	1.642.525.180	-	-	-	1.642.525.180
Profit for the period	-	-	-	-	-	-	100.651.203.459	100.651.203.459
Balance as of June 30, 2015	521.540.700.000	250.000.000.000	30.745.060.000	33.019.386.131	212.086.410.559	0	100.651.203.459	1.148.042.760.149
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	-	211.454.136.306	1.259.461.776.742
plus (minus):								
Transfer of prior year results	-	-	-	-	-	211.454.136.306	(211.454.136.306)	-
Capitalization of earnings	123.082.300.000	-	-	-	-	(123.082.300.000)	-	-
Capitalization of Contributions	-	-	-	-	-	-	-	-
Additions to legal reserve	-	-	-	-	45.975.151.811	(45.975.151.811)	-	-
Cash dividends - preferred shares	-	-	-	-	-	(40.000.000.000)	-	(40.000.000.000)
Cash dividends - common shares	-	-	-	-	-	(2.396.684.495)	-	(2.396.684.495)
Revaluation of property, plant and equipment	-	-	-	1.854.074.060	-	-	-	1.854.074.060
Profit for the year	-	-	-	-	-	-	111.162.575.693	111.162.575.693
Balance as of June 30, 2016	658.028.700.000	250.000.000.000	17.339.360.000	35.489.543.937	258.061.562.370	-	111.162.575.693	1.330.081.742.000

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BANCO REGIONAL S.A.E.C.A.
CASH FLOWS FOR THE PERIOD FOR SIX MONS ENDED JUNE 30, 2016
 Presented for comparative purposes with the financial statements of prior period
 (Amounts expressed in Paraguayan guaraníes)

	Note	JUNE 30, 2016	JUNE 30, 2015
CASH FLOWS FROM OPERATING ACTIVITIES			
PROFIT FOR THE YEAR		111.162.575.693	100.651.203.459
PLUS EXPENSES NOT INVOLVING USE OF CASH			
Depreciation of property, plant and equipment	c.9	6.652.757.686	7.286.354.738
Amortization of deferred charges		1.495.798.647	1.741.737.288
Increase in allowances	c.7	493.955.950.837	286.601.528.980
Accrual for income taxes	f.4	10.576.408.719	8.738.412.896
Accrued interests unpaid		155.037.208.321	159.509.316.651
Valuation of foreign currency accounts		-	4.247.084.136
Net value of disposal of property, plant and equipment	c.9	1.491.466.719	391.405.733
		669.209.590.929	468.515.840.422
LESS INCOME NOT INVOLVING CASH INFLOW			
Valuation of foreign currency accounts		(3.536.295.856)	-
Reversal of allowances	c.7	(354.321.212.536)	(205.822.546.068)
Accrued interests not collected		(249.874.734.829)	(254.559.217.857)
		(607.732.243.221)	(460.381.763.925)
Net decrease (increase) in loans		590.522.442.402	499.499.635.269
Net increase in other receivables		1.102.783.423	(10.806.114.225)
Net increase in financial liabilities		266.184.680.660	(78.500.888.783)
Net increase in other liabilities		26.438.923.352	(6.999.012.272)
Net decrease in accruals		(10.388.387.784)	(3.335.412.959)
Income Tax Paid		(4.605.405.687)	(2.196.520.653)
		869.255.036.366	397.661.686.377
Net cash flows generated by (used in) operating activities		1.041.894.959.767	506.446.966.333
CASH FLOWS FROM INVESTING ACTIVITIES			
Net decrease (increase) in government securities		(70.341.107.994)	(40.427.540.029)
Net increase in investments		(5.129.530.217)	12.938.644.107
Acquisition of property, plant and equipment	c.9	(6.801.554.848)	(3.288.448.260)
Net increase of deferred charges		(66.411.794)	(689.249.043)
Cash generated by (used in) used in investing activities		(82.338.604.853)	(31.466.593.225)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash from bonds issued abroad		(42.396.684.495)	(44.503.550.793)
Net cash flows (used in) generated by financing activities		(42.396.684.495)	(44.503.550.793)
NET INCREASE IN CASH		917.159.670.419	430.476.822.315
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		3.490.281.465.037	2.781.325.351.636

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