



The Province of Chaco

(A Province of Argentina)

USD 250,000,000
9.375% Notes Due 2024

The Province of Chaco (the “Province”) is offering USD 250,000,000 aggregate principal amount of its 9.375% notes due 2024 (the “Notes”). Interest on the Notes will accrue at a rate of 9.375% per year. The Province will pay interest on the Notes on February 18 and August 18 of each year, beginning on February 18, 2017. The Notes will pay the principal in three installments: 33.333% on August 18, 2022, 33.333% on August 18, 2023 and the remaining outstanding principal balance on August 18, 2024. The Notes will mature on August 18, 2024.

The Notes are direct, general, unconditional, unsecured and unsubordinated obligations of the Province, ranking without any preference among themselves and equally with all other unsecured and unsubordinated Public External Indebtedness (as defined below) of the Province. It is understood that this provision shall not be construed so as to require the Province to make payments under the Notes ratably with payments being made under any other Public External Indebtedness of the Province.

Application has been made to list the Notes on the Luxembourg Stock Exchange and to have the Notes admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange, and the Province has applied to list and trade the Notes on the *Mercado de Valores de Buenos Aires S.A.* (“MERVAL”) and to trade on the Argentine *Mercado Abierto Electrónico S.A.* (“MAE”). This Luxembourg Listing Prospectus constitutes a prospectus for purposes of Part IV of the Luxembourg law on prospectus securities dated July 10, 2005, as amended.

Investing in the Notes involves risks that are described in the “Risk Factors” section beginning on page 10 of this Luxembourg Listing Prospectus.

The Notes will contain provisions, commonly known as “collective action clauses.” Under these provisions, we may amend the payment provisions of any series of debt securities issued under the indenture (including the Notes) and other reserved matters listed in the indenture with the consent of the holders of: (1) with respect to a single series of debt securities, more than 75% of the aggregate principal amount of the outstanding debt securities of such series; (2) with respect to two or more series of debt securities, if certain “uniformly applicable” requirements are met, more than 75% of the aggregate principal amount of the outstanding debt securities of all series affected by the proposed modification, taken in the aggregate; or (3) with respect to two or more series of debt securities, more than 66 2/3% of the aggregate principal amount of the outstanding debt securities of all series affected by the proposed modification, taken in the aggregate, and more than 50% of the aggregate principal amount of the outstanding debt securities of each series affected by the proposed modification, taken individually. See “Description of the Notes—Meetings, Amendments and Waivers – Collective Action.”

Price to investors: 99.373%, plus accrued interest, if any, from August 18, 2016

The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”) or the securities laws of any other jurisdiction. Unless they are registered, the Notes may be offered only in transactions that are exempt from registration under the Securities Act or the securities law of any other jurisdiction. Accordingly, the Notes are being offered only to qualified institutional buyers (“QIBs”) pursuant to Rule 144A under the Securities Act and persons outside the United States of America (the “United States”) in reliance on Regulation S of the Securities Act. For further details about eligible offerees and resale restrictions, see “Notice to Investors.”

The Province issued the Notes in fully registered form, without interest coupons attached, only in denominations of USD 150,000 and in integral multiples of USD 1,000 in excess thereof. The Notes are registered in global form in the name of a nominee of The Depository Trust Company (“DTC”) for the accounts of its direct and indirect participants, including Euroclear Bank S.A./N.V., as operator of the Euroclear System (“Euroclear”) and Clearstream Banking, société anonyme (“Clearstream”). See “Description of the Notes—Registration and Book-Entry System.”

Joint Bookrunners

BNP PARIBAS

**UBS Investment
Bank**

Local Co-Manager
Nuevo Banco del Chaco

The date of this Luxembourg Listing Prospectus is August 23, 2016.

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You should rely only on the information contained in this Luxembourg Listing Prospectus. The Province has not, and the initial purchasers have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. The Province is not, and the initial purchasers are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this Luxembourg Listing Prospectus is accurate only as of the date on the front cover of this Luxembourg Listing Prospectus and may have changed since that date. Neither the delivery of this Luxembourg Listing Prospectus nor any sale made hereunder will under any circumstances imply that the information herein is correct as of any date subsequent to the date of the cover of this Luxembourg Listing Prospectus.

The Province is relying on an exemption from registration under the Securities Act for offers and sales of securities that do not involve a public offering. By purchasing Notes, you will be deemed to have made the acknowledgements, representations, warranties and agreements described under the section “Notice to Investors” in this Luxembourg Listing Prospectus. You should understand that you may be required to bear the financial risks of your investment for an indefinite period of time.

This Luxembourg Listing Prospectus may only be used for the purposes for which it has been published. This Luxembourg Listing Prospectus may not be copied or reproduced in whole or in part. By accepting delivery of this Luxembourg Listing Prospectus, you agree to these restrictions.

This Luxembourg Listing Prospectus is based on information provided by the Province and other sources that the Province believes are reliable. The Province cannot assure you that information from other sources is accurate or complete. This Luxembourg Listing Prospectus summarizes certain documents and other information and the Province refers you to them for a more complete understanding of what the Province discusses in this Luxembourg Listing Prospectus. In making an investment decision, you must rely on your own examination of the Province and the terms of the offering and the Notes, including the merits and risks involved.

After having made all reasonable inquiries, the Province confirms that it accepts responsibility for the information it has provided in this Luxembourg Listing Prospectus and assumes responsibility for the correct

reproduction of the information contained herein. To the best of the Province's knowledge, the information that it has provided in this Luxembourg Listing Prospectus contains no material omissions likely to affect the import of the Luxembourg Listing Prospectus.

The Province and the initial purchasers are not making any representation to any purchaser of Notes regarding the legality of an investment in the Notes by such purchaser under any legal investment or similar laws or regulations. You should not consider any information in this Luxembourg Listing Prospectus to be legal, business or tax advice. You should consult your own attorney, business advisor and tax advisor for legal, business and tax advice regarding an investment in the Notes.

You should contact the initial purchasers with any questions about this offering or for additional information to verify the information contained in this Luxembourg Listing Prospectus.

None of the U.S. Securities and Exchange Commission, any state securities commission or any other regulatory authority has approved or disapproved of the securities or passed upon or endorsed the merits of this offering or the adequacy or accuracy of this Luxembourg Listing Prospectus. Any representation to the contrary is a criminal offense.

ENFORCEMENT OF CIVIL LIABILITIES

The Province is a political subdivision of a sovereign state. Consequently, it may be difficult for investors or a trustee to obtain, or realize in the United States or elsewhere upon, judgments against the Province.

To the fullest extent permitted by applicable law, the Province will irrevocably submit to the non-exclusive jurisdiction of any New York state or U.S. federal court sitting in the City of New York, Borough of Manhattan, and any appellate court thereof, in any suit, action or proceeding arising out of or relating to the Notes or the Province's failure or alleged failure to perform any obligations under the Notes, and the Province will irrevocably agree that all claims in respect of any such suit, action or proceeding may be heard and determined in such New York state or U.S. federal court. The Province will irrevocably waive, to the fullest extent it may effectively do so, the defense of an inconvenient forum to the maintenance of any suit, action or proceeding and any objection to any proceeding whether on the grounds of venue, residence or domicile. To the extent that the Province has or hereafter may acquire any sovereign or other immunity from jurisdiction of such courts (whether through service of notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise), the Province will, to the fullest extent permitted under applicable law, including the U.S. Foreign Sovereign Immunities Act of 1976 (the "Foreign Sovereign Immunities Act"), irrevocably waive such immunity in respect of any such suit, action or proceeding. However, under the Foreign Sovereign Immunities Act, it may not be possible to enforce in the United States a U.S. judgment against the Province. In addition, under the laws of Argentina, it may not be possible to obtain in Argentina recognition or enforcement of a U.S. judgment and any attachment or other form of execution (before or after judgment) on the property and revenues of the Province will be subject to the applicable provisions of the *Código Procesal Civil y Comercial de la Nación Argentina*, or the "Code of Civil and Commercial Procedure of Argentina." See "Description of the Notes—Governing Law" and "—Submission to Jurisdiction."

A judgment obtained against the Province in a foreign court may be enforced in the Supreme Court of Argentina. Based on existing law, the Supreme Court of Argentina will enforce such a judgment in accordance with the terms and conditions of the treaties entered into between Argentina and the country in which the judgment was issued. In the event there are no such treaties, the Supreme Court of Argentina will enforce the judgment if it:

- complies with all formalities required for the enforceability thereof under the laws of the country in which it was issued;
- has been translated into Spanish, together with all related documents, and it satisfies the authentication requirements of the laws of Argentina;
- was issued by a competent court, according to Argentine principles of international law, as a consequence of a personal action (action *in personam*) or a real action (action *in rem*) over a movable property if it has been moved to Argentina during or after the time the trial was held before a foreign court;
- was issued after serving due notice and giving an opportunity to the defendant to present its case;
- is not subject to further appeal;
- is not against Argentine public policy; and
- is not incompatible with another judgment previously or simultaneously issued by an Argentine Court.

In a March 2014 decision, the Supreme Court of Argentina held that the enforcement of a foreign judgment did not satisfy one of the requirements set forth in the Code of Civil and Commercial Procedure of Argentina (*i.e.*, that a foreign judgment cannot contravene Argentine law principles of public policy), given the fact that an enforcement as such requested by the plaintiff would imply that such plaintiff, pursuant to an individual action filed before a foreign court, would circumvent the public debt restructuring process set forth by the federal government through emergency legislation enacted in accordance with the Argentine Constitution. In addition, the Supreme Court of Argentina held that such norms were part of Argentine public policy and, therefore, that the enforcement of a foreign judgment, as the one sought by the plaintiff, could not be granted as it would be clearly contrary to such legislation.

Attachment prior to judgment or attachment in aid of execution will not be ordered by courts of Argentina or the Province with respect to public property if such property is located in Argentina and is included within the provisions of Articles 234 and 235 of the *Código Civil y Comercial de la Nación* or the “Argentine Civil and Commercial Code,” provides a public service under the Provincial Constitution, nor will the courts of Argentina or of the Province order attachment prior to judgment or attachment in aid of execution with respect to the Province’s revenues, unless after a final judgment the Province has not moved the necessary means to effectuate the payment within following the legislature.

DEFINED TERMS AND CONVENTIONS

Certain Defined Terms

All references in this Luxembourg Listing Prospectus to:

The “Province,” “we,” “our” and “us” are to the Province of Chaco, the issuer;

“ANSeS” are to the *Administración Nacional de la Seguridad Social*, the National Social Security Administration;

“Argentina” are to the Republic of Argentina;

“BNA” are to the Banco de la Nación Argentina;

“BNDES” are to the *Banco Nacional do Desenvolvimento*, the Bank for Economic and Social Development Financing of the Federative Republic of Brazil;

“Bureau of Statistics and Census of the Province” are to the *Dirección de Estadísticas y Censos de la Provincia de Chaco*;

The “Central Bank” are to the *Banco Central de la República Argentina*, the Central Bank of the Republic of Argentina;

“City of Buenos Aires” are to the Ciudad Autónoma de Buenos Aires, the Autonomous City of Buenos Aires;

The “federal government” are to the non-financial sector of the central government of Argentina, excluding the Central Bank;

“INDEC” are to the *Instituto Nacional de Estadística y Censos*, the National Institute of Statistics and Censuses of the federal government;

“MECON” are to the *Ministerio de Hacienda y Finanzas Públicas*, the Ministry of Economy and Public Finances of the federal government;

“Nuevo Banco del Chaco” and “NBC” are to the *Nuevo Banco del Chaco S.A.*, the Bank of the Province of Chaco, the Province’s financial agent; and

The “Provincial Ministry of Finance” are to the *Ministerio de Hacienda y Finanzas Públicas*, the Ministry of Treasury and Public Finances of the Province.

The terms set forth below have the following meanings for purposes of this Luxembourg Listing Prospectus:

“2010 National Census” refers to the *Censo Nacional de Población, Hogares Y Viviendas* conducted by the INDEC in 2010.

“BADLAR” is the weighted average interest rate paid by private banks in Argentina for deposits in pesos on amounts greater than ARS 1.0 million for periods of 30-35 days.

“*Boden*” were bonds that the federal government began to issue in 2002, originally to compensate individuals and financial institutions affected by emergency measures adopted by the federal government during the 2001 economic crisis. Subsequently, other *Boden* issued by the federal government and not related to the compensation of those affected by the 2001-2002 crisis and related emergency measures. Currently, there are no *Boden* outstanding.

“*Bogar*” are bonds issued by the federally administered *Fondo Fiduciario para el Desarrollo Provincial* (Trust Fund for Provincial Development) in order to restructure debt obligations of Argentina’s provinces, including the Province. The Province’s debt obligations in respect of Bogar bonds were consolidated with other provincial debts under the *Programa Federal de Desendeudamiento de las Provincias Argentinas* (Argentine Provincial Indebtedness Federal Refinancing Program).

“CER,” or *Coeficiente de Estabilización de Referencia*, is a unit of account adopted on February 3, 2002, the value in pesos of which is indexed to consumer price index (the “CPI”). The nominal amount of a CER-based financial instrument is converted to a CER-adjusted amount, and interest on the financial instrument is calculated on the CER-adjusted balance.

“*Gran Resistencia*” is the most populous urban area in the Province and includes the cities of Resistencia, Barranqueras, Fontana and Puerto Vilelas. According to the 2010 National Census, Gran Resistencia’s population totaled 387,340.

“Gross domestic product,” or “GDP,” is a measure of the total value of final products and services produced in Argentina or the Province, as the case may be, in a specific year.

The “inflation rate,” or “rate of inflation,” provides an aggregate measure of the rate of change in the prices of goods and services in the economy. The inflation rate is generally measured by the rate of change in the CPI between two periods unless otherwise specified. The annual percentage rate of change in the CPI as of a particular date is calculated by comparing the index as of that date against the index as of the date 12 months prior.

“Mercosur” refers to the *Mercado Común del Sur*, which is a regional trade agreement among Argentina, Brazil, Paraguay, Uruguay and Venezuela.

The “primary balance” refers to the difference between the Province’s current and capital expenditures and current and capital revenues. The primary balance excludes interest expenses and borrowings and repayments of the Province’s debt.

“unemployment rate” as measured by the INDEC, represents the percentage of the labor force of the Province who has not worked at least one hour with compensation or 15 hours without compensation during the week preceding the measurement date and are actively seeking employment.

Currency of Presentation and Exchange Rates

References in this Luxembourg Listing Prospectus to “dollars,” “U.S. dollars,” “USD” and “U.S.\$” are to the official currency of the United States of America and references to “pesos” and “ARS” are to Argentine pesos, the official currency of Argentina.

The Province publishes most of its economic indicators and other statistics in pesos. Since February 2002, the peso has floated against other currencies, although the Central Bank purchases or sells U.S. dollars on the currency exchange market on a regular basis in order to minimize fluctuations in the value of the peso in relation to the U.S. dollar.

After several years of variations in the nominal exchange rate, in 2012, there was a devaluation of approximately 14% of the peso against the U.S. dollar. This was followed by a further devaluation of the peso against the U.S. dollar of approximately 30% in 2013 and 2014, which included a devaluation of approximately 24% in January 2014. In 2015, there was a devaluation of approximately 52% of the peso against the U.S. dollar, which included a devaluation of 10% from January 1, 2015 to September 30, 2015 and a 38% devaluation in the last quarter of 2015, which was mainly experienced after December 16, 2015, as a consequence of a significant economic reform implemented by the new federal administration. This devaluation reflected the decline in the value of the peso as a result of the active unofficial U.S. dollar trading market over the previous month (which reflected a peso/U.S. dollar exchange rate substantially different from the official peso/U.S. dollar exchange rate). See “Risk Factors—Risks Relating to the Province—Exchange controls and restrictions on capital inflows and outflows imposed by the Central Bank may continue to limit the availability of international credit and the liquidity of the market for securities of the Provinces”.

The following table sets forth the annual high, low, average and period-end “reference” exchange rates for the periods indicated, expressed in pesos per U.S. dollar and not adjusted for inflation. There can be no assurance that the peso will not depreciate or appreciate again in the future. The Federal Reserve Bank of New York does not report a noon buying rate for pesos.

The table below sets forth nominal exchange rate figures:

	Exchange rates ⁽¹⁾			Period-end
	High	Low	Average ⁽²⁾	
Year ended December 31,				
2011	4.304	4.264	4.130	4.304
2012	4.917	4.305	4.551	4.917
2013	6.518	4.922	5.479	6.518
2014	8.556	6.543	8.119	8.552
2015	13.763	8.554	9.269	13.005
2016:				
January	13.941	13.069	13.655	13.904
February	15.584	14.088	14.815	15.584
March	15.919	14.246	14.961	14.582
April	14.779	14.140	14.409	14.253
May	14.262	13.963	14.138	14.013
June	15.056	13.757	14.141	14.920
July	15.193	14.572	14.909	15.045

(1) Central Bank reference exchange rates (Communication “A” 3,500 of Central Bank).

(2) Average of daily closing quotes.

Source: Central Bank.

Currency conversions, including conversions of pesos into U.S. dollars, are included for the convenience of the reader only and should not be construed as a representation that the amounts in question have been, could have been or could be converted into any particular denomination, at any particular rate or at all. Unless otherwise indicated, such dollar amounts have been converted from peso amounts at an exchange rate of ARS 13.005 per USD 1.00, based on the currency bid daily rate published by the Central Bank on December 31, 2015.

As of August 1, 2016 the peso-dollar reference exchange rate was ARS 14.986 to USD 1.00.

Exchange Controls

Due to the deterioration of the Argentine economy and financial system in 2001, the inability of Argentina to service its public external debt and the decreased level of deposits in the financial system, the federal government issued Decree No. 1,570/2001 on December 3, 2001, which established certain monetary and currency exchange control measures, including restrictions on the free disposition of funds deposited in banks and restrictions on the transfer of funds abroad, subject to certain exceptions.

In addition to the above measures, on February 8, 2002, the Central Bank made certain transfers of funds abroad to service principal and/or interest payments on foreign indebtedness subject to prior authorization of the Central Bank. Although some of the restrictions adopted by the Central Bank have been eliminated or reduced as of August 10, 2016, some of them remain in force.

Following the recent Presidential elections in Argentina in October and November of 2015, in December 2015, the Central Bank issued Communication “A” 5850, as amended, which eliminated a significant portion of the foreign exchange restrictions imposed in 2012. See “Risk Factors—Risks Related to the Province—The recent Presidential elections and the change in the governing political party in Argentina may create certain uncertainties that could impact the Argentine and provincial economies and the securities market.” Further restrictions were also lifted or relaxed pursuant to Communication “A” 6037, issued by the Central Bank on August 8, 2016, effective as of August 9, 2016.

The primary changes related to the foreign exchange market that have been implemented after the last presidential elections include, among others: (i) the elimination of the requirement to mandatorily transfer and settle the proceeds from new foreign financial indebtedness incurred by the financial sector, the non-financial private sector and local governments through the *Mercado Único y Libre de Cambios* (Foreign Exchange Market, or “MULC”) (except that (a) the evidence of the mandatory transfer and settlement of funds through the MULC will still be required for subsequent access to the MULC in order to repay principal and interest of such indebtedness, except in certain instances with respect to local government debt; and (b) pursuant to Communication “A” 6037, if the funds are credited to foreign-currency denominated local accounts in Argentina, it will be necessary to demonstrate the settlement of such funds); (ii) the reduction of the mandatory minimum period that proceeds of any new financial indebtedness and renewal of existing indebtedness incurred by Argentine residents, held by foreign creditors and transferred through the MULC must remain in Argentina, from 365 calendar days to 120 calendar days from the date of the transfer of the relevant amount; (iii) in the case of partial or total prepayment of principal corresponding to foreign financial indebtedness, access to the MULC is permitted subject to the mandatory minimum period mentioned above; (iv) the ability to purchase foreign currency to acquire offshore assets without specific allocation or prior approval by Argentine residents that are individuals, legal entities from the private sector organized in Argentina and not authorized to deal in foreign exchange, certain trusts and other estates domiciled in Argentina, as well as Argentine local governments; (v) the reduction from 30% to 0% of a mandatory, non-transferable and non-interest bearing deposit of the amount of certain transactions involving foreign currency inflows for a 365 calendar day period; (vi) the elimination of the requirement of a minimum holding period (three business days) related to the purchase and sale of securities authorized to be listed or negotiated in different local and international stock exchange markets; and (vii) the replacement of the *Declaración Jurada Anticipada de Importación* (Advance Sworn Import Declaration, or “DJAI”) with a new import procedure that requires certain filings and import licenses for certain goods (including textiles, footwear, toys, domestic appliances and automobile parts), which, unlike the previous system, does not require discretionary federal government approval of payments through the MULC for the import of products.

Communication “A” 6037 amended rules on the following topics: (i) MULC general rules, (ii) payment of Argentine imports of goods and other payments, (iii) services, income, current transfers and non-financial assets, (iv) financial indebtedness, (v) foreign offshore assets of Argentine residents, (vi) financial derivatives, and (vii) exchange transactions with non-residents. More information is publicly available on the website of the Central Bank at www.bcra.gov.ar.”

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All annual information presented in this Luxembourg Listing Prospectus is based upon January 1 to December 31 periods, unless otherwise indicated.

Unless otherwise stated, prices and figures are stated in current values of the currency presented.

Preliminary Information

Certain statistical information included in this Luxembourg Listing Prospectus is preliminary in nature and reflects the most recent reliable data readily available to the Province as of August 10, 2016. Unless otherwise stated, fiscal and statistical information of the Province presented herein has been prepared by the Provincial Ministry of Finance (*Ministerio de Hacienda y Finanzas Públicas*) and by the Bureau of Statistics and Census of the Province. The finance, economic and statistical information included in this Luxembourg Listing Prospectus could be revised in the future in order to show new data or more accurate information. These revisions could reveal that the Province's economic and financial conditions as of any particular date are materially different from, and less favorable than those described in this Luxembourg Listing Prospectus. These revisions could materially and adversely affect the market price of the Notes.

Legislative Approval Process

According to Article 141, Section 8 of the Provincial Constitution, the Province must submit for approval its statement of fiscal results to the provincial legislature by September of the following year. The executive branch of the Province submitted the statement of fiscal results for 2014 on September 30, 2015. As of August 10, 2016, the fiscal results for the year 2015 are still provisional, and therefore the executive branch of the Province has not yet submitted the statements of such fiscal results to the provincial legislature.

National Information

Certain information presented in this Luxembourg Listing Prospectus relating to the national economy of Argentina is included only for the purpose of providing context for the information included herein and related to the economy of the Province. Such information has been extracted from the information made public by the federal government. Filings with the SEC are publicly available on its website at www.sec.gov. Other official information about Argentina is available in Spanish on the website of the Central Bank at www.bcra.gov.ar, of the MECON at www.economia.gob.ar and of the INDEC at www.indec.gob.ar. Information on these websites is not incorporated by reference and does not constitute part of this Luxembourg Listing Prospectus. See "Official Statements."

Information in this Luxembourg Listing Prospectus that is identified as being derived from a publication of Argentina, the Province or one of their respective agencies or instrumentalities relies on the authority of such publication as a public official document of Argentina or the Province, as the case may be. The Province has not independently verified the information in this Luxembourg Listing Prospectus that is identified as being derived from a publication of Argentina and makes no representation as to its accuracy or completeness. All other information and statements set forth herein relating to the Province are included as public official statements made on the authority of the Province.

On January 8, 2016, Decree No. 55/2016 was issued by the federal government declaring a state of administrative emergency on the national statistical system and on INDEC, until December 31, 2016. INDEC ceased publishing statistical data until a rearrangement of its technical and administrative structure was finalized. On June 15, 2016, the INDEC began publishing inflation rates, reporting an increase of 4.2% for May 2016 and of 3.1% for June 2016 using its new methodology for calculating the CPI. In addition, on June 29, 2016, INDEC published revised GDP data for 2004 through 2015 based on constant 2004 prices.

Unconsolidated Information

Generally, the Province does not consolidate the revenues and expenditures of its municipalities or provincial enterprises because neither such municipalities nor provincial enterprises rely on the Province's budgetary resources to finance their budgetary needs. However, the Province is required to transfer a portion of its

revenues, to its municipalities in order to finance certain functions delegated to such municipalities by the Province, and these transfers are accounted for as expenditures of the Province during the period in which such transfers are made. With regard to provincial enterprises, capital contributions, loans, advances and transfers from the Province to these enterprises are included among the Province's expenditures, and transfers from these enterprises to the Province are included among the Province's revenues, in the period in which such expenditures are incurred or such transfers are made, as applicable.

Information on Exports

In Argentina, information relating to exports is collected and released by INDEC, and is based mainly on data collected in connection with the issuance of shipping permits by the Argentine Federal Customs Bureau (*Dirección General de Aduanas*). Since 1995, export data has also been collected by INDEC in connection with the export of goods that require no such permits, such as cotton and soy. Provincial exports include exports of all goods produced within the territory of the Province, either by growth, extraction or collection, and all goods processed or manufactured entirely within the Province, including those made entirely from raw materials produced outside of the Province and transformed into a different product (as classified under the *Mercosur* rules) within the Province. In addition, data on population, price indexes and GDP provided by INDEC are included in this Luxembourg Listing Prospectus. See "The Economy of the Province—Provincial Exports".

Provincial Accounting Practices

The Province maintains its books and records in pesos and prepares its budgets and statements of revenues and expenditures in accordance with provincial accounting principles and rules, regulations and practices consistent therewith ("Provincial Accounting Practices"). Provincial Accounting Practices are consistent with those followed by other provinces in Argentina but differ in several material respects from generally accepted accounting principles in Argentina ("Argentine GAAP") and from generally accepted accounting principles in other jurisdictions, including the United States ("U.S. GAAP"). According to Provincial Law No. 4,787, as amended, the primary features of Provincial Accounting Practices are: (i) revenues are not accounted for on an accrual basis, but are recognized in the period in which they are received; (ii) expenditures are accounted for when they are accrued, regardless of whether there has been a cash outflow from the provincial treasury, except for interest expense, which is accounted for when paid; (iii) capital investments are carried at cost without reduction for depreciation or amortization and accordingly, the Province does not record any charges for depreciation or amortization in its financial statements; (iv) capital expenditures and investments in tangible assets are not capitalized, but are expensed during the period in which they are incurred; (v) construction contracts are expensed using the percentage of completion method; and (vi) revenues, expenditures and public debt are not adjusted for inflation in the Province's accounts.

Rounding

Certain figures included in this Luxembourg Listing Prospectus have been rounded for ease of presentation. Percentage figures included in this Luxembourg Listing Prospectus have not in all cases been calculated on the basis of such rounded figures but on the basis of such amounts prior to rounding. For this reason, percentage amounts in this Luxembourg Listing Prospectus may vary slightly from those obtained by performing the same calculation using the non-rounded figures. Certain other amounts that appear in this Luxembourg Listing Prospectus may similarly not sum to presented totals due to rounding.

FORWARD-LOOKING STATEMENTS

This Luxembourg Listing Prospectus may contain forward-looking statements within the meaning of Section 27A of the Securities Act and section 21E of the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”). Forward-looking statements are statements that are not historical facts, including statements about the Province’s beliefs and expectations. These statements are based on the Province’s current plans, estimates and projections. Therefore you should not place undue reliance on them. Forward-looking statements speak only as of the date they are made. The Province undertakes no obligation to update any of them in light of new information or future events.

Forward-looking statements involve inherent risks and uncertainties, including, but not limited to, those set forth in “Risk Factors” in this Luxembourg Listing Prospectus. A number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. The information contained in this Luxembourg Listing Prospectus identifies important factors that could cause such differences. Such factors include, but are not limited to:

- adverse domestic factors, such as further increases in inflation rates and salaries, high domestic interest rates, exchange rate volatility, lack of sufficient investment, limited access to credit, and/or to foreign currency, political disputes or social unrest, which could have an adverse impact on the stability of Argentina and lead to lower economic growth in Argentina and thus in the Province;
- adverse external factors, such as a decline in foreign investment and financial crises in international markets, changes in international prices (including commodity prices) for goods produced in the Province, high international interest rates and recessions or low levels of economic growth in Argentina’s trading partners which could, among other matters, reduce the value or quantity of exports from the Province, induce a contraction of the Province’s economy and, indirectly, reduce tax revenues and other public sector revenues and adversely affect the Province’s fiscal accounts;
- the relationship between the federal government and the provinces, including the Province;
- other adverse factors, such as climatic or political events, international or domestic hostilities and political uncertainty, including the effects of the results of the recent Argentine presidential, gubernatorial and legislative elections held in October and November 2015;
- exchange controls imposed by the federal government, which could increase the cost of foreign capital and thereby limit the Province’s access to liquidity; and
- the risk factors discussed under “Risk Factors.”

Each of these factors could lead to lower economic growth and/or reduce the Province’s revenues, thereby affecting the Province’s accounts and adversely affecting its financial condition.

SUMMARY

This summary highlights selected information contained in this Luxembourg Listing Prospectus, including economic and financial data about the Province and the Republic of Argentina. It is not complete and may not contain all of the information you should consider before purchasing the Notes. You should carefully read the entire Luxembourg Listing Prospectus, including "Risk Factors," before purchasing the Notes.

The following table summarizes selected economic information about the Province for the periods indicated:

Selected Economic Information

	2011	2012	2013	2014	2015
PROVINCIAL ECONOMY					
Provincial GDP (in millions of pesos, at constant 2004 pesos)	10,287.26	10,450.42	11,289.68	11,675.41	-----
Rate of change in provincial Real GDP from prior year	10.3%	1.6%	8.0%	3.4%	-----
Provincial GDP (in millions of pesos)	31,254.28	40,066.77	51,102.93	63,172.54	-----
Employment rate ⁽¹⁾	33.80%	33.00%	31.50%	29.40%	30.80% ⁽⁴⁾
Unemployment rate ⁽²⁾	3.70%	2.10%	0.60%	0.20% ⁽³⁾	1.50% ⁽⁴⁾
NATIONAL ECONOMY					
Real GDP (in billions of 1993 pesos)	459.57	468.30	-----	-----	-----
Rate of change from prior year (1993 pesos)	8.9%	1.9%	-----	-----	-----
Real GDP (in billions of 2004 pesos)	713.7	706.2	722.4	703.9	720.6
Rate of change from prior year (2004 pesos)	6.1%	(1.1%)	2.3%	(2.6%)	2.4%
Inflation ⁽⁵⁾	23.6%	22.3%	23.9%	40.7%	23.8%
PROVINCIAL PUBLIC SECTOR FINANCES					
Total revenues (in millions of nominal pesos)	9,724.38	11,958.68	16,090.06	22,645.17	30,997.64
Total expenditures (in millions of nominal pesos)	10,178.65	12,528.77	16,981.24	22,858.20	31,626.20
Primary balance (in millions of nominal pesos) ⁽⁶⁾	(414.95)	(483.21)	(756.39)	83.17	(313.61)
Financial result (in millions of nominal pesos) ⁽⁷⁾	(454.27)	(570.10)	(891.18)	(213.03)	(628.56)
PROVINCIAL PUBLIC SECTOR DEBT					
Total gross debt (in millions of U.S. dollars) ⁽⁸⁾	1,070.5	1,004.8	877.4	694.8	553.6
Debt as a % of GDP	14.7%	12.3%	11.2%	9.4%	-----
Debt as a % of total revenues	47%	41%	36%	26%	23%

(1) Calculated by dividing the portion of the population employed by the total population.

(2) Calculated by dividing the unemployed population seeking employment by the economically active population.

(3) For the three months ended September 30, 2014.

(4) For the three months ended March 31, 2015.

(5) As measured by the *Índice de Precios Implícitos* (Implicit Price Index) published by INDEC.

(6) Represents the difference between the Province's current and capital expenditures and current and capital revenues minus interest expenses.

(7) Represents the difference between total revenues and total expenditures.

(8) Last exchange rate published by the Central Bank for each period.

Source: Bureau of Statistics and Census of the Province; INDEC; Provincial Ministry of Finance.

The Province

General

The Province is one of Argentina's 23 provinces and is located in the Northeast region of the country. With an area of 99,633 square kilometers (approximately 38,469 square miles), the Province borders the provinces of Salta, Santiago del Estero, Santa Fe, Corrientes, Formosa and the Republic of Paraguay. The capital of the Province is Resistencia. In 2014, the Province had a GDP of ARS 63.2 million, which accounted for 1.7% of the national GDP. The Province has an estimated population of 1,143,201 inhabitants, accounting for approximately 2.6% of the country's population and making the Province the tenth most populous province of Argentina. According to the 2010 National Census, 46% of the Province's population is located in four municipalities, with over 45,000 inhabitants each: *Resistencia* with 316,031 inhabitants, *Presidencia Roque Sáenz Peña* with 105,023 inhabitants, *Barranqueras* with 59,275 inhabitants and *Villa Ángela* with 48,714 inhabitants.

According to the *Sistema Integrado de Información Agropecuaria del Ministerio de Agroindustria de la Nación* (Agricultural Integrated Information System of the Federal Ministry of Agro-industry), the Province is the second largest cotton producing province in Argentina and is among the most important soy, sunflower, corn and sorghum growing provinces. The Province is in a desirable geographic position and its lands are among the most fertile in the northeast region of Argentina, favoring the primary sector of the economy. The Province has recently begun promoting industrial development, shifting the focus from the traditional agro-industrial development in order to increase value-added production, with the aim of creating job opportunities that require skilled and well-paid personnel.

Provincial Government, Political Parties and Recent Political History

The current Governor of the Province is Oscar Domingo Peppo who was elected to hold office from 2015 to 2019 as the candidate for the *Frente Chaco Merece Más* ("Chaco Deserves More") alliance, which is composed by the *Partido Justicialista*, *Frente Grande*, *Frente para el Cambio*, *Partido Intransigente*, *Partido de la Concertación*, *Movimiento de Bases*, *Nuevo Espacio de Participación*, *Causa Reparadora*, *Partido de la Victoria*, *Acción Chaqueña* and *Frente Aliancista Integrador*. Mr. Peppo had previously been elected Mayor of *Villa Ángela* in 2003, 2007 and 2011, and had previously served as the Province's Minister of Government, Security and Justice and as president of the Provincial Institute of Urban and Housing Development.

The legislative branch is composed of a single body, the House of Representatives, which is composed of thirty-two members. The members of the House of Representatives are elected by popular vote to four year terms, and may be reelected. The composition of the House of Representatives is partially renewed every two years.

The judicial branch consists of a Higher Court of Justice (*Superior Tribunal de Justicia*), lower courts and other agencies created by law. The Higher Court of Justice is divided into two chambers consisting of two members each: the First Chamber and Second Chamber. The First Chamber has jurisdiction over extraordinary appeals grounded on unconstitutionality or inapplicability of legal doctrine in civil, commercial and labor law matters. The Second Chamber has jurisdiction over criminal and correctional appeals.

In addition, the Provincial Constitution provides for the existence of a number of agencies and instrumentalities that do not fall under any of these branches.

The Provincial Economy

Official GDP figures of the Province are available through the year ended December 31, 2014.

The most significant sector of the Province's economy is the tertiary sector, which accounted for 61.7% of the Province's total real GDP for the year ended December 31, 2014, followed by the secondary production sector, which represented 29.7% of the Province's real GDP, and the primary production sector, which accounted for 8.6% of the Province's real GDP for the same period. The most significant of the Province's subsectors are construction, transport, storage and communications, which account for at least 14% of real GDP each.

In real terms, the Province's GDP increased by 10.3% during the year ended December 31, 2011, 1.6% during the year ended December 31, 2012, 8.0% during the year ended December 31, 2013, and 3.4% during the year ended December 31, 2014.

The following table shows provincial GDP per capita, based on the population projections from the 2010 National Census and the provincial GDP (at current values) prepared by the Bureau of Statistics and Census of the Province, for the years indicated:

Year	GDP (in thousands of pesos)	Population	GDP per Capita (in pesos)
2011	31,254,278	1,092,625	28,604
2012	40,066,773	1,105,280	36,250
2013	51,102,929	1,117,953	45,711
2014	63,172,536	1,130,608	55,874

Source: Bureau of Statistics and Census of the Province and INDEC.

The Province's exports are mostly products derived from the agricultural sector. From 2011 to 2015, the value of provincial exports decreased on average by 13.5% per year, from approximately USD 590.0 million in 2011 to USD 270.9 million in 2015. During the period from 2011 to 2015, the main export destinations were (i) Asia (particularly China), (ii) Latin America, North America and the Caribbean, (iii) Europe and (iv) Africa, accounting on average for 49.4%, 29.7%, 12.0% and 8.8% of total provincial exports, respectively.

For the three months ended December 31, 2014, the unemployment rate in Gran Resistencia was nearly zero, whereas it was approximately 7% at the federal level. In addition, for the three-month period ended September 30, 2015, Gran Resistencia showed a low activity rate, slightly over 30%, whereas the same indicator at the federal level was 45%. The activity rate represents the number of economically active individuals over the total population. See "The Provincial Economy—Labor Market."

Public Sector Finances

The provincial budget and public accounts reflect the consolidated results of the institutions and agencies that comprise the central administration of the Province and decentralized institutions. The Province does not consolidate the results of the social security system and its municipalities, provincial enterprises and other agencies. Under provincial law, however, the Province is required to transfer a portion of its tax revenues to its municipalities, and certain provincial enterprises and agencies are required to transfer their profits or surpluses to the Province. The Province records transfers to these unconsolidated entities (including contributions, loans and advances to provincial enterprises) as expenditures, and transfers from these entities as revenues.

The following table describes the evolution of the provincial fiscal results for the periods indicated:

Fiscal Results
(in millions of nominal pesos, except as otherwise indicated)

	Year ended December 31,					Three-month period ended March 31,	
	2011	2012	2013	2014	2015	2015	2016
Current Revenues	8,740.98	10,856.17	14,303.00	19,836.66	26,893.25	5,363.7	7,128.1
Current Expenditures	8,518.33	10,958.10	13,935.80	18,448.76	25,587.25	3,863.4	6,152.8
Economic Result (Operating)	222.65	(101.92)	367.20	1,387.89	1,306.00	1,500.3	2,157.6
Capital Revenues	983.40	1,102.50	1,787.06	2,808.51	4,104.39	780.4	700.8
Capital Expenditures	1,660.31	1,570.68	3,045.44	4,409.44	6,038.95	979.0	1,131.0
Total Revenues	9,724.38	11,958.68	16,090.06	22,645.17	30,997.64	6,144.1	7,828.9
Total Expenditures	10,178.65	12,528.77	16,981.24	22,858.20	31,626.20	4,842.4	7,283.8
Financial Result ⁽¹⁾	(454.27)	(570.10)	(891.18)	(213.03)	(628.56)	1,301.7	545.0
Primary Expenditures ⁽²⁾	10,139.33	12,441.89	16,846.45	22,562.00	31,311.25	4,802.6	7,196.8
Primary Balance ⁽³⁾	(414.95)	(483.21)	(756.39)	83.17	(313.61)	1,341.5	632.1

(1) Represents the difference between total revenues and total expenditures.

(2) Represents the difference between total expenditures and interest expenses.

(3) Represents the difference between the Province's current and capital expenditures and current and capital revenues minus interest expenses.

Source: Provincial Ministry of Finance based on General Account prepared by the General Accounting Office of the Province.

Main Sources of Revenues

For the year ended December 31, 2015, total revenues amounted to ARS 31.0 billion, of which approximately 86.8% were current revenues. Tax revenues accounted for ARS 24.5 billion, or 79.0%, of total revenues. On average, from 2011 to 2015, tax revenues accounted for approximately 79.8% of the Province's total revenues, capital revenues accounted for 13.2%, and the rest were other non-tax revenues.

The table below shows the revenues generated by the Province in the periods indicated:

	Year ended December 31,					Three-month period ended March 31,	
	2011	2012	2013	2014	2015	2015	2016
Current Revenues	8,741.0	10,856.2	14,303.0	19,836.7	26,893.3	5,363.7	7,128.1
Tax	7,639.2	9,683.6	13,089.7	17,921.3	24,479.4	5,083.9	6,776.7
Provincial	1,062.9	1,311.5	2,139.1	2,795.8	3,884.2	896.6	1,153.9
Federal	6,576.3	8,372.2	10,950.6	15,125.5	20,595.2	4,187.3	5,622.8
Non-tax	103.4	121.2	153.7	191.5	270.9	38.8	104.4
Current Transfers	998.3	1,051.4	1,059.6	1,723.8	2,142.9	241.0	246.9
Non-reimbursable contributions	-	-	-	-	559.6	-	-
Other current transfers	998.3	1,051.4	1,059.6	1,723.8	1,583.3	241.0	246.9
Capital Revenues	983.4	1,102.5	1,787.1	2,808.5	4,104.4	780.4	700.8
Total Revenues	9,724.4	11,958.7	16,090.1	22,645.2	30,997.6	6,144.1	7,828.9

Source: Provincial Ministry of Finance based on General Account prepared by the General Accounting Office of the Province.

Federal Tax Transfers

The following table shows the amounts received by the Province from federal tax transfers for the periods indicated:

Federal Tax Transfers (in millions of ARS)					
For the year ended December 31,					
	2011	2012	2013	2014	2015
Federal Tax Transfers	6,576.3	8,372.2	10,950.6	15,125.5	20,595.2
Federal Tax Co-Participation Law	5,120.1	5,842.4	7,659.40	10,599.4	13,372.5
Other Co-participation regimes	1,456.2	2,529.8	3,291.2	4,526.2	7,222.7

Source: Provincial Ministry of Finance based on General Account prepared by the General Accounting Office of the Province.

Provincial Tax Revenues

The following table shows the breakdown of provincial tax revenues for the periods indicated:

Provincial Tax Revenues (in millions of ARS)					
For the year ended December 31,					
	2011	2012	2013	2014	2015
Gross revenue tax	880.9	1,066.3	1,767.2	2,369.8	3,225.9
Rural real estate tax	21.6	22.8	27.2	14.6	27.4
Stamp tax	100.6	150.6	214.9	258.9	399.8
Other tax revenues	59.8	71.7	129.8	152.5	231.1
Total	1,062.9	1,311.5	2,139.0	2,795.8	3,884.2

Source: Provincial Ministry of Finance based on General Account prepared by the General Accounting Office of the Province.

Composition of Expenditures

Provincial expenditures are classified as current expenditures and capital expenditures. Current expenditures, which accounted for 80.9% of total expenditures in 2015, consist of expenditures for personnel, goods and services, rents for property and transfers (including transfers to municipalities and subsidies to the private education system). Capital expenditures consist of investment in public works carried out by the Province, the administration or through contractors, and accounted for 19.1% of total expenditures in 2015. Expenditures can be classified as either current expenditures and capital expenditures based on a variety of factors, including purpose and function, jurisdiction and allocated revenue source, among others.

From 2011 to 2015, the average composition of expenditures was the following: 51.3% in personnel, 17.0% in capital expenditures, 8.2% in goods and services, 10.6% in transfers to municipalities, and the remaining 12.8% to other current and capital expenditures.

The following table shows the composition of expenditures for the periods indicated:

Composition of Expenditures
(in millions of ARS)

	For the year ended December 31,					Three-month period ended March 31,	
	2011	2012	2013	2014	2015	2015	2016
Current Expenditures	8,518.3	10,958.1	13,935.8	18,448.8	25,587.3	3,863.4	6,152.8
Consumptions expenditures.....	5,974.20	7,830.40	10,049.48	13,421.08	18,533.91	2,863.8	4,709.4
Personnel.....	5,089.4	6,732.0	8,641.4	11,656.15	16,146.1	2,554.1	4,347.3
Goods and services.....	884.8	1,098.4	1,408.1	1,764.9	2,387.8	309.7	362.1
Interest expense.....	39.3	86.9	134.8	296.2	315.0	39.9	87.0
Current transfers.....	2,504.8	3,040.8	3,751.5	4,731.5	6,738.4	959.8	1,356.3
-to the Private Sector.....	978.4	1,249.6	1,595.4	1,851.9	2,498.4	311.6	510.3
-to the Public Sector.....	1,526.4	1,791.3	2,156.2	2,879.6	4,240.0	648.2	846.0
-Transfers to municipalities.....	1,096.9	1,325.1	1,783.2	2,433.9	3,366.0	648.2	846.0
-Other transfers.....	429.5	466.2	373.0	445.7	874.0	-	-
Capital Expenditures	1,660.3	1,570.7	3,045.4	4,409.4	6,038.9	979.0	1,131.0
Real Direct Investment.....	1,299.6	1,141.7	1,967.6	2,908.9	4,178.3	614.2	602.4
Capital Transfers.....	301.4	343.2	693.4	1,011.2	878.7	129.6	131.8
Financial Investment.....	59.3	85.7	384.4	489.3	981.9	75.5	235.3
Total Expenditures	10,178.6	12,528.8	16,981.2	22,858.2	31,626.2	4,842.4	7,283.8

Source: Provincial Ministry of Finance based on General Account prepared by the General Accounting Office of the Province.

Fiscal Result

In the three-month period ended March 31, 2016, the Province's financial surplus was ARS 0.5 billion compared to a surplus of ARS 1.3 billion in the corresponding period in 2015, mainly due to a decrease in the primary surplus. The Province's primary balance surplus for the three-month period ended March 31, 2016 amounted to ARS 0.6 billion compared to a surplus of ARS 1.3 billion in the corresponding period in 2015. This decrease was due to the 50.4% increase in primary expenditures, which offset the 27.4% increase in total revenues.

In 2015, the Province recorded a financial deficit of ARS 0.6 billion, compared to a deficit of ARS 0.2 billion in 2014, attributable to the decrease in the primary balance. In 2015, the Province's primary balance decreased from a surplus of ARS 0.1 billion in 2014 to a deficit of ARS 0.3 billion in 2015, due to a 36.9% increase in total revenues compared to a 38.9% increase in primary expenditures.

2016 Budget

The annual budget represents an estimation of the Province's revenues for the budgeted year on the basis of forecasts of the economic activity of Argentina and the Province, and of the necessary expenditures to render public services and to comply with the Province's obligations. In addition, the budget, when approved, represents the amount that the Province is authorized to spend and the level up to which the Province may borrow. The provincial legislature has full power to amend or reject the budget bill submitted by the Governor. The 2016 budget was approved by Provincial Law No. 7,739 and is structured on the basis of two components: revenues and expenditures.

In 2016, the Province has budgeted a financial surplus of ARS 0.3 billion, compared to a financial deficit of ARS 0.6 billion in 2015. The 2016 budget does not reflect the issuance of the Notes or the application of the net proceeds thereof by the Province. See "Public Sector Finances—Provincial Budget."

Public Sector Debt

The Province satisfies its financing needs through a variety of sources depending on the provincial and federal economies and the domestic and international financial markets. The Province's total indebtedness decreased in recent years. It amounted to USD 1,070.5 million, USD 1,004.8 million, USD 877.4 million,

USD 694.8 million and USD 553.6 million as of December 31, 2011, December 31, 2012, December 31, 2013, December 31, 2014 and December 31, 2015, respectively.

As of March 31, 2016, the Province's total indebtedness amounted to USD 493.3 million, of which 57.4% was denominated in pesos and the remaining 42.6% was denominated in U.S. dollars. As of March 31, 2016, the federal government held 66.7% of the Province's total indebtedness, while 25.4% was held by financial entities and the remaining 7.9% by local bondholders. See "Public Sector Debt."

As of March 31, 2016, ARS 566 million, or USD 39 million, of provincial securities were outstanding, divided among the following three bonds: BOSAGAR, Debt Security—Law No. 4,387—2026 Security—Francés Bank and Consolidation Bond in National Currency Series 1 Law No. 4,951. See "Public Sector Debt—Provincial Securities."

The Province has pledged a part of its federal tax transfers to secure its obligations under certain of its outstanding indebtedness, most of which is owed to the federal government. Pursuant to these security arrangements, the federal government is entitled to withhold a portion of the Province's federal tax transfers to cover principal and interest payments on the secured debt. See "Public Sector Debt—Pledge of Tax Co-Participation Revenues."

Under the Fiscal Responsibility Law established in 2004 and adopted by the Province in 2004 (through Provincial Law No. 5,483), all of the provincial governments are required to obtain the authorization from the federal government before incurring any indebtedness. See "Public Sector Finances—Overview of Provincial Accounts—Fiscal Responsibility Law."

Nuevo Banco del Chaco S.A.

Nuevo Banco del Chaco S.A. or NBC, is a *sociedad anónima* organized under the laws of Argentina, created by statute on September 15, 1993. NBC began operating on November 4, 1994. NBC voluntarily adheres to the *Código de Prácticas Bancarias* (Banking Practice Code), a self-regulating code of banking best practices in Argentina, pursuant to Resolution No. 263 of its Board of Directors, dated November 29, 2005. The goal of NBC is to foster economic development and equality within the Province, by providing modern banking products and services, integrating social and economic sectors and improving the competitiveness of local businesses. The Province is not obliged by applicable law to, and as of August 10, 2016 does not, guarantee liabilities of NBC, including deposits.

Pursuant to Provincial Law No. 3,873, dated June 16, 1993, as amended, the Province was required to have NBC act as its financial agent, administering the Province's public sector funds for a period of 20 years from the date on which the law was enacted. Provincial Law No. 7,659, dated September 11, 2015, extended the duration of this requirement for an additional 20 years, after which point the Province may select a different financial agent. As part of its mandate, NBC provides financial services to the provincial, municipal and federal public sector, handling the payment and management of wages, pensions, social plans, advances and loans, including the payment of wages to all employees of the Province. It also provides services to the private sector, including deposits, transfers and credit lines to small- and medium-sized entities.

As of March 31, 2016, NBC was the 28th largest bank in Argentina in terms of assets and deposits, holding assets of ARS 7.7 billion and deposits of ARS 6.4 billion, and was the 25th largest bank in Argentina in terms of loans, having issued ARS 4.4 billion in loans, in each case according to data published by the Central Bank.

THE OFFERING

This summary highlights important information presented in greater detail elsewhere in the Luxembourg Listing Prospectus. This summary is not complete and does not contain all the information you should consider before investing in the Notes. You should carefully read this entire Luxembourg Listing Prospectus before investing in the Notes, including “Risk Factors.”

Issuer.....	The Province of Chaco.
Notes Offered	USD 250,000,000 aggregate principal amount of 9.375% Notes due 2024
Interest Payment Dates	February 18 and August 18, beginning February 18, 2017
Payment of Principal.....	The Province will pay the principal of the Notes in three installments: 33.333% on August 18, 2022, 33.333% on August 18, 2023 and the remaining outstanding principal balance on August 18, 2024.
Final Maturity	August 18, 2024
Status	The Notes are direct, general, unconditional, unsecured and unsubordinated obligations of the Province. The Notes rank and will rank without any preference among themselves and equally with all other existing and future unsecured and unsubordinated Public External Indebtedness of the Province. It is understood that this provision shall not be construed so as to require the Province to make payments under the Notes ratably with payments being made under any other Public External Indebtedness of the Province. See “Description of the Notes—Status.” As of March 31, 2016, the Province had approximately total outstanding consolidated indebtedness of approximately ARS 7.2 billion (or approximately USD 493.3 billion).
Issue Date	The Notes are expected to be issued on August 18, 2016.
Issue Price.....	99.373%
Indenture	The Notes were issued pursuant to an indenture to be dated August 18, 2016, between the Province and The Bank of New York Mellon, as trustee (the “Trustee”), registrar, paying agent and transfer agent.
Covenants	The indenture governing the Notes contains covenants that, among other things, limit the Province’s ability to issue or assume indebtedness secured by a lien on any of its property or assets unless the Notes are secured equally and ratably with such indebtedness. These covenants are subject to important exceptions and qualifications, which are described under the heading “Description of the Notes” in this Luxembourg Listing Prospectus.
Use of Proceeds	The gross proceeds from the offering, before commissions and other expenses payable by the Province, were USD 248,432,500. The Province intends to use the net

	proceeds from the offering to finance public works projects primarily related to logistics and social development and to cancel liabilities in accordance with Provincial Law No. 7,782. See “Use of Proceeds.”												
Further Issuances	The Province may from time to time, without notice to or the consent of the holders of the Notes, create and issue additional notes having terms and conditions which are the same as those of the Notes in all respects, except for the issue date, issue price and first payment date of interest on the Notes; provided, however, that any additional Notes subsequently issued that are not fungible with the previously outstanding Notes for U.S. federal income tax purposes shall have a separate CUSIP, ISIN or other identifying number from the previously outstanding Notes. Additional Notes issued in a qualified reopening for U.S. federal income tax purposes will be consolidated with and will form a single series with the previously outstanding Notes.												
Form and Settlement.....	The Province issued the Notes in fully registered form, without interest coupons attached, only in denominations of USD 150,000 and in integral multiples of USD 1,000 in excess thereof. The Notes are registered in global form in the name of a nominee of The Depository Trust Company (“DTC”) for the accounts of its direct and indirect participants, including Euroclear and Clearstream Banking. See “Description of the Notes—Registration and Book-Entry System.”												
Listing.....	Application has been made to list the Notes on the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF Market. Application has been made to list and trade the Notes on MERVAl and to trade the Notes on the MAE.												
CUSIP and ISIN	The Notes offered hereby and sold pursuant to Rule 144A and Regulation S under the Securities Act will have the CUSIP and ISIN numbers indicated herein below. <table><tr><td></td><td>CUSIP</td><td></td></tr><tr><td>Notes Offered</td><td>Number</td><td>ISIN Number</td></tr><tr><td>Rule 144A.....</td><td>157223 AA6</td><td>US157223AA64</td></tr><tr><td>Regulation S</td><td>P2389C AA1</td><td>USP2389CAA10</td></tr></table>		CUSIP		Notes Offered	Number	ISIN Number	Rule 144A.....	157223 AA6	US157223AA64	Regulation S	P2389C AA1	USP2389CAA10
	CUSIP												
Notes Offered	Number	ISIN Number											
Rule 144A.....	157223 AA6	US157223AA64											
Regulation S	P2389C AA1	USP2389CAA10											
Transfer Restrictions.....	The Notes have not been registered under the Securities Act and are subject to transfer restrictions. See “Notice to Investors.”												
Governing Law	State of New York												
Trustee, Registrar, Paying Agent and Transfer Agent	The Bank of New York Mellon												
Luxembourg Listing Agent, Paying Agent and Transfer Agent.....	The Bank of New York Mellon (Luxembourg) S.A.												
Risk Factors	See “Risk Factors” and the other information in this Luxembourg Listing Prospectus for a discussion of factors you should carefully consider before deciding to invest in the Notes.												

RISK FACTORS

An investment in the Notes involves a significant degree of risk. Before deciding to purchase the Notes, you should carefully read all of the information contained in this Luxembourg Listing Prospectus, including, in particular, the following risk factors. In addition, the risks described below are not the only risk affecting the Province or investments in Argentina generally. There may be additional risks of which the Province is not currently aware or that it currently considers to be immaterial, but which nonetheless could negatively affect its economy and public finances.

Risks Relating to the Province

Investing in a developing country such as Argentina, in which the Province is a political subdivision, entails certain inherent risks.

The Province is located in Argentina, which is a developing economy. Investing in developing economies generally involves risks. These risks are associated with political, social and economic events that may affect Argentina's economic results. In the past, instability in Argentina and in other Latin American and emerging market countries has been caused by many different factors, including the following:

- adverse external economic shocks;
- dependence on external financing;
- inconsistent fiscal and monetary policies;
- high levels and changing levels of inflation;
- changes in currency values;
- high interest rates;
- price controls and wage increases;
- volatility of exchange rate and capital controls;
- political and social tensions;
- fiscal deficits;
- changes in governmental economic or tax policies;
- fluctuations in Central Bank reserves; and
- trade barriers.

In 2001 and 2002, Argentina suffered a major political, economic and social crisis, which resulted in a severe economic contraction with significant increases in unemployment and poverty rates (GDP contracted 10.9% in 2002 compared to 2001). Among other consequences, the crisis caused a large currency devaluation and the Argentine government to default on its external debt. In response, the federal government imposed numerous emergency measures which affected public companies and other sectors of the economy. In this environment, the Province also defaulted on its public debt.

The Argentine economy has recovered significantly after the 2001-2002 crisis. Since 2008, however, Argentina, has been suffering high inflation and growth has stagnated. This was mainly due to certain monetary and fiscal policies, including overvalued real exchange rates, capital outflows, severe foreign exchange controls that discouraged exports and investments, and the decline in commodities prices, among other factors.

Since assuming office on December 10, 2015, the Macri administration has been introducing significant economic and policy reforms. See “—The recent Presidential elections and the change in the governing political party in Argentina may create certain uncertainties that could impact the Argentine and provincial economies and the securities market”. In addition, the Macri administration has restarted negotiations with holdout creditors and on April 22, 2016, Argentina issued USD 16.5 billion of new debt securities in the international capital markets, and applied USD 9.3 billion to satisfy payments on settlement agreements with holders of approximately USD 8.2 billion principal amount of defaulted bonds. The United States District Court in New York ordered the vacatur of all *pari passu* injunctions upon confirmation of such payments. As of August 10, 2016, although the vast majority of claims in litigation have been settled, litigation initiated by some holdout creditors continues in several jurisdictions. See “—Argentina’s ability to obtain financing from international markets is limited, which may impair its ability to implement reforms and foster economic growth.”

Argentina has experienced political, social and economic instability in the past and may experience further instability in the future. Any of these factors may adversely affect the liquidity, trading markets and value of Argentina’s debt securities and Argentina’s ability to service its debt. The Province’s economic conditions depend, to a large extent, on the macroeconomic and political conditions prevailing in Argentina. Worsening economic conditions in the country could have an adverse effect on the Province’s economy, revenues and ability to service its debt obligations, including the Notes.

Any of the above factors either individually or taken together, including volatility in the international capital markets, could have adverse consequences for the Province’s economy, financial condition and ability to pay its debt obligations, including the Notes.

The Province is a political subdivision of Argentina and, as a result, the Province’s economic performance is subject to general economic conditions in Argentina and to decisions and measures adopted by the federal government, which are beyond the Province’s control.

Because the Province is a political subdivision of Argentina, the Province’s economic performance and public finances are subject to general economic conditions in Argentina and may be significantly affected by national events, such as the 2001-2002 national economic crisis, and by decisions and measures adopted by the federal government, including those related to inflation, monetary policy and taxation. The Province does not control any of these events or decisions. As a result, you should also carefully consider the economic and other information periodically made public by Argentina. The Province does not take part in the formulation of such information.

The interests of the Province, however, may not always be aligned with those of the federal government or other Argentine provinces and, as a result, the Province cannot assure you that future decisions or measures adopted by the federal government will not have an adverse effect on the Province’s economy that may affect its ability to service its debt obligations, including the Notes.

The recent Presidential elections and the change in the governing political party in Argentina may create certain uncertainties that could impact the Argentine and provincial economies and the securities market.

Presidential and Congressional elections in Argentina took place on October 25, 2015, and a runoff election (*ballotage*) between the two leading Presidential candidates was held on November 22, 2015, which resulted in Mr. Mauricio Macri (from the *Cambiamos* coalition) being elected President of Argentina. The Macri administration assumed office on December 10, 2015.

Since assuming office, the Macri administration has been announcing and executing several significant economic and policy reforms, including:

- ***INDEC reforms.*** On January 8, 2016, based on its determination that INDEC had failed to produce reliable statistical information, particularly with respect to CPI, GDP, poverty and foreign trade data, the Macri administration declared a state of administrative emergency for the national statistical system and INDEC until December 31, 2016. INDEC is expected to implement certain methodological reforms and adjust certain macroeconomic statistics on the basis of these reforms. As of August 10,

2016, INDEC has begun publishing certain revised data, including foreign trade and balance of payment statistics. On June 15, 2016, the INDEC began publishing inflation rates, reporting an increase of 4.2% for May 2016 and of 3.1% for June 2016 using its new methodology for calculating the CPI. On June 29, 2016, INDEC also published revised GDP data for the years 2004 through 2015. Despite these expected reforms, there is uncertainty as to whether official data will be sufficiently corrected and within what time period such data will be corrected, and what effect these reforms will have on the Argentine economy and public accounts.

- Foreign exchange reforms.* The Macri administration eliminated a significant portion of foreign exchange restrictions, including certain currency controls that were imposed by the previous administration. These reforms are expected to provide greater flexibility and easier access to the foreign exchange market for individuals and private sector entities. The principal measures adopted as of August 10, 2016 include (i) the elimination of the requirement to mandatory transfer and settle the proceeds from new foreign financial indebtedness incurred by the financial sector, the non-financial private sector and local governments through the MULC (except that (a) the evidence of the mandatory transfer and settlement of funds through the MULC will still be required for subsequent access to the MULC in order to repay principal and interest of such indebtedness, except in certain instances with respect to local government debt; and (b) pursuant to Communication “A” 6037, if the funds are credited to foreign-currency denominated local accounts in Argentina, it will be necessary to demonstrate the settlement of such funds); (ii) the reduction of the mandatory minimum period in which the proceeds of any new financial indebtedness and renewal of existing indebtedness incurred by residents, held by foreign creditors and transferred through the MULC must be kept in Argentina, from 365 calendar days to 120 calendar days from the date of the transfer of the relevant amount; (iii) in the case of partial or total prepayment of principal corresponding to foreign financial indebtedness, access to the MULC is permitted subject to the mandatory minimum period mentioned above; (iv) the ability to purchase foreign currency to acquire offshore assets without specific allocation or prior approval by Argentine residents that are individuals, legal entities from the private sector organized in Argentina and not authorized to deal in foreign exchange, certain trusts and other estates domiciled in Argentina, as well as Argentine local governments; (v) the reduction from 30% to 0% of a mandatory, non-transferable and non-interest bearing deposit of the amount of certain transactions involving foreign currency inflows for a 365 calendar day period; (vi) the elimination of the requirement of a minimum holding period (three business days) related to the purchase and sale of securities authorized to be listed or negotiated in different stock local and international exchange markets; and (vii) the replacement of the DJAI with a new import procedure that requires certain filings and import licenses for certain goods (including textiles, footwear, toys, domestic appliances and automobile parts), which, unlike the previous system, does not require discretionary federal government approval of payments through the MULC for the import of products. In addition, on December 17, 2015, because certain restrictions were lifted, the peso devalued against the U.S. dollar. Further restrictions were also lifted or relaxed pursuant to Communication “A” 6037, issued by the Central Bank on August 8, 2016, effective as of August 9, 2016. See “Exchange Controls.”
- Foreign trade reforms.* The Argentine government eliminated export duties on wheat, corn, beef, mining and regional products, and reduced the duty on soybean exports by 5%, from 35% to 30%. Further, a 5% export duty on most industrial exports was eliminated. With respect to payments for imports and services to be performed abroad, the Macri administration announced the gradual elimination of amount limitations for access to the MULC for any transactions originated before December 17, 2015. Pursuant to Communication “A” 5955, as amended, the amount limitations were eliminated on April 22, 2016. With respect to the transactions executed after December 17, 2015, no amount limitation will be applicable. Furthermore, the Macri administration announced the replacement of the DJAI with a new import procedure that requires certain filings and import licenses for certain goods (including textiles, footwear, toys, domestic appliances and automobile parts), which, unlike the previous system, does not require discretionary federal government approval of payments for the import of products through the MULC.

- *Fiscal Policy.* The Argentine government announced its intention to solidify the country's fiscal accounts (accounts of the Argentina tax authorities) and public accounts (accounts of the federal government) in order to reduce its primary budget deficit from approximately 5.8% of GDP in 2015, to 4.8% of GDP in 2016 and 3.3% of GDP in 2017, in part by reorganizing certain expenditures and eliminating public services subsidies currently in effect.
- *Plans for correction of monetary imbalances.* The Macri administration announced the adoption of an inflation targeting regime in parallel with the floating exchange rate regime and set inflation targets for the next four years. The Central Bank has increased stabilization efforts to reduce excess monetary imbalances and raised peso interest rates to offset inflationary pressure. However, inflation during 2016 to date remains high. See “—High inflation could have a material adverse effect on the Province's economic prospects.”
- *Infrastructure state of emergency and reforms.* The Argentine government has also declared a state of emergency with respect to the national electricity system, which will remain in effect until December 31, 2017. The state of emergency will allow the Argentine government to take actions designed to ensure the supply of electricity to the country by taking such actions as instructing the Ministry of Energy to design and implement, with the cooperation of all federal public entities, a coordinated program to guarantee the quality and security of the electricity system and rationalize public entities' consumption of energy. In addition, through Resolution No. 6/2016 of the *Ministerio de Energía y Minería de la Nación* (National Ministry of Energy and Mining) and Resolution No. 1/2016 of the *Ente Nacional Regulador de la Electricidad* (National Electricity Regulatory Agency), the Macri administration announced the elimination of part of energy subsidies currently in effect and a substantial increase in electricity rates. As a result, average electricity prices have already increased and could increase further. By correcting tariffs, modifying the regulatory framework and reducing the federal government's role as an active market participant, the Macri administration aims to correct distortions in the energy sector and stimulate investment. Notwithstanding the federal government intentions, some initiatives have been challenged in the Argentine courts and resulted in judicial precautionary measures or rulings against the federal government policies.
- *Financial Policy.* Soon after taking office, the Macri administration sought to settle the outstanding claims with holdout creditors. In early February 2016, the Macri administration announced a preliminary agreement with a group of Italian holders of defaulted debt and put forward a proposal to all other holders of defaulted debt, including those with pending claims in U.S. courts. On March 31, 2016, the federal congress approved Law No. 27,249, (*Ley de Normalización de la Deuda Pública y Acceso al Crédito*) thereby repealing the legislative obstacles to settle with holdout creditors of defaulted debt in respect of securities that were eligible for, but not tendered in, the 2005 and 2010 debt exchange and authorizing the federal government to settle with certain holders. On April 19, 2016, Argentina issued bonds for a total amount of USD 16.5 billion. On April 22, 2016, Argentina paid USD 6.2 billion to settle all agreements entered into with holdout bondholders as of February 29, 2016. On July 6, 2016, Argentina issued bonds for a total amount of USD 2.8 billion.
- *Tax Amnesty Law.* Law No. 27,260 on tax amnesty aims at promoting the voluntary declaration of assets by Argentine residents. The law sets forth a regime under which individuals and entities resident in Argentina who own previously undeclared funds or assets located in Argentina or abroad may (i) declare such property until March 31, 2017 without facing prosecution for tax evasion or being required to pay outstanding tax liabilities on the assets, provided they can provide evidence that the assets were held prior to certain specified cut-off dates, and (ii) keep the declared property outside Argentina, and not repatriate such property to Argentina.

Depending on the amount declared, and how soon it is declared, those who take advantage of the law will pay a special tax of between 0 and 15% on the total amount declared. Alternatively, they can invest an equivalent amount in government bonds or a fund that will finance, among other things, public infrastructure projects and small to medium-sized businesses. The special tax rate is set as follows: (i) assets below ARS 305,000: 0%, (ii) assets between ARS 305,000 and ARS 800,000: 5% on

the value of the assets, (iii) assets over ARS 800,00, if declared before December 31, 2016: 10% and if declared after December 31, 2016 and until March 31, 2017: 15% on the value of assets.

In addition, on June 13, 2016, the federal government enacted National Law No. 27,253, which established a regime that permits rebates of the Value Added Tax (the “VAT”) paid on the purchase of certain staples by retired taxpayers that receive minimum pensions as well as beneficiaries of social programs and minimum death pensions.

The ultimate long term impact of these measures on the national economy cannot be predicted and the Macri administration’s ability to implement all announced measures as currently contemplated cannot be assured. In particular, we cannot predict how the Macri administration will address certain political and economic issues that were central during the presidential election campaign, such as the financing of public expenditures, public service subsidies and tax reforms, or the impact that any measures related to these issues that are implemented by the Macri administration will have on the Argentine economy as a whole. Additionally, in the recent elections, political parties opposed to the Macri administration retained a majority of the seats in the federal Congress, which will require the Macri administration to seek political support from the opposition to modify the 2016 budget approved by the federal Congress and to develop its economic proposals. This creates further uncertainty in the ability of the Macri administration to pass any measures. The inability of the Macri administration to properly implement its agenda as a result of lack of political support may adversely affect the Argentine economy and financial condition and, as a consequence, the economy and financial condition of the Province and its ability to service its debt, including the Notes.

Increases in personnel expenditures may have a significant adverse effect on the public finances of the Province and its ability to service its debt.

Between 2010 and 2015, the Province’s number of public employees authorized to be hired for each fiscal year by the respective budget law has increased significantly, from 45,421 in 2010 to 64,133 in 2015. Personnel expenditures, which consist mainly of wages, payroll contributions and other benefits paid to employees of the general administration of the Province, represent the largest expenditure of the Province and during 2015 it reached 52.02% of total current expenditures.

Wage negotiations usually begin in March of each year. In March 2016, the Province reached an agreement with the unions representing the public sector employees resulting in an average increase in wages of 26% for general administration employees and of 32.4% for teachers, to be carried out in two and four stages, respectively. The Province has limited flexibility to reduce personnel expenses in the future, as the employees are covered by constitutional guarantees of job security. As a result, increases in personnel expenditures may have an adverse effect on the Province’s economy, financial condition and ability to service its debt obligations, including the Notes.

If the Federal Council of Fiscal Responsibility were to determine that the Province’s budget did not comply with the Fiscal Responsibility Law, the Province could be subject to sanctions.

In August 2004, the federal Congress adopted Law No. 25,917, the Fiscal Responsibility Law, which became effective on January 1, 2005. This law establishes a fiscal regime for the federal government and the provinces relating to transparency in public administration, expenditures, fiscal balances and indebtedness and, in particular, requires balanced budgets. In 2009, the federal Congress enacted Law No. 26,530, which suspended for 2009 and 2010 some of the general rules of the Fiscal Responsibility Law, including the prohibition on the use of proceeds of new indebtedness to fund current expenditures and the freeze on new borrowings if debt service obligations exceed 15.0% of current revenues (net of transfers to municipalities). On December 29, 2010, the federal government issued Decree No. 2054/10, which extended the application of Law No. 26,530 (and therefore, the suspension of certain provisions of the Fiscal Responsibility Law referred above) through 2011. National budget laws for 2012, 2013, 2014, 2015 and 2016 extended the suspension of the above mentioned law to each of such years. The Fiscal Responsibility Law also created the *Consejo Federal de Responsabilidad Fiscal* (the Federal Council of Fiscal Responsibility), which is comprised of representatives from the federal and provincial governments and is responsible for controlling compliance by the provinces and the federal government with the Fiscal Responsibility Law. As of August 10, 2016, the Federal Council of Fiscal Responsibility has never imposed sanctions on any province for non-compliance with the Fiscal Responsibility Law. However, if the Federal Council of Fiscal Responsibility determines that the Province’s budget does not comply with the currently applicable

sections of the Fiscal Responsibility Law, the Province could be subject to sanctions, including restrictions on federal tax benefits for the provincial private sector, limitations on guaranties from the federal government, denial of authorizations for further borrowings and limitations on federal transfers (other than federal tax transfers mandated by law, including co-participation transfers).

In the past, the Province has received financial assistance from the federal government to finance its fiscal deficit. If the Province were to require financial assistance from the federal government in the future and if the federal government does not provide such assistance or if the Province is unable to secure financing elsewhere, the Province may not be able to meet its debt service obligations, including on the Notes.

During the 2001 economic crisis, the Province defaulted on a significant part of its debt obligations and, as a result, it was unable to obtain financing from lenders. Consequently, in recent years the Province received financial assistance from the federal government to cover all or a part of its amortizations and certain other financial needs. Although the Province expects the federal government to provide such financial assistance in the future if so required, if the federal government were not to provide financial assistance to the Province (as such financial assistance is, in certain cases, a discretionary determination of the federal government) or if the Province were unable to secure alternative sources of financing elsewhere, the Province may not be able to meet its debt service obligations, including on the Notes. See “Public Sector Debt—Argentine Provincial Indebtedness Federal Refinancing Program.”

The Province’s sources of financing may become unavailable or limited and, as a result, this may have an adverse effect on its economy and ability to service its debt obligations, including the Notes.

The Province’s primary balance may be insufficient to meet its debt service obligations, including the Notes. The Province cannot assure you that foreign investors and lenders will be willing to lend money to the Province in the future, or that the Province will be able or willing to access international capital markets. The Province also cannot assure you that local sources of financings will remain available. The loss or limitation of these sources of financing or the Province’s inability to attract or retain foreign investment in the future could adversely affect the Province’s economic growth and public finances and ability to service its debt obligations, including the Notes.

High inflation could have a material adverse effect on the Province’s economic prospects.

In recent years, Argentina has experienced high inflation rates. According to INDEC inflation was 10.9% in 2010, 9.5% in 2011, 10.8% in 2012, 10.9% in 2013, and 23.9% in 2014; according to the City of Buenos Aires CPI, inflation was 26.6% in 2013, 38.0% in 2014 and 26.9% in 2015; according to the Province of San Luis CPI, inflation was 27.0% in 2010, 23.3 % in 2011, 23.0% in 2012, 31.9% in 2013, 39.0% in 2014 and 31.6% in 2015. According to calculations made by the City of Buenos Aires, in January, February, March, April and May 2016, monthly inflation was 4.1%, 4.0%, 3.3%, 6.5% and 5.0%, respectively; whereas according to the Province of San Luis CPI, monthly inflation was 4.2%, 2.7%, 3.0%, 3.4% and 4.2%, respectively. On June 15, 2016, the INDEC began publishing inflation rates, reporting an increase of 4.2% for May 2016 and 3.1% for June 2016 using its new methodology for calculating the CPI.

In the past, inflation has materially undermined the Argentine economy and the federal government’s ability to create conditions that would permit growth. Continuing or further high inflation could also (i) undermine Argentina’s competitiveness abroad by diluting the effects of a peso devaluation and (ii) negatively impact the recovery of the country’s long-term credit markets.

In addition, during the Fernández de Kirchner administration, INDEC, the federal government’s statistical agency, the only organization with operative ability to cover large territories and broad volumes of data in Argentina, underwent a process of institutional reform. Private analysts have since 2007 cast doubt over the accuracy of the inflation figures published by INDEC (and over other economic data affected by inflation data, such as poverty and GDP estimates). Several provinces have published inflation figures that significantly exceed the information released by INDEC. The International Monetary Fund has provided technical assistance to the federal government to improve the collection and calculation of inflation data.

In February 2014, INDEC released a new inflation index, known as the IPCNu that measures prices on goods across the country and replaces the previous index that only measured inflation in the urban sprawl of the City of Buenos Aires. Even though the new methodology brought inflation statistics closer to those estimated by private sources, there are still differences between official inflation data and private estimates.

Continuing high inflation rates could negatively affect the Province's economic growth and its ability to service its debt obligations, including the Notes. The Province cannot assure you that inflation rates will decline or remain stable in the future, or that the measures adopted or that may be adopted by the federal government to control inflation will be effective or successful. Recent adjustments approved by the government in electricity and gas tariffs, as well as the increase in the price of gasoline have been passed through to prices, creating additional inflationary pressure. The factors that contribute to inflation are mainly the result of federal government economic policies that are not under the control of the Province.

In addition, approximately 7.2% of the federal government's outstanding debt is adjusted by reference to the CER index, which was linked to the INDEC CPI until 2015, to the City of Buenos Aires CPI between January and March 2016 and to the Province of San Luis CPI until May 25, 2016. Therefore, any significant increase in the inflation rates could increase the federal outstanding debt and, consequently, have an adverse effect on Argentina's financial conditions and, consequently, have an adverse effect on the Province's financial conditions.

Fluctuations in the value of the peso could have an adverse effect on the Province's economy and its ability to service its debt obligations.

All decisions relating to the peso are adopted by the Central Bank and the federal government and may have an adverse impact on the financial condition of Argentina and its provinces. Following the collapse of the Dollar-peso parity under the convertibility regime and the implementation of a floating exchange rate system in early 2002, the peso depreciated significantly and has continued to fluctuate, despite regular Central Bank intervention in the foreign exchange market. Additional depreciation of the peso, particularly against the U.S. dollar, would increase the cost of servicing the Province's public debt, while an appreciation in the value of the peso, particularly against the U.S. dollar, the Euro and the Brazilian Real, could make exports from the Province less competitive vis-à-vis goods from other countries and lead to a decrease in exports from the Province. This could have a negative effect on GDP growth and employment as well as reduce the Argentine public sector's revenues by reducing tax collection in real terms, given its current heavy reliance on taxes on exports, and thus adversely affect the Province's economy and financial condition. Any further significant depreciations or appreciations of the peso could have a material adverse effect on the Argentine and provincial economies and the Province's ability to service its debt obligations, including the Notes.

Exchange controls and restrictions on capital inflows and outflows imposed by the Central Bank may continue to limit the availability of international credit and the liquidity of the market for securities of the Provinces.

In 2001 and 2002, following a run on the financial system triggered by the public's lack of confidence in the continuity of the convertibility regime that resulted in massive capital outflows, the federal government implemented exchange controls and restrictions on the transfer of foreign currency in an attempt to prevent capital flight and a further depreciation of the peso. These exchange controls substantially limited the ability of issuers of debt securities, among others, to accumulate or maintain foreign currency in Argentina or make payments abroad. Although several of such exchange controls and transfer restrictions were subsequently suspended or terminated, in June 2005 the federal government issued a decree that established new controls on capital flows, which in turn resulted in a decrease in the availability of international credit for Argentine companies and provinces.

In addition, from 2011 until President Macri took office in December 2015, the Argentine government increased controls on the sale of foreign currency and the acquisition of foreign assets by local residents, limiting the possibility of transferring funds abroad. Furthermore, new regulations were issued from 2012 until President Macri took office pursuant to which certain foreign exchange transactions were subject to prior approval by Argentine tax authorities. During the Fernández de Kirchner administration, through a combination of foreign exchange and tax regulations, the Argentine authorities significantly curtailed access to the foreign exchange market by individuals and private-sector entities.

The extensiveness of exchange controls introduced in the past, and in particular after 2011 during the Fernández de Kirchner administration, gave rise to an active unofficial U.S. dollar trading market, and the peso/U.S. dollar exchange rate in such market substantially differed from the official peso/U.S. dollar exchange rate.

As of August 10, 2016, some of the aforementioned exchange controls implemented during the Fernández de Kirchner administration have been eliminated or relaxed by the Macri administration.

Notwithstanding the measures recently adopted by the Macri administration, the Central Bank and the federal government may impose new exchange controls and restrictions on transfers abroad that may further discourage lending by foreign investors and have an adverse effect on the economy and the Province, especially if access to domestic capital markets is also substantially constrained. In addition, new exchange controls could impact the Province's ability to make payments under the Notes.

Increases in the federal government's public expenditures could have a material adverse effect and longstanding negative consequences on Argentina's economic prospects.

During the recent years, the federal government significantly increased its public expenditures. In 2014, the federal government registered a primary balance deficit of ARS 38.6 billion, and its public expenditures increased by 44.7% as compared to 2013, from ARS 961.8 billion in 2013 to ARS 1.39 trillion in 2014. The federal government received financial assistance from the Central Bank and ANSeS to meet its financing needs. In 2015, the primary deficit was ARS 104.8 billion. Public spending totaled ARS 1.85 trillion, a 32.6% increase when compared to 2014.

The Macri administration has undertaken important steps to curb the fiscal deficit by reducing energy, gas and transport subsidies. However, changes in these policies had a negative impact on consumer purchasing power and led to higher prices. The implementation of similar measures in the future by the Macri administration could increase these negative effects. Furthermore, the federal government's primary fiscal balance could be negatively affected if public expenditures continue to increase in the future. Weaker fiscal results of Argentina could have a material adverse effect on the federal government's ability to access long term financing and, in turn, limit the Province's ability to access international financial markets.

Possible impact of federal government measures on the provincial and federal economies.

During the last few years, the federal government increased its direct intervention in the economy, including, among other things, production, import and export restrictions, exchange rate and capital controls, price controls, higher tax rates and changes in the tax laws.

During the financial crisis in 2001 and 2002, Argentina experienced social and political turmoil, including civil unrest, riots, looting, nationwide protests, strikes and street demonstrations. During this crisis, the federal government adopted several measures to curb social unrest, including the devaluation of the peso and a forced restructuring of financial liabilities with the banking system.

In March 2008, the federal government introduced a system of sliding scale tax rates applicable to certain Argentine exports. This system which, according to farmers, established a maximum price for their products, caused general strikes and demonstrations within the agricultural sector, whose exports had driven the country's recovery to a large degree. These protests interrupted economic activity in the country for several months in the year ended December 31, 2008. Although the federal government subsequently terminated this new tax system, the adoption of higher tax rates, or the failure by the federal government to implement measures favorable to the agricultural sector, could lead to new unrest and similar ramifications for the economy in Argentina and the Province.

In November 2008, the federal government nationalized and unified the country's pension system, which is now financed through a consolidated distribution system administered by ANSeS. One result of this nationalization was a decrease in the demand for locally placed debt instruments because the investor role once filled by Argentine private pension funds is now filled exclusively by ANSeS. Another result is that ANSeS is now a significant shareholder of several Argentine public companies.

In November 2012 and July 2013, the federal Congress and the executive branch set forth new rules which increased the federal government's power of intervention in the local capital markets, such as by empowering the *Comisión Nacional de Valores* (National Securities Commission, or "CNV") to appoint an official to oversee, and potentially reject, decisions adopted by the executive boards of registered companies and to suspend an executive board for 180 days until any deficiencies that may be found are resolved. In November 2015, a federal Court of Appeal suspended these two CNV powers in the case of *Papel Prensa vs. National Government -CNV*.

In April 2012, the federal government, pursuant to Decree No. 530/2012, ordered the temporary intervention for 30 days of YPF S.A. and sent a bill to Congress, which was approved, for the expropriation of 51% of the shares of YPF S.A. represented by Class D shares which belonged to Repsol YPF S.A. ("Repsol") and its controlling or controlled affiliates. In February 2014, Argentina and Repsol signed the "Amicable Solution and Expropriation Agreement" to reciprocally waive their claims and to compensate Repsol. This agreement, which sets a compensation payable by Argentina of approximately USD 5 billion through dollar-denominated sovereign bonds, was approved by the federal Congress pursuant to Law No. 26,932 dated April 24, 2014. Argentina delivered the agreed amount of bonds to Repsol in May 2014, thus ending the dispute between the parties. Immediately after receiving such bonds, Repsol sold substantially all of them to JP Morgan Chase & Co.

In September 2014, the Fernández de Kirchner administration enacted Law No. 26,991 (the "Supply Law"), which amended Law No. 20,680. The Supply Law enables the federal government to intervene in certain markets when it considers that any party to such market is trying to impose prices or supply restrictions in such market. The Supply Law applies to all economic processes linked to goods, facilities and services which, either directly or indirectly, satisfy basic needs of the population ("Basic Needs Goods") and grants broad powers to the relevant enforcing agency to become involved in such processes. It also empowers the enforcing agency to order the sale, production, distribution and/or delivery of Basic Needs Goods throughout the country in case of a shortage of supply.

In February 2015, the Fernández de Kirchner administration sent a bill to Congress in order to revoke certain train concessions, return the national rail network to state control and provide powers to review all concessions currently in force. The bill was enacted on May 20, 2015 as Law No. 27,132.

On September 23, 2015, the federal Congress passed Law No. 27,181, limiting the sale of the federal government's shares in Argentine companies (now deemed of public interest) without the prior approval of two-thirds of the members of Congress, with the exception of the federal government's shares in YPF (the latter do not require such supermajority approval to be sold).

In addition, on May 18, 2016, the federal Congress passed Law No. 27,251 barring companies from laying off workers for a 180 day period, which was later vetoed by President Macri. The law has returned to the federal Congress where it will need special majorities to override the veto.

The Province cannot assure you that the federal government will not adopt other measures to increase its direct intervention in the economy in the future, such as expropriations, nationalizations, enforced renegotiations or modifications to existing contracts, new tax rules, supporting modifications to laws, rules and policies that affect the economy. If such or similar measures are adopted by the federal government, they may have a material adverse effect on the economy of Argentina and, in turn, on the Province's economic and financial conditions, the value of its bonds and its ability to service its debt obligations, including the Notes.

Argentina's ability to obtain financing from international markets is limited, which may impair its ability to implement reforms and foster economic growth.

In 2005 and 2010, Argentina conducted exchange offers to restructure part of its sovereign debt that had been in default since the end of 2001. As a result of these exchange offers, Argentina restructured over 92% of its eligible defaulted debt.

Commencing in 2002, holdout creditors filed numerous lawsuits against Argentina in several jurisdictions, including the United States, Italy, Germany, and Japan. These lawsuits generally assert that Argentina failed to make timely payments of interest and/or principal on their bonds, and seek judgments for the face value of and/or

accrued interest on those bonds. Judgments have been issued in numerous proceedings in the United States and Germany, but to date judgment creditors have not succeeded, with a few minor exceptions, in executing on those judgments.

In 2012, plaintiffs in different actions in New York, obtained a U.S. district court order enjoining Argentina from making interest payments in full on the bonds issued pursuant to the 2005 and 2010 exchange offers (“Exchange Bonds”) unless Argentina paid the plaintiffs in full, under the theory that the former payments violated the *pari passu* clause in the 1994 Fiscal Agency Agreement (the “FAA”) governing those non-performing bonds. The Second Circuit Court of Appeals affirmed the so-called *pari passu* injunctions, and on June 16, 2014 the U.S. Supreme Court denied Argentina’s petition for a writ of certiorari and the stay of the *pari passu* injunctions was vacated on June 18, 2014.

In 2014, the federal government took a number of steps intended to continue servicing the bonds issued in the 2005 and 2010 exchange offers, which had limited success.

The Macri administration engaged in negotiations with holders of defaulted bonds in December 2015 with a view to bringing closure to 15 years of litigation. In February 2016, the federal government entered into agreements in principle to settle claims with certain holders of defaulted debt and put forward a general settlement proposal to holders of defaulted debt, including those with pending claims in U.S. courts, subject to two conditions: obtaining approval by the federal Congress and the lifting of the *pari passu* injunctions. On March 2, 2016, the U.S. district court agreed to vacate the *pari passu* injunctions, subject to two conditions: the repealing of all legislative obstacles to settlement with holders of defaulted debt securities issued under the FAA, and full payment to holders of *pari passu* injunctions with whom the federal government had entered into an agreement in principle on or before February 29, 2016. The U.S. district court’s order was affirmed by the Second Circuit Court of Appeals on April 13, 2016. On March 31, 2016, the federal Congress repealed the legislative obstacles to the settlement and approved the settlement proposal. On April 22, Argentina issued USD 16.5 billion of new debt securities in the international capital markets, and applied USD 9.3 billion of these proceeds to satisfy settlement payments on agreements with holders. The District Court vacated all *pari passu* injunctions upon confirmation of such payments.

As of August 10, 2016, litigation initiated by bondholders that have not accepted Argentina’s settlement offer continues in several jurisdictions, although the size of the claims involved has decreased significantly.

Although the vacatur of the *pari passu* injunctions removed a material obstacle to access to capital markets by the federal government, future transactions may be affected as litigation with holdout bondholders continues, which in turn could affect the federal government’s ability to access international credit markets, and thus could have a material adverse effect on the Argentine and the Province’s economies.

Foreign shareholders of companies operating in Argentina have initiated investment arbitration proceedings against Argentina that have resulted and could result in arbitral awards and/or injunctions against Argentina and its assets and, in turn, limit its financial resources.

In response to the emergency measures implemented by the federal government during the 2001-2002 economic crisis, a number of claims were filed before the International Centre for Settlement of Investment Disputes (“ICSID”) against Argentina. Claimants allege that the emergency measures were inconsistent with the fair and equitable treatment standards set forth in various bilateral investment treaties by which Argentina was bound at the time.

As of August 10, 2016, there are three final awards issued by ICSID tribunals against Argentina for an aggregate total of USD 427.36 million and Argentina is seeking the annulment of four additional awards for an aggregate total of USD 831.73 million. In addition, there are six ongoing cases against Argentina before ICSID with claims totaling USD 2.15 billion (including two cases with claims for amounts that are currently undetermined), and in three of these cases (with aggregate claims for USD 2.08 billion) the ICSID tribunal has already ruled that it has jurisdiction. There are seven additional cases with claims totaling USD 4.75 billion in which the parties agreed to suspend the proceedings pending settlement discussions. A successful completion of these negotiations could lead additional ICSID claimants to withdraw their claims, although the Province can offer no assurance to this effect.

Claimants have also filed claims before arbitral tribunals under the rules of the United Nations Commission on International Trade Law (“UNCITRAL”) and under the rules of the International Chamber of Commerce (“ICC”).

As of June 1, 2016, there was one final outstanding UNCITRAL award against Argentina for a total of USD 7.4 million and Argentina is seeking the annulment of two additional awards for an aggregate amount of USD 21.1 million. As of such date, there were three ongoing cases against Argentina before UNCITRAL and ICC tribunals with claims totaling USD 625.1 million, including one case with a USD 507.8 million claim in which the tribunal had already ruled that it has jurisdiction. There was one additional case with a claim of USD 168.7 million in which the parties agreed to suspend the proceedings pending settlement discussions.

In October 2013 and May 2016, Argentina settled two final awards issued by an UNCITRAL tribunal that awarded a claim against Argentina for USD 104.0 million and USD 189.5 million, respectively.

The Province is not a party to any of these cases and, as such, cannot give any assurance that Argentina will prevail in having any or all of those cases dismissed, or that if awards in favor of the plaintiffs are granted, that it will succeed in having those awards annulled. Any awards rendered against Argentina could have a material adverse effect on the Argentine and provincial economies and the Province’s ability to service its debt obligations, including the Notes.

Any revisions to the Province’s official financial or economic data resulting from a subsequent review of such data by any provincial entity could reveal a different economic or financial situation in the Province, which could affect your evaluation of the market value of the Notes.

Certain financial and economic information presented in this Luxembourg Listing Prospectus may subsequently be materially revised to reflect new or more accurate data as a result of the review of official financial and economic data and statistics prepared by Bureau of Statistics and Census of the Province, the Provincial Ministry of Finance or any other provincial entity. These revisions could reveal that the Province’s economic and financial conditions as of any particular date are significantly different from those described in this Luxembourg Listing Prospectus. These differences could affect your evaluation of the market value of the Notes.

The credibility of several Argentine economic indices has been called into question, which has led to a lack of confidence in the Argentine economy and could affect your evaluation of this offering and/or the market value of the Notes.

Following the 2015 Presidential elections, the Macri administration appointed Mr. Jorge Todesca, previously a director of a private consulting firm, as head of the INDEC. INDEC is expected to implement certain methodological reforms and adjust certain macroeconomic statistics. On January 8, 2016, Decree No. 55/16 was issued by the Argentine government declaring a state of administrative emergency on the national statistical system and on the official agency in charge of the system, the INDEC, until December 31, 2016. Following the declaration, the INDEC suspended publication of certain statistical data until a reorganization of its technical and administrative structure is performed in order to supply adequate and reliable statistical information. However, during the implementation of these reforms, INDEC will use official CPI figures and other statistics published by the Province of San Luis and the City of Buenos Aires. Despite these expected reforms, there is uncertainty as to whether official data will be sufficiently corrected, how fast and to what extent INDEC can regain its credibility and within what time period such data will be corrected, and what effect these reforms will have on the Argentine economy. As of August 10, 2016, INDEC has begun publishing certain revised data, including foreign trade and balance of payment statistics. On June 15, 2016, the INDEC began publishing inflation rates, reporting an increase of 4.2% for May 2016 and of 3.1% for June 2016 using its new methodology for calculating the CPI.

The Province cannot make any assurances that controversies will not arise in the future regarding the inflation rate calculation methodology.

Growth rates in developing economies tend to be very volatile. A sudden and significant decline in the growth rate of the Province could have a material adverse effect on the Province’s public finances and its ability to service its debt obligations, including the Notes.

The economy of the Province, in line with the economy of Argentina, has experienced significant volatility in recent decades, including numerous periods of low or negative growth and high and variable levels of inflation and devaluation. The Province's economy recovered significantly from the most recent domestic economic crisis (which reached its peak in 2001 and 2002) and experienced steady real GDP growth from 2005 to 2008, registering an annual average growth of 9.0% during that period. However, economic activity declined by approximately 6.0% in 2009, mainly due to the global financial crisis. The Province's economy has recovered since then, registering cumulative GDP growth of 75.4% from 2007 to 2014, with an average annual growth of 8.4% during that period. Although the Province's economy has recovered in recent years, the Province cannot assure you that growth rates will not fluctuate significantly in the future.

Economic growth is dependent on a variety of factors, including (but not limited to) economic growth in Argentina's main trading partners, the stability and competitiveness of the peso against foreign currencies, confidence among provincial consumers and foreign and domestic investment in the Province. In most cases, these factors are outside the control of the Province. If the Province's economic growth slows, stops or contracts, the Province's revenues may decrease significantly, the market price of the Notes may be adversely affected and the Province's ability to service its public debt, including the Notes, may be materially adversely affected.

The federal government has begun to implement significant measures to solve the current energy sector crisis, but the eventual outcome of such measures is unknown.

Economic policies since the 2001-2002 crisis had an adverse effect on Argentina's energy sector. The subsequent failure to reverse the freeze on electricity and natural gas tariffs imposed during the 2001-2002 economic crisis created a disincentive for investments in the energy sector while the federal government subsidized energy consumption. The policy caused production of oil and gas and electricity generation, transmission and distribution to stagnate while consumption continued to rise. In an attempt to address energy shortages, starting in 2011 the federal government increased imports of energy, resulting in adverse implications for the trade balance and the international reserves of the Central Bank.

In response to the growing energy crisis, on December 17, 2015, the Macri administration declared a state of emergency with respect to the national electricity system, which will be in effect until December 31, 2017. The state of emergency allows the federal government to take actions designed to stabilize the supply of electricity to the country, such as instructing the National Ministry of Energy and Mining to design and implement, with the cooperation of all federal public entities, a coordinated program to guarantee the quality and security of the electricity system. In addition, the Macri administration announced the elimination of certain energy subsidies currently in effect and significant adjustments to electricity rates to reflect generation costs. Additionally, the Macri administration announced the elimination of some natural gas subsidies and adjustment to natural gas rates. Further reductions in subsidies and increases in the price of gas came into force in April 2016.

Certain provincial governments, municipalities, hospitals, companies and residents, among others, have filed claims with the National Ministry of Energy and Mining and with competent courts against the new electricity and gas tariffs, arguing, in general, that the increased tariffs are arbitrary, illegal and/or unconstitutional. In some cases, courts hearing the cases have favored claimants' demands and ordered public service providers to suspend the application of the new tariffs. For example, on March 31, 2016, a court in La Plata ordered the suspension of new tariffs applied by four electricity distribution companies operating on the Province, which tariffs had been authorized pursuant to a resolution issued by the Ministry of Infrastructure and Public Service. The federal government has been holding formal meetings with several provinces to assess the situation and the impact that the rise in electricity and gas tariffs may have on their economic and financial situation. As a result of those meetings, an understanding has been recently announced by the federal government with respect to natural gas and electricity involving limitations to the increase in tariffs and the establishment of differential rates or discounts in certain cases.

The Macri administration has taken steps and announced measures to address the energy sector crisis while taking into consideration the implications of these price increases for the poorest segments of society by approving subsidized tariffs for qualifying users. A failure to address the negative effects on energy generation, transportation and distribution in Argentina resulting in part from the pricing policies of the prior administrations could weaken confidence in and adversely affect the Argentine economy and financial condition, and adversely affect the

Province's economy. There can be no assurance that the measures adopted by the Macri administration to address the energy crisis will be sufficient to restore production of energy in Argentina within the short or medium term.

The Province's economy remains vulnerable to external shocks that could be caused by significant economic difficulties of the Province's major trading partners or by more general "contagion" effects, which could have a material adverse effect on the Province's economic growth and its ability to service its public debt.

Weak, flat or negative economic growth of any of the Province's major trading partners, such as China, could adversely affect the Province's economy. China is the Province's largest export market, representing 28.1% of total exports in 2015, and as such, any decline in Chinese demand for provincial exports would have a material adverse effect on the Province.

The Province's economy may be affected by "contagion" effects. International investors' reactions to events occurring in one emerging market country sometimes appear to follow a "contagion" pattern, in which an entire region or investment class is disfavored by international investors. Argentina, including the Province, could be adversely affected by negative economic or financial developments in other emerging market countries. In the past, the Province has been adversely affected by such contagion effects on a number of occasions, including the 1994 Mexican financial crisis, the 1997 Asian financial crisis, the 1998 Russian financial crisis, the 1999 devaluation of the Brazilian real and the 2001 collapse of Turkey's fixed exchange rate regime. The Province cannot assure you that similar events in the future will not have an adverse effect on its economic growth and its ability to service its public debt, including the Notes.

The Province may also be affected by conditions in developed economies, such as the United States, that are significant trading partners of the Province or have influence over world economic cycles. For example, if interest rates increase significantly in developed economies, including the United States, the Province and its emerging markets trading partners, such as China, could find it more difficult and expensive to borrow capital and refinance existing debt, which could adversely affect economic growth in those countries, as well as in the Province. The outcome of the United Kingdom's referendum on membership of the European Union, held on June 23, 2016, was that the United Kingdom voted by a majority in favor of the British government taking the necessary action for the United Kingdom to leave the European Union. At this time, it is not certain what steps will need to be taken to facilitate the UK's exit from the European Union or the length of time that this may take. Furthermore, the United Kingdom's decision to leave the European Union has caused, and is anticipated to continue to cause, significant new uncertainties and instability in the financial markets, which may affect the Province and the trading price of the Notes. These uncertainties could have a material adverse effect on the Province's fiscal condition or prospects. In addition, it is unclear at this stage what the impacts of the United Kingdom's departure from the European Union will ultimately be for the Province or the trading price of the Notes.

A decline in international prices for the Province's principal commodity exports could have a material adverse effect on the Province's economy and public finances.

Historically, the commodities market has been characterized by high volatility. During recent years, the prices of most of the Province's commodities exports suffered a high degree of volatility. Commodities have significantly contributed to the federal government revenues during the recent years. Consequently, the Argentine economy has remained relatively dependent on the price of its main agricultural exports, mainly soy, which in turn have rendered the Argentine economy more vulnerable to commodity price fluctuations. In particular, a strong decline in commodity prices may adversely affect the provincial economy and its public finances, directly and indirectly through lower export taxes collected by the federal government, which may cause a decrease in export tax revenues shared with the Province.

In addition, the Macri administration has eliminated export taxes on many agricultural products, and it reduced export taxes on soy from 35% to 30%. The Province cannot assure you that the federal government will not implement a new reduction on export taxes in the future, which may cause an additional decrease in export tax revenues that the federal government shares with the Province.

A significant depreciation of the currencies of the Province's trading partners or trade competitors may adversely affect the competitiveness of provincial exports and cause an increase in provincial imports, thus adversely affecting the Province's economy.

The depreciation of the currencies of one or more of the Province's trading partners or trade competitors relative to the peso may result in provincial exports becoming more expensive and less competitive. It may also cause an increase in relatively cheaper imports. A decrease in exports and an increase in imports may have a material adverse effect on the Province's economic growth, its financial condition and the ability of the Province to service its debt obligations, including the Notes.

A reduction in the taxes collected as part of the federal tax co-participation regime may have an adverse effect on the Province's public finances and its ability to meet its debt service obligations, including the Notes.

The *Ley de Coparticipación Federal de Recursos Fiscales* (the "Federal Tax Co-Participation Law"), enacted in 1988, currently governs the federal tax co-participation regime. Under this law, the federal government is currently required to transfer to the provinces 100% of revenues from consumption taxes levied on various non-basic goods (such as cigarettes and alcohol), 89% of value-added tax revenues, 64% of income tax revenues, 100% of property transfer tax revenues, 80.6% of taxes on prizes, 50% of cooperative tax revenues, 100% of presumed minimum income tax revenues and 30% of financial transactions tax revenues. Modifying the federal tax co-participation regime requires the consent of all of the provinces of Argentina, the City of Buenos Aires and the federal government.

Transfers from the federal government under the federal tax co-participation regime represent an important source of revenues for several provinces in Argentina, including the Province. For the year ended December 31, 2015, transfers from the federal government under the federal tax co-participation regime, represented approximately 57.7% of the Province's total revenues. A reduction in tax collection due to a slowdown of the Argentine economy or an increase in the levels of tax evasion could result in a decline in federal co-participation tax revenues and a corresponding decrease in the transfers to the provinces under the federal tax co-participation regime. These developments could cause a reduction in the Province's revenues, which could in turn have an adverse effect on the Province's public finances and its ability to pay its debt service obligations, including the Notes.

The intervention of the Central Bank in the foreign exchange market, aimed at counteracting sharp shifts in the value of the peso, may affect the level of international reserves and a significant depreciation or appreciation of the peso could have an impact on the Argentine and provincial economies and the Province's ability to service its debt obligations.

During recent years, the Central Bank has regularly intervened in the foreign exchange market in order to manage the currency and prevent sharp fluctuations in the value of the peso. Purchases of pesos by the Central Bank could cause a decrease in the international reserves of the Central Bank. A significant decrease in the Central Bank's international reserves may have an adverse impact on Argentina's and the Province's ability to withstand external shocks to the economy. Since the new Macri administration came into office, the Central Bank has reduced significantly its interventions in the foreign exchange market, although the Province cannot assure you that further interventions will not be imposed in the future.

Additionally, the level of international reserves deposited with the Central Bank decreased significantly from USD 47.4 billion as of November 1, 2011 to USD 30.4 billion as of May 27, 2016, resulting in a reduced capacity of the Argentine government to intervene in the foreign exchange market. The Macri administration recently announced a program intended to increase the level of international reserves deposited with the Central Bank through the execution of certain loan agreements with several Argentine and foreign entities. The level of international reserves has been improving during 2016, reaching USD 32.0 billion as of June 23, 2016. A significant decrease in the Central Bank's international reserves may have a material adverse impact on Argentina's ability to withstand external economic shocks and adversely affect the Province's economy, public finances and its ability to make payments under the Notes.

After several years of variations in the nominal exchange rate, in 2012 there was a devaluation of approximately 14% of the peso against the U.S. dollar. This was followed by a further devaluation of the peso

against the U.S. dollar that exceeded 30% in 2013 and 2014, including a loss of approximately 24% in January 2014. In 2015, there was a devaluation of approximately 52% of the peso against the U.S. dollar, including a 10% devaluation from January 1, 2015 to September 30, 2015 and a 38% devaluation in the last quarter of 2015, which was mainly experienced after December 16, 2015, as a consequence of a significant economic reform implemented by the Macri administration. The Province cannot assure you that the peso will not devalue further or appreciate significantly in the future.

A significant depreciation of the peso would, among other effects, increase the cost of servicing the Province's foreign currency denominated public debt. A significant appreciation in the value of the peso could, among other effects, make provincial exports less competitive. Either a significant depreciation or appreciation could have a material adverse effect on the Argentine and the provincial economy and the Province's ability to service its debt obligations, including the Notes.

The revenues and expenditures contained in the Province's 2016 budget may differ materially from actual results.

The Province's budget for 2016 is based on estimates and assumptions regarding the future economic performance of Argentina and the Province, which are subject to uncertainties, many of which are beyond the control of the Province. These estimates and assumptions may be incomplete or inaccurate as of the date of this Luxembourg Listing Prospectus and unanticipated events and circumstances may occur which may alter the assumptions used for such estimates. If any of the estimates and assumptions contained in the Province's yearly budget for 2016 or any later year proves to be incorrect, the budgeted revenues and expenditures may differ materially and adversely from actual results.

Liquidity or other problems faced by Nuevo Banco del Chaco may have an adverse effect on the Province's economic growth and cause the Province to incur extraordinary, unbudgeted expenditures.

Nuevo Banco del Chaco ("NBC") has historically been the most important financial institution in the Province and the major source of financing for consumers and businesses in the Province. During Argentina's 2001-2002 economic crisis, NBC's liquidity was significantly reduced as a result of the run on deposits and its inability to attract new deposits following the federally mandated freeze on deposits. In addition, following the crisis, NBC's asset portfolio reflected substantial exposure to debt instruments of the federal and provincial governments, which has gradually declined over time. As of August 10, 2016, such assets are within the limits provided by the Central Bank. Although NBC's liquidity has improved since 2005 due to Argentina's economic recovery, if NBC were to experience further liquidity or other problems, the amount of financing available to the private sector might be reduced, which could adversely affect the Province's economic growth.

The Province maintains its books and records in pesos and prepares its budgets and statements of revenues and expenditures in accordance with reporting standards that differ from accounting principles in other jurisdictions.

The Province maintains its books and records in pesos and prepares its budgets and statements of revenues and expenditures in accordance with Provincial Accounting Practices. These accounting practices are followed by other provinces in Argentina, but differ in material respects from generally accepted accounting principles in Argentina ("Argentine GAAP") and from generally accepted accounting principles in other jurisdictions, including the United States ("U.S. GAAP"). The primary features of Provincial Accounting Practices are: (i) revenues are not accounted for on an accrual basis, but are recognized in the period in which they are received; (ii) expenditures are accounted for when they are accrued, regardless of whether there has been a cash outflow from the provincial treasury, except for interest expense, which is accounted for when paid; (iii) capital investments are carried at cost without reduction for depreciation or amortization and, accordingly, the Province does not record any charges for depreciation or amortization in its financial statements; (iv) capital expenditures and investments in tangible assets are not capitalized, but are expensed during the period in which they are incurred; (v) construction contracts are expensed using the percentage of completion method; and (vi) revenues, expenditures and public debt are not adjusted for inflation in the Province's accounts. There can be no assurance that a reconciliation between Provincial Accounting Practices, Argentine GAAP and U.S. GAAP would not identify material quantitative differences between the Province's budgets and statements prepared in accordance with Provincial Accounting Practices,

Argentine GAAP and/or U.S. GAAP. In particular, the Province does not adjust its revenues, expenditures or public debt information for inflation as is required, under certain circumstances, by Argentine GAAP as Argentine GAAP are not legally applicable to Argentine provinces. Financial information in this Luxembourg Listing Prospectus relating to historic revenues and expenditures is presented in nominal pesos as the Province believes that such presentation is likely to result in less distortion to the period-on-period comparability of such information than those which would result from presenting such analysis in reference to constant peso figures. There can be no assurances, however, that such form of presentation will accurately reflect the trends underlying line item variations.

Adverse climatic factors or natural disasters could adversely affect the economic activities of the Province.

Adverse climatic factors or natural disasters, including wildfires, floods, droughts or extreme cold, among others, could adversely affect the economic activities of the Province, particularly in sectors which depend upon the sustainable enjoyment of geographic and natural conditions of the Province, such as livestock and agriculture.

A reduction in the economic activity of the Province caused by adverse climatic factors or by natural disasters could have an adverse effect upon the public finances of the Province, and its ability to fulfill its obligations under the debt instruments, including the Notes.

Risks Relating to the Notes

The Notes are subject to restrictions on resales and transfers.

The Notes have not been registered under the Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Notes may be offered and sold only (a) to QIBs in compliance with Rule 144A; (b) pursuant to offers and sales that occur outside the United States in compliance with Regulation S under the Securities Act; (c) pursuant to an exemption from registration under the Securities Act; or (d) pursuant to an effective registration statement under the Securities Act, in each case in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. For certain restrictions on resale and transfer, see “Plan of Distribution” and “Notice to Investors.”

There can be no assurances that the credit ratings granted to the Notes to be issued under this Luxembourg Listing Prospectus may not be downgraded, suspended or cancelled by the rating agencies.

Any credit rating granted to the Notes to be issued under this Luxembourg Listing Prospectus may change following its issuance. Such credit rating is limited in its scope and does not consider all of the risks related to the investment in the Notes. The credit rating only reflects the considerations that were taken into account at the moment of issuing such credit rating. There can be no assurances that such credit rating be maintained for a certain period of time or that such credit rating may not be downgraded, suspended or cancelled upon the credit rating agencies’ consideration or if circumstances will so require. Any credit rating downgrade, suspension, or cancellation may have an adverse effect on the market price and the negotiation of the Notes.

There is no prior market for the Notes; if one develops, it may not be liquid. In addition, a listing of the Notes on a securities exchange cannot be guaranteed.

There currently is no market for the Notes. The Province cannot promise that such a market will develop or if one does develop, that it will continue to exist. If a market for the Notes were to develop, prevailing interest rates and general market conditions could affect the price of the Notes. This could cause the Notes to trade at prices that may be lower than their principal amount or their initial offering price.

In addition, although applications have been made to list the Notes on the Luxembourg Stock Exchange, and to trade on the Euro MTF Market, and to list and trade the Notes on the MERVAl and trade the Notes on the MAE, the Notes offered hereby may not be so listed and traded. Moreover, even if a tranche of Notes is so listed and traded at the time of issuance, the Province may decide to delist the Notes and/or seek an alternative listing for

such Notes on another stock exchange, although there can be no assurance that such alternative listing will be obtained.

It may be difficult for you to obtain or enforce judgments against the Province.

The Province is a political subdivision of a sovereign entity. Consequently, while the Province has irrevocably submitted to the jurisdiction of U.S. state or federal courts sitting in the Borough of Manhattan, the City of New York, with respect to the Notes, which are governed by New York law, it may be difficult for holders of Notes or the trustee in respect of the Notes to obtain or enforce judgments of courts in the United States or elsewhere against the Province.

If holders of Notes obtained a foreign judgment against the Province, it may be difficult for holders to have that judgment recognized and enforced in Argentine courts in light of the March 6, 2014 decision of the Supreme Court of Argentina in *Claren Corporation vs. Estado Nacional*. In that case, the Supreme Court of Argentina held that the enforcement of a foreign judgment sought by *Claren Corporation* did not satisfy one of the requirements set forth in the Code of Civil and Commercial Procedure of Argentina (*i.e.*, that a foreign judgment cannot contravene Argentine law principles of public policy), given the fact that such an enforcement, as requested by the plaintiff, would imply that such plaintiff, pursuant to an individual action filed before a foreign court, would circumvent the public debt restructuring process set forth by the federal government through emergency legislation enacted in accordance with the Argentine Constitution. In addition, the Supreme Court of Argentina held that such norms were part of Argentine public policy and, therefore, that the enforcement of a foreign judgment such as the one sought by the plaintiff could not be granted as it would be clearly contrary to such legislation. The Province cannot assure you that you will be able to obtain or enforce judgments against the Province, including with respect to the Notes. See “Enforcement of Civil Liabilities.”

The Province's credit ratings may not reflect all risks of investing in the Notes.

The Province's credit ratings are an assessment by rating agencies of the Province's ability to pay its debt when due. Consequently, real or anticipated changes in the Province's credit ratings will generally affect the market value of the Notes. These credit ratings may not reflect the potential impact of risks relating to structure or marketing of the Notes. Agency ratings are not a recommendation to buy, sell or hold any security, and may be revised or withdrawn at any time by the issuing organization. Each agency's rating should be evaluated independently of any other agency's rating.

There is no assurance that any rating will remain in effect for any given period of time or that it will not be lowered or withdrawn by a rating agency if, in its judgment, circumstances so warrant. If any rating with respect to the Notes is revised or withdrawn, then the liquidity or the market value of the Notes may be adversely affected. A rating on the Notes does not address the possibility of the occurrence of a default or the likelihood of payment by the Province of any redemption premium, additional amounts or any other payments under the Transaction Documents.

The rating agencies rating the Notes have been hired by the Province to provide their ratings on the Notes. A rating agency may have a conflict of interest where, as is the case with the ratings of the Notes, the issuer of a security pays the fee charged by the rating agency for its rating services.

It is possible that other rating agencies not hired by the Province may provide an unsolicited rating that differs from (or is lower than) a rating provided by a rating agency of the Notes. As of August 10, 2016, the Province is not aware of the existence of any unsolicited rating provided (or to be provided at a future time) by any rating agency not hired to rate the Notes; however, there can be no assurance that an unsolicited rating will not be issued prior to or after the issuance date, and none of the Province or the initial purchasers is obligated to inform investors (or potential investors) in the Notes if an unsolicited rating is issued. Consequently, each investor (or potential investor) should monitor whether an unsolicited rating of the Notes has been issued by a non-hired rating agency and should consult with its financial and legal advisors regarding the impact of such an unsolicited rating. If any non-hired rating agency provides an unsolicited rating on the Notes that differs from (or is lower than) the rating thereon provided by a rating agency, then the liquidity or the market value of the Notes may be adversely affected.

The Notes will contain provisions that permit the Province to amend the payment terms of the Notes without the consent of all holders.

The Notes will contain provisions regarding voting on amendments, modifications and waivers which are commonly referred to as “collective action clauses.” Under these provisions, certain key terms of the Notes may be amended, including the maturity date, interest rate and other payment terms, without your consent.

USE OF PROCEEDS

The gross proceeds from the offering were approximately USD 248,432,500, before deducting commissions and estimated offering expenses payable by us. Pursuant to Provincial Law No. 7,782, dated April 26, 2016, which authorized the issuance of the Notes, the Province will use the net proceeds obtained from the Notes, after deducting commissions, fees and expenses payable by the Province, to finance public works projects primarily related to logistics and social development and to cancel liabilities.

THE PROVINCE OF CHACO

General

The Province is located on the northeast part of Argentina, and is bordered by the provinces of Salta and Santiago del Estero to the west, the province of Santa Fe to the south, the Republic of Paraguay and the province of Corrientes to the east and the province of Formosa to the north. The Province is part of the Argentine Northeast Region (the “NEA”) together with the provinces of Formosa, Corrientes and Misiones. The NEA is a geographic region comprised of provinces with similar climate, cultural background and socio-economic development. These similarities encourage the governments of the provinces that make up the NEA to coordinate certain actions related to infrastructure, education, health, the environment and taxation.

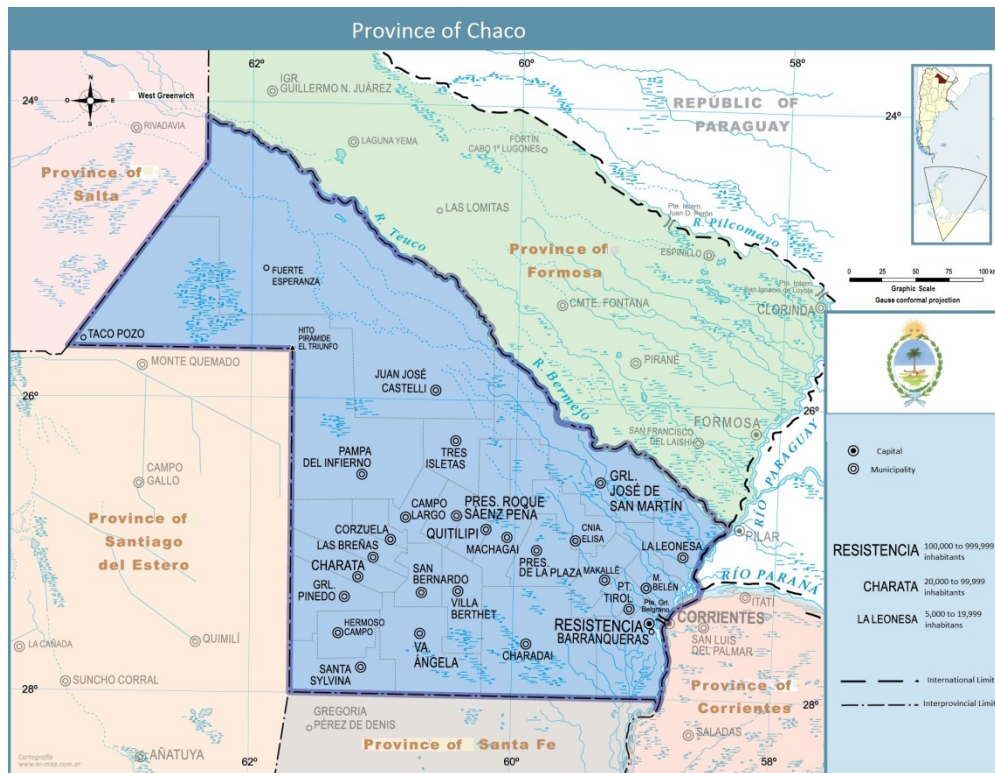
The following map shows the location of the Province in Argentina:



The Province has an area of 99,633 square kilometers. According to estimates based on the 2010 National Census, the Province had a population of approximately 1,143,201 inhabitants in 2015, representing 2.6% of the total population of Argentina and making the Province the tenth most populous province of Argentina. The Province’s population density is 11.5 inhabitants per square kilometer. According to the 2010 National Census, 46% of the Province’s population is located in four municipalities, with over 45,000 inhabitants each: *Resistencia* with 316,031 inhabitants, *Presidencia Roque Sáenz Peña* with 105,023 inhabitants, *Barranqueras* with 59,275

inhabitants and *Villa Ángela* with 48,714 inhabitants. The Province's GDP accounted for approximately 1.7% of the national GDP for 2014.

The following map shows, among other things, the principal cities and towns in the Province:



The Province's lands are among the most fertile of the *Chaco* plains, favoring the primary sector of the economy, including agricultural, livestock and forestry activities. As of August 10, 2016, according to the *Sistema Integrado de Información Agropecuaria del Ministerio de Agroindustria de la Nación* (Agricultural Integrated Information System of the Federal Ministry of Agro-industry), the Province is the second largest cotton producing province in Argentina and is among the most important soy, sunflower, corn and sorghum growing provinces. The Province has recently begun promoting industrial development, shifting the focus from the traditional agro-industrial development in order to increase value-added production, with the aim of creating job opportunities that require skilled and well-paid personnel.

Argentine Federal Constitutional Framework and Relationship between Federal and Provincial Governments

The Argentine federal constitution sets forth a division of powers between the federal and provincial governments. Each province has its own constitution, which establishes its governmental structure and provides for the election of a provincial Governor and Vice Governor and a provincial legislative branch. The provinces have general jurisdiction over matters of purely provincial or local concern, including, among others:

- healthcare and education,
- provincial police and courts, and
- borrowing funds, subject to a federal approval and requirements in certain cases.

The jurisdiction of the federal government is limited to those matters that are expressly delegated to it by the federal constitution. These areas include, among others:

- the regulation of international trade and inter-provincial commerce,
- the issuance of currency,
- legislation regarding civil, commercial, criminal and mining matters,
- the regulation of banks and banking activities,
- national defense and foreign affairs, and
- customs and the regulation of shipping and ports.

The federal government neither guarantees, nor is responsible for, the financial obligations of any province.

Under the Argentine federal system, each province retains significant responsibility for rendering public services and other functions within its territory that require public expenditure, while relying primarily on a centralized tax-collection system run by the federal government as a source of public revenues. This centralized system, which is called the federal tax co-participation regime, dates back to 1935, when the provinces agreed to delegate their constitutional power to collect several categories of taxes to the federal government in exchange for periodic transfers to the provinces of a portion of the related tax revenues. This regime has been amended several times and, currently, the “shared” or “co-participated” taxes include income tax, value-added tax, a tax on financial transactions and several specific excise taxes levied on consumption. See “Public Sector Finances—Main Source of Revenues—Taxation—Federal Tax Revenue Distribution—Federal Tax Co-Participation Regime.”

The federal constitution was amended in 1994. Although the main provisions of the federal constitution were maintained, some significant changes were implemented. Pursuant to the 1994 amendments, the federal and provincial governments were required to approve a new federal tax co-participation regime based on certain objective distribution criteria; however they have not yet done so and the timing of any such amendments remains uncertain.

Institutional Framework of the Province

Under the 1957 Provincial Constitution, as amended (the “Provincial Constitution”), the provincial government is divided into three branches: the executive branch, the legislative branch and the judicial branch.

The Provincial Constitution also provides for the existence of self-governing agencies that are not part of any of the three branches of government: the General Accounting Office (*Contaduría General*), General Treasury (*Tesoro Provincial*), Audit Tribunal (*Tribunal de Cuentas*), Attorney General’s Office (*Fiscal de Estado*) and Ombudsman Office (*Defensor del Pueblo*).

Municipalities

The Provincial Constitution provides for the existence of municipalities, which are political subdivisions within the Province. The Province is divided into 70 municipalities, among which *Resistencia*, *Presidencia Roque Saenz Peña* and *Barranqueras* are the most populous. The general administration of each municipality is carried out by its Mayor. In addition, each municipality has its own legislature, which passes ordinances on organizational and technical matters relating to the administration of each municipality.

Each municipality is responsible for providing basic local services such as water, sewerage, street lighting, urban planning and first aid services, which are financed in part by municipal tax revenues. The Province is responsible for the financing of services related to health care, education, justice and security.

Pursuant to the provincial co-participation law, the municipalities receive, in the aggregate, 15.5% of provincial taxes collected by the Province such as non-decentralized gross revenue tax, stamp tax and federal co-participation transfers. In addition, the Municipal Compensation Fund created pursuant to Law No. 7,680 distributes 0.6% of the resources derived from the federal co-participation law to the municipalities of *Fontana*, *Juan José Castelli* and *Machagai*. The overall percentage of funds transferred by the Province to its municipalities

and the portion of such funds to be allocated to each municipality are determined and may be modified by the provincial legislature. Moreover, each municipality collects automotive taxes, urban real estate taxes and all other taxes approved by its respective legislature.

Executive Branch

The executive branch consists of a Governor and Vice Governor, who are elected together for four year terms and can be reelected for only one additional term, either consecutively or alternatively, and a number of ministries and secretariats. The Governor has the power to appoint and remove ministers.

The current Governor is Oscar Domingo Peppo who was elected to hold office from 2015 to 2019 as the candidate for the *Frente Chaco Merece Más* (“Chaco Deserves More”) alliance, which is composed by the *Partido Justicialista*, *Frente Grande*, *Frente para el Cambio*, *Partido Intransigente*, *Partido de la Concertación*, *Movimiento de Bases*, *Nuevo Espacio de Participación*, *Causa Reparadora*, *Partido de la Victoria*, *Acción Chaqueña* and *Frente Aliancista Integrador*. Mr. Peppo had previously been elected Mayor of *Villa Angela* in 2003, 2007 and 2011, and had previously served as the Province’s Minister of Government, Security and Justice and as president of the Provincial Institute of Urban and Housing Development.

Jorge M. Capitanich served as Governor of the Province from the 2007 to 2013. In 2013, Mr. Capitanich was appointed as Chief of Staff of the then president of Argentina, Cristina Fernandez de Kirchner. Accordingly, Mr. Capitanich’s position as Governor of the Province was assumed by the then Vice Governor, Juan Carlos Bacileff Ivannoff, who served as acting Governor until Mr. Capitanich resumed his duties as Governor on February 27, 2015 until his term expired on December 10, 2015.

Pursuant to Law N° 7,738, the executive branch is assisted in its duties by the following ministries: Government, Justice and Community Relationship (*Gobierno, Justicia y Relación con la Comunidad*); Education, Culture, Science and Technology (*Educación, Cultura, Ciencia y Tecnología*); Infrastructure and Public Services (*Infraestructura y Servicios Públicos*); Social Development (*Desarrollo Social*); Production (*Producción*); Public Health (*Salud Pública*); Economy and Public Finance (*Hacienda y Finanzas Públicas*); Industry, Commerce and Services (*Industria, Comercio y Servicios*); Urban Development and Territorial Regulation (*Desarrollo Urbano y Ordenamiento Territorial*); Environmental, Planning and Technological Innovation (*Planificación, Ambiente e Innovación Tecnológica*); and Public Safety (*Ministerio de Seguridad Pública*). In addition to the ministries, certain matters of state are performed by the following secretariats: General Government and Coordination (*Gobierno y Coordinación*); Human Rights (*Derechos Humanos*); Investment, International Affairs and Promotion (*Inversiones, Asuntos Internacionales y Promoción*); Employment and Work (*Empleo y Trabajo*); Municipalities and Cities (*Municipios y Ciudades*); and Logistics and Transport (*Logística y Transporte*).

Legislative Branch

The legislative branch is composed of a single body, the House of Representatives, which is composed of thirty-two members.

The members of the House of Representatives are elected by popular vote to four year terms, and may be reelected. The composition of the House of Representatives is partially renewed every two years.

The table below shows, by political party, the current composition of the House of Representatives after the most recent elections, which were held in October 2015:

House of Representatives Composition by Party –from 2015 through 2017

Parties	Number of Seats	%
Justicialist Bloc (Frente Chaco Merece Más).....	17	53%
Unión Cívica Radical Bloc (Frente Vamos Chaco).....	11	34%
Frente Grande Bloc (Frente Chaco Merece Más).....	1	3%
Concertación Forja Bloc (Frente Chaco Merece Más)	1	3%
Free from the South Bloc (Frente Vamos Chaco)	1	3%
PRO Bloc (Frente Vamos Chaco)	1	3%
Total	32	100%

Source: Website of the House of Representatives of the Province.

Judicial Branch

The judicial branch consists of a Higher Court of Justice (*Superior Tribunal de Justicia*), lower courts and other agencies created by law. The Higher Court of Justice is divided into two chambers consisting of two members each: the First Chamber and Second Chamber. The First Chamber has jurisdiction over extraordinary appeals grounded on unconstitutionality or inapplicability of legal doctrine in civil, commercial and labor law matters. The Second Chamber has jurisdiction over criminal and correctional appeals.

The charter of the judicial branch sets forth the functions of each chamber of the appellate courts, which are composed of at least three members, with jurisdiction over criminal, civil, commercial, labor and administrative law matters. They are located in the cities of *Resistencia*, *Presidencia Roque Sáenz Peña*, *Villa Ángela*, *Charata*, *General San Martín* and *Juan José Castelli*.

The lower courts have jurisdiction over juvenile and family, civil and commercial, labor, correctional, criminal investigation, guarantee, criminal enforcement, of the peace, bankruptcy and foreclosure law matters.

The Public Ministry (*Ministerio Público*), which is also part of the judicial branch, is led by the General Prosecutor (*Procurador General*) and the Public Attorney (*Defensor del Pueblo*). The Public Ministry is composed of prosecutors and public defenders.

Members of the Higher Court of Justice and heads of the Public Attorney's office are nominated by the *Consejo de la Magistratura y Jurado de Enjuiciamiento* ("Judicial Council") and appointed by the executive branch. The appointment of judges and other officials of the Public Attorney's office is put forth by the Judicial Council and accepted by the Higher Court of Justice. Argentina also has a federal judiciary that has jurisdiction over federal matters within the territory of the Province, such as matters related to drug trafficking.

Other Agencies

The Provincial Constitution also provides for the existence of self-governing agencies that are not part of any of the three branches of government: the General Accounting Office (*Contaduría General*), the General Treasury (*Tesoro Provincial*), the Audit Tribunal (*Tribunal de Cuentas*), the Attorney General's Office (*Fiscal de Estado*) and the Ombudsman Office (*Defensor del Pueblo*). All such self-governing agencies, except the General Treasury, are part of the control system of the provincial administration.

The General Accounting Office (i) keeps books and records of the economic and financial administration of the Province's public sector; (ii) administers the provincial financial information system, which provides

information to the public on matters relating to the budget, cash flow and property management as well as the economic, operating and financial administration of the Province; and (iii) prepares the annual financial statements that are submitted to the legislative and executive branches and to the Audit Tribunal for approval.

The General Treasury is responsible for making payments that have been previously authorized by the General Accounting Office and manages the Province's bank accounts, all of which are held at NBC.

The Audit Tribunal is the external control agency for the Province, its municipalities and its provincial companies. The Audit Tribunal examines the provincial and municipal investment and collection accounts for public revenues and either approves or rejects them.

The Attorney General's Office represents the Province in any lawsuits that could affect the Province's assets and reviews and oversees the legal aspects of the activities of the executive branch. The Attorney General's Office also has the authority to challenge in court any provincial laws or decrees that it considers to be unconstitutional. The Attorney General is appointed by the executive branch with the approval of two thirds of the House of Representatives and may only be removed from office pursuant to impeachment proceedings. As of August 10, 2016, Luis Meza serves as Attorney General.

The Ombudsman Office is responsible for representing the interests of the inhabitants of the Province in legal proceedings.

THE PROVINCIAL ECONOMY

Introduction

From 2011 to 2014, the provincial GDP grew at an annual average of 5.8%. This growth contributed to a decrease in the provincial unemployment rate from 3.7% in 2011 to 0.2% in 2014.

The following table summarizes certain macroeconomic indicators for the periods indicated:

Macroeconomic Indicators (2011-2014)				
	Year ended December 31,			
	2011	2012	2013	2014
Provincial GDP (in millions of pesos, at constant 2004 pesos).....	10,287.26	10,450.42	11,289.68	11,675.41
Rate of change in provincial Real GDP from prior year.....	10.3%	1.6%	8.0%	3.4%
Provincial GDP (in millions of pesos).....	31,254.28	40,066.77	51,102.93	63,172.54

Source: Bureau of Statistics and Census of the Province and INDEC.

The Province's natural resources and climate conditions have historically favored the primary sector of the economy, including agricultural, livestock and forestry activities. According to the Agricultural Integrated Information System of the Federal Ministry of Agro-industry (*Ministerio de Agroindustria de la Nación*), for the year ended December 31, 2015, the Province was the second most important cotton producing province in Argentina, the third most important sunflower producing province in Argentina and the seventh most important soybean producing province in Argentina.

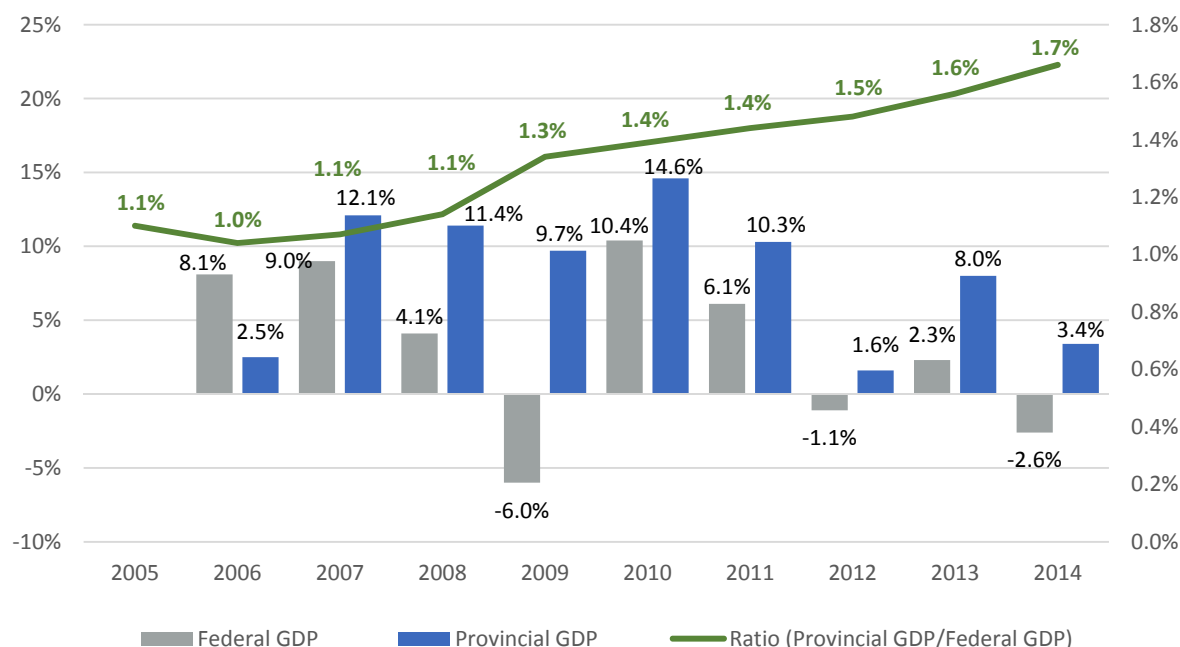
The following table shows the provinces in Argentina with the highest production of cotton, soybean and sunflower:

Cotton, Soybean and Sunflower Producing Provinces					
Province	Cotton	Province	Soybean	Province	Sunflower
<i>(in tons)</i>					
Santiago del Estero	326,120	Buenos Aires	19,592,372	Buenos Aires	1,967,665
Chaco	296,475	Córdoba	18,619,067	La Pampa	551,050
Santa Fe	112,880	Santa Fe	11,804,131	Chaco	272,545
Salta	30,380	Entre Ríos	4,324,895	Santa Fe	237,725
Formosa	18,000	Santiago del Estero	1,915,310	Córdoba	60,335
Entre Ríos	1,770	La Pampa	1,271,770	Santiago del Estero	17,610
Córdoba	1,100	Chaco	1,191,339	Formosa	12,032
Corrientes	1,060	Salta	1,145,936	Entre Ríos	6,778

Source: Information Services Coordination. Ministry of Agro-industry.

In addition, the secondary and tertiary sectors of the economy have represented an increased share of the provincial GDP in recent years. Due in part to the contribution from these sectors, the provincial GDP has grown at a higher rate than the federal GDP since 2007. Moreover, the Province's share of federal GDP has grown from 1.1% in 2005 to 1.7% in 2014.

The following chart shows the evolution of the provincial GDP and the federal GDP for the period indicated:



Source: Bureau of Statistics and Census of the Province and INDEC.

Exports originating in the Province are mainly primary products. In 2015, 76.5% of total provincial exports were primary products, such as soybeans, corn and sunflower. The remaining 23.5% of total exports were secondary industry products, such as tannin and flour. The Province's main export destination is China with 28.05% of total provincial exports in 2015.

The provincial government plays a role in the Province's economy by promoting infrastructure and other projects and supporting access to funding for sectors considered important to the economy. Specifically, the current provincial administration has sought to promote policies to support value chains related to the agro-industrial sector, such as forestry, livestock and textiles, as well as value chains related to the industrial sector, such as metalworking and software. For example, provincial Decree No. 1,538/13 created a guarantee fund to incentivize private investment by guarantying loans with reduced rates granted by NBC and Provincial Law No. 6,621 was enacted to create the Industrial Employment Development Fund (FODEI), complementing the industrial benefit program established by Provincial Law No. 4,453, which created a trust to finance industrial development projects that benefit economic and industrial development in certain areas of the Province.

The Argentine Economy

Argentina experienced considerably high growth rates during 2011, growing at 6.2% compared to the prior year. Argentina's real GDP subsequently declined when compared to prior years. Argentina's real GDP contracted 1.1% in 2012, grew 2.3% in 2013 and contracted again in 2014 by 2.6%. According to preliminary estimates published by INDEC on June 29, 2016, real GDP grew by 2.4% in 2015.

With respect to the federal government's fiscal results, in 2012 the federal government's primary fiscal balance deteriorated, decreasing from a surplus of ARS 4,921 million in 2011 or 0.2% of nominal national GDP to a deficit of ARS 4,374 million or 0.2% of nominal national GDP. The primary fiscal deficit was ARS 22,479 million in 2013, or 0.7% of nominal national GDP and ARS 38,562 million in 2014, or 0.9% of nominal national GDP. In

2015, Argentina's primary fiscal deficit continued to deteriorate considerably to ARS 104,797 million or 2.0% of nominal national GDP.

Since 2012, the acceleration of inflation combined with exchange control policies, which intended to use the exchange rate as a “nominal anchor” affected Argentina’s competitiveness and had an adverse effect on its current account and the Central Bank’s capacity to generate and maintain international reserves. Argentina’s macroeconomic indicators declined as a result of a combination of adverse factors, including, among others, the exchange rate lag, combined with regular loss of competitiveness, increased fiscal deficit and its monetization, the transfer to the sales prices, and a continued lack of availability or credibility with respect to Argentina’s inflation and poverty official figures.

Affected mainly by the exchange rate lag in Argentina, the level of international reserves experienced an increasing outflow of capital starting in 2010. The level of international reserves was USD 46.4 billion as of December 2011, USD 43.3 billion as of December 2012, USD 30.6 billion as of December 2013, USD 31.4 billion as of December 2014 and USD 25.6 billion as of December 2015, which was the lowest level of international reserves experienced by Argentina during the past ten years. The level of international reserves has been improving during 2016, reaching USD 30.5 billion as of June 30, 2016.

Argentine Public Sector Debt

Argentina’s total gross public debt consists of foreign currency-denominated and Peso-denominated debt owed directly by the federal government and indirect debt consisting of government guarantees of obligations of other national public institutions, the provinces (including the City of Buenos Aires) and private sector entities. It does not include direct debt of the provinces or other entities that is not guaranteed by the federal government.

As of December 31, 2015, the Argentina’s total gross public debt was USD 222.7 billion. Peso-denominated debt totaled ARS 960.1 billion (USD 73.8 billion), representing 33.1% of the Argentina’s total gross public debt, of which 7.2% corresponded to CER-index linked debt. Foreign currency-denominated debt totaled USD 148.9 billion, representing 66.9% of the Argentina’s total gross public debt, of which 50.8% was held by various public sector entities.

From 2011 to 2015, the Argentina had limited access to international capital markets and as a result, most of the new debt incurred in this period represented domestic debt issued in pesos and U.S. dollars. Moreover, during this period, a substantial portion of the domestic debt issued by the Argentina was acquired by the public sector, which as of December 31, 2015, held 61.9% of the Argentina’s total debt

In 2005 and 2010, Argentina conducted an exchange offer to restructure part of its sovereign debt that had been in default since the end of 2001. As a result of the 2005 and 2010 exchange offers, Argentina restructured over 92% of the defaulted debt eligible for the 2005 and 2010 exchange offers.

Holdout creditors, that declined to participate in the 2005 and 2010 exchange offers by Argentina to restructure part of its sovereign debt that had been in default since the end of 2001, commenced numerous lawsuits against Argentina in several jurisdictions, including the United States, Italy, Germany, and Japan. Judgments have been issued in numerous proceedings in the United States and Germany. See “Risk Factors—Argentina’s ability to obtain financing from international markets is limited, which may impair its ability to implement reforms and foster economic growth.”

In early 2016, the Macri administration announced preliminary agreements with a group of holders of defaulted debt and put forward a proposal to all other holders of defaulted debt, including those with pending claims in U.S. courts. As a result of these negotiations, on April 22, 2016 Argentina issued USD 16.5 billion of new debt securities in the international capital markets, and applied USD 9.3 billion to satisfy settlement payments on agreements with holders of approximately USD 8.2 billion principal amount of defaulted bonds.

As of August 10, 2016, litigation initiated by bondholders that have not accepted Argentina’s settlement offer continues in several jurisdictions, although the size of the claims involved has decreased significantly.

Provincial Gross Domestic Product

The Bureau of Statistics and Census of the Province prepares and releases the Province’s GDP information, which shows the monetary value of the goods produced and services provided during a given time period within the

Province. Since 2008, the economy of the Province has grown at a steady rate. Provincial GDP grew by 75.36% from 2007 to 2014, with an 8.35% average annual growth during this period. The Province's share of the federal GDP grew from 0.97% in 2007 to 1.34% in 2014.

In 2013, INDEC modified the methodology and base year used to calculate federal GDP, from 1993 constant prices to 2004 constant prices. The Argentine provinces are in the process of reviewing their GDP calculation methodologies, following the recommendations of the National Bureau of Accounts, the Federal Council of Investments (CFI) and the Economic Commission for Latin America (ECLA), in order to achieve a common methodology to compare provinces and regions. In 2014, the Bureau of Statistics and Census of the Province modified the methodology used to calculate the provincial GDP by changing the base year from 1993 constant prices to 2004 constant prices, aligning its methodology with the methodology applied by INDEC.

Provincial GDP can be divided into two main sectors: the goods sector and the services sector. The goods sector is further subdivided into primary economic activities (such as agriculture, fishing, mining and quarrying) and secondary, or industrial, economic activities (such as manufacturing, electricity, gas and water and construction). The services sector includes tertiary economic activities, such as trade, transport, storage, communications, real estate, public administration and defense services, among others.

The table below shows that provincial GDP (at 2004 constant prices) had an estimated real growth of 13.49% from 2011 to 2014, with an average annual growth of 4.31%. The sector with the highest growth during this period was the services sector, which grew by 16.93%, mainly as a result of a 54.61% increase in social and health services and a 53.27% increase in financial intermediation. The goods sector grew by 8.38%, mainly as a result of a 38.95% increase in construction and a 23.80% increase in the manufacturing industry.

The following table describes the provincial GDP, expressed in constant 2004 prices, for the years and the sectors indicated:

Provincial GDP (2011-2014) (in millions of pesos, at constant 2004 prices)					
	Year ended December 31,				% Variation 2011-2014
	2011	2012	2013	2014	
Provincial Gross Domestic Product	10,287.26	10,450.42	11,289.68	11,675.41	13.49%
Goods Sector	4,131.59	3,859.80	4,243.10	4,477.83	8.38%
Primary Sector					
Agriculture, Livestock, Hunting and Forestry...	1,494.04	1,047.98	1,133.39	986.39	(33.98%)
Fishing	0.31	0.31	0.33	0.33	8.31%
Mine and Quarry Exploitation	20.35	20.22	21.25	22.69	11.50%
Secondary Sector					
Manufacturing.....	962.39	1,092.61	1,163.65	1,191.41	23.80%
Electricity, Gas and Water Supply	123.38	136.26	139.96	149.47	21.14%
Construction.....	1,531.12	1,562.43	1,784.53	2,127.54	38.95%
Services (or Tertiary) Sector.....	6,155.67	6,590.62	7,046.58	7,197.58	16.93%
Wholesale and Retail Commerce And Repairs .	1,159.75	1,248.90	1,302.58	1,265.16	9.09%
Hotels and Restaurants.....	23.23	25.51	27.89	29.28	26.08%
Transport, Storage and Communications	1,644.31	1,610.75	1,731.42	1,717.34	4.44%
Financial Intermediation	481.69	573.14	653.51	738.31	53.27%
Real Estate, Entrepreneurial and Rental Activities.....	941.15	950.44	1,043.49	1,130.83	20.15%
Public and Defense Administration; Obligatory Affiliation Social Security Plans	695.19	731.85	754.90	774.25	11.37%
Teaching	575.72	656.98	685.62	709.14	23.17%
Social and Health Services	204.19	271.03	314.20	315.71	54.61%
Other Community, Social and Personal Activity Services	369.25	460.24	465.34	448.22	21.39%
Private Household with Domestic Staff.....	61.18	61.80	67.63	69.35	13.35%

Source: Bureau of Statistics and Census of the Province.

The following table describes the composition of provincial GDP (at current prices) for the years and the sectors indicated:

Provincial GDP (2011-2014) (in millions of pesos, at current prices)					
	Year ended December 31,				Share
	2011	2012	2013	2014	
Provincial Gross Domestic Product	31,254.28	40,066.77	51,102.93	63,172.54	100.0%
Goods Sector	11,256.99	15,622.63	19,888.09	24,789.85	39.2%
Primary Sector					
Agriculture, Livestock, Hunting and Forestry.....	4,464.82	3,474.44	5,003.18	5,945.14	9.4%
Fishing	0.59	0.66	0.73	0.83	-
Mine and Quarry Exploitation	46.12	51.57	61.02	75.97	0.1%
Secondary Sector					
Manufacturing.....	2,140.22	3,368.33	4,091.43	5,405.82	8.6%
Electricity, Gas and Water Supply	381.90	627.60	658.44	836.89	1.3%
Construction.....	4,223.34	8,100.03	10,073.27	12,525.21	19.8%
Services (or Tertiary) Sector	19,997.29	24,444.14	31,214.84	38,382.69	60.8%
Wholesale and Retail Commerce And Repairs	2,996.77	3,781.93	4,878.20	6,292.25	10.0%
Hotels and Restaurants.....	110.67	145.55	187.86	255.82	0.4%
Transport, Storage and Communications	3,900.66	4,518.56	6,413.31	5,911.16	9.4%
Financial Intermediation	1,267.01	1,631.83	2,105.06	2,742.67	4.3%
Real Estate, Entrepreneurial and Rental Activities	3,609.76	4,042.93	5,094.10	7,081.81	11.2%
Public and Defense Administration; Obligatory Affiliation	3,158.65	3,885.14	4,276.39	5,117.23	8.1%
Social Security Plans					
Teaching	2,744.76	3,454.59	4,417.96	5,953.62	9.4%
Social and Health Services	1,246.97	1,732.97	2,248.84	3,035.58	4.8%
Other Community, Social and Personal Activity Services	776.50	1,009.45	1,290.18	1,594.02	2.5%
Private Household with Domestic Staff	185.53	241.19	302.94	398.52	0.6%

Source: Bureau of Statistics and Census of the Province.

The following table shows the share of provincial GDP of each sector for the periods indicated:

	Provincial GDP			
	(% variation)			
	Year ended December 31,			
	2011	2012	2013	2014
Provincial Gross Domestic Product				
Goods Sector	40.16%	36.93%	37.58%	38.35%
Primary Sector				
Agriculture, Livestock, Hunting and Forestry.....	14.52%	10.03%	10.04%	8.45%
Fishing	-	-	-	-
Mine and Quarry Exploitation	0.20%	0.19%	0.19%	0.19%
Secondary Sector				
Manufacturing.....	9.36%	10.46%	10.31%	10.20%
Electricity, Gas and Water Supply	1.20%	1.30%	1.24%	1.28%
Construction.....	14.88%	14.95%	15.81%	18.22%
Services (or Tertiary) Sector	59.84%	63.07%	62.42%	61.65%
Wholesale and Retail Commerce And Repairs	11.27%	11.95%	11.54%	10.84%
Hotels and Restaurants.....	0.24%	0.25%	0.25%	0.24%
Transport, Storage and Communications	15.98%	15.41%	15.34%	14.71%
Financial Intermediation	4.68%	5.48%	5.79%	6.32%
Real Estate, Entrepreneurial and Rental Activities	9.15%	9.09%	9.24%	9.69%
Public and Defense Administration; Obligatory Affiliation				
Social Security Plans	6.76%	7.00%	6.69%	6.63%
Teaching	5.60%	6.29%	6.07%	6.07%
Social and Health Services	1.98%	2.59%	2.78%	2.70%
Other Community, Social and Personal Activity Services ...	3.59%	4.40%	4.12%	3.84%
Private Household with Domestic Staff	0.59%	0.59%	0.60%	0.59%

Source: Bureau of Statistics and Census of the Province.

According to information provided by the Bureau of Statistics and Census of the Province, in 2014, the services sector accounted for 60.8% of the provincial GDP (at current values). Within the services sector, real estate, business and rental activities accounted for approximately 11.2% of provincial GDP (at current values), wholesale, retail trade and repairs accounted for approximately 10.0% and transport, storage and communications accounted for approximately 9.4%.

In 2014, the goods sector accounted for approximately 39.2% of provincial GDP (at current values). Within the goods sector, construction accounted for 19.8% of provincial GDP, agriculture, livestock, hunting and forestry accounted for 9.4% and manufacturing accounted for 8.6%.

Gross Domestic Product per Capita

The following table shows provincial GDP per capita, based on the population projections from the 2010 National Census and the provincial GDP (at current values) prepared by the Bureau of Statistics and Census of the Province, for the years indicated:

Year	GDP (in thousands of pesos)	Population	GDP per Capita (in pesos)
2011	31,254,278.08	1,092,625	28,604.76
2012	40,066,773.33	1,105,280	36,250.34
2013	51,102,929.71	1,117,953	45,711.16
2014	63,172,536.48	1,130,608	55,874.84

Source: Bureau of Statistics and Census of the Province and INDEC.

Primary Sector

Agriculture, Livestock, Hunting and Forestry

The agriculture, livestock, hunting and forestry sector represented on average 10.8% of provincial GDP during the period from 2011 to 2014. However, the sector's share of provincial GDP has declined from 14.3% in 2011 to 9.4% in 2014 a result of the shifting of the provincial economy away from primary activities and into the industrial and services sectors, the decline in international commodity prices and the appreciation of the ARS-USD exchange rate.

Forestry Chain

The forest chain employs one the largest workforces in the Province. The forest chain also represents one of the most integrated productive chains in the Province. The primary stage involves logging round wood and logs and the production of wood byproducts such as firewood, coal, posts and sleepers from red and white break axe trees, carob tree, urunday, guayacán and guayabí trees, among others. The secondary stage of production involves two sectors: production of thermo-chemical products (such as tannin and furfuryl), which are used to manufacture leather goods and plastics; and the wood industry, which is composed of a network of small and medium sized carpenters' stores that manufacture furniture and frames.

In 2011, the Province had 4.8 million hectares of forests, which account for 16.1% of the forests in Argentina. In 2011, 114,964 hectares were authorized for logging. In 2014, the Province produced 70.4% of the native forest wood, 56% of the native forest logs and 71.2% of the coal produced in Argentina.

Agricultural Chain

Cereal and oilseed production has become the driving force for the provincial economy in recent years, particularly soybeans and corn and sorghum. The main participants in this sector are local farmers, investors from other provinces, which represent a recent addition to the sector following the reorganization of agricultural companies, and silo plants for grain storage. An important feature of soybean, corn and sorghum production is the

potential for these crops to be integrated with other sectors, as they are the main food source for poultry and livestock given their efficiency as a means of converting grain into animal protein.

Soybean. Over the last 25 years, soybean has become the most important crop in Argentina. In the period from 1990 to 1991, only 50,000 hectares were planted and 76,700 tons were harvested, whereas in the period from 2013 to 2014 approximately 591,300 hectares were planted and 1,384,537 tons were harvested.

Corn and sorghum. Like soybean production, production of corn and sorghum has also increased in recent years. Between 1990 and 2009, corn's planted surface grew by over six times and sorghum's planted surface increased by over three times, resulting in a nearly twenty-fold increase in corn production and nearly five-fold increase in sorghum production during this period. From 2010 to 2014, corn's planted surface grew by over two times and sorghum's planted surface grew by 13.2%.

Cotton Chain

The Province has been one of the most important cotton producing provinces in Argentina since 1923. From 2009 through 2014, cotton's planted surface increased from 195,290 hectares to 297,600 hectares, with a production increase from 226,798 tons to 485,454 tons.

The importance of cotton in the Province has led to the formation of a productive sector involving cotton gins and spinning and weaving mills, most of which are located in the interior of the Province. According to MECON, the Province produces nearly 70% of the ginned cotton in Argentina and is the largest ginned cotton exporting province. In addition to having the largest cotton ginning capacity in the region, some of the largest companies in the cotton industry are located in the Province, mainly in the southwest region and on the border with the province of Santiago del Estero.

Bovine Chain

The Province is a major producer of beef. According to information from the *Instituto Nacional de Tecnología Agropecuaria* (National Institute of Agricultural Technology, or "INTA") and the *Servicio Nacional de Sanidad y Calidad Agroalimentaria* (National Agricultural Sanitation and Quality Service, or "SENASA"), the number of cattle in the Province was approximately 1.2 million in 2014. This represents 3.6% of the total number of cattle in Argentina. Additionally, the Province had approximately 542,820 goats as of March 31, 2015, representing 11.5% of the total number in Argentina.

Secondary Sector

Construction

The construction sector has been an important part of the economy of the Province in recent years, as highlighted by the fact that it has represented the largest share of provincial GDP in 2013 and 2014, just above the transport, storage and communications sector. The construction sector accounted for 14.9% of provincial GDP in 2011 and 18.2% of provincial GDP in 2014. From 2011 to 2014, this sector accounted for, on average, 16.0% of provincial GDP.

Manufacturing

From 2004 to 2014, the manufacturing sector experienced a substantial recovery as compared to the period from 1993 to 2003, growing at an average annual rate of 9.9%. The growth experienced during this period is mainly due to the Province's government policies which included guaranteeing loans at reduced rates for investments, a 30% reduction in water and electricity utility rates, a 30% capital investment reimbursement and tax credit certificates. In addition, the government of the Province has maintained a policy which seeks to foster the creation of industrial parks with basic infrastructure and provides real estate for such parks at preferential prices.

Manufactured products include products derived from cereals and food products, chemical products, electrical machinery, aluminum, pipelines, automobiles and auto parts, equipment and tools, cement, software, pharmaceuticals and textiles.

From 2011 to 2013, production in the manufacturing sector increased by 20.9%, while total provincial GDP increased by 9.7% over the same period. This sector represented, on average, 10.0% of total provincial GDP during this period. Among the sectors that contributed most to the growth in this sector during this period is the thermochemical products (tannin and furfural) sector, which makes products used as supplies in the manufacturing of leather products, in the plastic industry and in the manufacturing of furniture and door frames. The Province ranks as the main producer in Argentina of tannin and coal and its derivatives, due to the quantity of pellets and charcoal briquettes produced; the Province accounts for more than 90% of national production.

In 2014, the manufacturing sector grew by 3.4% with respect to 2013, with an aggregate growth of 23.8% from 2011 to 2014 compared to the 13.5% growth of total provincial GDP in the same period. As a result of this growth, the manufacturing sector increased its share of provincial GDP from 9.4% in 2011 to 10.2% (at constant 2004 prices) in 2014.

Tertiary (or Services) Sector

Real Estate, Business and Rental Services

The real estate, business and rental services sector is the second largest service sector in terms of contributions to provincial GDP. This sector encompasses a wide range of services rendered to businesses and individuals, including real estate transactions, leases of machinery and equipment, information technology services, research and development and other business and professional services. Real estate services, including sales and rentals, account for a large portion of this sector.

From 2011 to 2013, the output of the real estate, business and rental services sector increased by 10.9% and represented, on average, 9.2% of provincial GDP for this period.

In 2014, the output of this sector increased by 8.4% compared to 2013, primarily due to increased housing demand as a result of an increase in the rental and sale of properties. As this increase was larger than the average increase in provincial GDP, this sector's share of provincial GDP increased to 9.7% in 2014.

Transport, Storage and Communications

The transport, storage and communications sector includes land, air and water transportation of passengers and cargo, postal services and telecommunications services. This sector also includes other services rendered in connection with transportation, such as handling and storage of cargo, operation of toll road concessions and other infrastructure and other related services. Telecommunications services and land transportation account for the largest portion of this sector.

This sector is the largest contributor to provincial GDP, surpassing the construction sector and representing, on average, 15.4% of provincial GDP from 2011 to 2014. From 2011 to 2013, the output of the transport, storage and communications sector increased by 5.3%. In 2014, the output of this sector decreased by 0.8%. The average annual growth rate of this sector from 2011 to 2014 was 2.73%.

Retail and Wholesale Commerce

Historically, the retail and wholesale sector has represented more than 10% of provincial GDP, encompassing retail sales of food, beverages and tobacco. From 2011 to 2013, the output of the retail and wholesale commerce sector increased by 12.3%. In 2014, the output of this sector decreased by 2.9%. This sector represented, on average, 11.4% of provincial GDP from 2011 to 2014.

Demand Indicators

The following table describes selected demand indicators for Province for the periods indicated:

Indicator	Unit of measure	Demand Indicators Year ended December 31,					Variation 2010/ 2014 (%)
		2010	2011	2012	2013	2014	
Cement consumption	Tons	241,305	277,815	240,623	254,896	259,714	7.63%
Electric Energy							
Distribution	thousands Kwh	1,486,118	1,606,527	1,784,442	1,847,769	2,002,818	34.77%
Car Registration (*)	Units	171,572	184,898	202,979	264,419	301,870	75.94%
Building Permits (**).....	m ²	106,930	125,200	131,511	201,068	138,169	29.21%
Fuel Sales (***).....	m ³	413,308	432,377	420,765	425,354	417,158	0.93%

Source: Bureau of Statistics and Census of the Province and Department of Economic and Social Information of the Provincial Ministry of Finance.

(*) Data correspond to 2009-2013.

(**) Corresponds to permits in Resistencia.

(***) Corresponds to sales of gasoline and diesel.

Provincial Exports

The Province's exports are mostly products derived from the agricultural sector. During the past three years, these types of exports experienced a decrease, both at a provincial and national level. In 2014, total exports account for 5.5% of total provincial GDP.

During the period from 2011 to 2015, the main export destinations were (i) Asia (particularly China), (ii) Latin America, North America and the Caribbean, (iii) Europe and (iv) Africa, accounting on average for 49.4%, 29.7%, 12.0% and 8.8% of total provincial exports, respectively.

The table below sets forth the breakdown of the Province's exports by geographic destination in 2015:

Geographic Distribution of Provincial Exports (2015)		
Country	Exports (USD)	Percentage (%)
China	75,991,599	28.05%
Italy.....	18,701,278	6.90%
Chile	12,462,443	4.60%
Brazil	12,003,248	4.43%
Mexico.....	11,366,571	4.20%
Indonesia	10,395,299	3.84%
Japan.....	9,461,789	3.49%
Egypt	8,941,398	3.30%
Vietnam	8,920,277	3.29%
Algeria.....	8,463,963	3.12%
United States.....	8,410,079	3.10%
Other.....	85,814,495	31.67%
Total.....	270,932,439	100.00%

Source: INDEC.

According to INDEC, in 2011, provincial exports accounted for 0.71% of the country's total exports, or USD 590 million out of USD 83 billion. In 2012, provincial exports accounted for 0.38% of the country's total exports, or USD 305 million out of USD 80 billion. In 2013, provincial exports accounted for 0.37% of the country's total exports, or USD 283 million out of USD 76 billion. In 2014, provincial exports accounted for 0.59%

of the country's total exports, or USD 405 million out of USD 68 billion. In 2015, provincial exports accounted for 0.48% of the country's total exports, or USD 271 million out of USD 57 billion.

The following table describes the provincial export composition by item for the periods indicated:

Provincial Exports								
Year-end December 31,								
(in millions of USD FOB)								
	2011	2012	2013	2014	2015	Share in 2014	Share in 2015	Variation 2011-2015
Primary	500.14	222.72	208.15	328.74	207.27	81.10%	76.51%	(58.56)%
MOA ⁽¹⁾	78.88	71.63	67.41	71.28	59.03	17.58%	21.79%	(25.16)%
MOI ⁽²⁾	10.94	10.62	6.97	5.33	4.63	1.31%	1.70%	(57.95)%
TOTAL.....	589.96	304.97	282.53	405.35	270.93	100.00%	100.00%	(54.08)%
Annual Variation		(48.31)%	(7.36)%	(43.47)%	(33.17)%			

Source: INDEC.

⁽¹⁾MOA = manufactures of agricultural origin.

⁽²⁾MOI = manufactures of industrial origin.

In 2015, the Province's main export was soy, which accounted for 30.7% of total exports, followed by corn and break axe tree extract (or tannin), which accounted for 20.1% and 18.6% of total exports, respectively.

The following table shows the Province's main exported products in 2015:

Product	Principal Exported Products (2015)	
	USD	%
Soy	83,263,923	30.74%
Corn	54,462,486	20.11%
Cotton fibers	21,300,150	7.86%
Other primary products	48,247,601	17.81%
Primary Products	207,274,160	76.53%
Tannin	50,340,665	18.59%
Flour	4,938,251	1.82%
Cotton oilseeds	3,104,977	1.15%
Other agro-industrial products	648,199	0.24%
Agro-industrial Products	59,032,092	21.79%
Industrial Products	4,547,167	1.68%
Total	270,853,419	100.00%

Source: INDEC.

Labor Market

INDEC prepares a series of indices to measure the social, demographic and economic characteristics of the Argentine population based on data collected in the *Encuesta Permanente de Hogares* (Permanent Household Survey, or "EPH"). The EPH is conducted, on a national scale, in 31 urban regions and one urban-rural area (Alto Valle de Río Negro).

Within the Province, the EPH is conducted in *Gran Resistencia*. The main labor market indicators are activity, employment and unemployment rate, which are measured quarterly. As of August 10, 2016, INDEC does not publish EPH data as a result of the state of administrative emergency on the national statistical system declared by the federal government.

The following table describes the above mentioned variables for the periods indicated:

Indicator	Three months ended December 31,				Three months ended March 31,
	2011	2012	2013	2014	2015
Activity rate ⁽¹⁾	35.10%	33.70%	31.70%	29.40%	31.30%
Employment rate ⁽²⁾	33.80%	33.00%	31.50%	29.40%	30.80%
Unemployment rate ⁽³⁾	3.70%	2.10%	0.60%	0.20% ⁽⁴⁾	1.50%

Source: INDEC.

⁽¹⁾ Calculated by dividing the portion of the population employed or actively seeking employment (“economically active population”) by the total population.

⁽²⁾ Calculated by dividing the portion of the population employed by the total population.

⁽³⁾ Calculated by dividing the unemployed population seeking employment by the economically active population.

⁽⁴⁾ For the three months ended September 30, 2014.

For the three months ended December 31, 2014, the unemployment rate in Gran Resistencia was nearly zero, whereas it was approximately 7% at the federal level. In addition, for the three-month period ended September 30, 2015, Gran Resistencia showed a low activity rate, slightly over 30%, whereas the same indicator at the federal level was 45%. The activity rate represents the number of economically active individuals over the total population.

Welfare Indicators

The Province’s only source of data relating to welfare indicators consists of statistics compiled by INDEC as part of the EPH. Welfare indicators are calculated on the basis of a proportion of households whose income is not enough to meet a basic basket of goods and services necessary to satisfy food and nonfood essential needs. The basket is valued at market prices and the resulting threshold is called the “poverty line.”

INDEC’s welfare indicators are available through June 30, 2013, although they are affected by the same lack of credibility as its estimates of prices during the last eight years because the estimated value of market prices of the basket of goods relies on questionable data. The Macri administration has declared a state of administrative emergency on the national statistical system to rectify this problem. As of August 10, 2016, there are no credible official indicators of welfare for Argentina or for the Province. See “Risk Factors—The credibility of several Argentine economic indices has been called into question, which has led to a lack of confidence in the Argentine economy and could affect your evaluation of this offering and/or the market value of the Notes.”

Environment

The Province actively promotes the protection of the environment. Provincial laws have declared sustainable growth to be in the public interest and the Province has established regulations to protect the environment. The Ministry of Planning and Environment (*Ministerio de Planificación y Ambiente*) of the Province is responsible for applying and enforcing environmental regulations, including those regarding flora and fauna conservation. The Province has also enacted regulations related to protected areas in order to promote the management of forestry resources, wildlife, biodiversity, and landscapes. These laws take into account the principles of conservation and sustainable exploitation.

In addition to the Province’s legislative framework for environmental protection, environmental and social impact studies are required for development projects in the Province. Public hearings must be held before permits are granted, in order to ensure that the residents and the provincial authorities are fully informed and that all of the relevant information is made available.

Pursuant to Section 41 and sub-section 32 of Section 75 of the Argentine Constitution, the Argentine Congress is vested with the power to establish the minimum requirements for environmental protection. It is the duty of the provinces to establish complementary provisions regarding such minimum requirements.

Litigation

The Attorney General's Office is the legal representative body of the Province in all judicial proceedings in which Provincial interests are in dispute.

Pursuant to Resolution No. 858/91, members of the Higher Court of Justice of the Province (*Superior Tribunal de Justicia de la Provincia del Chaco*) were granted an increase in wages. Pursuant to Provincial Law No. 2,895, any increase in the wages of the members of the Higher Court of Justice of the Province is also applicable to other judicial employees, in accordance with the scale provided for in such law. The increase granted by Resolution No. 858/91 was not implemented for other judicial employees in accordance with Provincial Law No. 2,895, which resulted in legal actions against the Province.

In 1992, a civil servant in the judicial branch brought a claim seeking to invalidate Resolution No. 858/91 on the grounds that it failed to raise the wages of certain classes of civil servants within the judicial branch, as required pursuant to Provincial Law No. 2895. In 2009, the Higher Court of Justice of the Province upheld the claim and declared Resolution No. 858/91 to be invalid. The Province filed an extraordinary appeal against this decision before the Supreme Court of Justice of Argentina, which, in December 2010, affirmed the decision of the Higher Court of Justice of the Province. As a result of the latter, the Higher Court of Justice of the Province issued an administrative judgment replacing Resolution No. 858/91 and ordering the determination of the new levels of remuneration for all judiciary officers and employees. Following this administrative judgment, approximately 1,360 civil servants of the judicial branch that were not part of the initial claim brought claims seeking judgments in their favor on the same grounds as the judgment granted with respect to the initial claim.

As of August 10, 2016, the judgments related to Resolution No. 858/91 issued by the Higher Court of Justice of the Province in favor of the claimants are final. The potential economic impact of these judgments is approximately ARS 2.0 billion (approximately USD 137 million), calculation of which assumes that all potential civil servants within the judicial branch bring claims and receive judgments consistent with those described above. In addition, at the enforcement stage, certain provincial courts ordered attachments of up to 10% of the total federal tax co-participation transfers made to the Province. In certain cases, such attachments have been levied on the funds in bank accounts of the Province with NBC and Banco de la Nación Argentina.

As a result, the provincial Legislature passed Provincial Law No. 7,751, declaring an economic and financial emergency in the Province and ordering the payment of the debt incurred in the judgments in an up to ten-year period. The Attorney General of the Province estimates that the aggregate value of these judgments as of August 10, 2016 is approximately ARS 1.6 billion.

Provincial Law No. 7,751 consolidates all liabilities accrued under Resolution No. 858/91, as well as related interest, court costs, expenses and professional fees, into the 2016 Budget and any subsequent budget for an up to ten-year period, which is the deadline established to comply with the payment of all such liabilities. Provincial Law No. 7,751 also sets forth that any obligation stemming from the aforementioned lawsuits shall be performed exclusively under the terms of such law, and authorizes the Attorney General jointly with the Provincial Ministry of Finance to enter into any necessary negotiations with the claimants in order to achieve an agreement which benefits the Province. Further, under Provincial Law No. 7,751, the funds required to comply with the liabilities stemming from these legal actions may not be attached. In addition, Provincial Law No. 7,751 has lifted all precautionary measures and foreclosures that had been ordered in connection with Resolution 858/91, and established the inadmissibility of any precautionary measure in connection with provincial obligations under Provincial Law No. 7,751.

Notwithstanding, Provincial Law No. 7,751 has been the subject of judicial review by the courts of the Province. In certain cases, provincial courts have declared Provincial Law No. 7,751 to be constitutional; in some other cases, however, provincial courts have declared such law to be unconstitutional. As of August 10, 2016, certain attachments of provincial assets have not been lifted yet. In addition, Provincial Law No. 7,782 authorizes the Executive Branch to incur debt to make payments required by the aforementioned judgments.

Provincial Social Security System

The *Instituto de Seguridad Social, Seguros y Préstamos* (Social Security, Insurance and Loans Institute, or “InSSSeP”) was created pursuant to Provincial Law No. 4,044, and is the health insurance provider, workers’ compensation provider and pension fund for the Province. InSSSeP is a self-governing entity with its own legal status, distinct from that of the provincial government, and enjoys financial and economic autonomy.

The Province must cover any deficit in InSSSeP’s financial results. In turn, in accordance with Law No. 27,260, the federal government is required to transfer to the Province the funds necessary to cover any deficit in the provincial social security regime, such that the Province is placed in the position it would have been in had it transferred its pension fund to the federal government. The compensation to be received by the Province is to be calculated based on the amounts ANSeS would have been responsible for financing had the Province’s pension fund been transferred to the federal government.

Certain of the information reported with respect to InSSSeP in this Luxembourg Listing Prospectus has been derived from official publications of InSSSeP. Official figures for InSSSeP are available through 2015. The Province has not participated in the preparation or compilation of such information. This information is publicly available on InSSSeP’s website (www.insssep.com.ar).

InSSSeP’s members include all agents of the provincial administration (including central administration, decentralized bodies and special entities), municipalities and state enterprises, such as SAMEEP and ECOM CHACO S.A., as well as retirees and pensioners who receive their benefits through InSSSeP’s retirement and pension fund. InSSSeP’s role is to organize, maintain and provide social security benefits to its members, including retirement and pensions, comprehensive health insurance (for both members and their direct relatives) and workers’ compensation insurance that covers the risks of total and permanent disability and of death.

As part of its mandate, InSSSeP manages four funds that finance the following three programs:

- i) Retirement and Pension Program: This program functions as a distribution system and is funded by contributions of its members and their provincial employers, including the provincial government, provincial enterprises and municipalities. The amount of these contributions is based on the base regular wages of its members. In 2011, 2012, 2013, 2014 and 2015, the retirement and pension program registered deficits of ARS 205 million, ARS 323.8 million, ARS 521.1 million, ARS 612 million and ARS 880.9 million, respectively.
- ii) Social Work Program: This program provides health insurance coverage and is funded by contributions from its members and their provincial employers. The program operates through two funds, the social work fund and the high complexity fund. The recipients of medical benefits pursuant to this program are members (including current public employees and retirees, pensioners and retirees who receive their benefits through InSSSeP’s social security fund) and their immediate family members. In 2011, 2012, 2013, 2014 and 2015, the social work program registered surpluses of ARS 315.8 million, ARS 478.5 million, ARS 738.43 million, ARS 698.2 million and ARS 953.0 million, respectively.
- iii) Insurance Program: This program, which is mandatory for all workers and employers, provides coverage to members against the risks of total and permanent disability and of death. This program is funded by contributions from its members and their provincial employers, with the program’s benefits to its members varying based on whether they are awarded pursuant to mandatory or voluntary insurance. In 2011, 2012, 2013, 2014 and 2015, the insurance program registered surpluses of ARS 21.9 million, ARS 20 million, ARS 34.5 million, ARS 47.3 million and ARS 62.3 million, respectively.

In light of the deficit coverage regime described above, the Province has partially covered the deficit in InSSSeP’s retirement and pension program by issuing loans to InSSSeP for ARS 220 million, ARS 280 million and ARS 433 million in 2013, 2014 and 2015, respectively. Disbursements pursuant to these loans are registered in the

Province's fiscal results. Moreover, in order to cover such deficits in the provincial social security regime, the federal government, through ANSeS, transferred ARS 337.1 million in 2008, ARS 200.0 million in 2009, ARS 160.0 million in 2010 and ARS 150.0 million in 2011. From 2012 to 2016, the federal government did not transfer any amounts.

Provincial Enterprises

The Province owns all or part of a number of different enterprises. Some of these enterprises provide traditional public services to people who live in the Province, such as *Servicios Energéticos del Chaco Empresa del Estado Provincial* (Chaco's Provincial Energy Services Company, or "SECHEEP"), which supplies electrical energy to households, businesses and industries located in the Province, and *Servicios de Agua y Mantenimiento Empresa del Estado Provincial* (Provincial Water Services and Maintenance Company, or "SAMEEP"), which provides water and sewage services throughout the Province, with the exception of locations where local cooperatives provide such services. SECHEEP and SAMEEP were created in 1973 and 1980, respectively, as state-owned enterprises, entirely owned by the provincial government. In addition, the Province has a stake in two companies that operate in the financial sector: the Nuevo Banco del Chaco (See "—Nuevo Banco del Chaco") and Fiduciaria del Norte S.A., a common financial trust manager. The Province also owns enterprises that compete in markets for other goods and services. The following is a description of some of the most socially and economically important enterprises owned by the Province. The Province records transfers to these unconsolidated entities (including contributions, loans and advances to provincial enterprises) as expenditures, and transfers from these entities as revenues.

SECHEEP

SECHEEP is a state-owned enterprise that is wholly owned by the Province and governed by Law No. 1,307. Since it began to operate in 1973, its main purpose has been to provide electrical energy services to residential, commercial and industrial users and public lighting networks. The service is managed through 7 branches in the cities of Resistencia, Sáenz Peña, Villa Angela, Charata, Quitilipi, General San Martín and Las Palmas. In 2014, SECHEEP distributed approximately 2 billion kilowatts per hour, satisfying more than 60% of the demand from residential users.

SAMEEP

SAMEEP is a state-owned enterprise that is wholly owned by the Province. It was organized in 1980 to act as a concessionaire for the provincial water supply system, to provide sewage and industrial waste drain, to provide maintenance and execution of works and to perform studies and projects related to such services. SAMEEP manages a network of aqueducts (some of which are still under construction) over 1,300 km long, supplying drinking water to 61 towns in the Province.

Fiduciaria del Norte S.A.

The provincial executive branch created Fiduciaria del Norte S.A., a state-owned *sociedad anónima* organized under the laws of Argentina, pursuant to Provincial Law No. 5,005. The Province currently owns 99% of this company. The purpose of this entity is to manage the funds in public trusts created pursuant to specific laws. Fiduciaria del Norte S.A. currently manages 60 trusts, 58 of which are ordinary trusts and two of which are financial trusts.

ECOM CHACO S.A.

The provincial Executive Branch established ECOM CHACO S.A., a *sociedad anónima* organized under the laws of Argentina in 1977, pursuant to Provincial Law No. 2,147. The purpose of this company is to provide data classification and processing services related to systems analysis, programming, application processing and communication and information technology services. In addition, ECOM CHACO S.A. provides technical assistance for the maintenance of computer equipment and designs, analyzes, develops and implements applications.

The company also provides personal software solutions across several industries, including accounting, management and health.

Recent and Expected Provincial Infrastructure Projects

Plan Belgrano

During the 2015 presidential campaign, Mr. Macri announced the *Plan Belgrano* (“Belgrano Plan”), a national development plan aimed at fostering social, economic and infrastructure development in the northern region of Argentina. Pursuant to the Belgrano Plan, the federal government plans to, among other things, invest USD 16 billion in infrastructure projects over a ten-year period. The Belgrano Plan also contemplates the creation of a ARS 50 billion fund intended to address economic and social disparity in the region. The Province, together with other provinces in the region including Salta, Jujuy, Tucumán, La Rioja, Catamarca, Misiones, Corrientes, Formosa and Santiago del Estero, expects to benefit from the projects expected to be implemented as part of the Belgrano Plan.

Principal Aqueduct

The hydrological project known as “Second Aqueduct of the Interior” is the most important public works project in the history of the Province. The water pipelines of the main network will reach 512 kilometers in length and provide drinking water to 26 localities, or 34.6% of the Province’s population. This project includes the completion of an aqueduct, a water treatment plant, a residual water aqueduct and pumping stations. It is estimated that in 2030, this project will provide water to around 506,000 individuals. This project is being financed with funding from BNDES and the federal government.

Master Plan for the Impenetrable National Park

On October 22, 2014, pursuant to Law No. 26,996, the *Impenetrable* national park was created, covering an area of approximately 130,000 hectares that were granted to the federal government by the Province. The provincial government and the federal government have together developed a plan aimed at the conservation of the native forest of the Province, the protection of flora and fauna native to the region and the development of an ecotourism corridor in the northern region of Argentina, encompassing the *Moconá* falls in the province of Misiones and the estuaries of *Iberá* and the *La Estrella* marshlands, which are two of the three largest wetlands in South America.

PUBLIC SECTOR FINANCES

The provincial budget and public accounts reflect the consolidated results of the institutions and agencies that comprise the central administration of the Province and decentralized institutions. The Province does not consolidate the results of the social security system and its municipalities, provincial enterprises and other agencies. Under provincial law, however, the Province is required to transfer a portion of its tax revenues to its municipalities, and certain provincial enterprises and agencies are required to transfer their profits or surpluses to the Province. The Province records transfers to these unconsolidated entities (including contributions, loans and advances to provincial enterprises) as expenditures, and transfers from these entities as revenues.

The Province prepares financial and accounting information according to the principles established in Provincial Law No. 4,787. Pursuant to this law, each of the central administration and decentralized institutions prepare their respective financial statements, which are required by the General Accounting Office to prepare the general account of the exercise which is required to be submitted to the House of Representatives before June 30 of each year. After the general account is submitted, the Court of Accounts examines the legal and formal aspects of the general account and provides a report with its conclusions to the Legislature before September 30 of each year. The House of Representatives may elect to approve or reject the general account prior to the beginning of the second period or ordinary session following the period in which the general account was submitted. If the House of Representatives fails to approve or reject the general account before then, the general account is automatically approved.

The principles provided by Provincial Law No. 4,787 differ materially from generally accepted accounting principles, or GAAP or IFRS, in Argentina and in other jurisdictions, including the United States, but are generally similar to those followed by other Argentine provinces and the federal government. The Province maintains its books and records in pesos.

The principal features of the Province's accounting principles are:

- revenues are not accounted for on an accrual basis, but are recognized in the period in which they are received;
- expenditures are accounted for when they are accrued, regardless of whether there has been a cash outflow from the provincial treasury, except for interest expense, which is accounted for when paid;
- capital investments are carried at cost without reduction for depreciation or amortization and accordingly, the Province does not record any charges for depreciation or amortization in its financial statements;
- capital expenditures and investments in tangible assets are not capitalized, but are expensed during the period in which they are incurred;
- construction contracts are expensed using the percentage of completion method; and
- revenues, expenditures and public debt are not adjusted for inflation in the Province's accounts.

In August 2004, the federal Congress adopted Law No. 25,917, the Fiscal Responsibility Law, which became effective on January 1, 2005. This law establishes a fiscal regime for the federal government and the provinces relating to transparency in public administration, expenditures, fiscal balances and indebtedness and, in particular, requires balanced budgets. Pursuant to Provincial Law No. 5,483, the Province adhered to the Fiscal Responsibility Law.

Main Source of Revenues

The Province's revenues are divided into two major categories: current revenues and capital revenues. Current revenues include: cash inflows (such as taxes and transfers received), resources involving some kind of

compensation (such as the sale of goods, services and payment of taxes and/or duties) and rents derived from real property. Capital revenues are those revenues generated from the sale of assets, transfers received from other entities to finance capital expenditures, the sale of shares in companies and the repayment of loans, to the extent that such activities are performed in accordance with the policy objectives of the provincial government.

The table below shows the revenues generated by the Province in the periods indicated:

	Year ended December 31,				
	2011	2012	2013	2014	2015
Current Revenues	8,741.0	10,856.2	14,303.0	19,836.7	26,893.3
Tax	7,639.2	9,683.6	13,089.7	17,921.3	24,479.4
Provincial	1,062.9	1,311.5	2,139.1	2,795.8	3,884.2
Federal	6,576.3	8,372.2	10,950.6	15,125.5	20,595.2
Non-tax	103.4	121.2	153.7	191.5	270.9
Current Transfers	998.3	1,051.4	1,059.6	1,723.8	2,142.9
Non-reimbursable contributions	-	-	-	-	559.6
Other current transfers	998.3	1,051.4	1,059.6	1,723.8	1,583.3
Capital Revenues	983.4	1,102.5	1,787.1	2,808.5	4,104.4
Total Revenues	9,724.4	11,958.7	16,090.1	22,645.2	30,997.6

Source: Provincial Ministry of Finance based on General Account prepared by the General Accounting Office of the Province.

For the year ended December 31, 2015, total revenues amounted to ARS 31.0 billion, of which approximately 86.8% were current revenues. Tax revenues accounted for ARS 24.5 billion, or 79.0%, of total revenues.

On average, from 2011 to 2015, tax revenues accounted for approximately 79.8% of the Province's total revenues, capital revenues accounted for 13.2%, and the rest were other non-tax revenues.

Taxation

Federal Tax Revenue Distribution

The following table shows the amounts received by the Province from federal tax transfers for the periods indicated:

	Federal Tax Transfers (in millions of ARS)				
	For the year ended December 31,				
	2011	2012	2013	2014	2015
Federal Tax Transfers	6,576.3	8,372.2	10,950.6	15,125.5	20,595.2
Federal Tax Co-Participation Law	5,120.1	5,842.4	7,659.40	10,599.4	13,372.5
Other Co-participation regimes	1,456.2	2,529.8	3,291.2	4,526.2	7,222.7
Education Financing Law N° 26075	-	661.3	792.12	1,019.8	2,430.7
Income Tax	635.1	825.3	1,108.57	1,624.0	2,343.2
Federal Growth, Employment and Production Pact	21.7	21.7	21.72	21.7	21.7
Personal Property Tax	156.1	191.3	272.98	375.6	483.9
Educational Service Transfers and Others	33.6	33.6	33.60	33.6	33.6
Simplified Regime for Small Taxpayers	44.1	56.5	65.56	62.2	84.0
Tax on Liquid Fuels	41.9	53.0	65.2	84.5	100.8
Support Fund	6.0	6.0	6.00	6.0	6.0
Housing Fund.	121.1	169.5	240.40	318.2	354.4
Highway Fund	33.6	48.7	72.16	98.3	132.6
Others	362.8	462.9	612.9	882.1	1,231.9

Source: Provincial Ministry of Finance based on General Account prepared by the General Accounting Office of the Province.

Federal Tax Co-Participation Regime

Under the federal constitution, both the federal and provincial governments are authorized to levy taxes. In 1935, the federal and provincial governments entered into a coordinated tax arrangement pursuant to which the federal government agreed to collect certain taxes on an exclusive basis and to distribute a portion of those tax revenues among the provinces. In exchange, the provincial governments agreed to limit the types of taxes they collected. This coordinated taxation regime has been extended and modified several times since its inception. Currently, the “shared” or “co-participated” taxes are income taxes, value-added taxes, several excise taxes levied on consumption and taxes on financial transactions.

The Federal Tax Co-Participation Law enacted in 1988 and two agreements entered into between the federal and provincial governments in 1992 and 1993, currently govern the federal tax co-participation regime. This scheme was memorialized in the 1994 amendments to the federal constitution, which granted constitutional recognition to the federal tax co-participation regime. The current allocation of taxing powers between the federal government and the provinces is as follows:

- federal and provincial governments are both authorized to levy taxes on consumption and impose other indirect taxes;
- the federal government may also levy direct taxes (such as income taxes) in exceptional cases;
- taxes collected by the federal government (except those collected for specific purposes) are to be shared between the federal and provincial governments;
- the federal government has the exclusive right to levy taxes on foreign trade, which are excluded from the federal tax co-participation regime; and
- the provinces retain all taxing and other powers that are not expressly delegated to the federal government in the federal constitution.

Under the federal tax co-participation regime, the federal government is currently required to transfer to a federal co-participation fund 64.0% of income tax revenues, 89.0% of value-added tax revenues, 100.0% of revenues from the presumptive minimum income tax, 30.0% of banking debits and credits tax revenues and the revenues from excise tax and other minor taxes. In the year ended December 31, 2015, the Province received ARS 13.4 billion pursuant to this regime. According to the 2016 Budget, the Province expects to receive ARS 16.7 billion in 2016 pursuant to this regime. During the three-month period ended March 31, 2016, the Province received ARS 3.8 billion pursuant to this regime.

Funds collected pursuant to the federal tax co-participation regime are not allocated to the federal treasury, but are instead automatically transferred to the provinces, the City of Buenos Aires and the federal government once collected. As a result, the federal government has no control over the allocation of these funds.

Of the total annual co-participable revenues, ARS 549.6 million are transferred to the *Fondo de Desequilibrios Fiscales Provinciales* (Provincial Tax Imbalance Fund). Of the remaining revenues, 15.0% is transferred to the federal pension system, and 85.0% is distributed as follows: 42.3% is transferred to the federal government for its own needs and for transfers to the City of Buenos Aires (which until 1996 was under the administration of the federal government) and the Province of Tierra del Fuego, 1.0% is retained in a special reserve for emergency situations and financial difficulties of the provinces and the remaining 56.7% of these funds is allocated to the provinces to be shared according to percentages set forth in the Federal Tax Co-Participation Law. Under Article 4 of this law, the Province is entitled to 5.18% of the funds allocated to the provinces, subject to certain deductions or special allocations. The Province is required to transfer a portion of that amount to the municipalities. After transfers to the municipalities, the Province's use of the remaining federal tax co-participation payments is discretionary.

The *Ley de Financiamiento Educativo* (Education Financing Law) enacted by the federal Congress in 2006, is aimed at increasing financing to education, science and technology to 6.0% of the federal GDP, based on the consolidated 2010 budget of the federal government, the provinces and the City of Buenos Aires. Funds received by the Province under the Education Financing Law are deductible from the aggregate amount of co-participation tax transfers that the Province is entitled to under the tax federal tax co-participation regime. In the year ended December 31, 2015, the Province received ARS 2.4 billion pursuant to this regime. According to the 2016 Budget, the Province expects to receive ARS 3.5 billion in 2016 pursuant to this regime. During the three-month period ended March 31, 2016, the Province received ARS 769 million pursuant to this regime.

Certain taxes not governed by the main federal tax co-participation regime, such as the personal property tax, the Simplified Regime for Small Taxpayers, fuel tax and energy tax, are regulated by special regimes of co-participation.

In November 2015, the Supreme Court of Argentina ruled against the federal government, in connection with cases brought by two Argentine provinces (Santa Fe and San Luis), whereby the 15.0% deduction from co-participation payments assessed on the provinces to fund the ANSeS was declared unconstitutional. The Court concluded that between 1992 and 2005, such deduction took place with the agreement of said provinces. However, since 2006, such deduction was made by the federal government without the consent of the provinces. The rulings include an order to return to those provinces the co-participation payments deducted since then. The Court's decision also urges the enactment of a new revenue sharing regime. An additional ruling issued by the Supreme Court of Argentina in November 2015, granted to the province of Córdoba an injunction suspending the 15.0% deduction of the shared taxes carried to fund the ANSeS from that province.

On May 18, 2016, the federal government, the governors of most provinces, including the Province, and the Vice-Mayor of the City of Buenos Aires signed an agreement to gradually reduce the 15% deduction of the tax co-participable revenues at an annual rate of 3% from 2016 to 2020. In addition, according to the agreement, the federal government may apply up to 50% of the additional amounts corresponding to the provinces and the City of Buenos Aires to offset credits in its favor. The agreement also sets forth loans to be granted by the *Fondo de Garantía para la Sustentabilidad de la Administración Nacional de la Seguridad Social*, a fund managed by ANSeS, to the provinces in 2016 for an amount equivalent to 6% out of 15% of the tax co-participable revenues to which the provinces and the City of Buenos Aires would have been entitled, if the deduction was not applicable. For 2017,

2018 and 2019, the loanable amount will be 3% annually. The disbursed amount will be repaid in four years and will bear semi-annual interest at BADLAR minus the necessary subsidy from the federal treasury, so that the net rate is 15% for 2016 and 2017, and 12% for 2018 and 2019. The loan will be guaranteed by tax co-participable revenues. The Province approved the agreement pursuant to Provincial Law No. 7,821, and the federal government ratified the agreement by Law No. 27,260.

In addition, pursuant to Decree No. 194/16, the federal government increased the co-participation coefficient of the City of Buenos Aires, from 1.4% to 3.75%, thereby reducing the federal government's revenues.

The Province has pledged a part of its revenues from federal tax transfers, including a part of the federal tax co-participation regime, to secure certain outstanding obligations, most of which are owed to the federal government. Under these security arrangements, the federal government is entitled to withhold a portion of the Province's federal tax transfers to cover principal and interest payments on the secured obligations. As of December 31, 2015, the federal government retained approximately 2.55% of the federal tax transfers to the Province pursuant to these arrangements. See "Public Sector Debt—Pledge of Tax Co-Participation Revenues."

The following table shows the revenues per capita received, pursuant to the federal tax co-participation regime and special distribution schemes, by the Province and certain other provinces in the north-east and north-west of Argentina that the Province believes are similar in terms of economic development and geographical location, with population data obtained from the projection made by the National Institute of Statistics and Census based on the 2010 Census of Population and Housing, for the years indicated:

	Federal Tax Revenues per Inhabitant			
	2014		2015	
Province of Chaco.....	ARS	13,648	ARS	18,224
Province of Corrientes	ARS	10,969	ARS	14,809
Province of Formosa.....	ARS	19,108	ARS	25,935
Province of Misiones	ARS	8,874	ARS	12,008
Province of Salta.....	ARS	9,097	ARS	12,373
Province of Santiago del Estero	ARS	13,692	ARS	18,554
Province of Jujuy	ARS	12,052	ARS	16,192

Source: Federal Office of Coordination with the Provinces, MECON.

Special Allocation Regimes

Along with the general federal tax co-participation regime pursuant to Law No. 23,548, there are specific regimes consisting in allocating federal tax revenues to finance specific purposes and/or with specific distribution mechanisms.

Public Schools and Hospitals. The federal government is required to transfer an annual fixed sum to the provinces, including the Province, as partial compensation for provincial expenditures incurred in the administration of the public schools and hospitals within the provincial territory following the delegation of these administrative responsibilities to the provinces in 1994. This amount is deducted from the co-participable revenues to be distributed to all provinces. The Province's share of this fixed sum is ARS 33.6 million.

Income Tax. Pursuant to Law No. 24,073, 10% of revenues collected from federal income tax are allocated to the *Fondo Para Obras de Carácter Social* (Fund for Socially-Oriented Public Works), commonly known as the *Fondo del Conurbano* (Conurbano Fund), subject to an annual cap of ARS 650 million. Any amounts which exceed such cap are proportionally transferred to the other provinces on a monthly basis. 2% is allocated to the *Fondo Transitorio Para Financiar Desequilibrios Fiscales Provinciales* (Federal Treasury Support Fund for Financial Imbalances, or "Support Fund"). 4% is distributed among all of the provinces, except for the Province of Buenos Aires, to finance basic social infrastructure projects. 20% is allocated to the SIPA and the remaining 64% is allocated to the federal government and the provinces in accordance with the Federal Tax Co-Participation Law and the Federal Growth, Employment and Production Pact (as defined below).

For the year ended December 31, 2015, the Province received ARS 2.3 billion pursuant to this regime. According to the 2016 Budget, the Province expects to receive ARS 3.0 billion in 2016 pursuant to this regime. During the three-month period ended March 31, 2016, the Province received ARS 568.6 million pursuant to this regime.

Federal Growth, Employment and Production Pact. Pursuant to Law No. 24,699, the *Pacto Federal para el Empleo, la Producción y el Crecimiento* (Federal Growth, Employment and Production Pact), before distributing the revenues collected from federal income tax in accordance with Law No. 24,073, an annual discount of ARS 580 million is made, of which ARS 440.0 million is annually distributed among all provinces according to the proportions set forth in the Federal Tax Co-Participation Law, ARS 120.0 million is allocated to the SIPA and ARS 20.0 million to the Support Fund. The Province's share of this fixed sum is ARS 21.7 million.

Personal Property Tax. Pursuant to Law No. 23,966, the federal government allocates ARS 3 million per year of the personal property tax revenues to the *Instituto Nacional Central Único Coordinador de Ablación e Implantes* (Unique Central National Institute Coordinator of Ablation and Implants, or "INCUCAI"). The remaining amount is distributed as follows: 10% is prorated to the provincial and municipal social security systems depending on the number of beneficiaries of the pension or social security funds for each jurisdiction, and the remaining 90% is distributed between the federal government and the provinces and the City of Buenos Aires by applying the percentages of the Federal Tax Co-participation Law's primary distribution. As a result of the pension fund transfers made by some provinces to the federal government, 6.3% is transferred to the provinces who retained their pension funds and 3.7% to the SIPA.

For the year ended December 31, 2015, the Province received ARS 483.9 million pursuant to this regime. According to the 2016 Budget, the Province expects to receive ARS 600.4 million in 2016 pursuant to this regime. During the three-month period ended March 31, 2016, the Province received ARS 59.7 million pursuant to this regime.

Simplified Regime for Small Taxpayers. Pursuant to Law No. 24,977, extended by Law No. 26,545, revenues collected from this tax is distributed as follows: 70% to the SIPA and 30% to the provinces, by applying the percentages of the Federal Tax Co-participation Law's secondary distribution.

For the year ended December 31, 2015, the Province received ARS 84 million pursuant to this regime. According to the 2016 Budget, the Province expects to receive ARS 103 million in 2016 pursuant to this regime. During the three-month period ended March 31, 2016, the Province received ARS 23 million pursuant to this regime.

Tax on Liquid Fuels. Pursuant to Law No. 23,966, the revenues collected from this tax are distributed as follows: 21% to the SIPA and the remaining 79% as follows: 29% to the federal treasury, 42% to the *Fondo Nacional de la Vivienda* (National Housing Fund, or "FONAVI"), and 29% to the provinces. The 29% allocated to the provinces is then distributed as follows: 60% to provincial road safety agencies, 30% to the development of electrical energy infrastructure projects and/or public works within the provinces, and 10% to finance the *Fondo Especial de Desarrollo Eléctrico del Interior* (Special Electrical Development Fund of the Interior).

For the year ended December 31, 2015, the Province received ARS 100.8 million pursuant to this regime. According to the 2016 Budget, the Province expects to receive ARS 135.3 million in 2016 pursuant to this regime. During the three-month period ended March 31, 2016, the Province received ARS 35.9 million pursuant to this regime.

Support Fund. The Fund for Fiscal Imbalances is comprised of an annual fixed amount of ARS 6 million. The assets of the fund are drawn from the gross sharing revenues (*Masa Coparticipable Bruta*) in advance of the secondary distribution. These amounts are distributed within the provinces on a discretionary basis. Pursuant to Article 5 of Law No. 23,548, the Support Fund must be used to address emergency situations and financial imbalances of provincial governments. This fund is managed by the Ministry of the Interior of the federal government.

Housing Fund. The federal government is required to transfer 33.2% of revenues from the federal tax on fuels to the FONAVI, for purposes of funding the construction of low-income housing around the country. Under current federal law, the Province is entitled to 4.60% of the funds transferred to FONAVI. The Province received from the National Housing Fund ARS 354.4 million in 2015. According to the 2016 Budget, the Province expects to receive ARS 511 million in 2016. During the three-month period ended March 31, 2016, the Province received ARS 96 million from this fund.

Highway Fund. The federal government is required to transfer 13.7% of revenues from the federal tax on fuels to the *Fondo de Vialidad* (the “Highway Fund”). The Highway Fund distributes these funds to the provinces on the basis of road construction and maintenance expenditures of each province, as well as other factors that include population size and fuel consumption. The Province received from the Highway Fund ARS 133 million in 2015. According to the 2016 Budget, the Province expects to receive ARS 186 million in 2016. During the three-month period ended March 31, 2016, the Province received ARS 33 million from this fund.

Other Federal Transfers by Decree

Federal Solidarity Fund. Decree No. 206/09 created the Federal Solidarity Fund to finance provincial and municipal works that improve health, education, hospital, housing or road infrastructure in urban or rural areas. The use of this fund to finance current expenditures is expressly forbidden.

The Federal Solidarity Fund is comprised of 30% of the funds collected by the federal government from the export duties on soybeans, in all their forms and by-products thereof. These funds are distributed to all of the provinces and the City of Buenos Aires according to the percentages established in Law No. 23,548, as amended.

Pursuant to Decree No. 535/09, the Province adhered to the distribution established by such decree, allocating 30% of the revenues that correspond to the municipalities, under provincial Decree No. 570/09, by using the Federal Tax Revenue Sharing indexes calculated according to provisions of Law No. 3,898 and with the same mechanism.

The following table describes the revenues distributed during 2011-2015:

Years	In millions of ARS		Distribution	
	Collection Federal Solidarity Fund	Total credited to Province	Province 70%	Municipalities 30%
2011	7,249.44	349.35	244.55	104.81
2012	7,325.99	353.04	247.13	105.91
2013	9,644.38	464.76	325.33	139.43
2014	14,704.45	708.61	496.03	212.58
2015	15,723.17	757.70	530.39	227.31

Source: Federal Office of Coordination with the Provinces, MECON.

Other Federal Discretionary Transfers. These transfers are discretionary in nature and are made by the federal government to the provinces under federal programs executed through the provincial budget.

Revenues from these transfers are recorded as “Transfers” and are broken down as capital or current revenues depending on what will be ultimately financed.

Provincial Revenues

Provincial Tax Revenues

The following table shows the breakdown of provincial tax revenues for the periods indicated:

Provincial Tax Revenues (in millions of ARS)					
For the year ended December 31,					
	2011	2012	2013	2014	2015
Gross revenue tax	880.9	1,066.3	1,767.2	2,369.8	3,225.9
Rural real estate tax	21.6	22.8	27.2	14.6	27.4
Stamp tax	100.6	150.6	214.9	258.9	399.8
Other tax revenues	59.8	71.7	129.8	152.5	231.1
Total	1,062.9	1,311.5	2,139.0	2,795.8	3,884.2

Source: Provincial Ministry of Finance based on General Account prepared by the General Accounting Office of the Province.

In August 2010, Law No. 6,611 Law created the Provincial Tax Administration Agency (“ATP”), a self-governing body and successor to the Revenue Department, to apply, collect, monitor and regulate provincial taxes legislated in the tax code, law on rates and other special laws. The tax code describes the procedural and material nature of provincial taxes. The Province is entitled to collect the rural real estate tax, gross revenue tax and stamp tax, among others. There is also a provincial payroll tax, paid by employers and workers, which is allocated to the Ministry of Public Health to purchase medical supplies and equipment.

Tax collection is affected by the economic context and the levels of tax evasion. Approximately 16% of total tax revenues (including total federal and provincial tax revenues, but excluding other federal and provincial sources of income) were provincial tax revenues.

The main provincial taxes are the following:

- *Gross revenue tax*: This tax accounted for approximately 83% of the provincial tax revenue collection in 2015. The taxable event for this tax is the regular exercise and consideration of trade, industry, profession, business, leases of goods, works or services, capital investment and any other civil or commercial, profit or non-profit activity, including cooperative societies and mutual associations within the jurisdiction of the Province. Public employees, public officials and exports of goods and services are not subject to this tax. This tax is determined by applying a rate that varies according to the activity. The average rate is 3.5%.
- *Stamp tax*: This tax accounted for approximately 10% of the provincial tax revenues in 2015. It is levied on all acts, contracts and operations for consideration of public or private instruments to be carried out within the territory of the Province. In addition, this tax is levied on all acts carried out outside the jurisdiction of the Province, when pursuant to the terms of the transaction or as a result thereof, the instrument is negotiated in the Province, executed or complied with in the Province, or the goods covered by the instrument, contract or transaction are based in the Province.
- *Provincial payroll tax*: This tax, which is paid by employers and workers, accounted for approximately 5% of the provincial tax revenue collection in 2015.

Amendments to Provincial Tax Code

The most significant changes in the provincial tax code were enacted in 2012 and came into effect in 2013 pursuant to Laws Nos. 7,148 and 7,149. These amendments, which consisted primarily of a tax rate increase and the elimination of a tax exemption, have so far had a positive impact on the Province's tax revenues. Below is a summary of these changes.

Gross Revenue Tax. Pursuant to the amendments, the primary production exemption was eliminated and a 1% tax rate was applied to sales of goods of primary origin. In addition, the general rate of this tax was increased from 3% to 3.5%, the rate applicable to wholesale commerce was increased from 2.5% to 3%, the rate applicable to retail commerce was increased from 3% to 3.5% and a 4% rate was applied with respect to wholesale commerce and retail commerce by large businesses that are not legally based in the Province.

Stamp Law and Other Tax on Services. Pursuant to the amendments, the stamp tax rate was increased from 1% to 1.5%. In addition, there was a general increase in rates and fixed sums payable with respect to services provided by various government agencies of the Province.

Rural Real Estate Tax. Pursuant to the amendments, the rural real estate tax was modified to apply a differentiated rate by geographic area. These amendments did not impact the urban real estate tax, which is collected by municipalities.

Tax Collection. Pursuant to the amendments, the ATP was ordered to implement certain administrative and operational measures, such as signing an agreement with the AFIP to exchange information on local taxpayers and the multilateral agreement tax on gross revenues operating in the Province, in order to increase tax collection efficiency. The ATP was also granted additional funding for computer equipment.

Provincial Non-Tax Revenues

The Province derives non-tax revenues from various sources, including: transfers of net profits or surpluses from unconsolidated provincial agencies and enterprises, including Chaqueña Lotteries; proceeds from the sale of assets and loan recovery; revenues from collecting fees (for services provided to third parties) and fines; interest accrued on the Province's loans to municipalities or other unconsolidated provincial agencies and enterprises; and proceeds from the lease of provincial land. In 2015, non-tax revenues accounted for ARS 271 million, or a 42% increase as compared to 2014.

Composition of Expenditures

The Province provides a number of public services, primarily related to healthcare, education, security (including police and prisons), social programs, investments in public infrastructure and general provincial administration.

Provincial expenditures are classified as current expenditures and capital expenditures. Current expenditures, which accounted for 80.9% of total expenditures in 2015, consist of expenditures for personnel, goods and services, rents for property and transfers (including transfers to municipalities and subsidies to the private education system). Capital expenditures consist of investment in public works carried out by the Province, the administration or through contractors, and accounted for 19.1% of total expenditures in 2015. Expenditures can be classified as either current expenditures and capital expenditures based on a variety of factors, including purpose and function, jurisdiction and allocated revenue source, among others.

From 2011 to 2015, the average composition of expenditures was the following: 51.3% in personnel, 17.0% in capital expenditures, 8.2% in goods and services, 10.6% in transfers to municipalities, and the remaining 12.8% to other current and capital expenditures.

The following table shows the composition of expenditures for the periods indicated:

Composition of Expenditures
(in millions of ARS)

	For the year ended December 31,				
	2011	2012	2013	2014	2015
Current Expenditures	8,518.3	10,958.1	13,935.8	18,448.8	25,587.3
Personnel	5,089.4	6,732.0	8,641.4	11,656.15	16,146.1
Goods and services	884.8	1,098.4	1,408.1	1,764.9	2,387.8
Consumption goods	319.7	376.5	528.2	733.3	992.5
Non-personnel services	565.1	721.9	879.8	1,031.6	1,395.2
Interest expense	39.3	86.9	134.8	296.2	315.0
Current transfers	2,504.8	3,040.8	3,751.5	4,731.5	6,738.4
to the Private Sector	978.4	1,249.6	1,595.4	1,851.9	2,498.4
to the Public Sector	1,526.4	1,791.3	2,156.2	2,879.6	4,240.0
Transfers to municipalities	1,096.9	1,325.1	1,783.2	2,433.9	3,366.0
Other transfers	429.5	466.2	373.0	445.7	874.0
Capital Expenditures	1,660.3	1,570.7	3,045.4	4,409.4	6,038.9
Real Direct Investment	1,299.6	1,141.7	1,967.6	2,908.9	4,178.3
Capital Transfers	301.4	343.2	693.4	1,011.2	878.7
Financial Investment	59.3	85.7	384.4	489.3	981.9
Total Expenditures	10,178.6	12,528.8	16,981.2	22,858.2	31,626.2

Source: Provincial Ministry of Finance based on General Account prepared by the General Accounting Office of the Province.

Current Expenditures

Personnel

Personnel expenditures consist mainly of wage payments, employer contributions, family allowances and other government employee benefits. These are the main expenditures for the Province, accounting for 51.3% of total expenditures in 2015.

The Province has been increasing the number of personnel to meet the demands for services from a growing population. Therefore, the number of police officers and prison guards, as well as employees in the health and education areas, has increased. The Province also increased the number of personnel in the judiciary and the Public Ministry to meet the increased number of court proceedings.

The following table shows the number of government employees by category and cost for the periods indicated:

	Number of Provincial Employees as of December 31,							
	2012		2013		2014		2015	
		%		%		%		%
Education	38,501	57.5%	38,821	53.4%	41,728	53.0%	45,744	53.9%
Security	5,109	7.6%	6,711	9.2%	6,586	8.4%	7,720	9.1%
General ⁽¹⁾	17,215	25.7%	20,519	28.2%	23,511	29.9%	23,978	28.3%
Judicial System	3,115	4.6%	3,674	5.1%	3,809	4.8%	4,051	4.8%
Other	3,072	4.6%	2,923	4.0%	3,102	3.9%	3,318	3.9%
Total of Employees	67,012	100.0%	72,648	100.0%	78,736	100.0%	84,811	100.0%

Source: Provincial Ministry of Finance.

(1) Includes all employees not under any specific regime.

Goods and Services

Provincial expenditures cover a wide range of goods and services purchased from the private sector, which relate to education, health, security and other public services and general administration and maintenance of the provincial government.

In 2015, goods and services expenditures accounted for 8.2%, or ARS 2.4 billion, of total current expenditures.

Current Transfers

Current transfers include current expenditures arising out of transactions that do not involve providing goods and services. These expenditures are non-reimbursable by beneficiaries. Among the most significant items are tax revenue transfers to municipalities and transfers to private schools to finance part of their personnel costs.

Pursuant to the provincial co-participation regime, the Province is required to transfer to its municipalities 15.5% of the funds received by the Province under the federal tax co-participation regime and of provincial tax revenues collected by the Province. In addition, the Province has delegated to its municipalities the collection of urban real estate and automobile tax. In 2015, transfers to municipalities accounted for approximately 50% of the total current transfers. The balance of current transfers include those allocated to finance several social programs and subsidies to private schools, among others.

Capital Expenditures

Capital expenditures include real direct investment, capital transfers and financial investment.

The following table shows total capital expenditures in the years indicated:

Capital Expenditures (2011 – 2015) <i>(In millions of pesos)</i>					
	2011	2012	2013	2014	2015
Real Direct Investment	1,299.6	1,141.7	1,967.6	2,908.9	4,178.3
Capital Transfers	301.4	343.2	693.4	1,011.2	878.7
Financial Investment	59.3	85.7	384.4	489.3	981.9
TOTAL	1,660.3	1,570.7	3,045.4	4,409.4	6,038.9

Source: Provincial Ministry of Finance based on General Account prepared by the General Accounting Office of the Province for 2011, 2012, 2013, 2014, and 2015.

Between 2011 and 2015, capital expenditures made by the provincial government totaled ARS 16,182.47 million, and were primarily allocated to productive infrastructure development.

The following table shows the allocation of capital expenditures made during 2015:

Capital Expenditures (2015)		
Item	Millions of Pesos	Percentage of total
Road Authority (roads and routes).....	1,119.3	18.5%
Housing and Urbanization	2,342.3	38.8%
Education	412.7	6.8%
Transfers to municipalities (Solidarity Fund)	227.3	3.8%
Energy	604.4	10.0%
Potable water and other urban services	62.6	1.0%
Health Infrastructure.....	264.2	4.4%
Security	97.2	1.6%
Other	908.9	15.0%
TOTAL.....	6,038.9	100.0%

Source: Provincial Ministry of Finance based on General Account prepared by the General Accounting Office of the Province.

Real Direct Investments

Real direct investment consists of public expenditures by the Province intended for the construction, expansion, maintenance and conservation of public works. These expenditures include the purchase of new capital goods, computers, police cars and health equipment, among other things. Real direct investment also includes expenditures related to infrastructure, production, investment, industry, tourism, health, education, and social development for the population of the Province. In 2015, real direct investments accounted for 69.2%, or ARS 4.2 billion, of capital expenditures.

Transfers for Public Investments

Transfers for public investments include capital expenditures related to transactions that do not involve a payment from their beneficiaries. These transfers primarily relate to contributions made by the provincial government to fiscally unconsolidated entities, such as municipalities and state or private companies that make investments in public works or other property, plant or equipment. In 2015, transfers for public investments accounted for 14.6%, or ARS 878.5 million, of capital expenditures.

Financial Investments

Financial investments consist of expenditures made by non-commercial public entities towards capital contributions and the acquisition of shares of public companies, as well as the granting of short and long-term loans to municipalities and individuals, loans to the InSSSeP, among others. The purpose of these expenditures is to achieve policy objectives rather than financial profits. In 2015, financial investments accounted for 16.3%, or ARS 981.0 million, of capital expenditures.

Fiscal Responsibility Law

The Federal Fiscal Responsibility System was established by Federal Law No. 25,917. This federal law sets forth general rules of fiscal behavior and transparency for the provinces that adhere to it, which include:

- the nominal growth rate of primary public expenditures may not exceed the nominal growth rate of the gross domestic product;
- proceeds from the sale of fixed assets and indebtedness will not be available to finance current expenditures or to generate automatic increases for ensuing years;
- greater expenditures shall only be authorized in case of increased collection; and

- the federal government, provincial governments and the City of Buenos Aires shall prepare their budgets preserving the financial balance.

Notwithstanding the foregoing, in November 2009, the Argentine congress passed Federal Law No. 26,530 that provided that during 2009 and 2010 certain provisions of the Federal Fiscal Responsibility Law were suspended, including limitations on budget amendments as a result of increases in current expenses, capital decreases, financial expenditures increases or possible accruals for new financial expenditures. The provisions suspended also covered other restrictions included in the Federal Fiscal Responsibility Law, such as limitations on the debt service/current revenues ratio (net of transfers to municipalities) and limitations on use of proceeds applicable to new loans to fund current expenses.

Federal Law No. 26,530 also provided that during 2009 and 2010 all expenses made to encourage economic activities, maintain employment levels and provide for health emergencies and social assistance were not to be considered in the calculation of the public expenditure threshold or the determination of the overall financial result.

The suspension and provisions included in Federal Law No. 26,530 were extended to fiscal year 2011 pursuant to Federal Decree No. 2054/2010 and for each of fiscal years 2012, 2013, 2014, 2015 and 2016 by the corresponding national budget laws for each of these years.

In December 2004, the Province enacted the Provincial Fiscal Responsibility Law No. 5,483 pursuant to which the Province adhered to the Federal Fiscal Responsibility System established by Federal Law No. 25,917. In addition, the Province has enacted legislation adhering to each of the laws and decrees extending the suspension of the Federal Fiscal Responsibility Law, for each of years such suspension has been in place, including fiscal year 2016.

As of March 31, 2016, the Province was in material compliance with the provisions not suspended of the Fiscal Responsibility Law.

Fiscal Results

The following table describes the evolution of the provincial fiscal results for the periods indicated:

	Fiscal Results (in millions of nominal pesos, except as otherwise indicated)						Three-month period	
	Year ended December 31,						ended March 31,	
	2011	2012	2013	2014	2015	2015 (USD)	2015	2016
Current Revenues	8,740.98	10,856.17	14,303.00	19,836.66	26,893.25	2,067.9	5,363.7	7,128.1
Tax.....	7,639.22	9,683.63	13,089.70	17,921.32	24,479.43	1,882.3	5,083.9	6,776.7
Provincial.....	1,062.92	1,311.46	2,139.12	2,795.82	3,884.24	298.7	896.6	1,153.9
Federal.....	6,576.30	8,372.17	10,950.58	15,125.50	20,595.19	1,583.6	4,187.3	5,622.8
Non tax.....	103.43	121.19	153.66	191.53	270.90	20.8	38.8	104.4
Current Transfers.....	998.34	1,051.35	1,059.64	1,723.80	2,142.92	164.8	241.0	246.9
Non reimbursable contributions	-	-	-	-	559.61	43.0	-	-
Other current transfers	998.34	1,051.35	1,059.64	1,723.80	1,583.31	121.7	241.0	246.9
Current Expenditures	8,518.33	10,958.10	13,935.80	18,448.76	25,587.25	1,967.5	3,863.4	6,152.8
Consumptions expenditures	5,974.20	7,830.40	10,049.48	13,421.08	18,533.91	1,425.1	2,863.8	4,709.4
Personnel	5,089.35	6,732.02	8,641.40	11,656.15	16,146.14	1,241.5	2,554.1	4,347.3
Goods and services.....	884.85	1,098.37	1,408.08	1,764.93	2,387.78	183.6	309.7	362.1
Interest expense.....	39.31	86.89	134.79	296.21	314.95	24.2	39.9	87.0
Current transfers	2,504.82	3,040.82	3,751.53	4,731.48	6,738.39	518.1	959.8	1,356.3
-to the Private Sector	978.40	1,249.56	1,595.36	1,851.87	2,498.40	192.1	311.6	510.3
-to the Public Sector	1,526.42	1,791.26	2,156.17	2,879.61	4,239.99	326.0	648.2	846.0
-Transfers to municipalities	1,096.90	1,325.10	1,783.21	2,433.94	3,365.99	258.8	648.2	846.0
-Other transfers	429.52	466.16	372.96	445.67	874.00	67.2	-	-
Economic Result (Operating)	222.65	(101.92)	367.20	1,387.89	1,306.00	100.4	1,500.3	2,157.6
Capital Revenues	983.40	1,102.50	1,787.06	2,808.51	4,104.39	315.6	780.4	700.8

Capital Expenditures	1,660.31	1,570.68	3,045.44	4,409.44	6,038.95	464.4	979.0	1,131.0
Real Direct Investment.....	1,299.61	1,141.71	1,967.61	2,908.89	4,178.31	321.3	614.2	602.4
Capital Transfers	301.38	343.24	693.45	1,011.23	878.71	67.6	129.6	131.8
Financial Investment	59.32	85.72	384.38	489.32	981.94	75.5	235.3	396.9
Total Revenues	9,724.38	11,958.68	16,090.06	22,645.17	30,997.64	2,383.5	6,144.1	7,828.9
Total Expenditures	10,178.65	12,528.77	16,981.24	22,858.20	31,626.20	2,431.8	4,842.4	7,283.8
Financial Result ⁽²⁾	(454.27)	(570.10)	(891.18)	(213.03)	(628.56)	(48.3)	1,301.7	545.0
Primary Expenditures ⁽³⁾	10,139.33	12,441.89	16,846.45	22,562.00	31,311.25	2,407.6	4,802.6	7,196.8
Primary Balance ⁽⁴⁾	(414.95)	(483.21)	(756.39)	83.17	(313.61)	(24.1)	1,341.5	632.1

Source: Provincial Ministry of Finance based on General Account prepared by the General Accounting Office of the Province.

(1) Peso amounts as of December 31, 2015 have been converted into USD solely for the convenience of the reader at a rate of ARS 13.005 per USD 1.00, which was the exchange rate published by the Central Bank for December 31, 2015. The USD equivalent information should not be construed to imply that the peso amounts represent or could have been or could be converted into USD at such rates or any other rate.

(2) Represents the difference between total revenues and total expenditures.

(3) Represents the difference between total expenditures and interest expenses.

(4) Represents the difference between the Province's current and capital expenditures and current and capital revenues minus interest expenses.

Fiscal Result of 2012 Compared to Fiscal Result of 2011

Total Revenues. In 2012, total revenues increased by 23%, to ARS 12 billion from ARS 9.7 billion in 2011. This increase reflects the following:

- 26.8% increase in total tax revenues, to ARS 9.7 billion in 2012 from ARS 7.6 billion in 2011, due to a 27.3% increase in federal tax transfer, to ARS 8.4 billion in 2012 from ARS 6.6 billion in 2011, and a 23.4% increase in provincial tax revenues, to ARS 1.3 billion in 2012 from ARS 1.1 billion in 2011.

Total Expenditures. In 2012, the Province's total expenditures increased by 23.1%, to ARS 12.5 billion from ARS 10.1 billion in 2011. This increase is due to:

- 32.3% increase in personnel expenditures, to ARS 6.7 billion in 2012 from ARS 5.1 billion in 2011, reflecting the cumulative impact of salary increases granted in 2011;
- 21.4% increase in current transfers, to ARS 3.0 billion in 2012 from ARS 2.5 billion in 2011, mainly due to an increase in transfers to municipalities resulting from an increase in federal tax transfers and provincial tax revenues, increase in social programs and subsidies for private schools;
- 24.1% increase in goods and services expenditures, to ARS 1.1 billion in 2012 from ARS 0.9 billion in 2011, primarily due to an increase in the cost of goods; and
- 5.4% decrease in capital expenditures, to ARS 1.6 billion in 2012 from ARS 1.7 billion in 2011.

Primary Balance. In 2012, the Province's primary balance deficit increased from a deficit of ARS 0.4 billion in 2011 to a deficit of ARS 0.5 billion in 2012. This was mainly due to a reduction in the capital account deficit resulting from a reduction in capital expenditures.

Financial Result. In 2012, the Province's total deficit was ARS 0.6 billion, compared to a deficit of ARS 0.5 billion in 2011. This decrease in the deficit was mainly due to an increase in debt interest services.

Fiscal Result of 2013 Compared to Fiscal Result of 2012

Total Revenues. In 2013, total revenues increased by 34.6%, to ARS 16.1 billion from ARS 12.0 billion in 2012. This increase reflects the following:

- 35.2% increase in total tax revenues, to ARS 13.1 billion in 2013 from ARS 9.7 billion in 2012, due to a 30.8% increase in federal tax transfers, to ARS 11.0 billion in 2013 from ARS 8.4 billion in 2012, and a 63.1% increase in provincial tax revenues, to ARS 2.1 billion in 2013 from ARS 1.3 billion in 2012, mainly due to:
 - 65.7% increase in gross revenue tax collections, to ARS 1.8 billion in 2013 from ARS 1.1 billion in 2012;
 - 42.7% increase in stamp tax, to ARS 215 million in 2013 from ARS 151 million in 2012; and
 - 80.9% increase in other tax revenues, to ARS 130 million in 2013 from ARS 72 million in 2012.

Total Expenditures. In 2013, the Province's total expenditures increased by 34.3%, to ARS 19.9 billion from ARS 14.8 billion in 2012. This increase is mainly a result of the following:

- 28.4% increase in personnel expenditures, to ARS 8.6 billion in 2013 from ARS 6.7 billion in 2012, principally reflecting the cumulative effect of salary increases granted in 2012 and 2013;
- 23.3% increase in current transfers, to ARS 3.8 billion in 2013 from ARS 3.0 billion in 2012, mainly due to increased transfers to municipalities resulting from the increase in overall tax collections and co-participation transfers; and
- 93.9% increase in capital expenditures, to ARS 3.0 billion from ARS 1.6 billion in 2012, due to increased spending on public works.

Primary Balance. In 2013, the Province's primary balance decreased from a deficit of ARS 0.5 billion in 2012 to a deficit of ARS 0.8 billion in 2013, due to a 33.4% increase in total revenues compared to a 34.3% increase in primary expenditures.

Financial Results. In 2013, the Province recorded a financial deficit of ARS 0.9 billion, compared to a deficit of ARS 0.6 billion in 2012, attributable to the decrease in the primary balance.

Fiscal Result of 2014 Compared to Fiscal Result of 2013

Total Revenues. In 2014, total revenues increased by 40.7%, to ARS 22.6 billion from ARS 16.1 billion in 2013. This increase reflects the following:

- 36.9% increase in total tax revenues, to ARS 18.0 billion in 2014 from ARS 13.1 billion in 2013, due to a 38.1% increase in federal tax transfers, to ARS 15.2 billion in 2014 from ARS 11.0 billion in 2013 and a 30.7% increase in provincial tax revenues, to ARS 2.8 billion in 2014 from ARS 2.1 billion in 2013; and
-
- 62.7% increase in current transfers, to ARS 1.7 billion in 2014 from ARS 1.1 billion in 2013 reflecting transfers from the federal government to finance national programs implemented in the Province.

Total Expenditures. In 2014, the Province's total expenditures increased by 34.6%, to ARS 22.9 billion from ARS 17 billion in 2013. This increase reflects primarily the following:

- 34.9% increase in personnel expenditures, to ARS 11.7 billion in 2014 from ARS 8.6 billion in 2013, principally reflecting the cumulative impact of the salary increases granted in mid-year 2013 and further increases granted in 2014;
- 26.1% increase in current transfers, to ARS 4.7 billion in 2014 from ARS 3.8 billion in 2013, reflecting increased transfers to municipalities due to an increase in overall tax collections and co-participation transfers; and

- 44.8% increase in capital expenditures, to ARS 4.4 billion in 2014 from ARS 3.0 billion in 2013, due to increased spending on public works.

Primary Balance. In 2014, the Province's primary surplus increased from a deficit of ARS 0.8 billion in 2013 to a surplus of ARS 0.1 billion in 2014. This increase was primarily due to a 40.7% increase in total revenues, which was partially offset by a 34.6% increase in primary expenditures.

Financial Result. In 2014, the Province recorded a financial deficit of ARS 0.2 billion, compared to a deficit of ARS 0.9 billion in 2013, mainly due to the increase in the primary surplus.

Fiscal Result of 2015 Compared to Fiscal Result of 2014

Total Revenues. In 2015, total revenues increased by 36.9%, to ARS 31 billion from ARS 22.6 billion in 2014. This increase reflects the following:

- 36.6% increase in total tax revenues, to ARS 24.5 billion in 2015 from ARS 17.9 billion in 2014, due to a 36.2% increase in federal tax transfers, to ARS 20.6 billion in 2015 from ARS 15.1 billion in 2014, and a 39% increase in provincial tax revenues, to ARS 3.9 billion in 2015 from ARS 2.8 billion in 2014.

Total Expenditures. In 2015 the Province's total expenditures increased by 38.4%, to ARS 31.6 billion from ARS 22.9 billion in 2014. This increase reflects primarily the following:

- 38.5% increase in personnel expenditures, to ARS 16.1 billion in 2015 from ARS 11.7 billion in 2014, principally reflecting the cumulative effect of salary increases granted in 2015 and 2014;
- 42.4% increase in current transfers, to ARS 6.7 billion in 2015 from ARS 4.7 billion in 2014, mainly due to increased transfers to municipalities resulting from the increase in overall tax collections and co-participation transfers; and
- 36.9% increase in capital expenditures, to ARS 6.0 billion in 2015 from ARS 4.4 billion in 2014, due to increased spending on public works.

Primary Balance. In 2015, the Province's primary balance decreased from a surplus of ARS 0.1 billion in 2014 to a deficit of ARS 0.3 billion in 2015, due to a 36.9% increase in total revenues compared to a 38.9% increase in primary expenditures.

Financial Result. In 2015, the Province recorded a financial deficit of ARS 0.6 billion, compared to a deficit of ARS 0.2 billion in 2014, attributable to the decrease in the primary balance.

Fiscal Results for the Three-Month Period Ended March 31, 2016 Compared to Fiscal Results for the Three-Month Period Ended March 31, 2015

Total Revenues. Total revenues for the three-month period ended March 31, 2016 increased by 27.4%, to ARS 7.8 billion from ARS 6.1 billion in the corresponding period in 2015. This increase primarily reflects:

- 33.3% increase in total tax revenues, to ARS 6.8 billion for the three-month period ended March 31, 2016 from ARS 5.1 billion during the corresponding period in 2015, due to a 34.2% increase in federal tax transfers, to ARS 5.6 billion for the three-month period ended March 31, 2016 from ARS 4.2 billion during the corresponding period in 2015 and a 28.7% increase in provincial tax revenues, to ARS 1.2 billion for the three-month period ended March 31, 2016 from ARS 0.9 billion during the corresponding period in 2015.

Total Expenditures. The Province's total expenditures for the three-month period ended March 31, 2016 increased by 50.4%, to ARS 7.3 billion from ARS 4.8 billion during the corresponding period in 2015. This increase in the total expenditures is principally due to:

- 70.2% increase in personnel expenditures, to ARS 4.3 billion for the three-month period ended March 31, 2016 from ARS 2.6 billion during the corresponding period in 2015, principally reflecting the cumulative impact of the salary increases granted in 2015 and 2016;
- 41.3% increase in current transfers, to ARS 1.4 billion for the three-month period ended March 31, 2016 from ARS 1.0 billion during the corresponding period in 2015, mainly due to increased transfers to municipalities resulting from the increased federal co-participation and provincial tax revenues; and
- 15.5% increase in capital expenditures, to ARS 1.1 billion for the three-month period ended March 31, 2016 from ARS 1.0 billion during the corresponding period in 2015, due to increased spending on public works.

Primary Balance. The Province's primary balance surplus for the three-month period ended March 31, 2016 amounted to ARS 0.6 billion compared to a surplus of ARS 1.3 billion in the corresponding period in 2015. This decrease was due to the 50.4% increase in primary expenditures, which offset the 27.4% increase in total revenues.

Financial Results. In the three-month period ended March 31, 2016, the Province's financial surplus was ARS 0.5 billion compared to a surplus of ARS 1.3 billion in the corresponding period in 2015, mainly due to a decrease in the primary surplus.

Provincial Budget

The annual budget represents an estimation of the Province's revenues for the budgeted year on the basis of forecasts of the economic activity of Argentina and the Province, and of the necessary expenditures to render public services and to comply with the Province's obligations. In addition, the budget, when approved, represents the amount that the Province is authorized to spend and the level up to which the Province may borrow. The provincial legislature has full power to amend or reject the budget bill submitted by the Governor.

The 2016 budget was approved by Provincial Law No. 7,739 and is structured on the basis of two components: revenues and expenditures. The 2016 budget does not reflect the issuance of the Notes or the application of the net proceeds thereof by the Province.

The following table shows the 2016 Budget, as compared to fiscal results for 2015:

2015 Fiscal Results vs. 2016 Budget (in millions of nominal pesos)			
Provincial Budget	2015	2016 Budget	Variation
Current Revenues	26,893.3	32,259.0	19.95%
Tax.....	24,479.4	30,527.0	24.70%
Provincial.....	3,884.2	4,726.8	21.69%
Federal	20,595.2	25,800.2	25.27%
Non tax	270.9	222.5	(17.85)%
Current Transfers.....	2,142.9	1,509.6	(29.56)%
Non reimbursable contributions.....	559.6	-	(100.00)%
Other current transfers	1,583.3	1,509.6	(4.66)%
Current Expenditures	25,587.3	28,772.2	12.45%
Consumptions expenditures.....	18,533.9	21,069.6	13.68%
Personnel	16,146.1	18,338.1	13.58%
Goods and services	2,387.8	2,731.5	14.39%
Interest expense	315.0	408.4	29.67%
Current transfers	6,738.4	7,294.2	8.25%
to the Private Sector.....	2,498.4	2,950.5	18.09%
to the Public Sector	4,240.0	4,343.7	2.45%
Transfers to municipalities	3,366.0	4,343.7	29.05%
Other transfers	874.0	-	(100.00)%
Economic Result (Operating)	1,306.0	3,486.9	166.99%
Capital Revenues	4,104.4	6,004.7	46.30%
Capital Expenditures	6,038.9	9,176.4	51.95%
Real Direct Investment.....	4,178.3	7,230.7	73.05%
Capital Transfers	878.7	699.8	(20.36)%
Financial Investment	981.9	1,245.9	26.88%
Total Revenues	30,997.6	38,263.7	23.44%
Total Expenditures	31,626.2	37,948.6	19.99%
Financial Result	(628.6)	315.2	150.14%
Primary Expenditures	31,311.3	37,540.2	19.89%
Primary Balance	(313.6)	723.6	330.72%

Source: Provincial Ministry of Finance of the Province based on General Account prepared by the General Accounting Office of the Province for 2015 and Budget Law No. 7,739.

Total Revenues. In 2016, the Province estimates an increase in total revenues of 23.4%, to ARS 38.3 billion from ARS 31.0 billion in 2015. This increase reflects the following:

- 24.7% increase projected in total tax revenues, to ARS 30.5 billion in 2016 from ARS 24.5 billion in 2015, due to a 25.3% projected increase in federal tax transfers, to ARS 25.8 billion in 2016 from ARS 20.6 billion in 2015, and a 21.7% projected increase in provincial tax revenues, to ARS 4.7 billion in 2016 from ARS 3.9 billion in 2015.

Total Expenditures. In 2016, total provincial expenditures are estimated to increase by 20.0%, to ARS 37.9 billion from ARS 31.6 billion in 2015, mainly due to:

- 13.6% estimated increase in personnel expenditures, to ARS 18.3 billion budgeted in 2016 from ARS 16.1 billion in 2015;
- 14.4% estimated increase in goods and services expenditures, to ARS 2.7 billion budgeted in 2016 from ARS 2.4 billion in 2015, mainly due to the strengthening of social, health and education programs; and

- 52.0% estimated increase in capital expenditures, to ARS 9.2 billion budgeted in 2016 from ARS 6.0 billion, mainly due to an increase in public works.

Primary Balance. In 2016, the Province expects the primary surplus to increase to ARS 0.7 billion from a deficit of ARS 0.3 billion.

Financial Result. In 2016, the Province has budgeted a financial surplus of ARS 0.3 billion, compared to a financial deficit of ARS 0.6 billion in 2015.

The following table shows the fiscal results for the three-month period ended March 31, 2016 as compared to the 2016 budget:

2016 Budget vs. Three-Month Period ended March 31, 2016
(in millions of nominal pesos)

Provincial Budget	2016 Budget	March 31, 2016	Share of Total Budgeted for 2016
Current Revenues	32,259.0	7,128.1	22.10%
Tax.....	30,527.0	6,776.7	22.20%
Provincial.....	4,726.8	1,153.9	24.41%
Federal	25,800.2	5,622.8	21.79%
Non tax	222.5	104.4	46.92%
Current Transfers.....	1,509.6	246.9	16.36%
Non reimbursable contributions	-	-	-
Other current transfers	1,509.6	246.9	16.36%
Current Expenditures	28,772.2	6,152.8	21.38%
Consumptions expenditures.....	21,069.6	4,709.4	22.35%
Personnel	18,338.1	4,347.3	23.71%
Goods and services	2,731.5	362.1	13.26%
Interest expense	408.4	87.0	21.31%
Current transfers	7,294.2	1,356.3	18.59%
to the Private Sector	2,950.5	510.3	17.30%
to the Public Sector	4,343.7	846.0	19.48%
Transfers to municipalities	4,343.7	846.0	19.48%
Other transfers	-	-	-
Economic Result (Operating)	3,486.9	975.3	27.97%
Capital Revenues	6,004.7	700.8	11.67%
Capital Expenditures	9,176.4	1,131.0	12.33%
Real Direct Investment.....	7,230.7	602.4	8.33%
Capital Transfers	699.8	131.8	18.83%
Financial Investment	1,245.9	396.9	31.85%
Total Revenues	38,263.7	7,828.9	20.46%
Total Expenditures	37,948.6	7,283.8	19.19%
Financial Result	315.2	545.0	172.94%
Primary Expenditures	37,540.2	7,196.8	19.17%

Source: Provincial Ministry of Finance of the Province based on Budget Law No. 7,739.

Total Revenues. In the three-month period ended March 31, 2016, the Province's total revenues accounted for 20.5% of the total budgeted for 2016. Current revenues accounted for 22.1% of the total budgeted for 2016 and capital revenues accounted for 11.7% of the total budgeted for 2016.

Total Expenditures. In the three-month period ended March 31, 2016, the Province's total expenditures accounted for 19.1% of the total budgeted for 2016, reflecting the decision of maintaining a balanced budget. Current expenditures accounted for 21.4% of the total budgeted for 2016 and capital expenditures accounted for

12.3% of the total budgeted for 2016. Financial investment exceeded the amount budgeted for 2016, due to increased capital contributions to provincial enterprises providing public services.

Public Works

For 2016, the Province's major budgeted public works projects include the following, among others:

- The Roads Department has budgeted capital expenditures of ARS 0.9 billion for the construction, paving and improving of roads.
- The Ministry of Infrastructure has budgeted capital expenditures of ARS 3.7 billion for infrastructure, including hydraulic works, the extension of potable water and sewage networks, and civil construction; and
- The *Instituto de la Vivienda* (Housing Institute) has budgeted capital expenditures of ARS 2.3 billion, related to the construction and improvement of houses.

PUBLIC SECTOR DEBT

General

As of December 31, 2015, the Province's total indebtedness amounted to USD 554 million. As of August 10, 2016, 61.8% of the Province's total indebtedness was denominated in pesos and the remaining 38.2% was denominated in U.S. dollars. The main creditor was the federal government holding 65.9% of the Province's total indebtedness.

As of March 31, 2016, the Province's total indebtedness amounted to USD 493.3 million, of which 57.4% was denominated in pesos and the remaining 42.6% was denominated in U.S. dollars. As of March 31, 2016, the federal government held 66.7% of the Province's total indebtedness, while 25.4% was held by financial entities and the remaining 7.9% by local bondholders.

Evolution of Debt

2001 to 2010

Prior to 2001, the Province financed part of its expenditures through the incurrence of indebtedness. As of December 31, 2001, the Province's total indebtedness amounted to USD 1.5 billion, converted at the exchange rate of ARS 1.00 per USD 1.00, of which 32.4% was held by the federal government. As of December 31, 2001, 36.9% of the Province's total indebtedness, or USD 554 million, was composed of provincial bonds, which were issued between 1993 and 2001 to consolidate existing indebtedness. As of December 31, 2001, 22.6%, or USD 338.9 million, of the Province's total indebtedness was held by financial entities, of which 12.1% was held by Nuevo Banco del Chaco and Banco de la Nación Argentina. Subsidiary loans from multilateral credit organizations, extended to the federal government for the benefit of the Province, accounted for 7.6%, or USD 114.05 million, of the Province's total indebtedness.

In 2002, as the Argentine economy began to show signs of recovery, the Province participated in the restructuring process implemented by the federal government. As a result of this restructuring process, 68.4% of the Province's indebtedness was converted into long-term debt, with the federal government as creditor.

In 2003, the Province participated in the *Programa de Unificación Monetaria* (Monetary Unification Program or "PUM"), whereby several quasi-currency provincial and national instruments were replaced and removed from circulation, including the "Quebracho" bonds issued by the province for ARS 150 million.

Between 2003 and 2007, the Province received financings from several multilateral entities through subsidiary loans with the federal government. See "—Loans from Government and Multilateral Entities."

Between 2005 and 2010, the Province entered into several Financial Assistance Programs with the federal government, pursuant to which the federal government provided financial assistance to the Province in exchange for various commitments regarding the Province's fiscal policy in accordance with the Fiscal Responsibility Law. See "—Financial Assistance Programs (PAFs)."

In 2010, the Province signed a bilateral agreement with the federal government memorializing the Province's participation in the Federal Debt Refinancing Program, pursuant to which all provincial CER-adjusted debt owed to the federal government and the debt held by the Province under the PUM and the Financial Assistance Program for 2005, 2006, 2007, 2008, 2009 was eliminated and replaced with new debt issued pursuant to the Federal Debt Refinancing Program with terms more favorable to the Province. See "—Argentine Provincial Indebtedness Federal Refinancing Program."

In 2011, the Province obtained a loan from BNDES for approximately USD 165 million to finance the construction of an aqueduct. See "—BNDES Loan."

2011 to March 31, 2016

The following tables describe the evolution of the Province's total outstanding indebtedness from 2011 through March 31, 2016, by creditor, currency and law:

Total Gross Debt by Creditor (in millions of U.S. dollars)

CREDITOR	As of December 31,										As of March, 31			
	2011		2012		2013		2014		2015		2015		2016	
Federal														
Government	901.6	84.2%	791.0	78.7%	608.6	69.4%	440.2	63.4%	306.5	55.4%	423.9	63.5%	273.0	55.3%
Multilaterals	66.3	6.2%	60.8	6.0%	58.4	6.7%	55.0	7.9%	58.2	10.5%	56.6	8.5%	56.1	11.4%
Bondholders	102.3	9.6%	105.8	10.6%	92.2	10.5%	69.5	10.0%	61.4	11.1%	53.8	8.1%	38.9	7.9%
Financial Entities	0.3	-	47.2	4.7%	118.2	13.5%	130.1	18.7%	127.6	23.0%	133.3	20.0%	125.4	25.4%
Total	1,070.5	100.0%	1,004.8	100.0%	877.4	100.0%	694.8	100.0%	553.6	100.0%	667.5	100.0%	493.3	100.0%
Exchange Rate														
ARS/USD ⁽¹⁾	4.303		4.917		6.518		8.552		13.005		8.882		14.582	

Source: Provincial Ministry of Finance.

(1) Last exchange rate published by the Central Bank for each period.

Total Gross Debt by Currency (in millions of U.S. dollars)

CURRENCY	As of December 31,										As of March, 31			
	2011		2012		2013		2014		2015		2015		2016	
Pesos	921.2	86.6%	872.1	86.8%	704.4	80.2%	492.3	70.8%	339.1	61.3%	454.5	68.1%	280.7	56.9%
Adjusted Pesos	25.2	2.4%	22.0	2.2%	12.7	1.5%	6.6	1.0%	2.9	0.5%	5.4	0.8%	2.5	0.5%
USD	124.1	11.6%	110.7	11.0%	160.3	18.3%	195.9	28.2%	211.7	38.2%	207.6	31.1%	210.1	42.6%
Total	1,070.5	100.0%	1,004.8	100.0%	877.4	100.0%	694.8	100.0%	553.6	100.0%	667.5	100.0%	493.3	100.0%
Exchange Rate														
ARS/USD ⁽¹⁾	4.303		4.917		6.518		8.552		13.005		8.882		14.582	

Source: Provincial Ministry of Finance.

(1) Last exchange rate published by the Central Bank for each period.

Total Gross Debt by Law (in millions of U.S. dollars)

LAW	As of December 31,										As of March, 31			
	2011		2012		2013		2014		2015		2015		2016	
Argentine Law	1070.5	100.0%	1004.8	100.0%	819.2	93.4%	592.3	85.3%	420.3	75.9%	556.4	83.4%	374.5	75.9%
Foreign Law	0	0.0%	0	0.0%	58.2	6.6%	102.5	14.7%	133.3	24.1%	111.1	16.6%	118.8	24.1%
Total	1,070.5	100.0%	1,004.8	100.0%	877.4	100.0%	694.8	100.0%	553.6	100.0%	667.5	100.0%	493.3	100.0%
Exchange Rate														
ARS/USD ⁽¹⁾	4.303		4.917		6.518		8.552		13.005		8.882		14.582	

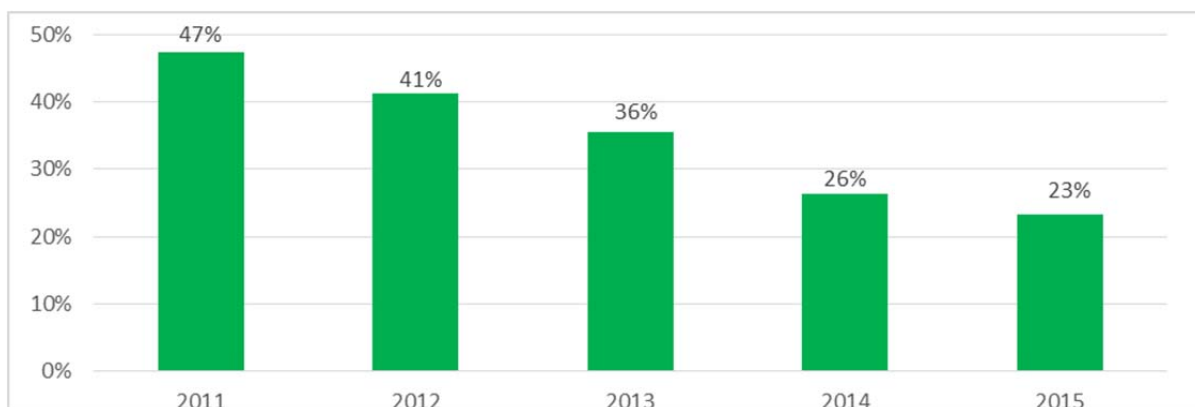
Source: Provincial Ministry of Finance.

(1) Last exchange rate published by the Central Bank for each period.

As of December 31, 2015, debt with or through the federal government represented approximately 65.9% of the Province's total indebtedness. Approximately 72% of this debt is under the Federal Debt Refinancing Program, which debt is denominated in pesos that matures in 2030 and accrues interest at a fixed rate of 6%. Between 2011 and March 31, 2016, the federal government's share of the Province's public debt has fluctuated between 90.4% and 66.7%.

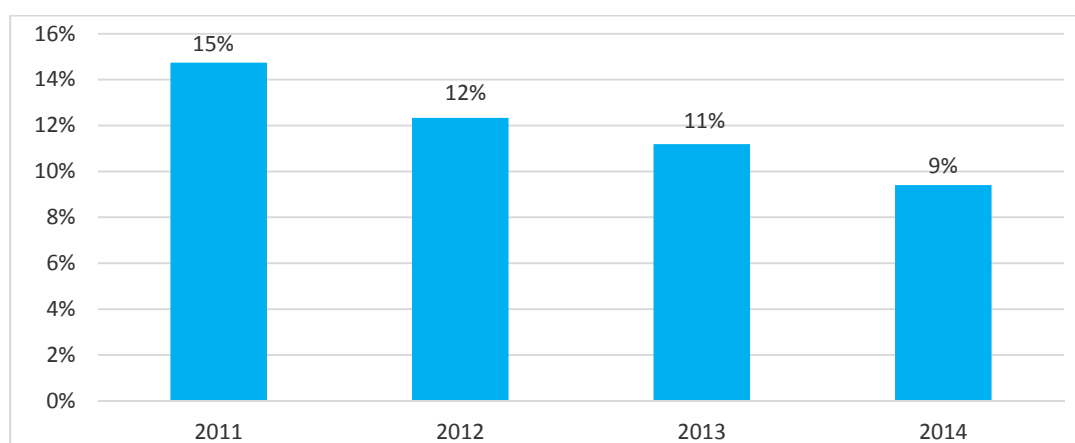
The following charts show debt divided by total revenues and debt divided by provincial GDP:

Total Debt / Total Revenues



Source: Provincial Ministry of Finance.

Total Debt / GDP



Source: Provincial Ministry of Finance.

The following table sets forth the Province's total outstanding indebtedness from 2014 through March 31, 2016:

Total Outstanding Indebtedness

	Outstanding principal (in millions)								Variation March 31, 2016 vs. December 31, 2015	
	2014		2015		March 31, 2015		March 31, 2016		ARS	%
	USD	ARS	USD	ARS	USD	ARS	USD	ARS		
Debt in pesos										
Federal Debt Refinancing Program.....	383.8	3,282.2	263.6	3,427.7	369.5	3,282.2	235.1	3,427.7	-	-
Financial Assistance 2015	-	-	6.2	80.0	-	-	5.5	80.0	-	-
Others Trustees.....	56.4	482.1	36.8	478.1	54.3	482.1	32.4	473.2	(4.9)	(1.0%)
Treasury Bills.....	20.8	177.6	21.6	281.5	5.4	47.5	-	-	(281.5)	(100.0%)
Provincial Bonds.....	3.6	30.8	1.4	18.8	3.2	28.1	1.1	16.0	(2.8)	(14.9%)
BNA Loan.....	27.7	236.8	9.5	122.9	22.2	197.1	6.6	96.8	(26.2)	(21.3%)
Total debt in pesos	492.4	4,262.1	339.1	4,409.0	454.6	4,037.1	280.7	4,093.7	(315.3)	(7.1%)
Debt in adjusted pesos										
Provincial Bonds.....	6.6	57.2	2.9	38.1	5.4	48.0	2.5	36.4	(1.7)	(4.5%)
Total debt in adjusted pesos	6.6	57.2	2.9	38.1	5.4	48.0	2.5	36.4	(1.7)	(4.5%)
Debt in USD										
Multilateral Loans.....	55.0	470.1	58.2	756.5	56.6	503.1	56.1	817.6	61.1	8.1%
Provincial Bonds.....	38.4	328.6	35.4	460.1	39.8	353.8	35.3	514.1	54.0	11.7%
BNDES Loan.....	102.5	876.2	118.1	1,536.4	111.1	987.1	118.8	1,732.0	195.6	12.7%
Total debt in USD	195.9	1,674.9	211.7	2,752.9	207.6	1,844.0	210.1	3,063.7	310.7	11.3%
Total Indebtedness	694.8	5,941.7	553.6	7,200.1	667.5	5,929.1	493.3	7,193.8	(6.3)	(0.1%)
Exchange Rate										
ARS/USD ⁽¹⁾	8.552		13.005		8.882		14.582			

Source: Provincial Ministry of Finance.

⁽¹⁾ Last exchange rate published by the Central Bank for each period.

Estimated Debt Service

The following table shows projected debt service by creditor and year based on the Province's outstanding indebtedness as of March 31, 2016:

Estimated Debt Service by Creditor ^{(1) (2)} (in millions)

Creditor	Outstanding Debt as of March 31, 2016	As of December 31,											
		2016 ⁽³⁾	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027-2034
Federal Government	329.1												
ARS													
Amortization		121.8	418.7	437.7	385.2	390.0	366.7	334.0	326.1	332.9	326.4	279.4	1,425.0
Interest		21.9	340.5	337.2	329.7	323.3	316.1	310.6	305.3	299.5	292.7	289.6	1,153.7
USD													
Amortization		8.4	28.7	30.0	26.4	26.7	25.2	22.9	22.4	22.8	22.4	19.2	97.7
Interest		1.5	23.4	23.1	22.6	22.2	21.7	21.3	20.9	20.5	20.1	19.9	79.1
Bondholders	38.9												
ARS													
Amortization		53.0	64.5	37.1	37.1	37.1	37.1	37.1	37.1	11.6	11.6	11.6	-
Interest		9.4	10.9	9.3	7.9	6.4	4.9	3.4	2.0	1.2	0.8	0.3	-
USD													
Amortization		3.6	4.4	2.5	2.5	2.5	2.5	2.5	2.5	0.8	0.8	0.8	-
Interest		0.6	0.7	0.6	0.5	0.4	0.3	0.2	0.1	0.1	0.1	-	-
Financial Entities	125.4												
ARS													
Amortization		206.4	220.7	254.9	257.8	257.8	257.8	257.8	257.8	257.8	91.5	37.0	3.7
Interest		92.1	81.3	72.2	62.3	52.4	42.4	32.4	22.5	12.6	3.8	0.7	-
USD													

<i>Amortization</i>	14.2	15.1	17.5	17.7	17.7	17.7	17.7	17.7	17.7	6.3	2.5	0.3
<i>Interest</i>	6.3	5.6	4.9	4.3	3.6	2.9	2.2	1.5	0.9	0.3	-	-
Total	493.3											
ARS												
<i>Amortization</i>	381.1	703.9	729.7	680.0	684.8	661.6	628.8	620.9	602.3	429.5	328.1	1,428.7
<i>Interest</i>	123.4	432.6	418.7	399.9	382.1	363.4	346.4	329.8	313.4	297.3	290.6	1,153.8
USD												
<i>Amortization</i>	26.2	48.3	50.0	46.6	47.0	45.4	43.1	42.6	41.3	29.5	22.5	98.0
<i>Interest</i>	8.5	29.7	28.7	27.4	26.2	24.9	23.8	22.6	21.5	20.4	19.9	79.1

Exchange rate as of
March 31, 2016

ARS/USD 14.582

Source: Provincial Ministry of Finance.

- (1) Calculated based on the stock of debt, exchange rate and interest rates as of March 31, 2016. Amortization payments include amortization of capitalized interest.
- (2) Does not reflect amortization or interest payments on debt issued or refinanced after March 31, 2016.
- (3) For the nine-month period beginning on April 1, 2016 and ending December 31, 2016.

Pledge of Tax Co-Participation Revenues

The Province has pledged a part of its federal tax transfers to secure its obligations under certain of its outstanding indebtedness, most of which is owed to the federal government. Pursuant to these security arrangements, the federal government is entitled to withhold a portion of the Province's federal tax transfers to cover principal and interest payments on the secured debt.

The following table sets forth the amount of federal tax transfers withheld to cover provincial debt service payments for each of the indicated periods.

Withheld Federal Tax Transfers 2011 to March 31, 2016 (in millions of pesos)

	Year ended December 31,					March 31,
	2011	2012	2013	2014	2015	2016
Federal Tax Co-Participation	6,576.3	8,372.2	10,950.6	15,125.5	20,595.2	5,719.4
Withholdings						
Federal Government ⁽¹⁾	-	-	-	-	-	-
Other Debt ⁽²⁾	125.4	109.8	142.4	165.3	163.7	60.2
Total	125.4	109.8	142.4	165.3	163.7	60.2
Percentage Withheld	1.9%	1.3%	1.3%	1.1%	0.8%	1.1%

Source: Ministry of Economy and Public Finances of the Province and Banco de la Nación Argentina.

- (1) These secured debts consisted mainly of financing granted through the Federal Debt Refinancing Program although, due to successive extensions of the grace period for the servicing of principal and interest due, there has been no withholding since 2010.
- (2) Consists mainly of withholdings to make debt service payments to multilateral creditors plus provincial bonds.

In addition, pursuant to provincial Decree No. 568/07, the Province assigned in trust (*cesión fiduciaria*) the Province's federal tax co-participation transfers to secure the Province's obligations under the Debt Security-Law No. 4,387-2026 Security-Francés Bank, in particular the amount necessary and sufficient to pay principal, interest and costs for each period. As of March 31, 2016 the outstanding amount under the Debt Security-Law No. 4,387-2026 Security-Francés Bank was USD 8.9 million. See "Public Sector Debt-Debt denominated in U.S. Dollars-Provincial Securities."

Debt denominated in Pesos

Argentine Provincial Indebtedness Federal Refinancing Program

On May 10, 2010, the federal government issued Decree No. 660/10, creating the *Programa Federal de Desendeudamiento de las Provincias Argentinas* (Federal Argentine Provincial Indebtedness Refinancing Program, or the “Federal Debt Refinancing Program”).

The Federal Debt Refinancing Program:

- reduced indebtedness owed by provinces to the federal government by applying funds held in the National Treasury Contribution Fund as of December 31, 2009 to reduce, on a pro rata basis, the indebtedness of provinces that agreed to participate in the Federal Debt Refinancing Program prior to May 31, 2010; and
- allowed provinces to refinance indebtedness held with the federal government as of May 31, 2010 under the *Ley de Responsabilidad Fiscal* (Fiscal Responsibility Law), the Trust Fund for Provincial Development, the PUM, the Financial Assistance Program (PAF), Interest Suspension Agreements, *Bogar*, and *Boden*.

On June 23, 2010, the Province signed a bilateral agreement with the federal government memorializing the Province’s participation in the Federal Debt Refinancing Program, which was ratified by the provincial legislature pursuant to Law No. 6,579. Pursuant to this agreement the refinanced indebtedness would be denominated in pesos and have a grace period until December 31, 2011, after which the principal would have to be repaid in 228 consecutive monthly installments. All outstanding amounts would bear interest at an annual fixed rate of 6.0%, and interest would be capitalized until December 31, 2011. The Federal Debt Refinancing Program eliminated all provincial CER-adjusted debt owed to the federal government and the debt held by the Province under the Monetary Unification Program and the Financial Assistance Program for 2005, 2006, 2007, 2008, 2009 and replaced such debt with new debt issued pursuant to the Federal Debt Refinancing Program with terms more favorable to the Province. The Province is required to secure amounts owed under the Federal Debt Refinancing Program by pledging federal tax co-participable funds that it is entitled to receive.

The last renegotiated and effective agreement was ratified by provincial Decree No. 211/15, dated December 28, 2015, with a grace period on principal and interest repayment capitalized until December 31, 2016 at a nominal and annual rate of 6%, repayable in 168 installments and guaranteed by federal tax co-participation regime revenues to which the Province is entitled.

The following table shows the amounts owed by the Province to the federal government under these programs as of May 31, 2010, the amount of this debt that was reduced through application of funds held in the National Treasury Contribution Fund, and the amount of debt that was refinanced through the Federal Debt Refinancing Program.

Provincial Debt included in the Federal Debt Refinancing Program as of May 31, 2010

	At May 31, 2010	
	Outstanding principal (in millions)	
	ARS	USD
Provincial Public Debt Conversion Regime	2,933.2	746.6
Monetary Unification Program (BODEN 2011)	55.3	14.1
Financial Assistance 2005	84.7	21.6
Financial Assistance 2006	137.9	35.1
Financial Assistance 2007	214.1	54.5
Financial Assistance 2008	254.8	64.8
Financial Assistance 2009	298.6	76.0
Outstanding principal	3,978.6	1,012.6
National Treasury Funds to be applied ⁽¹⁾	(585.7)	(149.1)
Outstanding principal net of National Treasury Funds	3,392.9	863.6
Exchange rate ARS /USD		3.929

Source: Provincial Ministry of Finance.

- (1) Does not include an additional ARS 5.8 million due to the Province of Chubut's refusal to participate in the program, which allowed the federal government to reallocate those funds among all the participating provinces pursuant to Federal Resolution No. 36/11.

In December 2013, pursuant to Resolution No. 36/13, the federal government amended the terms and conditions of the Federal Debt Refinancing Program and the PAF 2010. Under the new conditions, the debt outstanding under these programs would be paid in 200 consecutive and monthly installments equivalent to 0.495% of the principal each, and one last installment equivalent to 1.0% of the principal. All outstanding amounts would continue to bear interest at an annual fixed rate of 6% and interest would be capitalized until March 31, 2014. The grace period was extended to March 31, 2014 and the first installment would be paid in April 30, 2014. Pursuant to this resolution, the federal government made a payment of ARS 557.7 million in January 2014, with funds from the National Treasury Contribution Fund to partially cancel the debt originated by this indebtedness.

Certain terms of the Federal Debt Refinancing Program were subsequently amended in 2014 and 2015 through the execution of several Debt Restructuring Agreements. The last agreement established a grace period extension until December 31, 2016 while all amounts would continue to bear interest at an annual fixed rate of 6% and interest would be capitalized until December 31, 2016. The first installment would be paid in January 31, 2017.

Financial Assistance Programs (PAFs)

In August 2004, the federal government created the *Regimen Federal de Responsabilidad Fiscal* (Federal Fiscal Responsibility Regime), which went into effect as of January 1, 2005. The new regime establishes general rules of fiscal behavior and transparency for Argentina's national, provincial and municipal public sectors. In addition, the federal government established, pursuant to various bilateral agreements, financing programs for those provinces that do not have other sources of funds and are in compliance with the fiscal responsibility rules established under the new regime. The Province and the federal government entered into Financial Assistance Programs for each of the years 2005 through 2007 ("Initial PAFs")

In March 2008, the federal government and the Province entered into the 2008 Financial Assistance Program ("PAF 2008") for ARS 265 million. Like the previous agreements, the PAF 2008 was entered into for purposes of making debt amortization payments due in 2008.

In February 2009, the federal government and the Province entered into the 2009 Financial Assistance Program ("PAF 2009") for ARS 290 million. The PAF 2009 was entered into for the purpose of making debt amortization payments due in 2009.

On May 31, 2010, the entire outstanding amount due under the Initial PAFs, the PAF 2008 and the PAF 2009 was refinanced in the Federal Debt Refinancing Program. See "—Debt Denominated in pesos—Argentine Provincial Indebtedness Federal Refinancing Program."

On December 21, 2010, the federal government and the Province entered into the 2010 Financial Assistance Program ("PAF 2010"), pursuant to which the federal government granted the Province ARS 200 million loans for purposes of meeting fiscal imbalances and making debt service payments. All payments under this loan were secured by federal tax co-participable funds that the Province is entitled to receive. In addition, the federal government made a payment of ARS 77.5 million in January 2011, with funds from the National Treasury Contribution Fund to partially cancel the debt originated by the PAF 2010.

In December, 2013, the terms applicable to the PAF 2010 were amended to provide for repayments of principal and interest on a schedule identical to the Federal Debt Refinancing Program. See "—Debt Denominated in pesos—Argentine Provincial Indebtedness Federal Refinancing Program."

On November 25, 2015, the federal government and the Province entered into the 2015 Financial Assistance Program ("PAF 2015"), pursuant to which the federal government granted the Province an ARS 80 million loan. This loan is scheduled to amortize in 168 consecutive monthly installments, commencing in January 2017. Interest on principal accrues at a rate of 6.0% per annum. All payments under this loan are secured by revenues from the federal tax co-participation regime.

Banco de la Nación Argentina Financing (“BNA Loan”)

In December 2013, the Province entered into the BNA Loan pursuant to Law No. 6,973, dated April 25, 2012, for an amount of ARS 250.0 million. This loan is denominated in pesos and is to be repaid in 30 monthly installments, with a grace period of six months, accruing interest at a rate equal to BADLAR plus 400 basis points. This loan is guaranteed by federal tax co-participation regime revenues to which the Province is entitled. As of March 31, 2016, the outstanding principal amount under this loan was ARS 96.8 million.

The net proceeds of this loan were used to establish a trust fund for assisting participants in the primary sector of the economy, given that small plot owners and tenants of rural plots were struggling due to a prolonged drought. The goal of the BNA Loan was to implement actions aimed at sustaining the chain of payments of the primary sector by restoring the availability of financing, as well as to finance structural policies to ensure the preservation and viability of small and medium farmers.

Treasury Bill Issuance Program

In 2012, the Province began to use treasury bills as a short-term financing instrument (the “Treasury Bills”) pursuant to Law No. 4,787 (the “Financial Management Law”). The provincial budget for 2012 established an issuance cap of ARS 225 million. The Treasury Bills must be fully amortized within a year of their issuance and their repayment is guaranteed with revenues from the federal tax co-participation regime to which the Province is entitled. If Treasury Bills are not fully amortized within the fiscal year of their issuance, they are automatically reclassified as outstanding indebtedness for the previous fiscal year for budgetary purposes.

Treasury Bills can be issued at a discount or with an interest coupon, in local currency, with a single repayment at maturity. This instrument is authorized to be listed and traded on the Merval and traded on the MAE. The Treasury Bills of the Province issued in 2016 were assigned a short-term rating of “B (Arg)” by Fix SCR S.A. Credit Rating Agency.

The Treasury Office of the Province authorized the issuance of nine tranches in 2012, all of which were issued. As of December 31, 2012, the nominal value of the outstanding Treasury Bills was ARS 113.23 million. As of June 14, 2013 all of the Treasury Bills issued under this program had been redeemed.

Law No. 7,158, (“2013 Budget for Revenues and Expenditures”), authorized the Province to issue Treasury Bills for ARS 300 million. As of December 31, 2013, the nominal value of these outstanding Treasury Bills was ARS 236.43 million, which were reclassified as outstanding indebtedness for 2013.

Law No. 7,348 (“2014 Budget Law”) authorized the Province to continue the implementation of the Treasury Bill Program for ARS 300 million like the previous year. The 2014 outstanding balance amount of Treasury Bills was ARS 177.60 million, which were reclassified as outstanding indebtedness for 2014.

Law No. 7,532 (“2015 Budget Law”) authorized a Treasury Bill issuance Program for ARS 300 million which was composed of nine issuances. The Treasury Bills outstanding amount as of December 31, 2015 was ARS 281.50 million, which were reclassified as outstanding indebtedness for 2015.

Law No. 7,739, (“2016 Budget Law”) authorized a Treasury Bill issuance Program for an amount at any time outstanding of up to ARS 400 million.

As of August 10, 2016, the Province has issued the following Treasury Bills in 2016:

First Tranche (issued on January 20, 2016):

Type	Rate	Amount (ARS)	Maturity
Discount	31.50%	64,727,000	March 10, 2016
Discount	31.50%	37,860,000	April 15, 2016

Discount	31.50%	56,898,000	May 20, 2016
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Second Tranche (issued on February 17, 2016):

Type	Rate	Amount (ARS)	Maturity
Discount	31.50%	72,288,000	April 15, 2016
Discount	30.00%	21,141,000	May 20, 2016
Discount	30.00%	10,800,000	June 17, 2016

Third Tranche (issued on March 8, 2016):

Type	Rate	Amount (ARS)	Maturity
BADLAR-adjusted	BADLAR + 6%	138,980,000	May 20, 2016
BADLAR-adjusted	BADLAR + 6%	16,095,000	June 17, 2016
Discount	34.50%	29,201,000	July 22, 2016

Fourth Tranche (issued on April 13, 2016):

Type	Rate	Amount (ARS)	Maturity
Discount	35.12%	94,162,000	June 17, 2016
Discount	35.00%	10,120,000	July 22, 2016
BADLAR-adjusted	BADLAR + 6%	22,050,000	August 26, 2016

Fifth Tranche (issued on May 18, 2016):

Type	Rate	Amount (ARS)	Maturity
Discount	36.50%	180,370,000	July 22, 2016
Discount	36.00%	24,845,000	August 26, 2016
BADLAR-adjusted	BADLAR + 5.5%	11,800,000	September 23, 2016

Sixth Tranche (issued on June 15, 2016):

Type	Rate	Amount (ARS)	Maturity
Discount	29.58%	106,696,000	August 26, 2016
Discount	32.30%	14,918,000	September 23, 2016

Seventh Tranche (issued on July 22, 2016):

Type	Rate	Amount (ARS)	Maturity
Discount	32%	102,362,000	September 23, 2016
Discount	31.50%	31,920,000	October 28, 2016
BADLAR-adjusted	BADLAR + 5%	17,178,000	November 25, 2016

Source: Provincial Ministry of Finance.

As of August 10, 2016, the outstanding principal amount of Treasury Bills issued pursuant to the Treasury Bill issuance program is ARS 331.8 million.

All payments under these Treasury Bills are secured by revenues from the federal tax co-participation regime.

Treasury Bills Issued Pursuant to Provincial Decree No. 1,425/16

On July 18, 2016, provincial Decree No. 1,425/16 authorized the issuance of up to ARS 400.0 million in Treasury Bills. On July 21, 2016, the Province issued Class I and Class II Treasury Bills pursuant to Decree

No. 1,425/16 in an aggregate principal amount of ARS 177.0 million. These Treasury Bills were not issued as part of the Treasury Bill issuance program described above.

The following table describes the Treasury Bills issued pursuant to Decree No. 1,425/16:

Type	Class	Rate	Amount (ARS)	Maturity
Discount	I	31.75%	51,730,000	September 22, 2016
Discount	II	31.18%	125,300,000	October 27, 2016

Source: Provincial Ministry of Finance.

All payments under the Treasury Bills issued pursuant to Decree No. 1,425/16 are secured by revenues from the federal tax co-participation regime.

Debt denominated in Pesos adjusted by CER

Pursuant to Provincial Law No. 4,951 and to Resolution No. 94/2004, the *Derechos Creditorios-Decreto 1829/01* (Creditory Rights Decree No. 1,829/01) were issued in CER-adjusted pesos, with the same terms as the *Bono de Consolidación en Moneda Nacional Primera Serie Ley 4951* (“Consolidation Bond in National Currency Series 1 Law No. 4,951”). See “—Debt denominated in U.S. Dollars—Provincial Securities.”

As of March 31, 2016, the outstanding principal amount of CER-adjusted debt was ARS 36.4 million.

Debt denominated in U.S. Dollars

Loans from Governmental and Multilateral Entities

On April 21, 1995, Provincial Law No. 4,286 approved an agreement signed between the federal government and the Province and a supplementary agreement signed on March 22, 1996 between the *Ente Nacional de Obras Hídricas de Saneamiento* (National Agency of Water and Sanitation Works, or ENOHSA) and the Province to carry out water and sanitation works pursuant to financing obtained from the Inter-American Development Bank (“IDB”). These loans are to be repaid with proceeds derived from the projects financed by the loans, whose term is 20 years and are payable in quarterly installments. As of August 10, 2016, the outstanding principal amount of under these loans was ARS 13.6 million.

In 1998, Provincial Law No. 4,477 authorized the executive branch to enter into an agreement with the federal government to implement a 20-year subordinated loan for a total amount of USD 3.5 million, provided by the IDB, to finance the *Programa Mejoramiento de Barrios* (Neighborhood Improvement Program). In 2003 and 2004, through provincial Decrees No. 976 and No. 1,602, the principal amount under this loan was increased by an additional USD 7.6 million and USD 3.1 million, respectively.

In 2003, pursuant to Provincial Law No. 5,177, the Province entered into an agreement with the *Fondo para la Transformación de los Sectores Públicos Provinciales* (Fund for the Transformation of the Provincial Public Sectors) for a ARS 2 million loan. Funds pursuant to this agreement were provided by the International Bank for Reconstruction and Development (“IBRD”) through a 10-year loan. In 2003, the parties signed a supplemental agreement to extend the principal amount available under the loan by an additional ARS 1 million, which was ratified by Provincial Law No. 5,223.

In 2007, pursuant to Provincial Law No. 6,043, the executive branch entered into a subsidiary loan agreement with the Federal Ministry of Economy and Production, in order to receive financing of up to USD 50 million from the IBRD under the terms set forth in the *Programa de Prevención de las Inundaciones y Drenaje Urbano* (Program for Flood Prevention and Urban Drainage). The loan has a 12-year maturity and is payable in semiannual installments.

The Province is implementing projects under the *Programa de Servicio Agropecuario Provinciales* (“Program of Provincial Agricultural Services”, known as PROSAP) and the *Programa de Desarrollo Rural de las Provincias del Nordeste Argentino* (“Rural Development Program of the Provinces of Northeast Argentina”, known as PRODERNEA). All the authorizations for these financings were granted by Provincial Law No. 4,349, enacted in November 1996, which authorized the executive branch to borrow an amount up to USD 50 million for the financing of those projects. The financing for these projects was granted by the IDB, is payable in semiannual installments and has an 18-year maturity from the date of each disbursement.

As of March 31, 2016, the outstanding principal amount for these financings was ARS 817.6 million. All payments under these financings are secured by revenues from the federal tax co-participation regime.

BNDES Loan

On November 24, 2010, the provincial Legislature passed Provincial Law No. 6,683, which authorized the executive branch to enter into a loan with BNDES for an amount up to USD 179.89 million. In 2011, the provincial executive branch entered into a loan with BNDES for USD 165.02 million, with a maturity of 144 months, with a grace period of 42 months, with interest paid semiannually at a rate of LIBOR plus 2.59 %.

The proceeds from this loan are being used to finance the construction of the second aqueduct, which after completion will supply potable water to 26 locations in the interior of the Province. Specifically, the proceeds from the loan are being used to finance the importation of materials and supplies needed for the construction of the pipeline that will transport the water.

As of March 31, 2016, the outstanding principal amount under this loan was ARS 1.7 billion.

Provincial Securities

In 1993, pursuant to the liquidation of the *Banco del Chaco S.E.M.* (“Bank of Chaco”), two bonds were issued to consolidate Bank of Chaco’s debt with the Central Bank: the *Bono de Consolidación de Deuda – BOPRO* (Debt Consolidation Bond–BOPRO, or “BOPRO”) and the *Bono de Saneamiento Financiero Chaco–BOSAFI Chaco* (Chaco Financial Restructuring Bond–Chaco BOSAFI, or “BOSAFI”). Pursuant to Provincial Law No. 4,951 and to provincial Decree No. 1,841/01, the Consolidation Bond in National Currency Series 1 Law No. 4,951 was issued in exchange for the BOPRO and BOSAFI.

In 2006, pursuant to provincial Decree No. 992/06, the former Ministry of Economy, Works and Public Utilities converted all bonds that were not exchanged pursuant to the provincial public debt national exchange pursuant to Decree No. 1,579/02 (“National Exchange”) into the *Bono de Saneamiento Garantizado* (Guaranteed Consolidation Bonds, or “BOSAGAR”), issued in two USD–denominated series with a maturity of 17 years and 9 years for Series 1 and Series 2, respectively. All payments under the BOSAGAR are secured by revenues from the federal tax co-participation regime.

In 2007, pursuant to provincial Decree No. 568/07, the Debt Security–Law No. 4,387–2026 Security–Francés Bank was issued in exchange for the 16.5% Notes due 2008 held by investors that did not participate in the National Exchange. This bond was USD–denominated and secured by a collateral trust comprised of revenues received pursuant to the federal tax co-participation regime.

Payments on the principal and interest of the two series of BOSAGAR were made in the agreed upon currency (U.S. dollars) from the date of issuance until the 66th installment, which was paid in October 2012. In October 2012, under new restrictions on foreign exchange imposed by the Central Bank, the Province considered that it had no other lawful choice but to settle payment of the U.S. dollar-denominated bonds in pesos at the reference exchange rate reported by the BCRA for the amortization and interest services of Series 1 and Series 2 of the BOSAGAR bonds. As a result of the change in currency of payment, Fix SCR S.A. Credit Rating Agency, a rating agency affiliated with Fitch Ratings, placed the BOSAGAR and the Province under negative rating watch.

Following the recent changes to the foreign exchange regulations established by the Central Bank, the Province immediately resumed payments in U.S. dollars of the Series 1 of the BOSAGAR bonds in accordance with Decree No. 111/16. As a result, Fix SCR S.A. Credit Rating Agency removed the BOSAGAR and the Province from their negative rating watch. See “Currency of Presentation and Exchange Rates.” As of November 2015, Series 2 of the BOSAGAR bonds had been fully amortized.

As of March 31, 2016, ARS 566 million, or USD 39 million, of provincial securities were outstanding, divided among the following three bonds: BOSAGAR, Debt Security—Law No. 4,387—2026 Security—Francés Bank and Consolidation Bond in National Currency Series 1 Law No. 4,951. All payments of these securities are secured by revenues from the federal tax co-participation regime.

Authorizations under the Fiscal Responsibility Law

Under the Fiscal Responsibility Law established in 2004 and adopted by the Province in 2004 (through Provincial Law No. 5,483), all of the provincial governments are required to obtain the authorization from the federal government before incurring any indebtedness. See “Public Sector Finances—Overview of Provincial Accounts—Fiscal Responsibility Law.”

Since the regime came into effect, the Province has applied several times to obtain the federal government’s authorization for incurring new indebtedness, including with respect to the Notes.

NUEVO BANCO DEL CHACO

Nuevo Banco del Chaco S.A. or NBC is a *sociedad anónima* organized under the laws of Argentina, created by statute on September 15, 1993. NBC began operating on November 4, 1994. NBC voluntarily adheres to the *Código de Prácticas Bancarias* (Banking Practice Code), a self-regulating code of banking best practices in Argentina, pursuant to Resolution No. 263 of its Board of Directors, dated November 29, 2005.

Overview

Pursuant to Provincial Law No. 3,873, dated June 16, 1993, as amended, the Province was required to have NBC act as its financial agent, administering the Province's public sector funds for a period of 20 years from the date on which the law was enacted. Provincial Law No. 7,659, dated September 11, 2015, extended the duration of this requirement for an additional 20 years, after which point the Province may select a different financial agent. As part of its mandate, NBC provides financial services to the provincial, municipal and federal public sector, handling the payment and management of wages, pensions, social plans, advances and loans, including the payment of wages to all employees of the Province. It also provides services to the private sector, including deposits, transfers and credit lines to small- and medium-sized entities. The Province is not obliged by applicable law to, and as of August 10, 2016 does not, guarantee liabilities of NBC, including deposits.

As of March 31, 2016, NBC was the 28th largest bank in Argentina in terms of assets and deposits, holding assets of ARS 7.7 billion and deposits of ARS 6.4 billion, and was the 25th largest bank in Argentina in terms of loans, having issued ARS 4.4 billion in loans, in each case according to data published by the Central Bank.

In April 1999, as required by the Central Bank, the Province capitalized NBC and assumed ownership of a majority stake in NBC. As of August 10, 2016, NBC's shareholders are: the Government of the Province (owning 70.06% of NBC outstanding share capital), depositors in Banco del Chaco S.A. (owning 10.28% of NBC outstanding share capital), Sociedad Inversora de Trabajadores del Banco de Chaco S.A. (owning 9.8% of NBC outstanding share capital), Comafi Fiduuciario Financiero S.A. (owning 7.34% of NBC outstanding share capital) and other shareholders (owning 2.52% of NBC outstanding share capital). NBC is classified as a "Commercial Bank" under the *Ley General de Sociedades* (General Law of Corporations) and the *Ley de Entidades Financieras* (Financial Institutions Act).

The goal of NBC is to foster economic development and equality within the Province, by providing modern banking products and services, integrating social and economic sectors and improving the competitiveness of local businesses.

NBC provides traditional and non-traditional bank services to different segments of customers. It has a wide territorial coverage within the Province, with the largest network of branches and Automated Teller Machines ("ATMs") in the Province. As of August 10, 2016, NBC has a total of 27 branches and has a presence in more than 60 cities and towns in the Province and in the City of Buenos Aires.

In order to develop complementary activities to its financial services, NBC created the subsidiaries Nuevo Chaco Bursátil S.A. and Nuevo Chaco Fondos S.A. SGFCI.

Nuevo Chaco Bursátil S.A.

Nuevo Chaco Bursátil S.A. ("New Chaco Securities") is a brokerage firm ("Clearing and Settlement Agent - Own" according to Resolution No. 622/2013 of the CNV) located in the City of Buenos Aires, created in August 2008 and operating since June 2011.

New Chaco Securities was created to provide securities' purchase and sale services, and investment banking to individuals, companies and institutions in Argentina. It also supplies services to governments and companies to secure financing in the international capital markets and general financial advice on issues related to company valuation, sale and purchases and liability management.

Within the capital markets, NBC acts as co-manager, underwriter, arranger and/or financial advisor.

Nuevo Chaco Fondos S.A. SGFCI

Nuevo Chaco Fondos S.A. Sociedad Gerente de Fondos Comunes de Inversión (“New Chaco Funds”) (“Collective Investment Product Management Agent” according to Resolution No. 622/2013 of the CNV) is a financial institution domiciled in the City of Buenos Aires, created with the sole purpose of promoting, managing and administering open or closed mutual investment funds.

On April 11, 2013, the CNV registered New Chaco Funds as a managing company, and NBC as depository of the Mutual Funds “Chaco Fondos Renta Fija I” and “Chaco Fondos Money Market I.”

On February 10, 2015, the CNV registered New Chaco Funds Administrator and NBC as custodians of the mutual funds “*Chaco Fondo Común de Inversión Abierto para Proyectos Productivos de Economías Regionales e Infraestructura Common Investment Fund Open SMEs*” and “Common Investment Fund Open Chaco for Productive Projects and Infrastructure Regional Economies”, respectively, and approved the corresponding management regulations.

Regulatory Framework

NBC, like the other banks that are part of the Argentine financial system, must comply with the banking and financial regulations issued by the Central Bank, among which are regulations and rules related to minimum capital, solvency and liquidity requirements.

Law No. 24,485, as amended by Law No. 25,089 and Decree No. 540/95, enacted on April 12, 1995, created the Deposit Insurance System (“SSGD”), mandatory for bank deposits and supervised by the Central Bank. The SSGD has been implemented by the Guarantee Fund for Deposits (“FGD”) administered by private enterprise Seguros de Deposito S.A. (“SEDESA”). SEDESA’s shareholders are the federal government (through the Central Bank) and a trust established by the participating financial institutions. These entities must pay a monthly contribution to the FGD determined by the Central Bank’s rules. The SSGD is funded through regular and additional contributions made by the participating financial institutions.

The SSGD covers all deposits in pesos and foreign currency in accounts opened in the participating financial institutions, including demand accounts, savings and time deposits for up to ARS 450,000 per depositor, subject to specified limitations and exceptions.

The capital ratio for NBC at March 31, 2016 was 10.34%. The capital ratio represents the quotient of regulatory capital over risk-weighted assets, determined in accordance with the regulations of the Central Bank.

Beginning in October 2014, the Central Bank established a minimum rate paid by the banks on fixed-term deposits made by retail clients. This regulation applied to NBC as it had a significant amount of retail clients; however, NBC’s funding costs only slightly increased as a result of such regulation, from 10.9% in September 2014 (before the regulation came into force) to 10.5% in December 2015. As of August 10, 2016, the Central Bank’s new authorities, who took office in December 2015 during the Macri administration taking office, eliminated the regulations relating to the minimum rate paid by the banks on fixed-term deposits made by retail clients and maximum interest rates applied over certain credit lines. The Macri administration also reduced the cost of deposit insurance from 0.060% to 0.015%.

On December 27, 2012, the New Law on Capital Markets No. 26,831 was enacted; it is regulated by National Decree No. 1,023, which was enacted on August 1, 2013.

The New Law on Capital Markets introduced substantial changes on the regulations applicable to the securities markets, the stock exchanges and the different actors operating in the capital market, as well as certain modifications to the powers conferred to the CNV.

On September 5, 2013, the CNV issued Resolution No. 622 which regulates the new regulatory framework and establishes different agent categories. NBC was registered in the categories of Clearing and Settlement Agent - and Custody Agent of Collective Investment Mutual Fund Products, pursuant to the provisions defined in the aforementioned law. Through Regulation No. 2076, the CNV registered NBC in the Register of Custody Agents of Collective Investment Mutual Funds Products under No. 18. On September 9, 2014 the CNV Agents Registry informed NBC that it had been assigned registration number 175 in the category of Clearing and Settlement Agent and Negotiation Agent.

Selected Financial Information

The following selected financial information has been derived from NBC's audited financial statements for the periods indicated below:

	At and for the year ended December 31,					At and for the three-month period ended March 31,	
	2011	2012	2013	2014	2015	2015	2016
	(in millions of ARS)						
Balance Sheet Data:							
Assets							
Cash	ARS 353	ARS 505	ARS 628	ARS 830	ARS 900	ARS 642	ARS 848
Government and corporate securities	38	70	67	410	868	1,086	1,227
Net loans	1,705	2,115	2,694	3,314	4,319	3,533	4,439
Other receivables from financial brokerage activities	535	577	403	431	504	180	431
Credit for hire purchase	18	22	78	191	212	181	204
Other assets	154	217	297	367	477	391	514
Total assets	2,803	3,507	4,168	5,542	7,280	6,015	7,664
Liabilities							
Deposits	2,177	2,817	3,433	4,601	6,072	5,285	6,403
Liabilities from financial brokerage activities	294	304	274	423	461	160	441
Miscellaneous liabilities ...	67	69	85	73	177	108	195
Provisions	3	5	7	6	10	6	10
Items for which classification is pending	2	13	20	37	5	29	16
Total liabilities	2,542	3,207	3,819	5,139	6,724	5,588	7,066
Total net equity	261	299	348	403	556	427	598
Total net equity and liabilities	ARS 2,803	ARS 3,507	ARS 4,168	ARS 5,542	ARS 7,280	ARS 6,015	ARS 7,664
Income Statement Data							
Financial income	ARS 399	ARS 505	ARS 683	1,052	ARS 1,533	ARS 331	ARS 481
Financial expenditure	(143)	(212)	(321)	(529)	(687)	(152)	(232)
Brokerage margin	256	292	363	523	846	180	249
Provision for loan losses ...	(13)	(23)	(48)	(42)	(64)	(12)	(12)
Net income from service ...	109	174	248	265	355	74	106
Administrative expenses ...	(311)	(398)	(522)	(713)	(976)	(217)	(299)
Others results	36	16	33	38	62	12	14
Net income (loss)	ARS 49	ARS 39	ARS 49	ARS 57	ARS 156	ARS 24	ARS 38

Source: Nuevo Banco del Chaco S.A.

Assets

As of March 31, 2016, NBC's total assets amounted to ARS 7.7 billion and total financings stood at ARS 4.6 billion, which represented an increase of ARS 1.6 billion, or 27%, and an increase of ARS 929 million, or 25%, respectively, as compared with the corresponding quarter in 2015.

Public Sector Exposure

As of March 31, 2016, NBC's public sector exposure in Argentina was approximately ARS 145 million, which represented approximately 1.9% of its assets.

The following table shows the total exposure of NBC to the Argentine public sector as of the dates indicated:

	At and for the year ended December 31,					At and for the three-month period ended March 31,	
	2011	2012	2013	2014	2015	2015	2016
	(thousands of ARS)						
Government Securities							
Consolidación Bonds 2024 - Series 6	ARS 455	ARS 1,406	ARS -	ARS -	ARS -	ARS -	ARS-
BOGAR 2018	1,407	1,172	6,189	1,584	-	18,485	-
Bocon Province of Chaco (Law 3,730) Series 1	21	16	17	16	-	16	-
PAR 2038 in ARS - ARG Law	281	309	76	791	1,946	1,264	1,985
Discount 2033 in ARS - ARG Law	5,001	4,871	809	1,124	2,193	1,548	2,223
BONAR 2019 in ARS - Badlar + 250 bps	-	-	-	9,720	3,889	10,152	3,719
BONAR 2017 in ARS - Badlar + 200 bps	-	-	-	-	20,520	19,400	20,000
Global 2017 in USD -NY Law	-	-	1,206	-	-	-	-
BONAR 2014 in ARS - Badlar +275 bps	2,559	1,506	254	-	-	-	-
BODEN 2% 2014 in ARS	457	358	199	-	-	-	-
BONAC July 2016	-	-	-	-	15,413	-	15,113
BONAC May 2016	-	-	-	-	29,260	-	28,829
BONAC March 2016	-	-	-	-	1,992	4,823	-
BOCON 2016 - Series 7 - in ARS	-	-	-	-	1,212	-	-
BONAR 2015 - Badlar + 300 bps	5,265	4,425	322	8,065	-	4,071	-
BONAR 2015 in USD- 7%	2,241	1,271	3,134	-	-	-	-
Bonar V 2012 in ARS	544	-	-	-	-	-	-
BONAR X in USD - 7%	4,070	2,514	3,461	-	-	-	-
TVPYD in USD - NY Law	1,475	131	-	-	-	-	-
DICA 2033 in USD - ARG Law	-	1,766	-	-	-	-	-
PARY in USD - NY Law	-	890	-	-	-	-	-
Consolidación Bonds 2022 – Series 8	-	51	-	-	-	-	-
TVPP in ARS -ARG Law	750	-	-	-	-	-	-
BONAR 2016 in ARS - Badlar + 200 bps	-	-	-	4,637	-	4,850	-
BONAR 2024 in USD	-	-	-	2,132	-	-	-
PAR 2038 in ARS Arg Law	32	33	35	54	78	88	164
BONAR 2017 in ARS - Badlar + 300 bps	-	-	-	-	12,483	-	12,305
BONAC September 2016	-	-	-	-	5,308	-	5,107
BONAD February 2017 - 0.75	-	-	-	-	6,240	-	6,885
BONAD June 2017 - 0.75 %	-	-	-	-	16,008	-	18,492
BONAD September 2017 - 0.75	-	-	-	-	5,800	-	6,600
Total Government Securities	24,558	20,719	15,702	28,123	122,342	64,697	121,422
Public Sector Loans	9,859	6,920	4,621	2,617	257	2,144	67
Other Assets							
Province of Buenos Aires' Treasury Bills	3,964	5,034	1,500	-	-	-	-
Province of Chaco's Treasury Bills	-	-	-	-	37,804	5,000	15,679
Financial Trusts Debt Instruments	-	-	-	8,748	8,119	8,397	8,047
Total Other Assets	3,964	5,034	1,500	8,748	45,923	13,397	23,726
Total	ARS 38,381	ARS 32,673	ARS 21,823	ARS 39,488	ARS 168,522	ARS 80,238	ARS 145,215

Source: Nuevo Banco del Chaco S.A.

Loan Portfolio

NBC's loans are mostly made to the private sector. Since 2011, these loans have been growing at an annual rate of 28%.

As of March 31, 2016, 73% of the total loans corresponded to the consumer portfolio, whereas the remaining 27% corresponded to the commercial portfolio.

Most of the consumer portfolio is composed of loans to government employees or direct debit which have historically shown a high repayment probability.

The commercial portfolio is segmented across sectors. As of March 31, 2016, 24% of loans within the commercial portfolio had been issued to the commercial sector, 13% to the agricultural sector, 23% to civil associations, 14% to the industrial sector, 21% to the construction sector and 6% to the service sector.

The following table shows NBC's loan portfolio by type of client at and for the periods indicated:

	Evolution of Loans of NBC					At and for the three-month period ended March 31,	
	At and for the year ended December 31,					2015	2016
	2011	2012	2013	2014	2015	(in millions of ARS)	
Public.....	ARS 9.9	ARS 6.9	ARS 4.6	ARS 2.6	ARS 0.3	ARS 2.1	ARS 0.1
Financial	31.7	25.6	25.3	24.8	19.3	25.9	17.8
Private ⁽¹⁾	1,714.3	2,156.1	2,825.3	3,600.7	4,667.4	3,809.7	4,793.6
Total.....	1,755.9	2,188.6	2,855.2	3,628.0	4,687.0	3,837.8	4,811.5
Allowances ...	(32.8)	(51.34)	(82.4)	(123.1)	(156.0)	(132.8)	(167.7)
Total Net Loans	ARS 1,723.1	ARS 2,137.3	ARS 2,772.9	ARS 3,505.0	ARS 4,531.0	ARS 3,704.9	ARS 4,643.7

Source: Nuevo Banco del Chaco S.A.

⁽¹⁾ Includes assistance for hire purchases.

At December 31, 2012, the portfolio of total net loans increased by 24.03% as compared to 2011, mainly as a result of a 25.77% increase in private sector loans, which was offset by a 29.81% decrease in public sector loans, a 19.13% decrease in financial sector loans and a 56.75% increase in allowances.

At December 31, 2013, total net lending amounted to ARS 2.8 billion, which represented a 29.7% increase as compared to December 31, 2012, mainly due to a 31.0% increase in private sector loans, which was offset by a 33.2% decrease in public sector loans, a 1.2% decrease in financial sector loans and a 60.4% increase in allowances.

At December 31, 2014, total net lending amounted to ARS 3.5 billion, which represented a 26.4% increase as compared to December 31, 2013, mainly due to a 27.4% increase in private sector loans, which was offset by a 43.4% decrease in public sector loans, a 2.2% decrease in financial sector loans and a 49.5% increase in allowances.

At December 31, 2015, the portfolio of total net loans increased by 29.3% as compared to 2014, mainly as a result of a 29.6% increase in private sector loans, which was offset by a 90.2% decrease in public sector loans, a 22.3% decrease in financial sector loans and a 26.7% increase in allowances.

At March 31, 2016, net loans increased to ARS 4.6 billion, which represented a 25.3% increase as compared to March 31, 2015, mainly due to a 25.8% increase in private sector loans, which was offset by a 96.9% decrease in public sector loans, a 31.1% decrease in financial sector loans and a 26.3% increase in allowances.

Portfolio Quality and Solvency Provisions

The following table shows the bad loan rates for loans in NBC's portfolio and the provisions for the irregular portfolio for the indicated periods:

	As of December 31,					As of March 31,	
	2011	2012	2013	2014	2015	2015	2016
Irregular Portfolio / Financing.....	1.35%	2.57%	3.23%	3.69%	3.63%	3.52%	4.47%
Provisions / Irregular Portfolio	69.25%	93.06%	90.21%	91.40%	97.54%	98.81%	82.44%

Source: Nuevo Banco del Chaco S.A.

As of March 31, 2016, NBC's bad loan rate represented 4.31% of its portfolio. This increase in the bad loan rate in the portfolio is due to the increase in irregularities in the commercial loan portfolios, as a result of the adverse economic context in the country in recent years.

Sources of Funds

Deposits

As of March 31, 2016, deposits totaled ARS 6.4 billion and accounted for 91% of total liabilities. This amount represented an increase of ARS 1.1 billion, or 21%, as compared to March 31, 2015 and an increase of ARS 4.2 billion as compared to December 31, 2011.

Since 2011, deposits, mainly private sector deposits, have been growing at an average annual rate of 29% and have represented NBC's main source of funds. As of March 31, 2016, private sector deposits accounted for 79% of the total deposits; of these, 41% accounted for demand deposits, 57% for deposits and investment accounts and the remaining 2% for other deposits.

The table below shows the evolution of NBC's total deposits by sector in the periods indicated:

	As of December 31,					As of March 31,	
	2011	2012	2013	2014	2015	2015	2016
	(in millions of ARS)						
Non-financial public sector.....	ARS 638	ARS 836	ARS 904	ARS 1,223	ARS 1,214	ARS 1,552	ARS 1,351
Financial sector	5	6	6	14	9	14	1
Non-financial private sector	1,534	1,975	2,523	3,363	4,849	3,718	5,051
Current accounts	224	312	312	371	505	564	513
Savings accounts	489	632	864	1,163	1,702	1,090	1,538
Fixed term deposits	770	934	1,152	1,571	2,298	1,794	2,768
Investment accounts	0	20	90	92	148	93	46
Others	40	53	70	105	135	125	109
Interest and adjustments ...	11	23	35	60	60	52	78
Total.....	<u>ARS 2,177</u>	<u>ARS 2,817</u>	<u>ARS 3,433</u>	<u>ARS 4,601</u>	<u>ARS 6,072</u>	<u>ARS 5,285</u>	<u>ARS 6,403</u>

Source: Nuevo Banco del Chaco S.A.

At December 31, 2012, deposits totaled ARS 2.8 billion, which represented a 29.4% increase as compared to 2011, due to a 31% increase in deposits from public sector, a 25.6% increase in deposits from the financial sector and a 28.8% increase in deposits from the non-financial private sector.

At December 31, 2013, deposits totaled ARS 3.4 billion, which represented an increase of 21.4% as compared to 2012, mainly due to a 27.7% increase in non-financial private sector deposits.

At December 31, 2014, deposits totaled ARS 4.6 billion, which represented an increase of 34.0% as compared to 2013, due to a 35.3% increase in deposits from the public sector, a 138.3% increase in deposits from the financial sector and a 33.3% increase in deposits from the non-financial private sector.

At December 31, 2015, deposits totaled ARS 6.1 billion, which represented an increase of 32.0% as compared to 2014, mainly due to a 44.2% increase in non-financial private sector deposits.

At March 31, 2016, deposits amounted to ARS 6.4 billion, which represented an increase of 21.2% as compared to March 31, 2015, mainly due to a 35.9% increase in non-financial private deposits.

Other Sources of Funds

Although NBC's main funding sources are deposits, it also resorts to other funding sources, such as the interbank market (including through swaps with haircuts), bonds and financial trusts issuances in the Argentine capital markets.

Although NBC did not issue any financial trusts in 2015, in prior years it has issued the following five series of financial trusts:

Issue Date	Nuevo Banco del Chaco S.A. Financial Trusts	Nominal Value of Issuance
October 2009	NBC - Infrastructure Loans I	ARS 104,531,452
May 2010	NBC - Personal Loans I	ARS 26,799,555
April 2012	NBC - Personal Loans II	ARS 52,292,497
September 2012	NBC - Personal Loans III	ARS 87,735,295
March 2013	NBC - Personal loans IV	ARS 78,093,286
August 2014	NBC - Personal Loans V	ARS 90,884,019
	Total Issuances	ARS 440,336,104

Source: Nuevo Banco del Chaco S.A.

Liquidity and Financial Position

NBC has been improving its liquidity ratios in recent years. As of March 31, 2016, the ratio of liquid assets to deposits was 32%.

The following table describes NBC's liquidity ratios for the specified periods:

	As of December 31,					As of March 31,	
	2011	2012	2013	2014	2015	2015	2016
Liquid Assets/Deposits ...	18.0%	20.4%	20.2%	26.9%	29.1%	32.7%	32.4%
Liquidity Coverage Ratio.....	-	-	-	106%	120%	127%	138%

Source: Nuevo Banco del Chaco S.A.

Solvency Ratios

As of March 31, 2016, NBC's solvency ratio improved as compared to the same quarter of 2015. This ratio also improved as of December 31, 2015 when compared to the prior year.

The following table shows NBC's solvency ratios for the specified periods:

	As of December 31,					As of March 31,	
	2011	2012	2013	2014	2015	2015	2016
Equity/Assets.....	9.32%	8.54%	8.36%	7.28%	7.63%	7.10%	7.80%

Source: Nuevo Banco del Chaco S.A.

Net Profits

NBC's net profits for the first three months ended March 31, 2016 were ARS 38 million, representing a 60% increase as compared to the same period of the prior year. NBC's net profits for the year ended December 31,

2015 were ARS 156 million, representing an almost two-fold increase as compared to the year ended December 31, 2014.

Foreign Currency Exposure

As of March 31, 2016, NBC's foreign currency exposure was approximately ARS 61.1 million, which represented approximately 1.3% of its assets.

The following table shows the foreign currency exposure evolution of NBC:

	As of December 31,					As of March 31,	
	2011	2012	2013	2014	2015	2015	2016
	(in millions of ARS)						
USD Position....	13.17	22.39	30.28	98.26	89.84	74.61	56.62
Euro Position	1.53	4.86	3.01	2.97	3.70	3.57	4.43
Brazilian Real Position	1.66	0.03	2.83	1.42	2.00	0.19	0.05
Total.....	<u>16.36</u>	<u>27.28</u>	<u>36.12</u>	<u>102.64</u>	<u>95.54</u>	<u>78.37</u>	<u>61.10</u>

Source: Nuevo Banco del Chaco S.A.

DESCRIPTION OF THE NOTES

This section of this Luxembourg Listing Prospectus is only an overview of the material provisions of the Notes and the Indenture. The Province urges you to read the Indenture for a complete description of the Province's obligations and your rights as a holder of the Notes. Copies of the Indenture are available free of charge at the offices of the trustee and the Luxembourg listing agent.

The Notes were issued pursuant to the trust indenture between the Province and The Bank of New York Mellon as trustee dated as of August 18, 2016 (the "Indenture").

General Terms of the Notes

Basic Terms

The Notes:

- are direct, general, unconditional, unsecured and unsubordinated obligations of the Province;
- were initially issued in an aggregate principal amount of USD 250,000,000;
- will pay principal in three installments: 33.333% on August 18, 2022, 33.333% on August 18, 2023 and the remaining outstanding principal balance on August 18, 2024;
- will mature on August 18, 2024;
- are not redeemable before maturity at the option of the Province or repayable at the option of holders and not be entitled to the benefit of any sinking fund;
- are represented by Regulation S global securities (as defined below) and Restricted global securities (as defined below) (each sometimes referred to herein as a "global security," and together referred to herein as the "global securities") (see "—Registration and Book-Entry System"); and
- were issued in denominations of USD 150,000 and in integral multiples of USD 1,000 in excess thereof.

Interest on the Notes will:

- accrue at the rate of 9.375% per annum;
- accrue from August 18, 2016, or the most recent interest payment date;
- be payable semi-annually in arrears on February 18 and August 18 of each year, beginning on February 18, 2017; and
- be computed on the basis of a 360-day year comprised of twelve 30-day months.

Further Issuances

Under the terms of the Indenture, the Province may from time to time, without the consent of the holders of the Notes, create and issue additional notes of the same series and having terms and conditions which are the same as those of the Notes offered hereby in all respects, except for the issue date, issue price and first payment date of interest on the Notes; provided, that any additional Notes subsequently issued that are not fungible with the previously outstanding Notes for U.S. federal income tax purposes shall have a separate CUSIP, ISIN or other identifying number from the previously outstanding Notes. Additional Notes issued in a qualified reopening for U.S. federal income tax purposes will be consolidated with, and will form a single series with the previously outstanding Notes.

Status

The Notes are direct, general, unconditional, unsecured and unsubordinated obligations of the Province. The Notes rank and will rank without any preference among themselves and equally with all other existing and future unsecured and unsubordinated Public External Indebtedness of the Province. It is understood that this provision shall not be construed so as to require the Province to make payments under the Notes ratably with payments being made under any other Public External Indebtedness of the Province.

For purposes of the preceding paragraph, (A) “Public External Indebtedness” means any External Indebtedness of, or guaranteed by, the Province which (i) is publicly offered or privately placed in securities markets, (ii) is in the form of, or represented by, bonds, notes or other securities or any guarantees thereof and (iii) is, or was intended at the time of issue to be, quoted, listed or traded on any stock exchange, automated trading system or over-the-counter securities market (including securities eligible for sale pursuant to Rule 144A under the Securities Act, as amended (or any successor law or regulation of similar effect)), and (B) “External Indebtedness” means obligations for borrowed money or evidenced by bonds, notes, securities or other similar instruments denominated and payable or which at the option of the holder thereof may be payable in a currency other than the lawful currency of Argentina, regardless of whether that obligation is incurred or entered into within or outside Argentina.

Payment of Principal and Interest

Payments will be made to persons in whose names the Notes are registered at the close of business on the calendar day preceding the corresponding payment date. Payments of the principal of, premium, if any, or interest or other amounts due on the Notes (including Additional Amounts) on individual Notes represented by a global security registered in the name of The Depository Trust Company (“DTC”) or its nominee will be made to DTC or its nominee, as the case may be, as the registered owner of the global security representing such Notes. None of the Province, the trustee, any paying agent, any registrar, any transfer agent or any of their respective authorized agents will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the global securities or for maintaining, supervising, or reviewing any records relating to such beneficial ownership interests. The Province expects that DTC or its nominee, upon receipt of any payment of principal, interest or Additional Amounts, if any, in respect of a global security representing any Notes held by it or its nominee, will credit the accounts of DTC Participants (as defined below) with payments in amounts proportionate to their respective beneficial interests in the principal amount of such global security as shown on the records of DTC or its nominee. The Province also expects that payments by DTC Participants to owners of beneficial interests in such global security held through such DTC Participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such DTC Participants.

If any date for payments of interest, principal or other amounts contemplated herein is not a business day, the Province will make the payment on the next succeeding business day. Such payments will be deemed to have been made on the due date, and no interest on the Notes will accrue as a result of the delay in payment. As used herein, “business day” means any day that is not a Saturday or Sunday, and that is not a day on which banking or trust institutions are required or authorized by law, regulation or executive order to close in New York City or in the City of Buenos Aires (or in the city where the relevant paying or transfer agent is located).

If any money that the Province deposits with the trustee or any paying agent for the payment of the principal of, premium, if any, or interest or other amounts due on any Notes (including Additional Amounts) is not claimed at the end of two years after the applicable payment was due and payable, then the money will be repaid to the Province on the Province’s written request. The Province will hold such unclaimed money in trust for the relevant holders of those Notes. After any such repayment, neither the trustee nor any paying agent will be liable for the payment. However, the Province’s obligations to make payments on the Notes as they become due will not be affected until the expiration of the statute of limitations period specified in the Notes. To the extent permitted by law, claims against the Province for the payment of principal of, or interest on, the Notes (including Additional Amounts, as defined herein) must be made within five and two years, respectively, from the due date for payment thereof.

Additional Amounts

All payments by the Province in respect of the Notes will be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or other governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Argentina or the Province or any political subdivision or taxing authority or agency therein or thereof having the power to tax (for purposes of this paragraph, a “Relevant Tax”), unless the withholding or deduction of such Relevant Tax is required by law. In that event, the Province will pay such additional amounts (“Additional Amounts”) as may be necessary to ensure that the amounts received by the holders after such withholding or deduction will equal the respective amounts of principal and interest that would have been receivable in respect of the Notes in the absence of such withholding or deduction; except that no such Additional Amounts will be payable with respect to any Note:

- (1) to a holder (or to a third party on behalf of a holder) where such holder is liable for such Relevant Taxes in respect of a Note by reason of his having some connection with the Province or Argentina other than the mere holding of such Note, the receipt of principal, premium or interest in respect thereof, or the enforcement of rights thereunder; or
- (2) presented for payment by or on behalf of a holder who would have been able to avoid the withholding or deduction by presenting the relevant Note to another paying agent in a member state of the European Union; or
- (3) presented for payment more than thirty (30) days after the Relevant Date, as defined herein, except to the extent that the holder thereof would have been entitled to Additional Amounts on presenting the same for payment on the last day of such period of thirty (30) days; or
- (4) to a holder of the Note (or a third party on behalf of a holder) where such holder of the Note would not be liable for or subject to such deduction or withholding by making a declaration of non-residence or other claim for exemption or reduction to the relevant tax authorities if such holder of the Note is eligible to make such declaration or other claim and, after having been requested to make such a declaration or claim, such holder of the Note fails to timely do so, *provided* that (x) the Province has provided the holder with at least sixty (60) days’ prior written notice (in accordance with the terms of the Notes) of an opportunity to satisfy such a requirement or make such a declaration or claim, and (y) in no event shall such holder’s obligation to satisfy such a requirement or to make such a declaration or claim require such holder to provide any materially more onerous information, documents or other evidence than would be required to be provided had such holder been required to file IRS Forms W-8BEN, W-8BEN-E, W-8ECI, W-8EXP and/or W-8IMY.

As used in the preceding paragraph, “Relevant Date” in respect of a Note means the date on which payment in respect thereof becomes due or (if the full amount of the money payable on such date has not been received by the trustee on or prior to such due date) the date on which notice is duly given to the holders that such moneys have been so received and are available for payment.

The Province will furnish to the trustee documentation reasonably satisfactory to the trustee evidencing payment of any Relevant Taxes so deducted or withheld. Copies of such documentation will be made available by the trustee to holders upon written request to the trustee.

The Province will pay when due any present or future stamp, transfer, court or documentary taxes or any other excise tax or property taxes, charges or similar levies imposed by Argentina or the Province or any political subdivision or taxing authority or agency therein or thereof having the power to tax in connection with the execution, delivery or registration of the Notes or any other document or instrument relating thereto.

All references in this Luxembourg Listing Prospectus to principal of or interest on the Notes will include any Additional Amounts payable by the Province in respect of such principal or interest.

No Redemption

The Notes will not be redeemable before maturity at the option of the Province. The Notes will not be repayable before maturity at the option of holders. The Notes will not benefit from any sinking fund. The Province may at any time, however, purchase Notes and hold or resell them or surrender them to the trustee for cancellation.

Covenants

Negative Pledge

The Province will not, and it will not permit any of the Provincial Agencies to, for so long as any Note remains outstanding, create or permit to subsist any Lien, other than a Permitted Lien, upon the whole or any part of its or any of the Provincial Agencies' property or assets to secure any Indebtedness of the Province or any of the Provincial Agencies unless the Notes are secured equally and ratably with such Indebtedness.

As used herein, the term "Permitted Lien" means:

- (a) any Lien in existence on the date of the Indenture;
- (b) any Lien upon any property to secure Indebtedness of the Province or any Provincial Agency incurred specifically for the purpose of financing the acquisition of the property subject to such Lien;
- (c) any Lien securing Indebtedness incurred for the purpose of financing all or part of the costs of the acquisition, construction or development of a project; *provided* that the property over which such Lien is granted consists solely of the assets and revenues of such project or the ownership interest therein;
- (d) any replacement, renewal or extension of any Lien permitted by clauses (a) through (c) above upon the same property theretofore subject to such Lien, including any replacement, renewal or extension of such Lien resulting from the refinancing of the Indebtedness secured by such Lien; *provided* that the principal amount of any Indebtedness or refinanced Indebtedness, as the case may be, that is secured by such replaced, renewed or extended Lien may not be increased from its original principal amount in connection with such replacement renewal or extension; *provided, further*, that the Province shall not be permitted to replace, renew or extend any Lien in respect of Indebtedness to the federal government unless the federal government remains the creditor;
- (e) any Lien securing Indebtedness of the Province to (i) the federal government or (ii) any multilateral or bilateral government lending agency, export credit entity or development agency or (iii) the *Fondo de Garantía para la Sustentabilidad* of the *Administración Nacional de la Seguridad Social*, or ANSES, pursuant to the agreement dated May 18, 2016 between the federal government and the governors of certain provinces, including the Province, approved by Provincial Law No. 7,821 and Federal Law No. 27,260, encumbering the right of the Province to receive Co-Participation Payments; *provided* that the incurrence of such Indebtedness so secured will not cause the Co-Participation Secured Indebtedness Ratio to exceed 35% in the period that includes the most recent four consecutive fiscal quarters ending prior to the date of calculation;
- (f) any Liens that arise by operation of law, including any Lien in the form of a tax or other statutory Lien, other than for borrowed money; and
- (g) any Lien, other than Liens encumbering the Province's right to receive Co-Participation Payments, securing Indebtedness of the Province in an outstanding aggregate principal amount, together with any other Liens incurred pursuant to this clause (g), not to exceed at any time 15% of the Province's Revenues during the most recent four consecutive fiscal quarters immediately preceding the incurrence of such Lien.

Maintenance of Ranking

The Province will ensure that its obligations under the Notes will rank without any preference among themselves and equally with all other unsecured and unsubordinated Public External Indebtedness of the Province.

Government Approvals

The Province will take all necessary action to ensure that all governmental approvals, consents or licenses that are necessary under the laws of Argentina and the Province for the performance of the Notes and the Indenture by the Province or for the validity or enforceability thereof have been duly obtained and are in full force and effect.

The Province will take all necessary and appropriate action to provide for the inclusion in its annual budget, approved by the legislature of the Province, of all amounts reasonably expected by the Province to become due under the Notes during the time period covered by such budget; *provided* that (A) any payments, (i) made with respect to the Notes during any fiscal year prior to the adoption of the budget for such fiscal year by the legislature of the Province or (ii) made with respect to the Notes during any fiscal year for which provision is not made in the budget and approved or proposed for such fiscal year, will be validly made under the laws of Argentina and the Province, (B) the failure of the Province to have made the necessary and appropriate provisions in its annual budget for the payment of such amounts shall not constitute a defense to the legality or validity of any documents, order or decrees related thereto, and (C) the covenant described in this paragraph shall not be considered to impose any deadline for the submission of the proposed budget to the legislature of the Province or for the approval of the budget by the legislature of the Province.

Certain Definitions

The following is a summary of certain defined terms used in the indenture:

“Co-Participation Payments” means any transfers made by the federal government to the Province pursuant to Federal Law No. 23,548, as amended or replaced from time to time and any other law, decree or regulation governing the obligation of the federal government to distribute taxes collected by it to the Argentine provinces.

“Co-Participation Secured Indebtedness Ratio” is the percentage that is equal to (A) for the period of the four most recent consecutive fiscal quarters ending prior to the date of determination, the aggregate amount of payments of principal and interest (including any adjustments thereon for inflation) that will become due in such period, calculated to give pro forma effect to the incurrence of such Indebtedness and the application of proceeds therefrom, in respect of Indebtedness that is secured by a Lien on the Province’s right to receive Co-Participation Payments, divided by (B) the aggregate amount of Co-Participation Payments actually received by the Province during such period, multiplied by (C) 100.

“federal government” means the federal government of Argentina and, unless the context otherwise requires, each ministry, department, agency or regulatory authority thereof, excluding, for the purpose of the “Description of the Notes” only, unless the context otherwise requires, any corporation, trust, financial institution or other entity controlled by the federal government (e.g., ANSES).

“guarantee” means, with respect to any person, any guarantee, endorsement (*avales*) or similar obligation, direct or indirect, contingent or otherwise, of such person in respect of, and any obligation, direct or indirect, contingent or otherwise, of such person to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, Indebtedness or other obligation of any other person. The term “guarantee” used as a verb has a corresponding meaning.

“Indebtedness” means, with respect to any person, whether outstanding on the date of the issuance of the Notes or at any time thereafter: (i) all indebtedness of such person for borrowed money; (ii) all obligations of such person, contingent or otherwise, under or in respect of letters of credit, banker’s acceptances or similar instruments of such person, including reimbursement obligations; (iii) all obligations of such person to repay deposits with, or advances to, such person; (iv) all obligations of such person (other than those specified in clauses (i) and (ii) above) evidenced by bonds, debentures, notes or similar instruments; (v) all obligations of such person under any lease that are required to be classified and accounted for as capital lease obligations; (vi) all obligations of such person issued

or assumed as the deferred purchase price of property or services, all conditional sale obligations and obligations under any title retention agreement (excluding accounts payable in the ordinary course to the extent settled within one year); (vii) all guarantees of such person of any indebtedness or obligation of any other person specified in any clause above; and (viii) all indebtedness or obligations of any other person specified in any clause above which is secured by a Lien on any property or assets of such person, whether or not such person has assumed or become liable for the payment of such indebtedness or obligation. For the avoidance of doubt, the term “Indebtedness” will include any adjustments thereon for inflation, including, without limitation, CER and currency fluctuations.

“Lien” means any mortgage, pledge, security interest, hypothecation, condition sale or other title retention agreement or other similar encumbrance.

“Provincial Agency” means each agency, department, authority, statutory corporation or other statutory body or judicial entity of the Province or any fiduciary, trust or other fund created by provincial law or regulation, the Indebtedness of which is generally guaranteed in full (as to payment) by the Province either contractually or by operation of law.

“Revenues” means the cash receipts by the Province and any of the Provincial Agencies from Co-Participation Payments, from taxes levied by the Province and from royalties, fees, charges, concessions, licenses and all other tax and non-tax sources of income.

Events of Default and Acceleration of Maturity

Each of the following is an event of default with respect to the Notes:

- (a) The Province fails to pay any principal due on the Notes when due and payable for three (3) days after the applicable payment date; or
- (b) The Province fails to pay any interest or Additional Amounts due on the Notes when due and payable for thirty (30) days after the applicable payment date; or
- (c) The Province fails to duly perform or observe any term or obligation contained in the Notes or the Indenture, which failure continues unremedied for sixty (60) days after written notice thereof has been given to the Province by the trustee or to the Province (with a copy to the trustee) by the holders of not less than 25% of the aggregate principal amount of the Notes then outstanding; or
- (d) The Province or any Provincial Agency fails to make any payment when due, after any applicable grace periods, on any of its Indebtedness having an aggregate principal amount, individually or in the aggregate, greater than or equal to USD 10,000,000 (or its equivalent in other currencies); or
- (e) The Province fails to perform or observe any other condition or covenant, or any other event shall occur or condition exist, under any agreement or instrument relating to any Indebtedness of the Province or any Provincial Agency having an aggregate principal amount greater than or equal to USD 10,000,000 (or its equivalent in other currencies), and such failure continues after the applicable grace or notice period, if any, specified in the relevant document of the date of such failure if the effect of such failure, event or condition is to cause, or to permit the holder or holders of such Indebtedness to cause such Indebtedness to be declared to be due and payable prior to its stated maturity; or
- (f) Any representation, warranty or certification made by the Province (or any of its duly authorized officers or officials) in any Note, the Indenture or in any document, instrument or certificate delivered by the Province pursuant to any Note, or the Indenture shall prove to have been incorrect, incomplete or misleading in any material respect when made; *provided* that the same is reasonably likely to have a material adverse effect on the ability of the Province to perform its material obligations thereunder or the legality, validity or enforceability of any Note, the Indenture or any such document or instrument; or
- (g) The validity or enforceability of any of the Notes or the Indenture shall be contested by the Province, or any final decision by any court or agency from which no appeal may be or is taken shall purport to

render any provision of the Notes or any material provision of the Indenture invalid or unenforceable or purport to prevent or delay the performance or observance by the Province of any of its obligations under the Notes or any of its material obligations under the Indenture; or

- (h) The Province shall fail generally to pay its Indebtedness as it becomes due, or a moratorium on the payment of the Province's Indebtedness shall be declared by Argentina or the Province (including, without limitation, any moratorium that is limited to the Province's obligations denominated in any particular currency or currencies or to foreign creditors of the Province), or Argentina or the Province shall declare a general suspension of payment or a moratorium on the payment of debt of the Province (which does not expressly exclude the Notes); or
- (i) There has been entered against the Province or a Provincial Agency a final judgment, decree or order by a court of competent jurisdiction from which no appeal may be or is taken for the payment of an aggregate amount of money greater than or equal to USD 10,000,000 (or the equivalent thereof in another currency or currencies) and sixty (60) days shall have passed since the entry of such final judgment, decree or order without it having been satisfied or stayed; *provided* that this provision shall not apply to judgments of up to ARS 2.0 billion related to Resolution No. 858/91 of the Highest Court of Justice of the Province referred to in Provincial Laws No. 7,751 and 7,782; or
- (j) Any provincial constitutional provision, law, regulation, ordinance or decree necessary to enable the Province to perform its obligations under the Notes or the Indenture, or for the validity or enforceability thereof, shall expire, is withheld, revoked or terminated or otherwise ceases to remain in full force and effect, or is modified in a manner which materially adversely affects, or may reasonably be expected to materially adversely affect, any rights or claims of any of the holders of the Notes, or (B) any final decision by any court in Argentina having jurisdiction from which no appeal may be or is taken shall purport to render any material provision of the Notes or any material provision of the Indenture invalid or unenforceable, or purport to prevent or delay the performance or observance by the Province of its obligations under the Notes or under the Indenture, and, in each case, such expiration, withholding, revocation, termination, cessation, invalidity, unenforceability or delay shall continue in effect for a period of sixty (60) days.

If any of the events of default described above occurs and is continuing (whatever the reason for such event of default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body), holders of at least 25% of the aggregate principal amount of the Notes then outstanding may declare the principal amount of all the Notes then outstanding to be immediately due and payable by giving written notice to the Province (and to the trustee if given by the holders), unless prior to the date of such declaration all events of default in respect of the Notes have been cured.

If, at any time after the Notes shall have been declared due and payable, the Province shall pay or shall deposit (or cause to be paid or deposited) with the trustee a sum sufficient to pay all installments of interest and principal due upon all the Notes (with interest on overdue amounts of interest, to the extent permitted by law, and on such principal of each Note at the rate of interest specified in the Note, to the date of such payment) and such amount as shall be sufficient to cover the reasonable fees and expenses of the trustee, including, without limitation, the fees and expenses of its counsel, and if any and all events of default under the Notes, other than the non-payment of principal or interest on the Notes which shall have become due solely by declaration of acceleration, shall have been cured, waived or otherwise remedied, then, and in every such case, the holders of more than 50% in aggregate principal amount of the Notes then outstanding, by written notice to the Province and to the trustee, may, on behalf of the holders of all of the Notes, waive all defaults and rescind and annul such declaration and its consequences, but no such waiver or rescission and annulment shall extend to or shall affect any subsequent default, or shall impair any right consequent on any subsequent default.

Suits for Enforcement and Limitations on Suits by Holders

If an event of default for the Notes has occurred and is continuing, the trustee may, in its discretion, institute judicial action to enforce the rights of the holders. With the exception of a suit brought by a holder to

enforce its absolute right to receive payment of the principal of and interest on the Notes on the stated maturity date therefor (as that date may be amended or modified pursuant to the terms of the Notes, but without giving effect to any acceleration), a holder has no right to bring a suit, action or proceeding with respect to the Notes unless: (1) such holder has given written notice to the trustee that a default with respect to the Notes has occurred and is continuing; (2) holders of at least 25% of the aggregate principal amount outstanding of the Notes have instructed the trustee by specific written request to institute an action, suit or proceeding and provided an indemnity or other security as against the costs, expenses and liabilities to be incurred that is satisfactory to the trustee; and (3) sixty (60) days have passed since the trustee received the instruction and the indemnity, the trustee has failed to institute an action, suit or proceeding as directed and no direction inconsistent with such written request shall have been given to the trustee by a majority of holders of the outstanding Notes. Moreover, any such action commenced by a holder must be for the equal, ratable and common benefit of all holders of the Notes.

Meetings, Amendments and Waivers – Collective Action

The Province, in its discretion, may call a meeting of the holders of debt securities (including the Notes) at any time and from time to time regarding the debt securities or the Indenture. The Province will determine the time and place of the meeting and will notify the holders of the time, place and purpose of the meeting not fewer than thirty (30) days and not more than sixty (60) days prior to the date fixed for the meeting.

In addition, the Province or the trustee will call a meeting of the holders of a series of debt securities if the holders of not less than 10% of the aggregate principal amount of such series have delivered a written request to the Province or the trustee setting out the purpose of the meeting. The Province shall notify the trustee, and the trustee shall notify the holders within ten (10) days of receipt of such written request of the time and place of the meeting, which shall take place not less than thirty (30) and not more than sixty (60) days after the date on which such notification is given.

Only holders of debt securities and their proxies are entitled to vote at a meeting of holders. The Province will set out the procedures governing the conduct of the meeting and if additional procedures are required, the Province will consult with the trustee to establish such procedures as are customary in the market.

Modifications may also be approved by holders of the Notes pursuant to a written action consented to by holders of the requisite percentage of the Notes. If a proposed modification is to be approved by a written action, the Province shall solicit the consent of the relevant holders of the Notes to the proposed modification not less than ten (10), nor more than thirty (30), days prior to the expiration date for the receipt of such consents specified by the Province.

The holders of the outstanding Notes may generally approve any proposal by the Province to modify or take action with respect to the Indenture or the terms of the Notes with the affirmative vote (if approved at a meeting of the holders) or consent (if approved by written action) of holders of more than 50% of the outstanding aggregate principal amount of the Notes.

However, holders of any series of debt securities (including the Notes) may approve, by vote or consent through one of three modification methods provided below, any modification, amendment, supplement or waiver proposed by the Province that would do any of the following (such subjects referred to as “reserve matters”):

- change the date on which any amount is payable on the debt securities;
- reduce the principal amount of the debt securities (other than in accordance with the express terms of the debt securities and the Indenture);
- reduce the interest rate on the debt securities;
- change the method used to calculate any amount payable on the debt securities (other than in accordance with the express terms of the debt securities and the Indenture);
- change the currency of any amount payable on the debt securities;

- modify the Province's obligation to make any payments on the debt securities (including any redemption price therefor);
- change the identity of the obligor under the Notes;
- change the definition of "outstanding" debt securities or the percentage of affirmative votes or written consents, as the case may be, required to make a "reserve matter modification";
- change the definition of "uniformly applicable" or "reserve matter modification";
- authorize the trustee, on behalf of all holders of the debt securities, to exchange or substitute all the debt securities for, or convert all the debt securities into, other obligations or securities of the Province or any other person;
- change the legal ranking, governing law, submission to jurisdiction or waiver of immunities provisions of the terms of the debt securities; or
- change the place of payment to the bondholders.

A change to a reserve matter, including the payment terms of any series of debt securities (including the Notes), can be made without your consent, as long as the change is approved, pursuant to one of the three following modification methods, by vote or consent by:

- the holders of more than 75% of the aggregate principal amount of the outstanding Notes insofar as the change affects the Notes (but does not modify the terms of any other debt securities issued under the Indenture);
- where such proposed modification would affect the outstanding Notes and at least one other series of debt securities issued under the Indenture, the holders of more than 75% of the aggregate principal amount of the then outstanding debt securities of all of the series affected by the proposed modification, taken in the aggregate, if certain "uniformly applicable" requirements are met (defined in the Indenture as "cross-series modification with single aggregated voting"); or
- where such proposed modification would affect the outstanding Notes and at least one other series of debt securities issued under the Indenture, whether or not the "uniformly applicable" requirements are met, the holders of more than 66 ⅔% of the aggregate principal amount of the then outstanding debt securities of all of the series affected by the proposed modification, taken in the aggregate, and the holders of more than 50% of the aggregate principal amount of the then outstanding debt securities of each series affected by the modification, taken individually.

"Uniformly applicable," as used herein, means a modification by which holders of debt securities of all series affected by that modification are invited to exchange, convert or substitute their debt securities on the same terms for (x) the same new instruments or other consideration or (y) new instruments or other consideration from an identical menu of instruments or other consideration. It is understood that a modification will not be considered to be uniformly applicable if each exchanging, converting or substituting holder of debt securities of any series affected by that modification is not offered the same amount of consideration per amount of principal, the same amount of consideration per amount of interest accrued but unpaid and the same amount of consideration per amount of past due interest, respectively, as that offered to each other exchanging, converting or substituting holder of debt securities of any series affected by that modification (or, where a menu of instruments or other consideration is offered, each exchanging, converting or substituting holder of debt securities of any series affected by that modification is not offered the same amount of consideration per amount of principal, the same amount of consideration per amount of interest accrued but unpaid and the same amount of consideration per amount of past due interest, respectively, as that offered to each other exchanging, converting or substituting holder of debt securities of any series affected by that modification electing the same option under such menu of instruments).

Any modification consented to or approved by the holders of debt securities pursuant to the above provisions will be conclusive and binding on all holders of the relevant series of debt securities or all holders of all series of debt securities affected by a cross-series modification, as the case may be, whether or not they have given such consent, and on all future holders of those debt securities whether or not notation of such modification is made upon the debt securities. Any instrument given by or on behalf of any holder of a debt security in connection with any consent to or approval of any such modification will be conclusive and binding on all subsequent holders of that debt security.

The Province may select, in its discretion, any modification method for a reserve matter modification in accordance with the Indenture and designate which series of debt securities will be included for approval in the aggregate of modifications affecting two or more series of debt securities. Any selection of a modification method or designation of series to be included will be final for the purpose of that vote or consent solicitation.

Before soliciting any consent or vote of any holder of the debt securities (including the Notes) for any change to a reserve matter, the Province will provide the following information to the trustee for distribution to the holders of debt securities of any series that would be affected by the proposed modification:

- a description of the Province's economic and financial circumstances that are, in the Province's opinion, relevant to the request for the proposed modification, a description of the Province's existing debts and description of its broad policy reform program and provisional macroeconomic outlook;
- if the Province shall at the time have entered into an arrangement for financial assistance with multilateral and/or other major creditors or creditor groups and/or an agreement with any such creditors regarding debt relief, (x) a description of any such arrangement or agreement and (y) where permitted under the information disclosure policies of the multilateral or other creditors, as applicable, a copy of the arrangement or agreement;
- a description of the Province's proposed treatment of external debt instruments that are not affected by the proposed modification and its intentions with respect to any other major creditor groups; and
- if the Province is then seeking any reserved matter modification affecting any other series of debt securities, a description of that proposed modification.

For purposes of determining whether the required percentage of holders of the Notes or any series of debt securities has approved any amendment, modification or change to, or waiver of, the Notes, such other series of debt securities or the Indenture, or whether the required percentage of holders has delivered a notice of acceleration of the debt securities of that series, debt securities will be disregarded and deemed not to be outstanding and may not be counted in a vote or consent solicitation for or against a proposed modification if on the record date for the proposed modification or other action or instruction hereunder, the debt security is held by the Province or by a public sector instrumentality, or by a corporation, trust or other legal entity that is controlled by the Province or a public sector instrumentality, except that (x) debt securities held by the Province or any public sector instrumentality of the Province or by a corporation, trust or other legal entity that is controlled by the Province or a public sector instrumentality which have been pledged in good faith may be regarded as outstanding if the pledgee establishes, to the satisfaction of the trustee, the pledgee's right so to act with respect to such debt securities and that the pledgee is not the Province, or a public sector instrumentality, or a corporation, trust or other legal entity that is controlled by the Province or a public sector instrumentality, and in case of a dispute concerning such right, the advice of counsel shall be full protection in respect of any decision made by the trustee in accordance with such advice and any certificate, statement or opinion of counsel may be based, insofar as it relates to factual matters or information which is in the possession of the trustee, upon the certificate, statement or opinion of or representations by the trustee; and (y) in determining whether the trustee will be protected in relying upon any such action or instructions hereunder, or any notice from holders, only debt securities that a responsible officer of the trustee knows to be so owned or controlled will be so disregarded.

As used in the preceding paragraph, "public sector instrumentality" means any department, secretary, ministry or agency of the Province, and "control" means the power, directly or indirectly, through the ownership of voting securities or other ownership interests, by contract or otherwise, to direct the management of or elect or

appoint a majority of the board of directors or other persons performing similar functions in lieu of, or in addition to, the board of directors of that legal entity.

Other Amendments

The Province and the trustee may, without the vote or consent of any holder of debt securities (including the Notes) of a series, amend the Indenture or the debt securities of that series for the purpose of:

- adding to the Province's covenants for the benefit of the holders with respect to such series of debt securities;
- surrendering any of the Province's rights or powers with respect to the debt securities of that series;
- securing the debt securities of that series;
- curing any ambiguity or curing, correcting or supplementing any defective provision in the debt securities of that series or the Indenture;
- amending the debt securities of that series or the Indenture in any manner that the Province and the trustee may determine and that does not materially adversely affect the interests of any holders of the debt securities of that series; or
- correcting a manifest error of a formal, minor or technical nature.

Notices

The Province will mail notices to holders of certificated Notes at their registered addresses as reflected in the register maintained by the registrar. The Province will consider any mailed notice to have been given five (5) business days after it has been sent. The Province will give notices to the holders of a global security in accordance with the procedures and practices of the depositary and such notices shall be deemed given upon actual receipt thereof by the depositary.

The Province will also publish notices to the holders (a) in a leading newspaper having general circulation in the City of Buenos Aires, New York City and London (which is expected to be *La Nación* or *Ámbito Financiero*, *The Wall Street Journal* and the *Financial Times*, respectively) and (b) if and so long as the Notes are listed on the Euro MTF Market of the Luxembourg Stock Exchange and the rules of the exchange so require, in a leading newspaper having general circulation in Luxembourg (which is expected to be *Luxemburger Wort*) and on the website of the Luxembourg Stock Exchange at <http://www.bourse.lu>. If publication in a leading newspaper in Luxembourg is not practicable, the Province will publish such notices in a leading English language daily newspaper with general circulation in Europe. Any notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made.

Payment Procedure in the Event of Foreign Exchange Restrictions in Argentina

The Province has agreed that, if it is unable to obtain the full amount of U.S. dollars (referred to as "the specified currency") or to transfer such amounts outside of Argentina in order to make a payment of principal or interest on the Notes due to a restriction or prohibition on access to the foreign exchange market in Argentina, to the extent permitted by such restriction or prohibition, the Province will pay all such amounts then due by means of (i) purchasing U.S. dollar-denominated Argentine government bonds traded outside of Argentina or any other securities or public or private bonds issued in Argentina, with Argentine Pesos, and transferring and selling such instruments outside Argentina for the specified currency, or (ii) any other legal mechanism for the acquisition of the specified currency in any foreign exchange market. All costs, including any taxes, relative to such operations to obtain the specified currency will be borne by the Province.

Listing

Application has been made to list the Notes on the Luxembourg Stock Exchange for trading on the Euro MTF Market, and has been made to list and trade the Notes on the Merval, and to have the Notes admitted for trading on the MAE. Changed circumstances, including changes in listing requirements, could cause the Province to conclude that continued listing of the Notes on the Luxembourg Stock Exchange and/or the Merval is unduly burdensome. If the Province delists the Notes from the Luxembourg Stock Exchange and/or the Merval, the Province may seek an alternative listing, trading and/or quotation of the Notes by another listing authority, stock exchange and/or quotation system. If such an alternative listing, trading and/or quotation of the Notes is not available to the Province or is, in its commercially reasonable judgment, unduly burdensome, an alternative listing, trading and/or quotation of the Notes may not be obtained. Delisting the Notes may adversely affect your ability to resell the Notes in the secondary market.

Registration and Book-Entry System

Notes sold outside the United States in reliance on Regulation S will be represented by one or more global securities in definitive, fully registered form without interest coupons (collectively, “Regulation S global securities”) and will be deposited with the trustee, as custodian for The Depository Trust Company (“DTC”), and registered in the name of DTC or its nominee for the accounts of its direct and indirect participants (including Euroclear and Clearstream). Regulation S global securities will be subject to certain restrictions on transfer and will bear a legend to that effect as described under “Notice to Investors.”

Notes sold in reliance on Rule 144A under the Securities Act will be represented by one or more global securities in definitive, fully registered form without interest coupons (collectively, “Restricted global securities”) and will be deposited with the trustee, as custodian for DTC and registered in the name of DTC or its nominee. Restricted global securities will be subject to certain restrictions on transfer and will bear a legend to that effect as described under “Notice to Investors.”

Upon the issuance of Regulation S global securities and Restricted global securities, DTC or its custodian will credit, on its internal system, the respective principal amount of the individual beneficial interests represented by such global security to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the initial purchasers. Ownership of beneficial interests in a global security will be limited to persons who have accounts with DTC (“DTC Participants”) or persons who hold interests through DTC Participants. Ownership of beneficial interests in the global securities will be shown on, and the transfer of that ownership will be effected only through, records maintained by DTC or its nominee (with respect to interests of DTC Participants) and the records of DTC Participants (with respect to interests of persons other than DTC Participants).

So long as DTC or its nominee is the registered owner or holder of a global security, DTC, or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such global security for all purposes under the Indenture. No beneficial owner of an interest in a global security will be able to transfer that interest except in accordance with DTC’s applicable procedures, in addition to those provided for under the Indenture.

Investors may hold their interests in Regulation S global securities directly through Euroclear or Clearstream, if they are participants in such systems, or indirectly through organizations that are participants in such systems as indirect DTC Participants. Euroclear and Clearstream will hold interests in the Regulation S global securities on behalf of their participants through customers’ securities accounts in their respective names on the books of their respective depositories, which in turn will hold such interests in Regulation S global securities in customers’ securities accounts in the depositories’ names on the books of DTC. Investors that are qualified institutional buyers may hold their interests in Restricted global securities directly through DTC if they are DTC Participants, or indirectly through organizations that are DTC Participants.

Transfers between DTC Participants will be effected in accordance with DTC rules and procedures and will be settled in same-day funds. Transfers between participants in Euroclear and Clearstream will be effected in accordance with their respective rules and procedures. The laws of some states require that certain persons take

physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests in a global security to such persons may be limited because DTC can only act on behalf of DTC Participants, who in turn act on behalf of indirect participants and certain banks. Accordingly, the ability of a person having a beneficial interest in a global security to pledge such interest to persons or entities that do not participate in the DTC system, or otherwise take actions in respect of each interest, may be affected by the lack of a physical certificate for such interest.

Certificated Securities

The Province will issue certificated Notes, which shall bear the applicable legend referred to under “Notice to Investors,” in exchange for the global securities if: (i) DTC notifies the Province (a copy of such notice to be provided to the trustee by the Province) that it is at any time unwilling or unable to continue as a depository for the global securities or if at any time DTC ceases to be a “clearing agency” registered under the Exchange Act or if at any time DTC is no longer eligible to act as depository under the Indenture and, in each case, a successor depository is not appointed by the Province within ninety (90) days of such notice; (ii) the Province decides it no longer wishes to have all or part of the Notes represented by global securities; (iii) the trustee has instituted or been directed to institute any judicial proceeding to enforce the rights of the holder of a Note and the trustee has been advised by its legal counsel that it should obtain possession of the Notes for the proceeding; or (iv) there shall have occurred and be continuing an event of default with respect to the Notes. Holders of an interest in a global security may receive certificated Notes, which may bear the applicable legend referred to under “Notice to Investors,” in accordance with DTC’s rules and procedures in addition to those provided for under the Indenture.

The holder of a certificated Note may transfer such Note by surrendering it at the office or agency maintained by the Province for such purpose in the Borough of Manhattan, The City of New York, which initially will be the Corporate Trust Office of the trustee. Upon the transfer, exchange or replacement of certificated Notes bearing a restrictive legend, or upon specific request for removal of the legend on a certificated Note, the Province will deliver only certificated Notes that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the Province and the trustee such evidence as shall be satisfactory to the Province, which may include an opinion of counsel, as may reasonably be required by the Province and the trustee, that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

In connection with the exchange of interests in a global security for Notes in certificated form under any of the conditions described above, such interest in a global security will be deemed to be surrendered to the trustee for cancellation, and the Province will execute, and will instruct the trustee to authenticate and deliver, to each beneficial owner identified by DTC, in exchange for its beneficial interest in such global security, an equal aggregate principal amount of certificated Notes.

If the Province issues certificated Notes, they will have the same terms and authorized denominations as the Notes. You will receive payment of principal, interest and premiums, if any, in respect of certificated Notes at the offices of the trustee in New York City and, if applicable, at the offices of any paying agent. You may present certificated Notes for transfer or exchange according to the procedures in the Indenture at the corporate trust office of the trustee in New York City and, if applicable, at the offices of any other transfer agent appointed by the Province.

The Luxembourg Stock Exchange will be informed before the Province issues certificated Notes in exchange for the global security held by the trustee as custodian for DTC.

You may be charged for any stamp duty, tax or other governmental charge that must be paid in connection with the transfer, exchange or registration of transfer of Notes and any other expenses (including the fees and expenses of the trustee) connected with the preparation and issuance of the substitute Note. The Province, the trustee and any of their respective authorized agents may treat the person in whose name any Note is registered as the owner of such Note for all purposes.

If any Note becomes mutilated, destroyed, stolen or lost, you can replace it by delivering the Note or evidence of its loss, theft or destruction to the trustee. The Province and the trustee may require you to provide an indemnity satisfactory to the Province and the trustee under which you agree to pay the Province, the trustee or any

agent appointed by the Province for any losses they may suffer relating to the Note that was mutilated, destroyed, stolen or lost. The Province and the trustee may also require you to present other documents or proof. After you deliver these documents, if neither the Province nor the trustee has notice that a protected purchaser has acquired the Note that you are exchanging, the Province will execute, and the trustee will authenticate and deliver to you, a substitute note with the same terms as the Note you are exchanging. You will be required to pay all expenses and reasonable charges associated with the replacement of this certificated Note.

Governing Law

The Indenture is, and the Notes are, governed by and construed in accordance with the law of the State of New York.

Submission to Jurisdiction

Under U.S. law, the Province is a political subdivision of a sovereign state. Consequently, it may be difficult for holders of Notes to obtain or realize judgments from courts in the United States or elsewhere against the Province. Attachment prior to judgment or attachment in aid of execution will not be ordered by courts of Argentina or the Province with respect to public property if such property is located in Argentina and is included within the provisions of Articles 234, 235 and 237 of the Argentine Civil and Commercial Code, or directly provides an essential public service. Furthermore, it may be difficult for the trustee or holders to enforce, in the United States or elsewhere, the judgments of U.S. or foreign courts against the Province.

In connection with any legal action or proceeding arising out of or relating to the Notes (subject to the exceptions described below), the Province has agreed:

- to submit to the jurisdiction of any New York state and/or U.S. federal court sitting in New York City in the Borough of Manhattan and any appellate court of either thereof;
- that all claims in respect of such legal action or proceeding may be heard and determined in such New York state or U.S. federal court and the Province will waive, to the fullest extent permitted by law, any objection to venue or the defense of an inconvenient forum to the maintenance of such action or proceeding; and
- to appoint Corporation Service Company as its authorized agent, which is presently located at 1180 Avenue of the Americas, Suite 210, New York, NY 10036-8401, United States of America.

The process agent will receive, on behalf of the Province and its property, service of any summons and complaint and any other process that may be served in any such legal action or proceeding brought in such New York state or U.S. federal court sitting in New York City in the Borough of Manhattan. Service may be made by mailing or delivering a copy of such process to the Province in the care of the authorized agent at the address specified above for such authorized agent.

A final, non-appealable judgment in any of the above legal actions or proceedings will be conclusive and may be enforced by a suit upon such judgment in any other manner provided by applicable law.

In addition to the foregoing, the trustee and the holders of Notes may serve legal process in any other manner permitted by applicable law. The above provisions do not limit the right of the trustee or any holder to bring any action or proceeding against the Province or its property in other courts where jurisdiction is independently established.

To the extent that the Province has or hereafter may acquire any immunity (sovereign or otherwise) in respect of its obligations under the Notes and/or the Indenture from jurisdiction of any court or from any legal process (whether through service of notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) with respect to itself or its property (except for property considered of the public domain or dedicated to the purpose of an essential public service or otherwise exempt from attachment or seizure under applicable Argentine and provincial law), the Province will irrevocably waive such immunity in respect of its obligations under the Indenture or the Notes, and, without limiting the generality of the foregoing, the Province agrees that the waivers

set forth in the Indenture shall have the fullest scope permitted under the Foreign Sovereign Immunities Act of 1976 of the United States, as amended (the “Immunities Act”), and are intended to be irrevocable for purposes of such Act. Notwithstanding the foregoing, the Province reserves the right to plead sovereign immunity under the Immunities Act with respect to actions or proceedings brought against it under U.S. federal securities laws or any state securities laws, and the Province’s appointment of a process agent is not intended to extend to such actions or proceedings.

Holders may be required to post a bond or other security with the Argentine courts as a condition to the institution, prosecution or completion of any action or proceeding (including appeals) arising out of or relating to the Notes filed in those courts.

A judgment obtained against the Province in a foreign court may be enforced in the Supreme Court of the Republic of Argentina. Based on current law, the Supreme Court of the Republic of Argentina will enforce such a judgment in accordance with the terms and conditions of the treaties entered into between Argentina and the country in which the judgment was issued. In the event there are no such treaties, the Supreme Court of the Republic of Argentina will enforce the judgment if it:

- complies with all formalities required for the enforceability thereof under the laws of the country in which it was issued;
- has been translated into Spanish, together with all related documents, and it satisfies the authentication requirements of the laws of Argentina;
- was issued by a competent court, according to Argentine principles of international law, as a consequence of a personal action (action *in personam*) or a real action (action *in rem*) over a movable property if it has been moved to Argentina during or after the time the trial was held before a foreign court;
- was issued after serving due notice and giving an opportunity to the defendant to present its case;
- is not subject to further appeal;
- is not against Argentine public policy; and
- is not incompatible with another judgment previously or simultaneously issued by an Argentine court.

Currency Indemnity

The Province agrees that, if a judgment or order given or made by any court for the payment of any amount in respect of the Indenture or any Note to the holders thereof or the trustee is expressed in a currency (the “Judgment Currency”) other than the specified currency, the Province shall indemnify each of the trustee and the relevant holders of Notes against any deficiency arising or resulting from any variation in rates of exchange between the date as of which the specified currency is notionally converted into the Judgment Currency for the purposes of such judgment or order and the date actual payment thereof is received (or could have been received) by converting the amount in the Judgment Currency into the specified currency promptly after receipt thereof at the prevailing rate of exchange in a foreign exchange market reasonably selected by such holders of Notes or the trustee, as applicable. This indemnity will constitute a separate and independent obligation from the other obligations contained in the Indenture and the Notes and will give rise to a separate and independent cause of action.

The recipient, however, agrees that, if the amount of the agreement currency purchased exceeds the amount originally to be paid to such recipient, the recipient will reimburse the excess to the Province. The recipient, however, will not be obligated to make this reimbursement if the Province is in default of its obligations under the Indenture or the Notes.

Concerning the Trustee

The Indenture contains provisions relating to the obligations, rights, duties and protections of the trustee, to the indemnification of the trustee and the liability and responsibility, including limitations, for actions that the trustee takes. The trustee is entitled to enter into business transactions with the Province or any of its affiliates without accounting for any profit resulting from such transactions.

Paying Agents; Transfer Agents; Registrar

The Province will maintain a paying agent, a transfer agent and a registrar in New York City and a paying agent and a transfer agent in a member state of the European Union (which, so long as the Notes are listed on the Euro MTF Market of the Luxembourg Stock Exchange and the rules of the Exchange so require, will be in Luxembourg). The Province will give prompt notice to the trustee and all holders of Notes of any future appointment or any resignation or removal of any paying agent, transfer agent or registrar or of any change by any paying agent, transfer agent or registrar in any of its specified offices.

NOTICE TO INVESTORS

The distribution of this Luxembourg Listing Prospectus is restricted by law in certain jurisdictions. Persons into whose possession this Luxembourg Listing Prospectus comes are required by the Province to inform themselves of and to observe any of these restrictions.

This Luxembourg Listing Prospectus does not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction in which an offer or solicitation is not authorized or in which the person making an offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make an offer or solicitation. Neither the Province nor the initial purchasers accept any responsibility for any violation by any person of the restrictions applicable in any jurisdiction.

The Notes are subject to the following restrictions on transfer. Holders of Notes are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of their Notes. By acquiring Notes, holders will be deemed to have made the following acknowledgements, representations to and agreements with the Province and the initial purchasers:

- (1) You acknowledge that:
 - the Notes have not been registered under the Securities Act or the securities laws of any other jurisdiction and are being offered for resale in transactions that do not require registration under the Securities Act or the securities laws of any other jurisdiction; and
 - unless so registered, the Notes may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or any other applicable securities laws, and in each case in compliance with the conditions for transfer set forth below;
- (2) You represent that you are not an affiliate (as defined in Rule 144 under the Securities Act) of the Province and you are not acting on behalf of the Province and that either:
 - you are a QIB (as defined in Rule 144A under the Securities Act) and are acquiring the Notes for your own account or for the account of another QIB, and you are aware that the initial purchasers are selling the Notes to you in reliance on Rule 144A under the Securities Act; or
 - you are not a U.S. person and are purchasing the Notes in an offshore transaction in accordance with Regulation S under the Securities Act;
- (3) You agree on your own behalf and on behalf of any investor account for which you are purchasing Notes, and each subsequent holder of Notes by its acceptance of the Notes will agree, that the Notes may be offered, sold or otherwise transferred only:
 - to the Province;
 - inside the United States to a QIB (as defined in Rule 144A) in compliance with Rule 144A under the Securities Act;
 - outside the United States in compliance with Rule 903 or 904 under the Securities Act; or
 - pursuant to a registration statement that has been declared effective under the Securities Act.
- (4) You acknowledge that the Province and the trustee reserve the right to require, in connection with any offer, sale or other transfer of Notes, the delivery of written certifications and/or other information satisfactory to the Province as to compliance with the transfer restrictions referred to above;

- (5) You agree to deliver to each person to whom you transfer Notes, notice of any restrictions on transfer of such Notes; and

- (6) You acknowledge that each Rule 144A global security will bear a legend to the following effect:

“THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND MAY NOT BE RESOLD, PLEDGED, OR OTHERWISE TRANSFERRED EXCEPT AS PERMITTED BY THE FOLLOWING SENTENCES. THE HOLDER HEREOF, BY ITS ACCEPTANCE OF THIS NOTE, REPRESENTS, ACKNOWLEDGES AND AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR ACCOUNT FOR WHICH IT HAS PURCHASED SECURITIES THAT IT WILL NOT RESELL, PLEDGE OR OTHERWISE TRANSFER THIS NOTE EXCEPT (A) TO THE ISSUER, (B) IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER, (C) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT OR (D) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF THE UNITED STATES OR OF ANY STATE THEREIN. THIS NOTE AND ANY RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON REALES AND OTHER TRANSFERS OF THIS NOTE TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO THE RESALE OR TRANSFER OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS NOTE SHALL BE DEEMED BY THE ACCEPTANCE OF THIS NOTE TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT.

THIS LEGEND MAY ONLY BE REMOVED WITH THE CONSENT OF THE ISSUER.”

- (7) You acknowledge that each Regulation S global security will bear a legend to the following effect:

“THIS NOTE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND, PRIOR TO THE EXPIRATION OF 40 DAYS FROM THE LATER OF (1) THE DATE ON WHICH THIS NOTE WAS FIRST OFFERED AND (2) THE DATE OF ISSUANCE OF THIS NOTE, MAY NOT BE OFFERED, SOLD OR DELIVERED IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON EXCEPT (A) TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING FOR ITS OWN ACCOUNT OR THE ACCOUNT OF ONE OR MORE OTHER QUALIFIED INSTITUTIONAL BUYERS IN ACCORDANCE WITH RULE 144A, OR (B) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR 904 OF REGULATION S. THE HOLDER HEREOF, BY PURCHASING THIS NOTE, REPRESENTS AND AGREES FOR THE BENEFIT OF THE ISSUER THAT IT WILL NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE RESALE RESTRICTIONS REFERRED TO ABOVE. THIS NOTE AND ANY RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON REALES AND OTHER TRANSFERS OF THIS NOTE TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO THE RESALE OR TRANSFER OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS NOTE SHALL BE DEEMED BY THE ACCEPTANCE OF THIS NOTE TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT.”

You acknowledge that the Province, the initial purchasers and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations, warranties and agreements. You agree that if any of the acknowledgments, representations or warranties deemed to have been made by your purchase of Notes is no longer accurate, you shall promptly notify the Province and the initial purchasers. If you are acquiring any Notes as a fiduciary or agent for one or more investor accounts, you represent that you have sole investment discretion with respect to each of those accounts and that you have full power to make the foregoing acknowledgments, representations, warranties and agreements on behalf of each account.

Notice to Prospective Investors in Canada

The Notes may be sold only to purchasers purchasing or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus supplement (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 *Underwriting Conflicts* ("NI33-105"), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Notice to Prospective Investors in the European Economic Area

In relation to each Member State of the European Economic Area (Iceland, Norway and Liechtenstein in addition to the member states of the European Union) which has implemented the Prospectus Directive (each, a "Relevant Member State"), the initial purchasers and the Co-Managers have represented and agreed that with effect from and including the date on which the Prospectus Directive (as defined below) is implemented in that Relevant Member State (the "Relevant Implementation Date") it has not made and will not make an offer to the public of any Notes which are the subject of the offering contemplated by this Luxembourg Listing Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State (the "Securities") except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Securities to the public in that Relevant Member State:

- to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant dealer or dealers nominated by us for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer of Securities shall require us, the initial purchasers nor the Co-Managers, to publish a prospectus pursuant to Article 3 of the Prospectus Directive or a supplemental prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression "an offer to the public" in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and, the expression "Prospectus Directive" means Directive

2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in each Relevant Member State.

The European Economic Area selling restriction is in addition to any other selling restrictions included in this Luxembourg Listing Prospectus.

Notice to Prospective Investors in Hong Kong

This Luxembourg Listing Prospectus has not been approved by or registered with the Securities and Futures Commission of Hong Kong or the Registrar of Companies of Hong Kong. The Notes will not be offered or sold in Hong Kong other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the Notes which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) has been issued or will be issued in Hong Kong or elsewhere other than with respect to Notes which are or are intended to be disposed of only to persons outside of Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Notice to Prospective Investors in Singapore

This Luxembourg Listing Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offering may not be circulated or distributed, nor may the Notes be offered, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act (Chapter 289) (the “SFA”), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. Where the Notes are subscribed for under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, then securities, debentures and units of securities and debentures of that corporation or the beneficiaries’ rights and interest in that trust shall not be transferable for six months after that corporation or that trust has acquired the Notes under Section 275 except: (i) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA; (ii) where no consideration is given for the transfer; or (iii) by operation of law.

Notice to Prospective Investors in the United Kingdom

This Luxembourg Listing Prospectus is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “Financial Promotion Order”), (ii) are persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations etc.”) of the Financial Promotion Order, or (iii) are outside the United Kingdom (all such persons together being referred to as “relevant persons”). This Luxembourg Listing Prospectus is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Luxembourg Listing Prospectus relates is available only to relevant persons and will be engaged in only with relevant persons.

Each Initial Purchaser has represented and agreed, and each further Initial Purchaser appointed hereunder will be required to represent and agree, that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the

Financial Services and Markets Act 2000 of the United Kingdom, or “FSMA”) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Province; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

TAXATION

The following discussion summarizes certain Argentine, provincial, and U.S. federal income tax considerations that may be relevant to you if you purchase, own or sell the Notes. This summary is based on laws, regulations, rulings and decisions now in effect in each of these jurisdictions, including any relevant tax treaties. Any change could apply retroactively and could affect the continued validity of this summary.

This summary does not describe all of the tax considerations that may be relevant to you or your situation, particularly if you are subject to special tax rules.

You should consult your tax advisor about the tax consequences of the acquisition, ownership and disposition of the Notes, including the relevance to your particular situation of the considerations discussed below, as well as of any foreign, state, local or other tax laws.

The following discussion does not address tax consequences applicable to holders of the Notes in particular jurisdictions that may be relevant to such holder. Holders of the Notes are urged to consult their own tax advisors as to the overall tax consequences of the acquisition, ownership and disposition of the Notes in relevant jurisdictions.

Argentine Tax Consequences

General

The following is a general summary of certain Argentine tax consequences resulting from the beneficial ownership of the Notes by certain holders. While this description is considered to be a correct interpretation of Argentine laws and regulations in force as of August 10, 2016, no assurance can be given that the courts or fiscal authorities responsible for the administration of such laws will agree with this interpretation or that changes to such laws will not occur, which may also have retroactive effects.

Income Tax

Interest

Unless otherwise stated hereinafter, interest on the Notes will be exempt from Argentine Income Tax (IT) according to Article 36 bis of Law 23,576, the Negotiable Obligations Law.

Decree No. 1076/92, as amended by Decree No. 1157/92, ratified by Law No. 24,307 (the Decree), however, eliminated the above exemption for holders who are subject to Title VI of the Argentine Income Tax Act (in general, entities organized or incorporated under Argentine law, Argentine branches of foreign entities and sole proprietorships and individuals who conduct certain business in Argentina (hereinafter referred to as the Argentine Entities)). Consequently, interest paid to Argentine Entities is subject to the IT as provided for by applicable Argentine tax law and regulations.

In the event of any withholding or deduction of any Relevant Taxes in respect of payments on the Notes, the Province has undertaken to make payments of additional amounts, subject to certain limitations, as will result in receipt by the holders of the amounts that would otherwise have been receivable by them in respect of payments on such Notes in the absence of such withholdings or deduction. See “Description of the Notes—Additional Amounts.”

Capital Gains

According to Article 36 bis of the Negotiable Obligations Law, individuals, either resident in Argentina or not, and foreign entities without a permanent establishment in Argentina, will not be subject to the payment of IT on income derived from the sale, exchange, conversion or other disposition of the Notes provided that the Notes are placed through a public offering. The Province expects that the issuance of the Notes will satisfy the conditions of Article 36 of the Negotiable Obligations Law.

Argentine law provides generally that tax exemptions do not apply when, as a result of the application of an exemption, revenue that would have been collected by the Argentine tax authority would be collected instead by a foreign tax authority (Articles 21 of the Income Tax Law and 106 of the Tax Proceedings Law). This principle, however, does not apply to holders who are foreign beneficiaries.

Argentine Entities are subject to the payment of IT at a rate of 35.0% on income derived from the sale, exchange, conversion or other disposition of the Notes.

Value Added Tax (VAT)

Any financial transaction and operation related to the issuance, placement, purchase, transfer, payment of principal and/or interest or redemption of the Notes will be exempt from VAT provided that the conditions of Section 36 of the Negotiable Obligations Law are fulfilled. The Province expects that the issuance of the Notes will satisfy the conditions of Section 36 of the Negotiable Obligations Law.

Personal Assets Tax

Under Law No. 23,966 regarding personal assets tax (PAT), individuals and undivided estates (regardless of their domicile and location) are subject to personal assets tax on their holdings at December 31 of each year.

However, individuals and undivided estates (regardless of their domicile and location) are exempt from PAT on their holdings of any bond or security issued either by the Argentine federal government, an Argentine province or a municipality, such as the Notes.

In certain cases, assets held by companies or other entities domiciled or settled abroad (offshore entities) are presumed to be owned by individuals or undivided estates domiciled or settled in Argentina and, consequently, are subject to the PAT. However, this presumption is not applicable when the assets are notes or securities issued either by the Argentine federal government, an Argentine province or a municipality.

Presumed Minimum Income Tax

The tax on presumed minimum income (the PMIT) is levied on the potential income from the ownership of certain income-generating assets. Corporations domiciled in Argentina as well as the branches and permanent establishments in Argentina of companies or other entities incorporated abroad, among others, are subject to the tax at the rate of 1.0% (0.2% in the case of financial entities subject to Law No. 21,526, leasing entities and insurance entities) if the value of their assets exceeds ARS 200,000 at the end of a given economic period. If the value of the assets exceeds ARS 200,000, the total assets of the entity that are subject to taxation shall be taxable.

This tax will only be paid if the IT determined for any fiscal year does not equal or exceed the amount owed under the PMIT. On the other hand, if the PMIT exceeds the IT owed in the same fiscal year, only the difference shall be paid as PMIT. Any PMIT paid will be applied as a credit toward IT owed in the immediately following ten fiscal years.

PMIT is scheduled to be abrogated for fiscal years ending after January 1, 2019.

Tax on Debits and Credits on Bank Accounts

Law No. 25,413, as amended and regulated, establishes, with certain exceptions, a tax levied on debits from and credits to bank accounts maintained at financial institutions located in Argentina and on other transactions that are used as a substitute for the use of bank checking accounts. The general tax rate is 0.6% for each debit and credit; however increased tax rates of 1.2% and reduced rates of 0.075% may apply in certain cases. To the extent that holders of the Notes receive payments by utilizing local bank checking accounts, such tax may apply.

Pursuant to Decree No. 534/00 (published in the Official Gazette on May 3, 2004), 34% of the tax paid on credits levied with the 0.6% tax rate and 17% of the tax paid on transactions levied with the 1.2% tax rate will be considered as a payment on account of IT and PMIT. Any unutilized portion of such 34% or 17%, as applicable, can be carried-forward to subsequent fiscal periods.

Debits and credits in banking accounts in accordance with Communication “A” 3250 of the Central Bank used by foreign entities for financial investments in Argentina are exempt from this tax.

Transfer Taxes

No Argentine transfer taxes are applicable to the sale and transfer of the Notes.

Court Tax

In the event that it becomes necessary to institute enforcement proceedings in relation with the Notes (i) in the federal courts of Argentina or the courts sitting in the City of Buenos Aires, a court tax (currently at a rate of 3.0%) will be imposed on the amount of any claim brought before such courts; or (ii) in the courts of the Province, certain court (currently assessed at 2.0%) and other taxes will be imposed on the amount of any claim brought before such courts.

Provincial Tax Consequences

The Notes as well as the income derived therefrom are exempt from all taxes imposed by the Province, including stamp tax and gross income tax.

In the event of the imposition of any deduction or withholding for or on account of any taxes, duties, assessments or other governmental charges on the payment by the Province in respect of the Notes, the Province has undertaken to make payments of additional amounts, subject to certain limitations, as will result in receipt by the holders of the amounts that would otherwise have been receivable by them in respect of payments on such Notes in the absence of such withholdings or deduction. See “Description of the Notes – Additional Amounts.”

The Province of Buenos Aires establishes a tax on gratuitous transfer of properties, which may apply if the beneficiaries are domiciled in the Province of Buenos Aires or if the assets being distributed, such as the Notes, are located therein. The tax is levied on any increase in assets that results from a gratuitous title transfer, including inheritances, legacies and gifts. Any gratuitous transfer of property lower than or equal to ARS 78,000 is exempt. This amount is increased to ARS 325,000 in the case of transfers among parents, sons, daughters and spouses. The amount to be taxed, which includes a fixed component and a variable component that is based on differential rates (which range from 4% to 21.9%), varies according to the property value to be transferred and the degree of kinship of the parties involved.

The Province of Entre Ríos, by virtue of Law No. 10,197 (published in the Official Gazette on January 24, 2013), implemented a tax on gratuitous transfer of assets on a provincial level that may apply if the beneficiaries are domiciled in Entre Ríos or if the transferred assets are located within said jurisdiction. The taxable event and the applicable rates are similar to the ones described for the Province of Buenos Aires.

Pursuant to Decree 2554/2014 (published in the Official Gazette of Entre Ríos dated October 24, 2014) the gratuitous transfer of assets shall not be subject to this tax if the aggregate value is equal or less than Ps. 60,000, or Ps. 250,000 if the transfer were done between parents, sons or spouses.

Prospective investors in Argentina should consider the tax consequences of the Argentine province in which they are located.

U.S. Federal Income Tax Consequences

The following summary contains a description of certain U.S. federal income tax consequences of the purchase, ownership and disposition of the Notes by a “United States person.” As used herein, the term “United States person” means an individual who is a citizen or resident of the United States, a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia, an estate the income of which is subject to U.S. federal income taxation regardless of its source or a trust if (i) a U.S. court is able to exercise primary supervision over the trust’s administration and (ii) one or more United States persons have the authority to control all of the trust’s substantial decisions, and the term “United States” means only the United States of America (including the states thereof and the District of Columbia).

This summary only addresses initial purchasers of the Notes that purchase the Notes at their initial offering price and hold the Notes as “capital assets” within the meaning of the U.S. Internal Revenue Code of 1986, as amended (the “Code”). It does not address considerations that may be relevant to you if you are an investor that is subject to special tax rules, such as a bank, thrift, real estate investment trust, regulated investment company, insurance company, dealer in securities or currencies, trader in securities or commodities that elects “mark-to-market” treatment, investor that will hold the Notes as a hedge against currency risk or as a position in a “straddle” or conversion transaction, partnership (and partners therein) or other entity or arrangement treated as a partnership for U.S. federal income tax purposes, person subject to the U.S. federal alternative minimum tax, tax-exempt organization or a United States person (as defined above) whose “functional currency” is not the U.S. dollar. In addition, this summary does not address the alternative minimum tax, the Medicare tax on net investment income or other aspects of U.S. federal income or state and local taxation, or any tax consequences arising out of the laws of any non-U.S. jurisdiction, that may be relevant to a United States person.

Payments of Interest

If you are a United States person, the interest you receive on the Notes will generally be subject to U.S. federal income taxation and will be considered ordinary interest income on which you will be taxed in accordance with the method of accounting that you generally use for tax purposes. A United States person will also be required to include in gross income as interest any withholding tax paid (if any) and additional amounts paid (if any) with respect to withholding tax on the Notes (as described under “Description of the Notes—Additional Amounts”), including foreign withholding tax on payments of such additional amounts.

Interest received or accrued on the Notes will constitute foreign source “passive category income” to most United States persons for U.S. foreign tax credit purposes. If Argentine or other foreign withholding taxes are imposed, United States persons will be treated as having actually received an amount equal to the amount of such taxes and as having paid such amount to the relevant taxing authority. As a result, the amount of interest income included in gross income by a United States person would be greater than the amount of cash actually received by the United States person in such instance. A United States person may be able, subject to certain generally applicable limitations, to claim a foreign tax credit (or, alternatively, a deduction if the United States person has elected to deduct all foreign income taxes for that taxable year) for foreign withholding taxes imposed on payments of interest (including any additional amounts, as described under “Description of the Notes—Additional Amounts”). The calculation of U.S. foreign tax credits and, in the case of a United States person that elects to deduct foreign income taxes, the availability of deductions involves the application of complex rules that depend on a United States person’s particular circumstances. United States persons should, therefore, consult their own tax advisors regarding the application of the U.S. foreign tax credit rules to interest income (including additional amounts) on the Notes.

Disposition of Notes

When the Notes are sold, redeemed, retired or otherwise disposed, you generally will recognize capital gain or loss equal to the difference between an amount you realize on the transaction and your adjusted tax basis in the Notes (except that any amount attributable to accrued and unpaid interest will be treated as a payment of interest for U.S. federal income tax purposes). Your adjusted tax basis in a Note generally will equal the cost of the Note to you, reduced by payments of principal previously received in respect of such Note. If you are a United States person who is an individual, estate or trust and the Note being sold, exchanged or otherwise disposed of is a capital asset held by you for more than one year, you may be eligible for reduced rates of taxation on any capital gain realized. Your ability to deduct capital losses is subject to limitations.

Gain or loss recognized by you on the sale, redemption, retirement or other taxable disposition of a Note generally will be U.S. source gain or loss. Accordingly, if Argentine or other withholding tax is imposed on the sale or disposition of the Notes, you may not be able to fully utilize your U.S. foreign tax credits in respect of such withholding tax unless you have other foreign source income. Prospective investors should consult their own tax advisors as to the U.S. and foreign tax credit implications of such sale, redemption, retirement or other taxable disposition of a Note.

Information Reporting and Backup Withholding

Information returns will generally be filed with the U.S. Internal Revenue Service with respect to payments made to certain United States persons on the Notes. In addition, certain United States persons may be subject to U.S. backup withholding tax in respect of such payments if they do not provide their taxpayer identification numbers to the applicable withholding agent and comply with applicable certification requirements. Such United States persons may also be subject to information reporting and backup withholding requirements with respect to proceeds from a sale of the Notes under similar circumstances. Any amounts withheld under the backup withholding tax rules will be allowed as a refund or credit against your U.S. federal income tax liability, provided that you timely furnish the required information to the U.S. Internal Revenue Service.

Individual U.S. persons that own “specified foreign financial assets” with an aggregate value in excess of USD 50,000 are generally required to file an information statement along with their tax returns, currently on Form 8938, with respect to such assets. “Specified foreign financial assets” include any financial accounts held at a non-U.S. financial institution, as well as securities issued by a non-U.S. issuer (which would include the Notes) that are not held in accounts maintained by financial institutions. Higher reporting thresholds apply to certain individuals living abroad and to certain married individuals. Regulations extend this reporting requirement to certain entities that are treated as formed or availed of to hold direct or indirect interests in specified foreign financial assets based on certain objective criteria. U.S. persons who fail to report the required information could be subject to substantial penalties. Prospective investors should consult their own tax advisors concerning the application of these rules to their investment in the Notes, including the application of the rules to their particular circumstances.

The Proposed European Financial Transaction Tax

The European Commission has published a proposal (the “Commission’s Proposal”) for a Directive for a common financial transaction tax (“FTT”) in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “participating Member States”). However, Estonia has since stated that it will not participate.

The Commission’s Proposal has very broad scope and could, if introduced in its current form, apply to certain dealings in Notes in certain circumstances.

Under the Commission’s Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT remains subject to negotiation between the participating Member States and the legality of the proposal is uncertain. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate and/ or certain of the participating Member States may decide to withdraw.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

PLAN OF DISTRIBUTION

The Province intends to offer the Notes to the initial purchasers BNP Paribas Securities Corp. and UBS Securities LLC.

Subject to the terms and conditions contained in a purchase agreement between the Province and the initial purchasers, the Province has agreed to sell to the initial purchasers, and the initial purchasers have agreed, severally and not jointly, to purchase from the Province, the entire principal amount of the Notes in the proportions set out below:

Initial Purchaser	Principal Amount of Notes
BNP Paribas Securities Corp.	USD 125,000,000
UBS Securities LLC	125,000,000
Total	USD 250,000,000

The initial purchasers have agreed, severally and not jointly, to purchase all of the Notes being sold pursuant to the purchase agreement if any of these Notes are purchased. The initial purchasers have advised the Province that they propose initially to offer the Notes at the price listed on the cover page of this Luxembourg Listing Prospectus.

The Province has agreed to indemnify the initial purchasers and their affiliates against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the initial purchasers may be required to make in respect of those liabilities.

The initial purchasers are offering the Notes, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the Notes, and other conditions contained in the purchase agreement, such as the receipt by the initial purchasers of officer's certificates and legal opinions. The initial purchasers reserve the right to withdraw, cancel or modify offers to investors and to reject orders in whole or in part.

The Province delivered the Notes against payment for the Notes on August 18, 2016, which was the fifth business day following the date of the pricing of the Notes. Under Rule 15c6-1 of the Exchange Act, trades in the secondary market are generally required to settle in three business days unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Notes on the date of pricing or on the next succeeding business days will be required to specify an alternate settlement cycle at the time of any such trade to prevent failed settlement.

Notes Are Not Being Registered

The initial purchasers propose to offer the Notes for resale in transactions not requiring registration under the Securities Act or applicable state securities laws, including sales pursuant to Rule 144A. The initial purchasers will not offer or sell the Notes except:

- to persons they reasonably believe to be QIBs; or
- pursuant to offers and sales to non-U.S. persons that occur outside the United States within the meaning of Regulation S.

Notes sold pursuant to Regulation S may not be offered or resold in the United States or to U.S. persons (as defined in Regulation S), except under an exemption from the registration requirements of the Securities Act or under a registration statement declared effective under the Securities Act.

Each purchaser of the Notes will be deemed to have made acknowledgments, representations and agreements as described under "Notice to Investors."

The initial purchasers will represent, warrant and undertake in the purchase agreement that:

- they have only communicated or caused to be communicated, and will only communicate or cause to be communicated, an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Market Act 2000 of the United Kingdom) in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of Financial Services and Market Act 2000 of the United Kingdom does not apply to the Province; and
- they have complied and will comply with all applicable provisions of the Financial Services and Market Act 2000 of the United Kingdom with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

New Issue of Notes

The Notes are a new issue of securities. The initial purchasers have advised the Province that they or their affiliates presently may make a market in the Notes after completion of this offering. However, they are under no obligation to do so and may discontinue any market-making activities at any time without any notice.

The Notes are expected to be admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange, and listed and traded on the MERVAL and traded on the MAE. However, that does not ensure that a liquid or active public trading market for the Notes will develop. If an active trading market for the Notes does not develop, the market price and liquidity of the Notes may be adversely affected. If the Notes are traded, they may trade at a discount from their initial offering price, depending on prevailing interest rates, the market for similar securities, the Province's performance and other factors.

No Sales of Similar Securities

We have agreed that we will not, for a period of 120 days after August 10, 2016, without the prior written consent of BNP Paribas Securities Corp. and UBS Securities LLC, offer, sell, contract to sell or otherwise dispose of, directly or indirectly, any debt securities issued or guaranteed by the Province, having a tenor of more than one year in the international capital markets, except for the Notes sold to the initial purchasers pursuant to the purchase agreement.

Price Stabilization and Short Positions

In connection with the offering, the initial purchasers may engage in transactions that stabilize the market price of the Notes. Such transactions consist of bids or purchases to peg, fix or maintain the price of the Notes. If the initial purchasers create a short position in the Notes in connection with the offering, i.e., if they sell more Notes than are listed on the cover page of this Luxembourg Listing Prospectus, the initial purchasers may reduce that short position by purchasing Notes in the open market. Purchases of a security to stabilize the price or to reduce a short position may cause the price of the security to be higher than it might be in the absence of such purchases.

Neither the Province nor the initial purchasers makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the Notes. In addition, neither the Province nor the initial purchasers makes any representation that the initial purchasers will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Other Relationships

The initial purchasers and their respective affiliates are full-service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services.

The initial purchasers and their affiliates have engaged in, and may in the future engage in, investment banking, commercial banking and other financial services and commercial dealings in the ordinary course of business with the Province. They have received and will receive customary fees and commissions for these transactions.

In addition, in the ordinary course of their business activities, the initial purchasers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Province or the Province's affiliates. To the extent that certain of the initial purchasers or their affiliates have a lending relationship with the Province now or in the future, they would routinely hedge their credit exposure to the Province consistent with their customary risk management policies. Typically, the initial purchasers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Province's securities, including potentially, the Notes offered hereby. Any such short positions could adversely affect future trading prices of the Notes offered hereby. The initial purchasers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

OFFICIAL STATEMENTS

Information in this Luxembourg Listing Prospectus that is identified as being derived from a publication of Argentina, the Province or one of their respective agencies or instrumentalities, including NBC, relies on the authority of such publication as a public official document of Argentina or the Province, as the case may be. The Province has not independently verified the information in this Luxembourg Listing Prospectus that is identified as being derived from a publication of Argentina and makes no representation as to its accuracy or completeness. All other information and statements set forth herein relating to the Province are included as public official statements made on the authority of the Province.

VALIDITY OF THE NOTES

The validity of the Notes will be passed upon for the Province by Cleary Gottlieb Steen & Hamilton LLP, United States counsel to the Province and by Cabanellas Etchebarne Kelly, Argentine counsel to the Province, and by the *Fiscal de Estado* (Attorney General) of the Province; and for the initial purchasers by Simpson Thacher & Bartlett LLP, United States counsel to the initial purchasers, and Perez Alati, Grondona, Benites, Arntsen & Martínez de Hoz (h), Argentine counsel to the initial purchasers.

As to all matters of Argentine and provincial law, Cleary Gottlieb Steen & Hamilton LLP may rely on the opinions of Cabanellas Etchebarne Kelly, Argentine counsel to the Province and the *Fiscal de Estado* (Attorney General) of the Province, and Simpson Thacher & Bartlett LLP may rely upon the opinion of Perez Alati, Grondona, Benites, Arntsen & Martínez de Hoz (h). As to all matters of United States law, Cabanellas Etchebarne Kelly and the *Fiscal de Estado* (Attorney General) of the Province may rely on the opinion of Cleary Gottlieb Steen & Hamilton LLP, and Perez Alati, Grondona, Benites, Arntsen & Martínez de Hoz (h) may rely on the opinion of Simpson Thacher & Bartlett LLP.

GENERAL INFORMATION

The Province

The Province has authorized the creation and issue of the Notes pursuant to the Law No. 7,782, dated April 26, 2016, Decree No.1,358/16 dated July 7, 2016 and Resolution of the Provincial Ministry of Finance No. 489/16 dated August 10, 2016.

Except as disclosed in this Luxembourg Listing Prospectus, since June 30, 2016, there has been no material adverse change in the revenues or expenditures, or financial position, of the Province.

Listing and Listing Agent

Application has been made to list the Notes on the Luxembourg Stock Exchange and for the Notes to trade on the Euro MTF Market of the Luxembourg Stock Exchange. Application has also been made to list and trade the

Notes on the Merval and to trade the Notes on the MAE. The Luxembourg listing agent is The Bank of New York Mellon (Luxembourg) S.A.

Documents Relating to the Notes

Copies of the Indenture, this Luxembourg Listing Prospectus and the forms of the Notes may be inspected free of charge during normal business hours on any day, except Saturdays, Sundays and public holidays in Luxembourg, at the offices of the listing agent in Luxembourg, as long as the Notes are listed on the Luxembourg Stock Exchange. Copies of this Luxembourg Listing Prospectus may be obtained during normal business hours on any day except Saturdays, Sundays and public holidays, at the offices of the listing agent in Luxembourg, as long as the Notes are listed on the Luxembourg Stock Exchange.

Notices

For so long as any of the Notes are listed on the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange shall so require, all notices to holders of Notes shall be published either in a newspaper with general circulation in Luxembourg (which is expected to be the *Luxemburger Wort* or the *Tageblatt*) or on the website of the Luxembourg Stock Exchange (www.bourse.lu) or otherwise in compliance with the relevant listing rules of the Luxembourg Stock Exchange.

Clearing

The Notes have been accepted for clearance and settlement through the DTC clearance system. The relevant trading information is set forth in the following table:

Notes Offered	CUSIP Number	ISIN Number	Common Codes
Rule 144A	157223 AA6	US157223AA64	147952988
Regulation S	P2389C AA1	USP2389CAA10	147885458



ISSUER

The Government of the Province of Chaco

Marcelo T. de Alvear N° 145 – 1st Floor
Resistencia, Chaco (3500) – Argentina

INITIAL PURCHASERS

BNP Paribas Securities Corp.
787 Seventh Avenue
New York, New York 10019
United States

UBS Securities LLC
1285 Avenue of the Americas
New York, New York 10019
United States

TRUSTEE, PAYING AGENT, TRANSFER AGENT AND REGISTRAR

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101 Barclay Street, 7th Floor East
New York, NY 10286

LUXEMBOURG LISTING AGENT, PAYING AGENT AND TRANSFER AGENT

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The Province of Chaco

(A Province of Argentina)

USD 250,000,000
9.375% Notes Due 2024

LUXEMBOURG LISTING PROSPECTUS

Joint Bookrunners

BNP PARIBAS

**UBS Investment
Bank**

Local Co-Manager

Nuevo Banco del Chaco

August 23, 2016