Macroeconomic environment and Financial System

BBVA Francés

Strategy

BBVA Group

Appendix
Macroeconomic: economy shows signs of recovery

GDP Growth (%)
Base 2004

<table>
<thead>
<tr>
<th>Year</th>
<th>GDP Growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>2.4%</td>
</tr>
<tr>
<td>2014</td>
<td>-2.5%</td>
</tr>
<tr>
<td>2015</td>
<td>2.6%</td>
</tr>
<tr>
<td>2016e</td>
<td>-2.2%</td>
</tr>
<tr>
<td>2017</td>
<td>2.8%</td>
</tr>
<tr>
<td>2018</td>
<td>3.0%</td>
</tr>
<tr>
<td>2019e</td>
<td>3.0%</td>
</tr>
</tbody>
</table>

Inflation (%)
CPI City of Buenos Aires
(end of period)

<table>
<thead>
<tr>
<th>Year</th>
<th>Inflation (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>26.6</td>
</tr>
<tr>
<td>2014</td>
<td>38.0</td>
</tr>
<tr>
<td>2015</td>
<td>26.9</td>
</tr>
<tr>
<td>2016</td>
<td>41.0</td>
</tr>
<tr>
<td>2017e</td>
<td>20.8</td>
</tr>
<tr>
<td>2018e</td>
<td>12.9</td>
</tr>
<tr>
<td>2019e</td>
<td>8.5</td>
</tr>
</tbody>
</table>

During the process of re-elaboration of official statistics, the Statistics National Agency (INDEC) published the new series of activity (GDP) base 2004, with historical data since the 1st quarter of that year. Additionally, it published the new Inflation Index (IPC), but only with monthly variations, without historical data.

Source: BCRA, INDEC and own estimations
Macroeconomic main figures

**Trade Balance**
(billion USD)

- 2013: 1.5
- 2014: 3.1
- 2015: -3.0
- 2016: 2.1
- 2017e: -0.2
- 2018e: -1.4
- 2019e: -2.6

**Exchange Rate ($/U$S)**
(end of period)

- 2013: 6.5
- 2014: 8.6
- 2015: 13.0
- 2016: 15.8
- 2017e: 17.8
- 2018e: 18.4
- 2019e: 19.0

**Unemployment (%)**

- 2013: 7.1
- 2014: 7.3
- 2015: 6.5
- 2016e: 9.0
- 2017e: 9.3
- 2018: 8.9
- 2019e: 8.5

**BADLAR private banks (%)**
(end of period)

- 2013: 20.2
- 2014: 20.0
- 2015: 27.5
- 2016: 20.0
- 2017e: 16.0
- 2018e: 9.0
- 2019e: 5.5

Source: BCRA, INDEC and own estimations
Financial System: good ratios of solvency, liquidity and asset quality

ROE

2011: 25.3%
2012: 25.7%
2013: 29.5%
2014: 32.7%
2015: 32.4%
2016: 29.7%

Liquidity

Cash + net repos with BCRA / Total Deposits

2011: 24.7%
2012: 26.8%
2013: 26.8%
2014: 26.2%
2015: 28.2%
2016: 34.7%

NPL

2011: 1.4%
2012: 1.7%
2013: 1.7%
2014: 2.0%
2015: 1.7%
2016: 1.8%

Capital

2011-2012 only considering credit RWA

2011: 15.6%
2012: 17.1%
2013: 13.6%
2014: 14.7%
2015: 13.3%
2016: 16.7%

Source: BCRA – Financial System Report as of Dec16
Loans to the Private Sector: 84% (Argentina), 46% (Chile), 42.3% (Colombia), 39.7% (Perú)
Deposits: 69.2% (Argentina), 18.7% (Chile), 39% (Colombia), 29.5% (Perú)

Source: BCRA, INDEC and own estimations
... but with a good structure to face an important growth

Branches and ATMs/100,000 adult population

- Branches:
  - Argentina: 14.0
  - Chile: 17.0
  - Colombia: 15.0
  - Perú: 70.0

- ATMs:
  - Argentina: 14.0
  - Chile: 17.0
  - Colombia: 35.8
  - Perú: 36.2

Retail loans performance in the financial system

- Mortgages
- Car loans
- Personal
- Credit Cards

Figures as of Dec-12

+29% YoY
Argentina with the less concentrated financial system in the region....

Considering the first 5 banks, Argentina continues to be the less concentrated banking sector in the region, reaching 50.4% of total loans, whereas the rest of the countries reaches levels above 70%.
....where BBVA Francés is an important player

Private Market Share
Deposits  7.32%

NACION  25.73
PROVINCIA  9.81
SANTANDER  8.65
GALICIA  7.81
BBVA FRANCES  5.99
MACRO  5.44
CREDICOOP  4.03
CIUDAD  3.42
HSBC  3.34
ICBC  2.66
77% of total

Private Market Share
Loans  6.68%

NACION  14.18
SANTANDER  9.93
GALICIA  9.37
PROVINCIA  8.99
MACRO  6.80
BBVA FRANCES  6.70
CIUDAD  3.91
HSBC  3.83
PATAGONIA  3.62
ICBC  3.54
71% of total

Financial System as of Nov-2016.
Private Market Share as of Dec-2016.
Macroeconomic environment and Financial System

BBVA Francés

Strategy

BBVA Group

Appendix
BBVA Francés
A bank with history...


- Banco Francés del Río de la Plata
- Customer base expansion (adding S&Ms companies and individuals)
- Incorporation of investment banking, capital markets and international banking, while expanding its branch network throughout the country
- BBVA Group becomes the controlling shareholder
- Merger with Banco de Crédito Argentino
- BBVA Francés acquired 23 floors of the building to be constructed by Consultatio, where the “Torre BBVA” will be established.
- BBVA GOING DIGITAL
- BBVA Francés carried out the first moves to the new BBVA Corporate building
- Transformation
With a diversified business model...

Auto financing
PSA Finance - Rombo VW

Diversification

Broker
BBVA Francés Valores S.A.

Mutual Funds
BBVA Francés Asset Management S.A.

Insurance
BBVA Seguros

And strategic alliances and sponsors...
Operative Structure: wide network

<table>
<thead>
<tr>
<th>Branches</th>
<th>Clients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>251</td>
</tr>
<tr>
<td>Premium Segment</td>
<td>2,190,400</td>
</tr>
<tr>
<td>S&amp;MEs</td>
<td>31</td>
</tr>
<tr>
<td>Corporate</td>
<td>34</td>
</tr>
<tr>
<td>Retail</td>
<td>19,330</td>
</tr>
<tr>
<td>Premium spaces</td>
<td></td>
</tr>
<tr>
<td>S&amp;MEs</td>
<td></td>
</tr>
<tr>
<td>Corporate</td>
<td></td>
</tr>
<tr>
<td>Consume - Energy - Heavy Industries</td>
<td>743</td>
</tr>
</tbody>
</table>

| ATMs | 728 |
| ATSs | 789 |
| Employees | 6,265 |
BBVA Frances was one of the first companies listed on the BCBA, quoting since 1888. Its shares are listed on the BCBA under the ticker FRAN. Its shares are also listed on the New York Stock Exchange since November 1993 in the form of American Depositary Shares (ADSs) under the ticker BFR, and LATIBEX since December 1999, under the ticker XBFR.
2016 Main Figures

(MM$ and ▲ yoy)

<table>
<thead>
<tr>
<th>Net Financial Income</th>
<th>Fees</th>
<th>Expenses</th>
<th>Net Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>$12,411 ▲31.5%</td>
<td>$4,323 ▲176%</td>
<td>$9,541 ▲44.8%</td>
<td>$3,644 ▲3.7%</td>
</tr>
</tbody>
</table>

Good Performance in Net Financial Income due to a greater intermediation with the private sector.

Net income from services registered the impact of higher fees paid related with comercial actions and a campaign to attract customers, generating an increase of more than 20,000 new clients.

Administrative expenses reflected the wages increase, a higher volume of activity, general price increase, the depreciation of the currency and higher tariffs. Efficiency is one of the strategic priorities of BBVA Francés.

Profitability/Efficiency

<table>
<thead>
<tr>
<th>ROE</th>
<th>ROA</th>
<th>NIM</th>
<th>Efficiency</th>
<th>Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>24.1%</td>
<td>2.8%</td>
<td>13.9%</td>
<td>57%</td>
<td>45.3%</td>
</tr>
</tbody>
</table>
NIM
Figures in million $

Net Financial Income YoY

13.9%

Private Spread
Average Spread ($ +U$S)

The 4Q mainly includes the negative impact originated by the increase in the minimum cash requirements and a higher stock of bills.
Fees and Expenses

Figures in million $.

Net Income from Services

<table>
<thead>
<tr>
<th>Month</th>
<th>12.0%</th>
<th>17.3%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec15</td>
<td>961</td>
<td></td>
</tr>
<tr>
<td>Mar16</td>
<td>931</td>
<td></td>
</tr>
<tr>
<td>Jun16</td>
<td>1,014</td>
<td></td>
</tr>
<tr>
<td>Sep16</td>
<td>1,301</td>
<td></td>
</tr>
<tr>
<td>Dec16</td>
<td>1,076</td>
<td></td>
</tr>
</tbody>
</table>

Income from Services increased 37.6% yoy, such growth was based on higher fees for credit cards and fees associated with deposits accounts. On the other hand, Service Charge Expenses growth is explained by higher discounts and promotions, as well as a campaign to attract clients, which generated more than 20,000 new customers.

Administrative Expenses

<table>
<thead>
<tr>
<th>Month</th>
<th>51.4%</th>
<th>20.5%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec15</td>
<td>1,889</td>
<td></td>
</tr>
<tr>
<td>Mar16</td>
<td>2,096</td>
<td></td>
</tr>
<tr>
<td>Jun16</td>
<td>2,212</td>
<td></td>
</tr>
<tr>
<td>Sep16</td>
<td>2,373</td>
<td></td>
</tr>
<tr>
<td>Dec16</td>
<td>2,861</td>
<td></td>
</tr>
</tbody>
</table>

Personnel expenses growth reflected the salary increase and higher remunerations paid, as well as an increase in the number of employees. General Expenses increased due to a higher volume of activity, the general increase in prices, the depreciation of the currency and the increase in tariffs.
Profitability and Efficiency: maintaining good indicators, despite the difficulties of the last period.

**ROE**

<table>
<thead>
<tr>
<th>Year</th>
<th>ROE</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>28.1</td>
</tr>
<tr>
<td>2013</td>
<td>32.9</td>
</tr>
<tr>
<td>2014</td>
<td>36.6</td>
</tr>
<tr>
<td>2015</td>
<td>31.5</td>
</tr>
<tr>
<td>2016</td>
<td>24.1</td>
</tr>
</tbody>
</table>

**ROA**

<table>
<thead>
<tr>
<th>Year</th>
<th>ROA</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>3.0</td>
</tr>
<tr>
<td>2013</td>
<td>3.9</td>
</tr>
<tr>
<td>2014</td>
<td>4.8</td>
</tr>
<tr>
<td>2015</td>
<td>4.1</td>
</tr>
<tr>
<td>2016</td>
<td>2.8</td>
</tr>
</tbody>
</table>

**Efficiency (1)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Efficiency</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>55.4%</td>
</tr>
<tr>
<td>2013</td>
<td>51.9%</td>
</tr>
<tr>
<td>2014</td>
<td>51.1%</td>
</tr>
<tr>
<td>2015</td>
<td>50.2%</td>
</tr>
<tr>
<td>2016</td>
<td>57.0%</td>
</tr>
</tbody>
</table>

**Coverage (2)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>60.7%</td>
</tr>
<tr>
<td>2013</td>
<td>64.4%</td>
</tr>
<tr>
<td>2014</td>
<td>59.9%</td>
</tr>
<tr>
<td>2015</td>
<td>58.8%</td>
</tr>
<tr>
<td>2016</td>
<td>45.3%</td>
</tr>
</tbody>
</table>

(1) Administrative Expenses/ (Net Financial Income + Net income from services)

(2) Net income from services/ Administrative Expenses
Activity 2016

Balance Sheet (billion $ and ▲ yoy.)

<table>
<thead>
<tr>
<th>Loans</th>
<th>Deposits</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 78.9</td>
<td>$ 114.6</td>
</tr>
<tr>
<td>+39.5%</td>
<td>+49.1%</td>
</tr>
</tbody>
</table>

Leverage  

8.2X

LtD  

68.7%

Risk

NPL  

0.77%

Coverage  

262.6%

Liquidity and Solvency

<table>
<thead>
<tr>
<th>Liquidity (*)</th>
<th>Capital Ratio (**)</th>
<th>Tier I</th>
</tr>
</thead>
<tbody>
<tr>
<td>48.5%</td>
<td>13.8%</td>
<td>11.0%</td>
</tr>
</tbody>
</table>

(*) includes Bills and Notes issued by the Central Bank

Important growth in terms of loans and deposits

Adequate leverage, with an acceptable Loan to Deposits ratio, above LtD system

Outstanding risk indicators, maintaining the best asset quality ratios in the Argentine financial system

Adequate levels of liquidity and solvency
Loans: private loan portfolio with a diversified structure

Figures in million $

Market Share (%)  6.47  6.67  6.90  7.03  6.68

Average Lending Rate $  25.2%

Participation ▲ YoY
- Retail: -522 p.b
+ Middle Market: +270 p.b
+ Corporate: +252 p.b

Credit Cards 35%
Personal Loans 15%
Car Loans 9%
Mortgages 3%

Corporate 20%
Retail 52%
Middle Market 29%
Retail Banking: consolidating the participation in car loans

Figures in million $

**Personal Loans**

<table>
<thead>
<tr>
<th></th>
<th>Dec.15</th>
<th>Mar.16</th>
<th>Jun.16</th>
<th>Sep.16</th>
<th>Dec.16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Share (%)</td>
<td>4.55</td>
<td>4.36</td>
<td>4.21</td>
<td>4.12</td>
<td>4.23</td>
</tr>
</tbody>
</table>

YoY + 27.6%  QoQ + 14.6%

**Car Loans (*)**

<table>
<thead>
<tr>
<th></th>
<th>Dec.15</th>
<th>Mar.16</th>
<th>Jun.16</th>
<th>Sep.16</th>
<th>Dec.16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Share (%)</td>
<td>18.58</td>
<td>18.58</td>
<td>18.49</td>
<td>20.66</td>
<td>23.24</td>
</tr>
</tbody>
</table>

YoY + 71.7%  QoQ + 30.6%

(*) Car Loans include joint ventures
Retail Banking: focusing on making credit cards more profitable

Figures in million $
Commercial Banking: good growth in S&MEs, while the corporate segment is recovering its participation

Figures in million $
NPL by business area Dec-16

- Retail: 1.55%
- Middle Market: 0.21%
- Corporate: 0.00%

Risk Management: maintaining an outstanding asset quality

NPL peer group and Financial System (Nov-16)

- System: 1.68%
- BBVA: 0.78%
- Peer 1: 1.29%
- Peer 2: 1.31%
- Peer 3: 0.98%
Public bonds and Central Bank bills and notes portfolio

Figures in million $.

<table>
<thead>
<tr>
<th>Period</th>
<th>Private Portfolio</th>
<th>BCRA Bills &amp; Notes (own portfolio)</th>
<th>Public Bonds and Loans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec.15</td>
<td>11,087</td>
<td>3,287</td>
<td></td>
</tr>
<tr>
<td>Mar.16</td>
<td>12,321</td>
<td>4,090</td>
<td></td>
</tr>
<tr>
<td>Jun.16</td>
<td>11,558</td>
<td>4,363</td>
<td></td>
</tr>
<tr>
<td>Sep.16</td>
<td>9,437</td>
<td>3,386</td>
<td></td>
</tr>
<tr>
<td>Dec.16</td>
<td>7,310</td>
<td>5,277</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Dec.15</th>
<th>Mar.16</th>
<th>Jun.16</th>
<th>Sep.16</th>
<th>Dec.16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total exposure to the Public Sector without repos</td>
<td>14,684</td>
<td>16,755</td>
<td>16,190</td>
<td>13,215</td>
<td>13,066</td>
</tr>
<tr>
<td>Public Sector National Government /Total Assets</td>
<td>3.3%</td>
<td>3.8%</td>
<td>3.5%</td>
<td>2.9%</td>
<td>3.8%</td>
</tr>
<tr>
<td>BCRA Bills/Total Assets</td>
<td>10%</td>
<td>10.7%</td>
<td>8.8%</td>
<td>7.2%</td>
<td>4.8%</td>
</tr>
</tbody>
</table>

The bank complies with Rule 3991 from the Central Bank, which restricts public sector exposure to 35% of total assets as of July ‘07.
Deposits: solid funding mix structure

Figures in million $:

- Dec.15: 76,866
- Mar.16: 80,101
- Jun.16: 92,827
- Sep.16: 91,905
- Dec.16: 114,622

Sight accounts: 57%

- Saving accounts: 37%
- Time deposits: 32%
- Current accounts: 19%
- Others: 12%

Participation YoY:

- TD < 1MM: 75%
- TD > 1MM: 25%

Market Share (%):

- Dec.15: 6.95
- Mar.16: 6.94
- Jun.16: 7.14
- Sep.16: 7.11
- Dec.16: 7.32

Average cost of funds: 8.9%

Participation YoY:

- Saving accounts: +795 p.b
- Current accounts: - 821 p.b
- Time deposits: - 983 p.b

+49% YoY
Other funding sources

Global Program for the issuance of notes of up to US$ 750,000,000.

<table>
<thead>
<tr>
<th>Class</th>
<th>Issuance</th>
<th>Maturity</th>
<th>Cupon</th>
<th>F.V.</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>07-18-14</td>
<td>36 months (2017)</td>
<td>BADLAR + 3.75%</td>
<td>$165.9 MM</td>
</tr>
<tr>
<td>13</td>
<td>11-13-14</td>
<td>36 months (2017)</td>
<td>BADLAR + 3.75%</td>
<td>$107.5 MM</td>
</tr>
<tr>
<td>15</td>
<td>02-13-15</td>
<td>21 months (2016)</td>
<td>BADLAR + 4.00%</td>
<td>$144.9 MM</td>
</tr>
<tr>
<td>16</td>
<td>07-30-15</td>
<td>24 months (2017)</td>
<td>BADLAR + 3.75%</td>
<td>$204.4 MM</td>
</tr>
<tr>
<td>17</td>
<td>12-28-15</td>
<td>18 months (2017)</td>
<td>BADLAR + 3.50%</td>
<td>$199.7 MM</td>
</tr>
<tr>
<td>18</td>
<td>12-28-15</td>
<td>36 months (2018)</td>
<td>BADLAR + 4.08%</td>
<td>$152.5 MM</td>
</tr>
<tr>
<td>19</td>
<td>08-08-16</td>
<td>18 months (2018)</td>
<td>BADLAR + 2.40%</td>
<td>$207.5 MM</td>
</tr>
<tr>
<td>20</td>
<td>08-08-16</td>
<td>36 months (2019)</td>
<td>BADLAR + 3.23%</td>
<td>$292.5 MM</td>
</tr>
<tr>
<td>21</td>
<td>11-18-16</td>
<td>18 months (2018)</td>
<td>BADLAR + 2.75%</td>
<td>$90 MM</td>
</tr>
<tr>
<td>22</td>
<td>11-18-16</td>
<td>36 months (2019)</td>
<td>BADLAR + 3.50%</td>
<td>$181.1 MM</td>
</tr>
</tbody>
</table>
## Ratings

<table>
<thead>
<tr>
<th>Rating Agency</th>
<th>Instrument</th>
<th>Rating</th>
<th>Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fix SCR</strong>*</td>
<td>Shares</td>
<td>1</td>
<td>Neutral</td>
</tr>
<tr>
<td></td>
<td>Negotiable Obligations Global Program (U$S 750 million)</td>
<td>AAA(arg)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Subordinated Senior Debt</td>
<td>AA+(arg)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Senior Debt Short Term</td>
<td>A1+(arg)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Senior Debt Long Term</td>
<td>AAA(arg)</td>
<td></td>
</tr>
<tr>
<td><strong>S&amp;P</strong></td>
<td>Institutional Rating Long Term</td>
<td>raBBB</td>
<td>Neutral</td>
</tr>
<tr>
<td></td>
<td>Institutional Rating Short Term</td>
<td>raA-2</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Negotiable Obligations Global Program (U$S 750 million)</td>
<td>raBBB</td>
<td></td>
</tr>
</tbody>
</table>

*In November 2013, Fitch Argentina sold 70% of its capital stock to a local investor group and changed its name to Fix Scr. This new group will be responsible for the local credit rating.*
BBVA Francés maintains an adequate level of solvency, with an excess of capital of AR$ 6.8 billion, 64.7% higher than the minimum regulatory requirements. Considering the additional buffer, the excess of capital would amount AR$ 2.4 billion.

During 2016, the Bank paid cash dividends totaling 400 and 900 million pesos, corresponding to the 2014 and 2015 period, respectively.
Where we are going...

“Bring the age of opportunity to everyone”

6 Strategic priorities

- New standard in CX
- Drive digital sales
- New business models
- Optimize capital allocation
- Unrivalled efficiency
- A first class workforce
New standard in CX

NPS: Net Promoter Score

<table>
<thead>
<tr>
<th>Year</th>
<th>Rank</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec ‘15</td>
<td>1°</td>
<td>38%</td>
</tr>
<tr>
<td>Sep ‘16</td>
<td>3°</td>
<td>23%</td>
</tr>
<tr>
<td>Dec ‘16</td>
<td>1°</td>
<td>27%</td>
</tr>
</tbody>
</table>

The method seeks to know in which level the Bank is recommended by the clients and what are the reasons of such recommendation, according to certain experiences that were previously defined.

NPS

According to a numerical promoting score scale, the clients are divided in promoters, neutrals and detractors. The index is built by subtracting the percentage of detractor clients to the percentage of promoter clients.
Digital clients: successful deployment of the Bank’s digital strategy

Figures in thousand

Digital client evolution

- Dec.15: 621
- Mar.16: 674.4
- Jun.16: 705.9
- Sep.16: 740
- Dec.16: 774

+ 24.6% YoY

Mobile client evolution

- Dec.15: 184
- Mar.16: 211.4
- Jun.16: 231.5
- Sep.16: 255
- Dec.16: 275.1

+ 49.6% YoY
Digital sales boost

Figures in million $
One of the best companies to work

Great Place to Work
Improving 2 steps, in the ranking among companies with more than 1,000 employees, reaching the place N° 7.

Merco Talento.
For the second consecutive year, the Bank has been ranked in the top ten of the companies that attract and retain talent the most.

Randstad
Honourable mention, for the second consecutive year, as the most attractive company of the “Banking and Finance” industry to work

Ranking Universum
3° in the ranking about the most attractive employers in Argentina.
The perspective of a positive cycle and our distinguished starting position determined the STRATEGIC PRIORITIES over we are focused on.

- **Solid profitability and solvency indicators**
  - We can start to build the bank of the future
    - It will require transformation, but we are ready to capture the opportunity

- **We maintain the best asset quality indicators of the market, in a difficult context.**
  - Higher activity will provide new opportunities and a new clients

- **We have a team who feels successful, leader and committed in providing the best quality of service and experience to our clients**
  - In a more competitive environment with big challenges, our distinguished position will allow us to reach a differential value
Business model based on

Diversification, Clients, Prudence and Principles

Europe
Belgium / France / Germany / Italy / Portugal / Russia / Spain / Switzerland / Turkey / U.K.

North America
Mexico / USA

South America
Argentina / Bolivia / Brazil / Chile / Colombia / Paraguay / Peru / Uruguay / Venezuela

Asia - Pacific
Australia / China / Hong Kong / India / Japan / Singapore / South Korea / Taiwan / UAE

€ 732 billion in total assets
70 million customers
35 countries
8,660 branches
31,120 ATM’s
134,792 employees

Representative Offices: Brasil, Russia, Turkey, Shangai, Beijing, Australia, India and United Arab Emirates.
Information as of December, 2016.
Leading franchises in all markets.....

Gross Income - Breakdown

€ million

- USA: 27%
- México: 11%
- Turkey: 17%
- South America: 16%
- Spain: 26%
- Rest of Eurasia: 2%

An important contribution from emerging markets
# P&L breakdown

<table>
<thead>
<tr>
<th>Figures in million $</th>
<th>2015</th>
<th>1Q-16</th>
<th>2Q-16</th>
<th>3Q-16</th>
<th>4Q-16</th>
<th>2016</th>
<th>Δ Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Financial Income</td>
<td>9,440</td>
<td>2,980</td>
<td>3,343</td>
<td>2,836</td>
<td>3,252</td>
<td>12,411</td>
<td>31.5%</td>
</tr>
<tr>
<td>Provision for Loan Loses</td>
<td>(637)</td>
<td>(161)</td>
<td>(336)</td>
<td>(226)</td>
<td>(331)</td>
<td>(1,055)</td>
<td>65.6%</td>
</tr>
<tr>
<td>Net Income from Services</td>
<td>3,675</td>
<td>931</td>
<td>1,014</td>
<td>1,301</td>
<td>1,076</td>
<td>4,323</td>
<td>17.6%</td>
</tr>
<tr>
<td>Administrative Expenses</td>
<td>(6,588)</td>
<td>(2,096)</td>
<td>(2,212)</td>
<td>(2,373)</td>
<td>(2,861)</td>
<td>(9,542)</td>
<td>44.8%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>5,890</td>
<td>1,654</td>
<td>1,809</td>
<td>1,538</td>
<td>1,137</td>
<td>6,132</td>
<td>4.2%</td>
</tr>
<tr>
<td>Income Tax</td>
<td>(2,050)</td>
<td>(550)</td>
<td>(887)</td>
<td>(596)</td>
<td>(417)</td>
<td>(2,449)</td>
<td>19.5%</td>
</tr>
<tr>
<td>Net Income</td>
<td><strong>3,784</strong></td>
<td>1,165</td>
<td>963</td>
<td>934</td>
<td>582</td>
<td><strong>3,644</strong></td>
<td>-3.7%</td>
</tr>
</tbody>
</table>
## Balance sheet structure

<table>
<thead>
<tr>
<th>Figures in million $</th>
<th>4Q-15</th>
<th>1Q-16</th>
<th>2Q-16</th>
<th>3Q-16</th>
<th>4Q-16</th>
<th>∆ Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Banks</td>
<td>27,970</td>
<td>23,414</td>
<td>26,524</td>
<td>30,296</td>
<td>48,226</td>
<td>+72%</td>
</tr>
<tr>
<td>BCRA Bills &amp; Notes</td>
<td>11,087</td>
<td>13,303</td>
<td>16,934</td>
<td>9,742</td>
<td>7,375</td>
<td>-33%</td>
</tr>
<tr>
<td>Public sector assets</td>
<td>3,397</td>
<td>4,146</td>
<td>4,345</td>
<td>3,387</td>
<td>5,430</td>
<td>+60%</td>
</tr>
<tr>
<td>Private Loans</td>
<td>56,497</td>
<td>59,135</td>
<td>65,946</td>
<td>71,103</td>
<td>78,791</td>
<td>+39%</td>
</tr>
<tr>
<td>Others</td>
<td>11,742</td>
<td>15,277</td>
<td>17,895</td>
<td>16,362</td>
<td>11,893</td>
<td>+1%</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>110,692</td>
<td>115,275</td>
<td>131,545</td>
<td>130,890</td>
<td>151,715</td>
<td>+37%</td>
</tr>
<tr>
<td>Deposits</td>
<td>76,866</td>
<td>80,101</td>
<td>92,827</td>
<td>91,905</td>
<td>114,622</td>
<td>+49%</td>
</tr>
<tr>
<td>Others</td>
<td>20,110</td>
<td>20,292</td>
<td>23,773</td>
<td>23,107</td>
<td>20,634</td>
<td>+3%</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>96,976</td>
<td>100,393</td>
<td>116,600</td>
<td>115,012</td>
<td>135,255</td>
<td>+39%</td>
</tr>
<tr>
<td><strong>TOTAL NET WORTH</strong></td>
<td>13,716</td>
<td>14,881</td>
<td>14,945</td>
<td>15,878</td>
<td>16,460</td>
<td>+20%</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES + NET WORTH</strong></td>
<td>110,692</td>
<td>115,275</td>
<td>131,545</td>
<td>130,890</td>
<td>151,715</td>
<td>+37%</td>
</tr>
</tbody>
</table>