

**NOTES TO THE FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED
SEPTEMBER 30, 2017**

**Presented on a comparative basis, as applicable, with the information for the year ended December 31, 2016 and
the corresponding information for the nine months ended September 30, 2016**

(Figures stated in Paraguayan guaranies)

A. CONSIDERATION BY THE SHAREHOLDERS' MEETING AND PURPOSE OF PREPARATION OF THESE FINANCIAL STATEMENTS

The financial statements of Banco Regional S.A.E.C.A. (Hereinafter, referred to variously as Banco Regional SAECA or "the Bank" or "Bank") as of December 31, 2016 were approved by the Ordinary General Meeting of Shareholders held on 28 April 2017 within the period specified in the Statutes social and Article 1079 of the Civil Code.

These financial statements cover an interim period of nine months ended September 30, 2017 that do not require the approval of the Shareholders.

B. BASIC INFORMATION ABOUT THE BANK

b.1 Legal status

Banco Regional Sociedad Anónima Emisora de Capital Abierto began doing business under the name of Banco Regional S.A. de Inversión y Fomento, authorized by Presidential Decree No. 4321 dated January 8, 1990, and by the Central Bank of Paraguay (hereinafter referred as "Central Bank of Paraguay" or "BCP") through Resolution No. 5, Record No. 11 dated February 13, 1991.

Through Resolution No. 3, Record No. 214, dated December 1, 1998, the Board of Directors of the Central Bank of Paraguay authorized Banco Regional S.A. de Inversión y Fomento to amend its Bylaws, as decided by Special Shareholders' Meeting held on April 24, 1998, to change its original name to Banco Regional S.A.

Through Resolution No. 1, Record No. 96, dated November 19, 2008, the Board of Directors of the Central Bank of Paraguay authorized Banco Regional S.A. to amend its Bylaws, as decided by Special Shareholders' Meeting held on September 30, 2008, to change its previous business name to Banco Regional S.A.E.C.A. The amendment was registered with the Public Registries on November 21, 2008, and with the CNV (Paraguayan securities commission) on December 4, 2008, through CNV Resolution No. 1156/08.

On April 22, 2009, the acquisition of 100% of the shares of Banco ABN AMRO Paraguay S.A. was completed, with the purpose of merging the latter with and into Banco Regional SAECA. On September 3, 2009, the final merger agreement involving Banco ABN AMRO Paraguay S.A. was executed. On September 4, 2009, the Special Shareholders' Meeting of Banco Regional S.A.E.C.A. was held, during which the merger agreement between both banks was officially approved. In view of this process, Banco Regional S.A.E.C.A., as the controlling Entity, assumes all rights and obligations of the acquired entity.

As of September 30, 2017, the Bank had 36 branches (37 branches as of December 31, 2016).

b.2 Basis of preparation of the financial statements

The financial statements are a free translation into English of those originally prepared in Spanish, expressed in local currency (Guaranies or PYG).

The financial statements have been prepared in accordance with accounting standards and specific instructions issued by the Central Bank of Paraguay and, on aspects not covered by them, in accordance with applicable financial reporting standards in the country, issued by the Public Accountants Council of Paraguay.

The model is based on a conventional basis of historical cost, except for property, plant and equipment that are exposed

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to their revalued amounts, as explained in note c.9 and the treatment assigned to monetary assets and liabilities in foreign currency, as explained in note c.1, not recognized in the overall effects of inflation on the financial position of the institution, or results of operations. According to the Consumer Price Index published by the Central Bank of Paraguay, inflation for the nine months ended September 30, 2017 and September 30, 2016 it was 2.7% and 2.5% respectively. Accumulated inflation for the year ended December 31, 2016 was 3.9%.

The accounting rules set by the Central Bank of Paraguay differ from the existing standards of financial reporting in Paraguay, mainly in the following aspects:

- a. They do not require the issuance of the statement of cash flows and the comparative financial statements.
- b. The adjustments to accumulated results are recorded as income (expense) for the year without affecting the Bank's equity accounts.
- c. The accounting record of the deferred tax is not contemplated
- d. Earnings per share do not need to be calculated or disclosed.
- e. There are specific criteria for the classification and valuation of the loan portfolio, the accrual recognition of interest and gains from valuation is suspended, as mentioned in note c.6.
- f. Banks are required to set allowances for loan losses, allowances for contingent risks and assets in general based on the parameters set forth in Resolution 1, Record No. 60, of the Board of Directors of the Central Bank of Paraguay dated September 28, 2007 and subsequent amendments.
- g. No disclosure is required of PP&E movements.
- h. No disclosure is required of the concentration of liabilities by numbers of depositors.
- i. No disclosure is required of the average interest rates or of the average assets and liabilities that have accrued interest.
- j. No opening movement of deferred charges is required.
- k. No disclosure of the base is required to identify the general risks of the banking industry and the accounting treatment of such risks, and
- l. Permanent investments in shares of other companies are valued at cost.
- m. It allows accounting treatments for specific situations or circumstances approved by the Superintendency of Banks.

Disclosure and / or quantification of these differences are not required by the Central Bank of Paraguay.

The preparation of these financial statements requires that the Board of Directors and Management of the Bank make certain estimates and assumptions that affect asset and liability balances, the disclosures of contingencies and the recognition of income and expenses. Assets and liabilities are recognized in the financial statements when it is likely that future economic benefits will flow to or from the Bank and the different items have a cost or value that can be reliably measured. If in the future these estimates and assumptions, which are based on Management's best judgment as of the date of these financial statements, change with regard to the current circumstances, the original estimates and assumptions will be appropriately amended on the date on which those changes take place. The main estimates related to the financial statements refer to the allowances for doubtful accounts, PP&E depreciations, the amortization of deferred charges and allowances to cover other contingencies.

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b.3 Foreign branches

The Bank has no foreign branches.

b.4 Shareholdings in other companies

Interest in capital stock in other companies at September 30, 2017 and December 31, 2016 is as follows:

Company name	Condition	Investment currency	Face value	% equity interest	Carrying value in PYG
September 30, 2017					
Bancard S.A. - Paraguay	Affiliate	PYG	9.675.000.000	6,67%	10.482.846.968
VISA INC - USA	Non-affiliate	USD	1	Minority	6.222
SWIFT	Non-affiliate	EUR	19.800	Minority	111.035.560
Total					10.593.888.750
December 31, 2016					
Bancard S.A. - Paraguay	Affiliate	PYG	7.995.000.000	6,67%	8.802.846.968
VISA INC - USA	Non-affiliate	USD	1	Minority	6.344
SWIFT	Non-affiliate	EUR	19.800	Minority	111.035.560
Total					8.913.888.872

The abovementioned investments are recorded in the "Investments in securities issued by the private sector". See note c.8.

b.5 Capital structure and characteristics of the shares

The paid in capital at September 30, 2017, and December 31, 2016, by type of share, is as follows:

At September 30, 2017

Common, subscribed and paid in shares		Votes per share	PYG
Type	Number		
Founders Class "A" common shares	135.809	5	13.580.900.000
Common Class "A" common shares	4.507.578	1	450.757.800.000
Multiple Class "B" common shares	90.539	5	9.053.900.000
Common Class "B" common shares	2.780.154	1	278.015.400.000
Preferred	2.500.000	-	250.000.000.000
	10.014.080		1.001.408.000.000

At December 31, 2016

Common, subscribed and paid in shares		Votes per share	PYG
Type	Number		
Founders Class "A" common shares	135.809	5	13.580.900.000
Common Class "A" common shares	3.927.116	1	392.711.600.000
Multiple Class "B" common shares	90.539	5	9.053.900.000
Common Class "B" common shares	2.426.823	1	242.682.300.000
Preferred	2.500.000	-	250.000.000.000
	9.080.287		908.028.700.000

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The shareholder composition was structured as follows:

At September 30, 2017

Shareholders	Shares PYG	% Share	% Of votes	Country
Minority local shareholders	539.338.700.000	53,86%	51,42%	Paraguay
Raatz Group	75.000.000.000	7,49%	10,18%	Paraguay
Rabo Development B.V. (*)	387.069.300.000	38,65%	38,40%	Netherlands
Total	1.001.408.000.000	100,00%	100,00%	

(*) 100% owned by Coöperatieve Rabobank U.A. from Holland.

At December 31, 2016

Shareholders	Shares PYG	% Share	% Of votes	Country
Local Shareholders	557.186.800.000	61,26%	61,53%	Paraguay
Rabo Development B.V. (*)	351.736.200.000	38,74%	38,47%	Netherlands
Total	908.923.000.000	100,00%	100,00%	

(*) 100% owned by Coöperatieve Rabobank U.A. from Holland.

As mentioned in note c.12 d), “Monetary correction of capital stock”, the Bank’s current level of paid in capital is above the legal minimum required by the Central Bank of Paraguay for this fiscal year.

b.6 Board of Directors and Executive Officers

At September 30, 2017, the Board of Directors and the Executive Officers are as follows:

BOARD OF DIRECTORS		EXECUTIVE OFFICERS	
President	Raul Vera Bogado	General Manager	Eugenio Oze de Morvil
Vice-president	Cornelis J. Beijer	C.O.O.	Matheus den Exter
Directors	Alfredo Ricardo Raatz	Corporate Banking Acting Manager	Walter Duarte Kallus
	Petrus van Jaarsveld	Finance Manager	Oscar Godoy Silvero
	Wolfgang Brönstrup	Internal Audit Manager	Juan Carlos Meza
Alternate Directors	Irene Memmel de Matiauda	Compliance Manager	Antonio Gimenez
	Erik Heyl	Corporate Risk Manager and Business	Jorge Sienkawiec
	Francisco Yanagida	Manager Risk Individuals and SMEs	Mats Hernegard
	Adrian Lorenzutti	Branch Manager	Cynthia Sotelo
Syndic	Mirian Raatz de Soley	Private Banking Manager	Anahi Heisecke
	Roland Wolff	Treasury Manager	Daniel Cibils
	Sandra Yshizuka	Correspondent and Foreign Trade Manager	María Fernanda Carrón
Alternate Syndic		Human Resources Manager	Katya Spiridonoff
		Operations Manager	Isabel Galiano de Ayala
		Legal Affairs Manager	Marcos Dalla Fontana
		Information Technology Manager	Mirta González
		Administrative Manager	Fabio Sitzmann Hein
		Operational Risk Manager	Erica Werner
		Regular Notary	Leticia Perez Dominguez
		General Accountant	Francisco Furman S.

b.7 English translation of statutory financial statements

These financial statements have been translated into English for the convenience of English-speaking readers. The financial statements are the English translation of those originally prepared by the Entity in Spanish, expressed in local currency (Guaranies) and presented in accordance with financial standards established by the Central Bank of Paraguay and, in issues not covered by them, with the financial reporting standards in force in Paraguay. The effects of the differences between these standards and the accounting principles generally accepted in the countries in which the financial statements are to be used have not been quantified. Accordingly, the accompanying financial statements are not intended to present the financial position, results of operations, shareholders' equity or cash flows in accordance with accounting principles generally accepted in the countries of users of the financial statements, other than Paraguay.

C. INFORMATION REGARDING MAIN ASSETS AND LIABILITIES

c.1 Valuation of foreign currency

The assets and liabilities stated in foreign currency are valued at the exchange rates prevailing at September 30, 2017, and September 30, 2016 and December 31, 2016 respectively, provided by the Foreign Exchange Desk of the International Transactions Department at the Central Bank of Paraguay, and do not differ materially from the exchange rates in effect on the free foreign exchange market:

Currency	Exchange rate at September 30, 2017 (PYG per foreign currency unit)	Exchange rate at December 31, 2016 (PYG per foreign currency unit)	Exchange rate at September 30, 2016 (PYG per foreign currency unit)
1 US Dollar	5.656,58	5.766,93	5.555,39
1 Euro	6.682,12	6.033,94	6.242,59
1 Yen	50,25	49,41	54,82
1 Real	1.790,68	1.768,78	1.713,15
1 Argentine Peso	326,28	366,54	364,44
1 Pound Sterling	7.582,08	7.055,84	7.215,90
1 Swiss Franc	5.838,15	5.626,82	5.721,31
1 Swedish Krona	692,98	631,99	647,93
1 Chinese Yuan	850,35	829,20	833,08
1 Australian Dollar	4.434,76	4.149,88	4.260,43
1 Canadian Dollar	4.518,40	4.259,18	4.236,55

The foreign exchange differences resulting from fluctuations in the exchange rates between the date on which a transaction is closed and the date on which it is settled or valued at the end of each period, are recognized in the income (loss) for the period, with the exceptions indicated in note f.1.

c.2 Position in foreign currency

The foreign exchange position at September 30, 2017 and December 31, 2016 is as follows:

Item	September 30, 2017		December 31, 2016	
	Arbitrated amount to USD	Equivalent amount in PYG	Arbitrated amount to USD	Equivalent amount in PYG
Total assets in foreign currency	1.554.317.853,51	8.792.123.283.454	1.564.605.929,37	9.022.972.872.239
Total liabilities in foreign currency	(1.549.641.534,96)	(8.765.671.313.932)	(1.557.710.508,80)	(8.983.207.464.850)
Long position in foreign currency	4.676.319	26.451.969.522	6.895.421	39.765.407.389

At September 30, 2017 and December 31, 2016, the foreign currency position did not exceed the limit set by the Bank position paper presented to the Central Bank of Paraguay, on January 3, 2013, pursuant to Resolution No. 25 Act No. 77 dated December 28, 2011 which establishes the free choice of position range depending on the category established in the Resolution that financial institutions chosen for their net position for each year.

Market risk management: Market risk is the risk that the changes in market prices, for instance, interest rates, changes in foreign currency, etc., will affect the Bank's equity and/or results depending on the positions taken on the financial market. The Bank controls market risk by monitoring the limits established in the Market Risk Policies approved by the Assets and Liabilities Committee and the Board of Directors.

c.3. Deposits in the Central Bank of Paraguay

The deposits in the Central Bank of Paraguay at September 30, 2017 and December 31, 2016 are as follows:

Item	September 30, 2017 PYG	December 31, 2016 PYG
Minimum cash requirement in PYG	434.384.843.055	410.206.331.375
Minimum cash requirements in USD	901.868.442.883	921.755.200.812
Minimum cash requirement in EUR	6.667.914.481	10.226.306.729
Special cash requirement in PYG	68.792.078	743.992.078
Special cash requirement in USD		847.738.710
Monetary Transactions Operations	276.272.000.000	372.505.000.000
Current accounts in PYG	745.672	622.498
Current accounts in USD	238.318.241.509	157.553.445.292
Current accounts EUR	4.664.211.372	4.753.493.039
Total	1.862.245.191.050	1.878.592.130.533

See additionally paragraph a), of note c.12

c.4 Government and private securities

The government and private securities acquired by Banco Regional S.A.E.C.A. involve Paraguayan Treasury Bonds, Bonds from the Development Finance Agency (AFD), Monetary Regulation Instruments and Private Bonds not listed on securities markets, and the securities of private companies in Paraguay listed on the stock exchange or secondary market. The government and private securities at cost value plus accrued interest to be collected at September 30, 2017 and December 31, 2016 respectively, which does not exceed their estimated realizable value.

As of September 30, 2017

Government and private securities	Issuance currency	Amount in issuance currency	Amount in Paraguayan guaranies	
			Face value	Carrying amount
Paraguayan Treasury Bonds	PYG	80.442.744.521	80.442.744.521	70.398.611.695
Monetary Regulation Instruments	PYG	799.800.000.000	799.800.000.000	773.258.933.354
Bonds in Private Companies	PYG	10.000.000.000	10.000.000.000	10.000.000.000
AFD Resource Bonus	PYG	16.714.000.000	16.714.000.000	16.714.000.000
Accrued interest				23.883.743.950
Total			906.956.744.521	894.255.288.999

As of December 31, 2016

Government and private securities	Issuance currency	Amount in issuance currency	Amount in Paraguayan guaranies	
			Face value	Carrying amount
Paraguayan Treasury Bonds	PYG	271.706.749.744	271.706.749.744	240.022.764.393
Monetary Regulation Instruments (a)	PYG	702.000.000.000	702.000.000.000	668.398.231.781
Bonds in Private Companies	PYG	5.000.000.000	5.000.000.000	5.243.709.867
Accrued interest				38.036.454.383
Total			978.706.749.744	951.701.160.424

- (a) As of December 31, 2016, the Bank has delivered National Treasury Bonds for Gs. 15.070.361.325, as minimum guarantees required by BCP under the general regulations of the Paraguayan Payments System (see note c.12.b).

c.5 Assets and liabilities with adjustment clauses

Except for the loans borrowed (liabilities) from the Development Finance Agency and the loans granted (assets) using the Development Finance Agency funds and certain loans granted using the Bank's own funds, which involve contractual clauses for potential adjustments to the annual interest rates, at September 30 2017 and December 31, 2016, there were no other assets or liabilities with adjustment clauses.

c.6 Loan portfolio

Management of credit risk:

Credit risk is controlled by the Bank's Board of Directors and Management, mainly through the evaluation and analysis of individual transactions, for which certain clearly-defined aspects in the Bank's credit policies are taken into consideration, such as: the proven payment ability and indebtedness of the debtors, the credit concentration of groups of companies, individual credit-granting limits, evaluation of economic sectors, preferred securities and the working capital requirement, depending on the market risks.

Criteria for classification and valuation:

The loan portfolio has been stated at face value plus accrued interest the end of the year, net of allowances, which were calculated according to the Bank's internal credit valuation policies and the allowances set forth by the Central Bank of Paraguay Board of Directors' in the Resolution No. 1, Record No. 60 dated September 28, 2007, and subsequent amendments; for which:

- a) Debtors have been classified into the following groups: i) Large debtors; ii) Medium and small debtors; iii) Personal debtors of consumer or mortgage loans and iv) Microcredits;
- b) The debtors have been classified into 6 categories of risk, based on the evaluation and qualification of the payment capacity of a debtor or group of related debtors, with respect to all of their obligations. A rule amending Resolution No. 1/2007 requires Category 1 disintegrates into three sub-categories for the purpose of determination of allowances (1, 1.a y 1.b);
- c) Accrued interest on performing loans ranked on category "1" and category "2" subjectively, are recognized as revenue in their entirety. Accrued interest receivable at the reporting date on nonperforming loans and/or performing loans ranked on category "2" and higher, which have been recognized as income until its entry into arrears, have an allowances that covers the total amount of such accrued interest;
- d) The accrual of interest and the recognition of gains from the valuation of nonperforming loans and performing loans classified in risk categories "2" or higher since its entry into arrears, have been suspended, and are recognized as revenue when are collected, as mentioned in note f.1;
- e) Amortized loans are considered nonperforming after 61 days of default on any of their installments, and fixed term loans or single maturity loans, on the day after maturity;
- f) Specific allowances have been set which are required to cover potential losses that may arise if the portfolio is not recovered according to the criteria and parameters established by Resolution of the Board of the Central Bank of Paraguay No. 1, Act No. 60 of September 28, 2007, amendments and all supplemental;
- g) Generic allowances have been made of net loan portfolio of specific allowances according to the criteria and parameters established by Resolution of the Board of the Central Bank of Paraguay No. 1, Act No. 60 of September 28, 2007. It has been also registered additional generic allowances, according to the Board of Directors determination; and
- h) Bad debts that are written off, under the conditions established in the applicable regulation of the BCP, are recorded and reported in memorandum accounts.

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c.6.1 Performing loans to the financial sector

According to the valuation standards for credit risks and assets set forth by the Banks Regulatory Authority of the Central Bank of Paraguay, the Bank's performing loan portfolio for the financial sector is classified by risk as follows:

As of September 30, 2017

Risk category	Carrying amount before allowances (a)	Guarantees computable for allowances	Allowances		Carrying amount after allowances
			Minimum % (b)	Booked (c)	
1	546.400.225.083	155.617.149.392	0%	-	546.400.225.083
2	1.837.583.084	1.336.656.943	5%	(57.360.059)	1.780.223.025
Total	548.237.808.167	156.953.806.335		(57.360.059)	548.180.448.108

As of December 31, 2016

Risk category	Carrying amount before allowances (a)	Guarantees computable for allowances	Allowances		Carrying amount after allowances
			Minimum % (b)	Booked (c)	
1	584.914.171.240	149.747.349.334	0%	-	584.914.171.240
2	2.016.048.377	846.824.957	5%	(78.824.666)	1.937.223.711
Total	586.930.219.617	150.594.174.291		(78.824.666)	586.851.394.951

References:

- (a) Includes capital and interest and forward contracts (net of unrealized valuation earnings);
- (b) The percentages of allowances and risk categories defined for classification and constitution of allowances in the loan portfolio, are based on the criteria established for this purpose in Resolution No. 1, Act No. 60 BCP Board dated September 28, 2007 and subsequent amendments; and
- (c) Allowances are set considering additional risk contingent balances. For those borrowers who do not have computable guarantees, the allowance is calculated on the total risk (including contingent and monetary debt). For the rest of debtors, the allowance is calculated in two phases, computing guarantees for the second one.

c.6.2 Performing loans to the nonfinancial sector

The performing loans portfolio of the nonfinancial sector is comprised as follows:

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Item	September 30, 2017 PYG	December 31, 2016 PYG
Term loans not subject to adjustment	3.180.978.956.153	3.247.847.463.005
Amortized loans not subject to adjustment	5.687.117.583.874	5.524.965.052.216
Checks acquired in Paraguay	1.022.064.500	976.248.966
Loans for overdrafts	140.189.282.795	90.697.782.556
Receivables from deferred credit documents	146.943.409.051	129.057.260.831
Receivables from use of credit cards	156.858.995.367	149.429.682.055
Loans with managed funds	543.582.407.922	463.367.765.501
Bills discounted	75.816.769.260	74.965.710.046
Deferred checks discounted	164.388.231.026	191.860.860.195
Portfolio Purchase	81.660.248.953	236.157.035.538
Transactions pending settlement	52.592.629.824	41.446.866.640
Loans to the government sector	18.416.086.539	19.736.800.859
Receivables from accrued financial products	209.253.834.241	200.558.816.697
(-) Valuation gains recognition suspended	(6.410.926.442)	(7.371.657.027)
(-) Allowances	(165.625.385.794)	(177.913.081.221)
Total	10.286.784.187.269	10.185.782.606.857

According to the valuation standards for credit risks and assets set forth by the Banks Regulatory Authority of the Central Bank of Paraguay, the Bank's performing loan portfolio to the nonfinancial sector is classified by risk as follows:

As of September 30, 2017

Risk Category	Carrying amount before allowances (a)	Guarantees computable for allowances	Allowances		Carrying amount after allowances
			Minimum % (b)	Booked (d)	
1	8.613.672.269.278	4.345.568.361.596	0%	(112.964.916)	8.613.559.304.362
1a	547.786.559.726	314.648.236.723	0,5%	(2.596.774.875)	545.189.784.851
1b	109.293.576.791	64.818.987.085	1,5%	(1.153.713.540)	108.139.863.251
2	840.591.219.967	495.387.386.595	5%	(29.376.496.212)	811.214.723.755
3	271.725.905.888	142.538.456.575	25%	(48.028.935.998)	223.696.969.890
4	33.105.540.196	10.896.211.042	50%	(13.307.761.927)	19.797.778.269
5	34.116.159.560	12.537.917.762	75%	(17.747.170.934)	16.368.988.626
6	2.118.341.657	956.520.009	100%	(1.229.826.274)	888.515.383
Generic allowances (c)				(52.071.741.118)	(52.071.741.118)
Total	10.452.409.573.063	5.387.352.077.387		(165.625.385.794)	10.286.784.187.269

As of December 31, 2016

Risk Category	Carrying amount before allowances (a)	Guarantees computable for allowances	Allowances		Carrying amount after allowances
			Minimum % (b)	Booked (d)	
1	8.636.339.200.156	4.546.203.860.634	0%	-	8.636.339.200.156
1a	280.509.063.427	142.629.307.131	0,5%	(1.292.625.601)	279.216.437.826
1b	69.555.863.475	36.339.665.175	1,5%	(770.388.799)	68.785.474.676
2	959.424.475.830	591.431.155.400	5%	(32.790.098.420)	926.634.377.410
3	326.756.537.153	175.763.325.463	25%	(58.934.697.747)	267.821.839.406
4	82.990.861.257	41.122.764.262	50%	(28.642.518.967)	54.348.342.290
5	6.666.019.982	3.512.717.287	75%	(2.902.372.569)	3.763.647.413
6	1.453.666.798	584.222.464	100%	(873.636.791)	580.030.007
Generic allowances (c)				(51.706.742.327)	(51.706.742.327)
Total	10.363.695.688.078	5.537.587.017.816		(177.913.081.221)	10.185.782.606.857

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References:

- (a) Includes capital and interest and forward contracts (net of unrealized valuation earnings);
- (b) The percentages of allowances and risk categories defined for classification and constitution of allowances in the loan portfolio, are based on the criteria established for this purpose in Resolution No. 1, Act No. 60 BCP Board dated September 28, 2007 and subsequent amendments;
- (c) Generic allowances established by the Bank in accordance with the requirements of Resolution 1/2007 of the Central Bank of Paraguay; and additional generic allowances defined by the Board of Directors of the Entity; and
- (d) Allowances are set considering additional risk contingent balances. For those borrowers who do not have computable guarantees, the allowance is calculated on the total risk (including contingent and monetary debt). For the rest of debtors, the allowance is calculated in two phases, computing guarantees for the second one.

c.6.3 Nonperforming loans

The nonperforming loans portfolio is comprised as follows:

Concepto	September 30, 2017	December 31, 2016
Nonperforming loans - Status: past due	8.877.580.427	24.976.395.234
Nonperforming loans - Status: undergoing proceedings	48.059.797.169	38.915.541.704
Nonperforming loans - Status: delinquent	240.138.037.743	130.159.759.037
Nonperforming loans - Financial sector	-	32.238.564.112
Accrued interests	14.398.485.644	11.319.026.332
(-) Unrealized valuation earnings	(3.768.615.291)	(3.891.500.844)
(-) Allowances	(187.647.573.237)	(100.391.975.349)
Total	120.057.712.455	133.325.810.226

According to the valuation standards for credit risks and assets set forth by the Banks Regulatory Authority of the Central Bank of Paraguay, the Bank's nonperforming loan portfolio is classified by risk as follows:

As of September 30, 2017

Risk category	Carrying amount before allowances (a)	Guarantees computable for allowances	Allowances		Carrying amount after allowances
			Minimum % (b)	Booked (c)	
1b	3.448.354.303	55.942.375	2%	(133.281.460)	3.315.072.843
2	3.113.876.346	2.128.424.104	5%	(544.552.977)	2.569.323.369
3	26.251.783.970	12.778.710.097	25%	(5.558.433.336)	20.693.350.634
4	16.498.026.475	7.323.180.055	50%	(5.922.926.591)	10.575.099.884
5	57.010.537.506	10.092.386.274	75%	(36.922.153.836)	20.088.383.670
6	201.382.707.092	62.844.704.707	100%	(138.566.225.037)	62.816.482.055
Total	307.705.285.692	95.223.347.612		(187.647.573.237)	120.057.712.455

As of December 31, 2016

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Risk category	Carrying amount before allowances (a)	Guarantees computable for allowances	Allowances		Carrying amount after allowances
			Minimum % (b)	Booked (c)	
1a	2.364.961	-	0,5%	(11.825)	2.353.136
1b	1.442.228.762	75.206.584	2%	(46.908.159)	1.395.320.603
2	9.326.340.352	6.683.520.221	5%	(883.612.949)	8.442.727.403
3	19.534.904.547	7.462.729.394	25%	(4.353.608.263)	15.181.296.284
4	74.232.106.153	48.401.935.339	50%	(23.040.464.007)	51.191.642.146
5	29.509.202.721	10.986.651.050	75%	(15.241.696.382)	14.267.506.339
6	99.670.638.079	43.206.865.307	100%	(56.825.673.764)	42.844.964.315
Total	233.717.785.575	116.816.907.895		(100.391.975.349)	133.325.810.226

References:

- (a) Includes principal and interest and forward contracts (net of unrealized valuation earnings);
- (b) The percentages of allowances and risk categories defined for classification and constitution of allowances in the loan portfolio, are based on the criteria established for this purpose in Resolution No. 1, Act No. 60 BCP Board dated September 28, 2007 and subsequent amendments; and
- (c) Allowances are set considering additional risk contingent balances. For those borrowers who do not have computable guarantees, the allowance is calculated on the total risk (including contingent and monetary debt). For the rest of debtors, the allowance is calculated in two phases, computing guarantees only for the second one.

c.6.4 Other receivables

As of September 30, 2017 and December 31, 2016, breaks down as follows:

Item	September 30, 2017	December 31, 2016
Prepaid expenses	29.784.108.139	2.077.192.281
Charges for issuing bonds abroad	8.544.541.670	13.024.748.659
Income Tax Advance (IRACIS) (a)	19.578.431.703	20.700.868.320
Advances for the purchase of goods and services	11.453.043.904	4.066.998.759
Legal expenses to be recovered	9.048.521.648	6.002.028.960
Tax Credit Certificates	10.868.402.467	17.947.607.772
Value Added Tax - Tax Credit	1.379.216.009	2.631.545.004
Advance to Staff	360.391.000	-
Accrued income not collected	5.143.654.793	2.511.060.127
Processor Advances	4.719.781.509	2.183.329.482
Miscellaneous	3.713.486.089	1.084.483.360
Debtors for the sale of fixed assets	2.457.201.081	2.747.121.659
Expenses to be recovered	1.891.102.036	1.997.008.392
Indemnities Claimed for Claims	-	-
(Earnings per valuation to be realized)	(23.688.000)	(47.822.000)
Provisions constituted (Note c.7)	(6.948.126.697)	(4.337.656.206)
Total	101.970.067.351	72.588.514.569

- a) The accrual for income tax liabilities included in the "Accruals" as of September 30, 2017 and December 31, 2016 was approximately PYG. 11.715.671.544 and PYG. 23.079.517.948, respectively.

c.7 Allowances for direct and contingent risks

Allowances for loan losses and other assets are determined at the end of each period based on the examination of the portfolio to determine the portion of those portfolios that are not recoverable and considering the a, for each type of credit risk, laid down in Central Bank of Paraguay Board of Directors' Resolution No. 1, Record No. 60 dated September 28, 2007, and its amendments and/or further extensions.

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On a regular basis, Bank Management reviews and analyzes the loan portfolio pursuant to credit valuation standards established by the Banks Regulatory Authority of the Central Bank of Paraguay, so as to adjust the allowances for loan losses. All allowances necessary to cover potential losses on direct and contingent risks have been set, pursuant to the criteria of Bank Management and the requirements of Central Bank of Paraguay Board of Directors' Resolution No. 1, Record No. 60, dated September 28, 2007, and Resolution No. 37, Record No. 72, dated November 29, 2011.

The movement recorded during the period ended September 30, 2017 and for the year ended December 31, 2016 in the accounts of forecasts is summarized as follows:

As of September 30, 2017

Item	Balance at beginning of the year	Additions	Reclassifications and adjustments to allowances for the year	Reversal of allowances for the year	Changes from valuation in foreign currency	Balance at the end of the year
Cash and Bank	(3.082.878)	(102.963.531)	-	40.352.784	(14.171)	(65.707.796)
Performing loans - financial sector	(78.824.666)	(280.916.131)	-	302.589.555	(208.817)	(57.360.059)
Performing loans - nonfinancial sector	(177.913.081.221)	(247.131.194.077)	6.409.646.331	250.788.809.259	2.220.433.914	(165.625.385.794)
Other receivables	(4.337.656.206)	(2.741.210.401)	686.741	98.776.253	31.276.916	(6.948.126.697)
Nonperforming loans	(100.391.975.349)	(232.692.235.463)	53.741.874.027	91.342.668.828	352.094.721	(187.647.573.236)
Investments	(10.130.439.984)	(1.820.451.623)	-	318.000.000	-	(11.632.891.607)
Total	(292.855.060.304)	(484.768.971.226)	60.152.207.099	342.891.196.679	2.603.582.563	(371.977.045.189)

As of December 31, 2016

Item	Balance at beginning of the year	Additions	Reclassifications and adjustments to allowances for the year	Reversal of allowances for the year	Changes from valuation in foreign currency	Balance at the end of the year
Cash and Bank	(2.750.353)	(708.307.265)	-	707.812.785	161.955	(3.082.878)
Performing loans - financial sector	(902.883.770)	(528.821.448)	6.270	1.311.976.210	40.898.072	(78.824.666)
Performing loans - nonfinancial sector	(180.192.370.436)	(412.245.224.022)	5.172.854.821	409.496.730.849	(145.072.433)	(177.913.081.221)
Other receivables	(2.653.420.957)	(1.869.822.327)	-	177.398.658	8.188.420	(4.337.656.206)
Nonperforming loans	(158.612.502.451)	(451.036.227.822)	248.979.691.161	258.910.467.453	1.366.596.310	(100.391.975.349)
Investments	(8.769.240.392)	(7.308.314.661)	-	5.947.115.069	-	(10.130.439.984)
Total	(351.133.168.359)	(873.696.717.545)	254.152.552.252	676.551.501.024	1.270.772.324	(292.855.060.304)

c.8 Investments

The investments account includes:

Assets acquired in credit recovery:

These assets are valued at the lowest of the following three values: Appraisal value, allocation value and balance of the receivable immediately before allocation, pursuant to the provisions of the Central Bank of Paraguay in this regard. Additionally, for assets exceeding the terms established by the Central Bank of Paraguay for their possession, allowances are set forth pursuant to the provisions in Resolution No. 1, Record No. 60 dated September 28, 2007, issued by the Board of Directors of the Central Bank of Paraguay. After three years of possession, an allowance is set for 100% of these assets.

Private securities:

Long-term investments in interests in companies, which have been valued at acquisition value as they represent a minority interest of the Bank. This value does not exceed their market value, calculated based on the equity method value of those investments.

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Other investments:

They are related to works of art that are valued at acquisition cost, which does not exceed their recoverable value.

The investments as of September 30, 2017 and December 31, 2016 is comprised as follows:

Description	September 30, 2017	December 31, 2016
Corporate securities		
Investments in securities issued by private sector	27.307.888.750	8.913.888.872
Permanent investments - subordinated bonds (a)	10.000.000.000	10.000.000.000
Subtotal	37.307.888.750	18.913.888.872
Assets acquired in credit recovery		
Property	175.192.981.484	225.064.137.166
Movable property	22.511.794.139	24.868.812.559
Subtotal	197.704.775.623	249.932.949.725
Other investments	3.676.778	3.748.504
Investment income in the private sector	360.350.283	535.890.438
Allowances	(11.632.891.607)	(10.130.439.984)
Total	223.743.799.827	259.256.037.555

(A) Subordinated bonds acquired through the stock exchange at a rate of 12% and a five-year term.

(B) During the period or year the performance of guarantees has increased over previous years due to the economic conjunctures of the agricultural sector mentioned in note c.19 (b). The Bank's Board establishes the policies and guidelines for the realization of the assets.

c.9. Property, plant and equipment

The original values of property, plant and equipment and their accumulated depreciations are revalued up to the end of each year, pursuant to the change in the Consumer Price Index published by the Central Bank of Paraguay. According to this index, accumulated inflation in the nine months ended September 30, 2017 was 2.7% and for the year ended December 31, 2016 was 3.9%. The net increase of the revaluation reserve at the end of each the year is disclosed in the "Revaluation reserve" account of the Bank's shareholders' equity.

The cost of improvements or additions are capitalized, while maintenance and repairs that do not increase the value of the goods or their useful life are expensed in the year they occur.

Depreciations are computed as from the month after their addition to the Bank's assets, through monthly charges to the results based on a straight-line basis, in the estimated years of useful life, except for the assets acquired in the merger process of Banco ABN AMRO Paraguay S.A., which continue with their original method and are computed as from the year after their addition. The residual value of revalued assets, taken as a whole, does not exceed the recoverable value thereof as of September 30, 2017, and December 31, 2016.

The breakdown of property, plant and equipment as of September 30, 2017, and December 31, 2016 is as follows:

Item	ORIGINAL VALUE				
	Balance at the beginning of year	Additions	Disposals	Revaluation	Balance at the end of year
Bank Owned:					
Real property - Land	10.510.083.114	-	(326.749.803)	183.342.388	10.366.675.699
Real property - Buildings	42.995.851.956	-	(4.255.995.626)	992.265.207	39.732.121.537
Furniture and office supplies	39.468.573.614	712.793.135	(1.102.273.726)	767.072.888	39.846.165.911
Computer hardware	59.185.005.881	5.411.321.136	(2.889.566.373)	755.219.077	62.461.979.721
Bank safe-deposit boxes	2.057.126.844	-	(81.822.500)	32.279.513	2.007.583.857
Transport materials	1.856.857.737	-	-	44.385.602	1.901.243.339
Taken leasing:					
Computer hardware	212.031.727	-	-	-	212.031.727
As of September 30, 2017	156.285.530.873	6.124.114.271	(8.656.408.028)	2.774.564.675	156.527.801.791
As of December 31, 2016	149.004.768.473	9.568.276.221	(6.693.950.893)	4.406.437.072	156.285.530.873

Item	Percentage of annual depreciation %	DEPRECIATIONS					Net amount at the end of the year
		Balance at the beginning of year	Additions	Disposals	Revaluation	Balance at end of year	
Bank Owned:							
Real property - Land	0%	-	-	-	-	-	10.366.675.699
Real property - Buildings	2,50%	(17.591.886.889)	(800.576.821)	2.208.551.774	(395.801.656)	(16.579.713.592)	23.152.407.945
Furniture and office supplies	10%	(25.300.128.581)	(3.208.821.044)	840.900.981	(437.802.003)	(28.105.850.647)	11.740.315.264
Computer hardware	25%	(44.438.778.477)	(5.729.779.922)	2.873.496.783	(392.307.484)	(47.687.369.100)	14.774.610.621
Bank safe-deposit boxes	10%	(1.559.727.086)	(106.628.174)	80.997.094	(20.924.014)	(1.606.282.180)	401.301.677
Transport materials	20%	(185.685.765)	(282.037.447)	-	(5.900.207)	(473.623.419)	1.427.619.920
Taken leasing:							
Computer hardware	25%	(88.346.551)	(39.755.952)	-	-	(128.102.503)	83.929.224
As of September 30, 2017		(89.164.553.349)	(10.167.599.360)	6.003.946.632	(1.252.735.364)	(94.580.941.441)	61.946.860.350
As of December 31, 2016		(78.116.107.075)	(13.668.763.234)	4.388.270.114	(1.767.953.154)	(89.164.553.349)	67.120.977.524

According to banking legislation, financial institutions operating in Paraguay are forbidden to pledge of PP&E, except for those affected to support of financial leasing operations and to the Central Bank of Paraguay.

The banking law sets a limit for investment in PP&E, which is 50% of effective equity. The book value of fixed assets of the Company at September 30, 2017 is within such limit.

c.10. Deferred charges

As of September 30, 2017 and December 31, 2016, this account is as follows:

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Item	Net Amount at beginning of year	Increases	Amortization for the year	Net amount at end of year
September 30, 2017				
Improvements and facilities in leased real property (*)	4.730.685.577	-	(1.900.058.939)	2.830.626.638
Office supplies and others	2.469.486.603	2.280.411.799	(2.220.134.578)	2.529.763.824
Total	7.200.172.180	2.280.411.799	(4.120.193.517)	5.360.390.462
December 31, 2016				
Improvements and facilities in leased real property (*)	6.461.089.632	1.244.423.664	(2.974.827.719)	4.730.685.577
Office supplies and others	2.301.959.009	3.219.336.411	(3.051.808.817)	2.469.486.603
Total	8.763.048.641	4.463.760.075	(6.026.636.536)	7.200.172.180

(*) The Bank amortizes improvements and facilities in leased real property on a straight-line basis considering a useful life of 5 years.

c.11 Bonds, debentures and bonds in circulation

a) Issued in local market

The chapter "Bonds, debentures and bonds issued into circulation" included in the items "Liabilities from financial transactions - not financial sector" of the balance sheet include subordinated bonds whose balance and detail of emissions to September 30, 2017 and December 31, 2016 is as follows:

Authorization Resolution issued by the Central Bank of Paraguay	Issuance currency	Issuance amount (*)	Maturity	Amount in issuance currency	Accounting balance at September 30, 2017	Accounting balance at December 31, 2016
00196/2010	PYG	25.000.000.000	1463 días	25.000.000.000	-	-
00196/2010	PYG	25.000.000.000	1827 días	25.000.000.000	-	-
00196/2010	PYG	20.000.000.000	1827 días	20.000.000.000	-	-
00196/2010	PYG	20.000.000.000	1820 días	20.000.000.000	-	20.000.000.000
00196/2010	PYG	20.000.000.000	2002 días	20.000.000.000	20.000.000.000	20.000.000.000
PYG TOTAL		110.000.000.000		110.000.000.000		
00196/2010	USD	5.000.000,00	1820 días	1.550.000	-	8.938.741.500
00196/2010	USD	5.000.000,00	2184 días	428.000	2.421.016.240	2.468.246.040
00027/2016	USD	10.000.000,00	2184 días	10.000.000	56.565.800.000	57.669.300.000
00027/2016	USD	8.630.000,00	2184 días	8.630.000	48.816.285.400	49.768.605.900
USD TOTAL		28.630.000,00		20.608.000		
PYG EQUIVALENT TOTAL					127.803.101.640	158.844.893.440

(A) The Central Bank of Paraguay has authorized, and the Bank has issued subordinated bonds in foreign currency up to an amount of US \$ 10,000,000, and in national currency up to an amount of Gs. 110.000.000.000 according to Resolution SB. SG. No. 00196/2010

(B) Through Resolution SB. SG. N ° 00027/2016, the Central Bank of Paraguay has authorized, and the Bank has issued, subordinated bonds in foreign currency in the amount of US \$ 18,630,000. In this Resolution, the Central Bank of Paraguay also authorized the issuance of subordinated bonds in national currency up to an amount of Gs. 50.000.000.000. At the end of the period of September 30, 2017, the Entity had not finalized the issue of bonds in Guarani.

The subordinated bonds are convertible into shares, in case it is necessary to reach the minimum capital required by the Law or to restore capital losses (Law 861/96). Subordinated bonds do not enjoy the deposit guarantee established in Law 2334/03.

b) Issued abroad

The Extraordinary General Meeting N° 39 dated April 26, 2013 approved the issue of bonds abroad for up to USD 300.000.000 (three hundred million US dollars). On January 16, 2014, the Regional Bank SAECA issued bonds for an amount of USD 300 million. The titles were listed in Luxembourg and have a term of five years and an interest rate of 8.125% per annum (interest payable semiannually).

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As of September 30, 2017 and December 31, 2016, the capital was included in the chapter of “Outstanding Bonds”, in the items "Bonds issued abroad - Financial Sector" for an amount of PYG 1.696.974.000.000 and PYG 1.730.079.000.000, respectively.

Additionally, the Bank is committed to comply with certain positive and negative covenants according to the prospectus, which are monitored by the Board and management of the Bank.

c.12 Limitations on available Assets or Equity and any other restrictions on property rights

As of September 30, 2017 and December 31, 2016, the limitations were as follows:

a) Minimum and special cash requirement:

The Central Bank of Paraguay account as of September, 2017 and December 31, 2016, includes PYG 1.342.989.992.497 and PYG 1.343.779.569.704, respectively, which are restricted accounts held by the Bank as the minimum and special cash requirements. (See note c.3)

b) Government securities:

As of December 31, 2016, the Bank has delivered National Treasury Bonds for Gs. 15.070.361.325, as minimum guarantees required by BCP under the general regulations of the Paraguayan Payment System (see note c.4).

c) Legal reserve:

According to Article 27 of Law 861/96, financial institutions must have a reserve of not less than the equivalent of one hundred percent (100%) of its capital, which will be transferred annually not less than twenty percent (20%) of the net profits of each financial year.

Article 28 of the said Law provides that the legal reserve resources are automatically applied to cover losses in the financial year. In the following years, the total profits must be allocated to the legal reserve until the minimum amount thereof, or the highest that has been obtained in the process of its formation is reached again.

At any time, the amount of the reserve could be further increased with cash contributions.

d) Monetary correction of capital stock:

According to Article 11 of Law No. 861/96, financial institutions must update their capital annually according to Consumer Price Index (CPI) calculated by the Central Bank of Paraguay. The present value of the minimum capital requirement for the year 2017 and 2016 is PYG 50.000.000.000 and PYG 46.552.000.000, respectively, according to Circular SB SG No. 005/2017 and Circular SB SG No. 006/2016, respectively.

The Integrated Capital (common and preferred shares) of the Bank as of September 30, 2017 and December 31, 2016 amounted to PYG 1.001.408.000.000 (see note b.5), which exceeds the minimum capital requirement.

e) Distribution of earnings:

According to provisions of Law No. 861/96 “General Law on Banks, Financial and Other Credit Institutions”, financial institutions may distribute their earnings after first obtaining approval of their respective audited annual financial statements by the Banks Regulatory Authority, provided it grants its approval within a period of one hundred and twenty days after year-end. After this term has elapsed without any findings by the Banks Regulatory Authority, earnings may be distributed.

The Ordinary Shareholders’ Meeting held on April 28, 2017 approved the distribution of earnings of 2016 fiscal year as follows:

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Item	Currency	Amounts
Booking of legal reserve	PYG	51.819.939.278
Capitalization of earnings	PYG	92.485.000.000
Reserve Accumulated Results	PYG	12.078.865.133
Cash dividends - preferred shares	PYG	40.000.000.000
Cash dividends - common shares	PYG	39.636.374.032
Total		236.020.178.443

The Ordinary Shareholders' Meeting held on April 29, 2016 approved the distribution of earnings of 2015 fiscal year as follows:

Item	Currency	Amounts
Booking of legal reserve	PYG	45.975.151.811
Capitalization of earnings	PYG	123.082.300.000
Cash dividends - preferred shares	PYG	40.000.000.000
Cash dividends - common shares	PYG	2.396.684.495
Total		211.454.136.306

f) Preferred share dividends

According to the original terms of the issuance of preferred shares, the shareholders will grant them a preferred dividend of 18% of the net profits for the year. The rate of preference dividend was reviewed by the Ordinary Shareholders Meeting in the fifth year of the issuance (2013), enhancing the assembly to modify this percentage for the following five years, according to market conditions, with a minimum of at least 6 points above the average inflation of the previous 10 years. Elapsed the first 10 years, and in subsequent meetings every five years, the respective meetings must establish new conditions for the following periods of five years.

The Ordinary General Shareholders' Meeting held on October 18, 2013 resolved to set the preferred dividend rate of 16% for the following five years (2014 to 2018).

g) Additional income tax for dividend distribution:

According to the provisions of Law 125/91, as amended by Law 2421/04, the distribution of cash earnings are taxed at the rate of 5%. The Entity records the additional charge of income tax in the year in which the Shareholders decides the distribution.

Moreover, according to the tax regime established by those laws, profits remitted to foreign shareholders are subject to a withholding tax of 15% for income tax.

h) Guarantees given in favor of Bancard S.A.:

As of September 30, 2017 and December 31, 2016, the Bank granted in favor of Bancard S.A. a stand by guarantee in the amount of Gs. 17.579.935.763, issued by the Rabobank Netherland to guarantee the balances resulting from user transactions at automatic teller machines (ATMs) or points of sale (POS) of the Infonet network, as well as obligations that may arise from MasterCard, VISA and BancardCheck credit card transactions.

c.13 Guarantees granted with respect to liabilities

As of September 30, 2017, the loans obtained from GOVCO LLC in agreement with Citibank N.A. New York, and guaranteed by the Overseas Private Investment Corporation (OPIC), with a principal balance of US \$ 6,513,161.00 , are guaranteed by means of promissory notes of US \$ 18,473,335.55.

As of December 31, 2016, the loans obtained from GOVCO LLC in agreement with Citibank N.A. New York and guaranteed by the Overseas Private Investment Corporation (OPIC), with a principal balance of US \$ 10,065,792.00, are guaranteed by means of promissory notes of US \$ 18,473,335.55.

Additionally, the Bank is committed to comply with certain financial, positive and negative covenants according to the contracts and agreements with multilateral credit institutions, and according to the prospectus of securities abroad, which are monitored by the Board and Management of the Bank. As of December 31, 2016 financial covenants that are out of range have the approved waivers of the borrowers that support the validity of the terms originally agreed upon by said operations.

There are no other limitations to the free disposal of assets or equity nor other restrictions on property rights.

c.14 Distribution of performing loans and financial liabilities according to their maturity dates

Below are the placements and deposits as of September 30, 2017 and December 31, 2016, classified according to remaining maturity.

Balances include interest accrued, forward contracts/repo and loans before allowances.

As of September 30, 2017

Item	Terms remaining to maturity					Total
	Up to 30 days	From 31 days up to 180 days	From 181 days up to 1 year	Over 1 year up to 3 years	Over 3 years	
Performing loans financial sector	149.156.853.714	304.183.353.177	45.667.649.362	41.443.897.081	46.478.466.283	586.930.219.617
Performing loans nonfinancial sector	1.126.201.935.403	3.708.522.541.525	1.248.274.199.545	1.880.014.854.857	2.400.682.156.748	10.363.695.688.078
Total Performing loans	1.275.358.789.117	4.012.705.894.702	1.293.941.848.907	1.921.458.751.938	2.447.160.623.031	10.950.625.907.695
Obligations financial sector	486.117.421.888	192.766.000.952	341.677.865.278	2.240.354.862.222	405.850.876.237	3.666.767.026.577
Obligations nonfinancial sector	4.905.341.358.757	1.436.972.393.807	1.508.106.342.038	1.646.909.473.178	342.059.688.771	9.839.389.256.551
Total Obligations	5.391.458.780.645	1.629.738.394.759	1.849.784.207.316	3.887.264.335.400	747.910.565.008	13.506.156.283.128

As of December 31, 2016

Item	Terms remaining to maturity					Total
	Up to 30 days	From 31 days up to 180 days	From 181 days up to 1 year	Over 1 year up to 3 years	Over 3 years	
Performing loans financial sector	149.156.853.714	304.183.353.177	45.667.649.362	41.443.897.081	46.478.466.283	586.930.219.617
Performing loans nonfinancial sector	1.126.201.935.403	3.708.522.541.525	1.248.274.199.545	1.880.014.854.857	2.400.682.156.748	10.363.695.688.078
Total Performing loans	1.275.358.789.117	4.012.705.894.702	1.293.941.848.907	1.921.458.751.938	2.447.160.623.031	10.950.625.907.695
Obligations financial sector	486.117.421.888	192.766.000.952	341.677.865.278	2.240.354.862.222	405.850.876.237	3.666.767.026.577
Obligations nonfinancial sector	4.905.341.358.757	1.436.972.393.807	1.508.106.342.038	1.646.909.473.178	342.059.688.771	9.839.389.256.551
Total Obligations	5.391.458.780.645	1.629.738.394.759	1.849.784.207.316	3.887.264.335.400	747.910.565.008	13.506.156.283.128

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Liquidity risk management: Liquidity risk is the risk that a bank may encounter difficulties in meeting its obligations related to financial commitments that are settled with a delivery of cash or other financial asset. The Bank's Board of Directors and Management control its liquidity mainly by matching the maturities of its assets and liabilities, pursuant to the short, medium and long term strategies in place and monitored (Treasury, ALM and Market Risk) on ongoing basis, for both assets and liabilities.

Additionally, the Bank has defined contingency plans for situations requiring temporary liquidity. The liquidity position is monitored and the liquidity stress tests are conducted on a regular basis in a variety of different scenarios that cover both normal market conditions and more severe ones. All liquidity policies and procedures are subject to the review and approval of the Assets and liabilities Committee and Board of Directors.

c. 15 Concentration of the loans and deposits portfolio

c.15.1 Concentration of the portfolio by number of customers

The concentration of portfolio held by the Bank as of September 30, 2017 and December 31, 2016, respectively, with the financial sector (SF) and nonfinancial (SNF), is exposed both in its portfolio of performing loans and nonperforming loans as on its obligations intermediation financial.

a. Loans portfolio

Number of customers	Amount and percentage of the Financial Sector loan portfolio				Amount and percentage of the Nonfinancial Sector loan portfolio			
	Performing PYG (*)	%	Nonperforming PYG (*)	%	Performing PYG (*)	%	Nonperforming PYG (*)	%
As of September 30, 2017								
10 largest borrowers	386.237.235.199	70%	-	0%	952.619.488.688	9%	138.897.506.307	45%
50 next largest borrowers	162.000.572.968	30%	-	0%	2.522.656.161.732	24%	117.006.475.834	38%
100 next largest borrowers	-	0%	-	0%	2.094.913.667.754	20%	39.060.347.315	13%
Other largest borrowers	-	0%	-	0%	4.882.220.254.889	47%	12.740.956.236	4%
Total	548.237.808.167	100%	-	0%	10.452.409.573.063	100%	307.705.285.692	100%
As of December 31, 2016								
10 largest borrowers	354.790.372.520	60%	33.847.114.520	100%	924.181.085.312	9%	107.016.825.476	54%
50 next largest borrowers	232.139.847.097	40%	-	0%	2.341.185.210.406	23%	65.510.071.367	33%
100 next largest borrowers	-	0%	-	0%	1.900.673.594.802	18%	16.968.964.218	8%
Other largest borrowers	-	0%	-	0%	5.197.655.797.558	50%	10.374.809.994	5%
Total	586.930.219.617	100%	33.847.114.520	100%	10.363.695.688.078	100%	199.870.671.055	100%

(*) Include accrued interest, unrealized valuation earnings and forward contracts/repo, before allowances.

b. Deposit portfolio

Number of customers	Amount and percentage of deposit portfolio					
	Financial Sector PYG (*)	%	Non-Financial Sector PYG (*)	%	Government Sector PYG (*)	%
As of September 30, 2017						
10 largest depositors	384.229.552.236	58%	669.919.864.791	8%	1.186.682.452.917	97%
50 next largest depositors	243.463.948.947	37%	1.103.043.074.908	14%	42.197.042.733	3%
100 next largest depositors	35.367.446.544	5%	1.017.356.124.789	13%	-	0%
Others depositors	-	0%	5.202.629.948.664	65%	-	0%
Total	663.060.947.727	100%	7.992.949.013.152	100%	1.228.879.495.650	100%
As of December 31, 2016						
10 largest depositors	298.042.137.737	59%	721.712.324.614	9%	1.288.633.682.719	97%
50 next largest depositors	175.662.745.710	35%	1.225.330.740.468	15%	33.410.178.382	3%
100 next largest depositors	27.927.731.960	6%	1.053.082.278.322	13%	-	0%
Others depositors	-	0%	5.192.501.196.112	63%	-	0%
Total	501.632.615.407	100%	8.192.626.539.516	100%	1.322.043.861.101	100%

(*) Include amounts of current account and time deposits, without accrued interests at the end of the year.

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c.15.2 Concentration by geographic area and currency

a. Loans portfolio

Item	Loans to Financial Sector PYG (*)	%	Loans to Nonfinancial Sector PYG (*)	%
As of September 30, 2017				
Residents in Paraguay	547.283.815.316	100%	10.452.409.573.063	100%
Nonresidents in Paraguay	953.992.851	0%	-	0%
Sub-Total	548.237.808.167	100%	10.452.409.573.063	100%
Allowances	(57.360.059)		(165.625.385.794)	
TOTAL	548.180.448.108		10.286.784.187.269	
In local currency	290.151.790.313	53%	3.523.353.057.506	34%
In foreign currency	258.086.017.854	47%	6.929.056.515.557	66%
Sub-Total	548.237.808.167	100%	10.452.409.573.063	100%
Allowances	(57.360.059)		(165.625.385.794)	
TOTAL	548.180.448.108		10.286.784.187.269	
As of December 31, 2016				
Residents in Paraguay	586.930.219.617	100%	10.363.695.688.078	100%
Nonresidents in Paraguay	-	0%	-	0%
Sub-Total	586.930.219.617	100%	10.363.695.688.078	100%
Allowances	(78.824.666)		(177.913.081.221)	
TOTAL	586.851.394.951		10.185.782.606.857	
In local currency	321.919.077.128	55%	3.324.960.250.666	32%
In foreign currency	265.011.142.489	45%	7.038.735.437.412	68%
Sub-Total	586.930.219.617	100%	10.363.695.688.078	100%
Allowances	(78.824.666)		(177.913.081.221)	
TOTAL	586.851.394.951		10.185.782.606.857	

(*) Include accrued interest, unrealized valuation earnings and forward contracts/repo, before allowances.

b. Deposits and mortgages portfolio

Item	Financial Sector PYG	%	Nonfinancial Sector PYG	%
As of September 30, 2017				
Residents in Paraguay	1.186.091.420.105	33%	9.362.304.644.800	99%
Nonresidents in Paraguay	2.370.477.321.816	67%	141.368.225.778	1%
Sub-Total (*)	3.556.568.741.921	100%	9.503.672.870.578	100%
Other liabilities (**)	110.994.449.739		121.205.642.559	
TOTAL	3.667.563.191.660		9.624.878.513.137	
In local currency	580.212.415.937	16%	3.886.383.457.106	41%
In foreign currency	2.976.356.325.984	84%	5.617.289.413.472	59%
Sub-Total (*)	3.556.568.741.921	100%	9.503.672.870.578	100%
Other liabilities (**)	110.994.449.739		121.205.642.559	
TOTAL	3.667.563.191.660		9.624.878.513.137	
As of December 31, 2016				
Residents in Paraguay	996.807.750.496	29%	9.573.929.270.398	98%
Nonresidents in Paraguay	2.474.744.780.707	71%	147.187.267.083	2%
Sub-Total (*)	3.471.552.531.203	100%	9.721.116.537.481	100%
Other liabilities (**)	195.214.495.374		118.272.719.070	
TOTAL	3.666.767.026.577		9.839.389.256.551	
In local currency	424.037.980.556	12%	3.959.526.290.276	41%
In foreign currency	3.047.514.550.647	88%	5.761.590.247.205	59%
Sub-Total (*)	3.471.552.531.203	100%	9.721.116.537.481	100%
Other liabilities (**)	195.214.495.374		118.272.719.070	
TOTAL	3.666.767.026.577		9.839.389.256.551	

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(*) Include amounts of demand deposits and time deposits without interest accrued to the closing date, direct loans from financial institutions, bonds outstanding and deferred documentary credits.

(**) Other liabilities include accrued interest not considered deposits and ATM transactions pending transactions to be settled.

C 15.3 Loan portfolio non-financial sector distributed by economic sector

As of September 30, 2017

Economic sector	Loans to Nonfinancial sector (*)	
	As of September 30, 2017	
	PYG	%
Agricultural Crops in Gral.- Agriculture	1.422.383.962.024	14%
Real Estate Management	1.134.961.776.218	11%
Wheat cultivation	9.012.411.335	0%
Cotton Cultivation	558.312.196	0%
Animal Husbandry	889.551.884.871	9%
Manufacturing industries	835.956.241.690	8%
Wholesale Trade	1.918.156.822.875	18%
Retail trade	709.447.107.101	7%
Services	223.649.211.548	2%
Consumption	389.591.797.793	4%
Building	114.145.084.732	1%
living place	158.839.951.584	2%
Financial Intermediation	72.683.554.371	1%
Public sector	18.526.135.911	0%
Other Not specified	2.554.945.318.814	24%
Total	10.452.409.573.063	100%

As of December 31, 2016

Economic sector	As of December 31, 2016	
	PYG	%
	Agriculture	4.463.524.317.711
Livestock activities	797.190.143.057	8%
Industry	923.167.263.131	9%
Retail trade	1.183.898.645.674	11%
Wholesale business	776.596.721.727	7%
Services	970.089.268.388	9%
Consumer	412.365.264.739	4%
Exports	623.843.705.492	6%
Consumption - housing	159.781.413.157	2%
Government sector	19.781.400.144	0%
Others	33.457.544.858	0%
Total	10.363.695.688.078	100%

(*) Includes interest income, unrealized valuations earnings and forward contracts/repo, before allowances.

c.16 Credits and contingencies involving related parties

The balances with related parties each year end are as follows:

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As of September 30, 2017

Item	Carrying amount before allowances (b)	Allowances	Carrying amount net of allowances
Assets			
Deposits in Financial Entities	73,985,031.364	-	73,985,031.364
Performing loans (a)	210,063,332.589	-	210,063,332.589
Credit-related contingencies	7,710,455.431	-	7,710,455.431
Total	291,758,819.384	-	291,758,819.384
Liabilities			
Deposits	63,315,456.297	-	63,315,456.297
Total	63,315,456.297	-	63,315,456.297

As of December 31, 2016

Item	Carrying amount before allowances (b)	Allowances	Carrying amount net of allowances
Assets			
Deposits in Financial Entities	1,837,979.621	-	1,837,979.621
Performing loans (a)	200,408,269.296	-	200,408,269.296
Credit-related contingencies	4,463,889.831	-	4,463,889.831
Total	206,710,138.748	-	206,710,138.748
Liabilities			
Deposits	44,502,378.031	-	44,502,378.031
Total	44,502,378.031	-	44,502,378.031

(a) The performing credits do not include accrued interest.

(b) Law 861/96 establishes limits for lending to related parties, which may not exceed an amount equivalent to 20% of the effective equity of the Bank.

c.17 Other liabilities

This account as of September 30, 2017 and December 31, 2016 is as follows:

Item	September 30, 2017 PYG	December 31, 2016 PYG
Taxes payable	9,939,161.875	11,985,989.298
Social security payables	626,833.843	1,078,608.556
Dividends payable	1,006,568.353	188,490.857
Financial lease payables	78,082.695	124,382.876
Accounts payable	9,064,668.458	1,768,555.015
Cashier's check issued	35,978,726.695	20,029,724.223
Other liabilities	5,882,585.400	22,268,167.188
Revenue Perceived Not Accrued	899,501.293	4,006,997.980
Total	63,476,128.612	61,450,915.993

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c.18 Transactions to be settled

This chapter records the balances of the following transactions:

a) Forward Operations:

Contracts are compulsory exchange of currencies in the future at a rate previously agreed between the parties ("Forwards" coin) that are initially recognized at fair value conclusion. Thereafter, any change in that amount is credited to income, valuing at nominal value converted at spot prices start; and all contracts denominated in foreign currency are updated at the spot rate on each closing date of the financial statements.

b) Repo operations

A repo operation occurs when the Bank acquires or transfers securities in exchange for the delivery of an amount of cash, assuming in the act and time commitment to transfer or acquire back the property of such securities to its "counterpart" values of the same species and Features the same day or at a later date at a specified price.

Under regulations of the Central Bank of Paraguay repo transactions are recorded as part of "Transactions to be settled" in the areas Appropriations current financial brokerage and financial intermediation obligations.

The amounts recorded in the Operations window interbank liquidity (Operations VLI) - Offer consist of the amounts granted to BCP plus bonuses agreed. In turn, the VLI Operations - Demand refers to the irrevocable commitment to sell securities obtained under the operation, and that are in custody by the BCP, the nominal value of the securities transferred.

FINANCIAL SECTOR

Repurchase transactions through interbank liquidity window

Future sales of securities purchased through the Interbank Liquidity Window	September 30, 2017 PYG	December 31, 2016 PYG
Debtors for future sale of purchased securities	-	100.398.567.489
Creditors for future sale of securities	-	(107.497.360.949)

Forward Operations

Forward purchases of foreign currency - Financial Sector:	September 30, 2017 PYG	December 31, 2015 PYG
Debtors for purchase transactions forward foreign currency	45.782.055.152	6.037.688.301
Payable for purchase transactions forward foreign currency	(47.508.400.000)	(6.025.000.000)

Forward sales of foreign currency - Financial Sector:	September 30, 2017 PYG	December 31, 2016 PYG
Receivables from sales transactions forward foreign currency	7.623.150.000	-
Creditors for operations through forward foreign currency	(7.466.685.600)	-

Total Forward contracts - Assets	53.405.205.152	106.436.255.790
Total Forward contracts - Liabilities	(54.975.085.600)	(113.522.360.949)

NO FINANCIAL SECTOR

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Repo Operations

Forward purchases of securities sold - Non-financial Sector:	September 30, 2017 PYG	December 31, 2016 PYG
Debtors for future purchase transactions of sold securities (repo)	-	-
Creditors for future purchase transactions of sold securities (repo)	-	-

Forward Operations

Forward purchases of foreign currency - Non-financial sector:	September 30, 2017 PYG	December 31, 2016 PYG
Debtors for purchase transactions forward foreign currency	3.437.629.824	3.479.866.640
Payable for purchase transactions forward foreign currency	(3.443.700.000)	(3.420.450.000)

Forward sales of foreign currency - Non-financial sector:	September 30, 2017 PYG	December 31, 2016 PYG
Receivables from sales transactions forward foreign currency	49.155.000.000	37.967.000.000
Creditors for operations through forward foreign currency	(47.382.106.652)	(37.905.864.055)

Total Forward contracts - Assets	52.592.629.824	41.446.866.640
Total Forward contracts - Liabilities	(50.825.806.652)	(41.326.314.055)

c.19 Relevant information for the period

a) Issuance of subordinated bonds:

Given the need to strengthen the regulatory capital of the Bank as a result of steady and gradual increase in the Bank's assets as of April 26, 2013 the Extraordinary General Meeting grants the Board the authority to issue subordinated bonds in Guarani and US Dollars up to a maximum equivalent to Gs.150.000.000.000 (Guarani hundred and fifty billion).

In exercising that discretion, the Board determined in its Acts No. 008/2015 dated 18 August 2015 and No. 010/2015 dated November 25, 2015, the issuance of subordinated bonds under the schemes Programs Global emission called G2 and USD2, worth Gs. 50,000,000,000 (Guarani Fifty billion) and US \$ 18,630,000 (US Dollars Eighteen million six hundred thirty thousand) respectively.

By Resolution SB. SG. No. 00027/2016 dated February 26, 2016, the Superintendency of Banks has authorized the issuance of subordinated bonds in domestic and foreign currency up to a maximum equivalent of Gs. 150 billion.

The following data broadcasts made are as follows:

Series	Currency of issue	Issue amount (*)	Date of issue	Maturity
1	US\$	10.000.000	04/25/2016	2555 days
2	US\$	8.630.000	04/26/2016	
Total		18.630.000		

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At the date of issuance of these financial statements, the Regional Bank S.A.E.C.A. It has not offered even on the market the Subordinated Notes in Guarani.

b) Banking Law:

On December 19, 2016, the Executive Branch enacted Law No. 5,787 / 16 on the Modernization and Strengthening of Rules Governing the Functioning of the Financial System. This Law modifies several articles of the General Law 861/96 of Banks, Financial and Other Credit Entities. The new Law grants greater powers to the Central Bank of Paraguay to provide, through resolutions, modifications on the required minimum capital, calculation of effective equity and risk weights, among others.

It also applies greater requirements in the provision of information on shareholders, regardless of the percentage of participation in regulated entities, and communication on change in the directive board of the regulated entity. The financial entities operating in Paraguay must comply with the new regulatory environment insofar as the Central Bank of Paraguay issues the regulations of the Law.

D. EQUITY

d.1 Effective Equity

The effective equity is used for determining limits and operational restrictions established by the Superintendence of Banks of the Central Bank of Paraguay, for financial entities operating in Paraguay.

The Bank’s shareholders’ equity as of September 30, 2017 and December 31, 2016, totaled PYG 1.470.587.000.000 and PYG 1.438.346.000.000, respectively.

According to the Resolution of the Board of the Central Bank of Paraguay No. 1, Act No. 44 dated July 21, 2011, as amended by Resolution No. 3, Act No. 4 dated February 2, 2012, the minimum percentage of effective equity should keep financial institutions of the country is a) Tier 1 - Main Capital 8%, b) Tier 2 - Main Capital plus supplementary capital of 12%.<

As of September 30, 2017 and December 31, 2016, the Bank maintained this relationship:

	<u>September 30,</u> <u>2017</u>	<u>December 31,</u> <u>2016</u>
Tier 1 - Principal Capital	15,11%	13,82%
Tier 2 – Principal Capital + Supplementary Capital	16,73%	17,32%

d.2 Minimum capital

The minimum capital adjusted for inflation in 2017, according to Central Bank of Paraguay provisions on this matter, is mandatory for banks operating in the Paraguayan financial system to hold as paid in capital at least an amount of PYG 50.000 million as of December 31, 2017, (PYG 46.552 million as of December 31, 2016). The potential capital deficit of a bank with regard to the minimum capital required annually to financial institutions must be covered prior to the end of the first nine months of each year.

As of September 30, 2017, and December 31, 2016, the Bank had a paid in capital in common and preferred shares of PYG 1.001.408.000.000 and 908.028.700.000 respectively , which exceeded the minimum amount required by Central Bank of Paraguay regulations as of those dates.

d.3 Prior year adjustments

The Plan and Manual states that BCP accounts settings prior year's results are recorded in the income statement for the year without affecting the equity accounts of the Bank. At September 30, 2017, the net adjustment is an expense of

PYG. 4.159.762.278 included in the chapter “Prior year adjustments” (expense PYG. 1.059.662.643 at September 30, 2016).

E. CONCERNING THE CONTINGENCIES AND MEMORANDUM ACCOUNTS

The balance of contingency accounts as of September 30, 2017 and December 31, 2016 corresponds to credit lines granted to debtors for credit card transactions, loans granted in current accounts, and other agreed pending utilization lines. These lines as a whole do not exceed 10% of total assets.

The Bank has recorded in contingency accounts the following balances related to commitments or responsibilities:

a) Contingency accounts

Conceptos	30/09/2017	31/12/2016
Guarantees granted	179.234.785.157	159.046.344.789
Documentary credits to be negotiated	133.487.580.604	111.178.079.997
Credits to be used in current accounts	195.538.775.777	237.293.592.305
Credits to be used by using cards	290.993.553.706	269.762.375.368
Total	799.254.695.244	777.280.392.459

a) Memorandum accounts

The accounts are comprised as follows:

Concepto	30/09/2017	31/12/2016
Guarantees received	11.528.634.664.153	11.553.384.907.068
Management of securities and deposits	996.562.206.226	1.206.112.236.436
Business abroad and collections	25.379.945.700	44.308.599.872
Sale and transfer of portfolio	447.090.819.284	375.309.639.817
Other order accounts	617.981.351.716	558.167.173.426
Total	13.615.648.987.079	13.737.282.556.619

F. INFORMATION REGARDING INCOME (LOSS)

f.1 Recognition of income and loss

The Bank applied the accrual method in recognizing income and allocating expenses and costs incurred, with the following exceptions referred to the fact that income is recognized as profit upon collection, as set forth by Resolution No. 1, Record No. 60 issued by the Central Bank of Paraguay on September 28, 2007, and its subsequent amendments and additions:

- a) Interest accrued and not collected from borrowers with nonperforming loans and unrealized valuation earnings;
- b) Financial products accrued and not collected related to borrowers and credits classified in categories 2 (not by subjective criteria), 3, 4, 5 and 6. The same are recognized as profit upon collection.
- c) Unrealized valuation earnings of borrowers with nonperforming loans, which are classified in categories 2 (not by subjective criteria), 3, 4, 5 and 6. The same are recognized as profit upon collection.
- d) Income to be realized through the sale of assets in installments, which are recognized as revenue as the loans are collected;
- e) Unrealized valuation of earnings of the above mentioned transactions.

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f) Certain fees for bank services.

f.2 Foreign exchange difference

Foreign exchange differences related to assets and liabilities in foreign currency are shown as net amounts in the "Valuation of assets and liabilities in foreign currency" line of the statement of income, and their breakdown is as follows:

Item	September 30, 2017 PYG	September 30, 2016 PYG
Income from valuation of financial assets and liabilities in foreign currency	3.844.382.433.488	4.924.326.532.298
Loss from valuation of financial assets and liabilities in foreign currency	(3.846.444.576.652)	(4.926.378.684.088)
Net foreign exchange differences on financial assets and liabilities in foreign currency	(2.062.143.164)	(2.052.151.790)
Income from valuation of other assets and liabilities in foreign currency	14.186.275.523	22.291.227.309
Loss from valuation of other assets and liabilities in foreign currency	(12.672.454.598)	(17.643.827.960)
Net foreign exchange differences on other assets and liabilities in foreign currency	1.513.820.925	4.647.399.349
Net foreign exchange differences on total assets and liabilities in foreign currency	(548.322.239)	2.595.247.559

As described in point (c) of note f.1 above, the foreign exchange differences related to loans in foreign currency that are nonperforming and/or performing and classified in categories "3", "4", "5" and "6", are recognized as income as they are collected.

The net foreign exchange differences from foreign exchange and arbitrage transactions are disclosed in the lines of the statement of income called "Other operating income - Gains for exchange and arbitrage operations".

f.3 Contributions to the Deposit Guarantee Fund (FGD)

Under the provisions of Law No. 2334 dated December 12, 2003, financial institutions provide mandatory funds to the FGD administered by the Central Bank of Paraguay an amount equivalent to the 0.12% of the average quarterly balances of its portfolio of deposits domestic and foreign, on a quarterly basis.

The amount contributed by the company to FGD for the years ended September 30, 2017 and September 30, 2016 amounted to PYG 36.412.630.138 and PYG 37.192.857.836, respectively. The amounts contributed by the Bank to the DGF, are not recoverable and are included in the line "General Expenses" of the chapter "Other operating expenses" of the Statement of Income.

f.4 Income tax

Income tax which is charged to the results for the year at a rate of 10% is based on book income before tax, adjusted by the items that the law and its regulations include or exclude for the determination of net taxable income.

The income tax charger to results of the years ended September 30, 2017 and September 30, 2016, amounts to total PYG 11.715.671.544 and PYG 16.473.897.853, respectively. This amount does not include the accrual of the additional 5% rate related to the distribution of earnings mentioned in note c.12.g), as the Bank books this additional income tax charge in the year in which the Shareholders' Meeting decides the distribution. The charge is recorded in the chapter "Other operating expenses" of the Statement of Income.

f.5 Effects of Inflation

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No adjustment for inflation procedures have been applied, except as mentioned in note c.9.

G. EVENTS SUBSEQUENT TO YEAR-END

No other post-September 30, 2017 that involves significant changes in the financial structure and results for the three months ended on that date facts.

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